

ELLI MAN

REPORT

Q1 2019

BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES

Median Sales Price

3.8%

PACE

Months of Supply

1.8 mos.

SALES

Closed Sales

8.1%

INVENTORY

Total Inventory

56.8%

MARKETING TIME

Days on Market

10 days

NEGOTIABILITY

Listing Discount

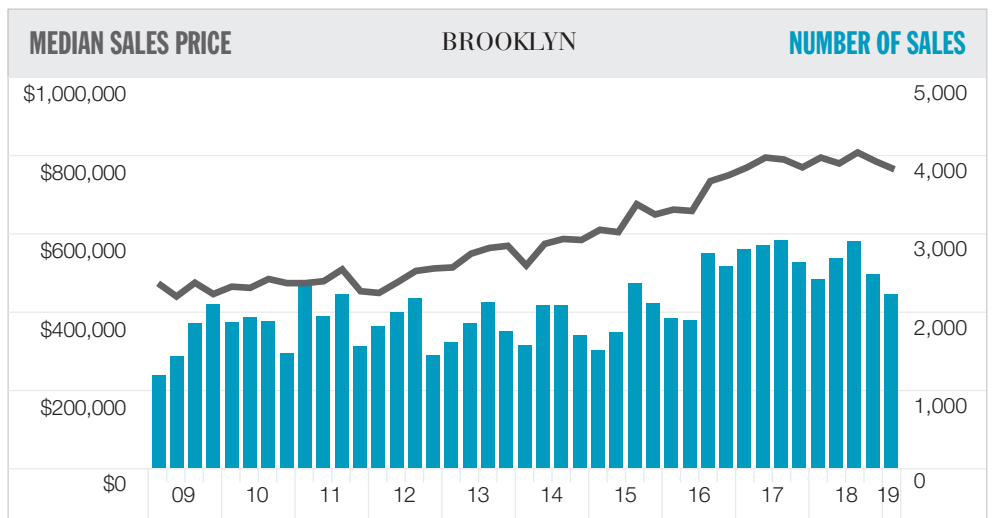
0.6%

- The number of sales declined year over year for the fifth consecutive quarter
- Listing inventory rose annually for the fourth straight quarter
- Price trends set record highs last fall, which appears to represent a market peak

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

“The market pace remained fast, but sales and price trends have started to slip.”

Brooklyn Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$964,324	-3.4%	\$998,050	-1.8%	\$982,093
Median Sales Price	\$765,000	-2.5%	\$785,000	-3.8%	\$795,000
Number of Sales	2,216	-10.4%	2,474	-8.1%	2,411
Days on Market (From Last List Date)	94	20.5%	78	11.9%	84
Listing Discount (From Last List Price)	5.6%		3.4%		5.0%
Listing Inventory	3,203	7.0%	2,993	56.8%	2,043
Months of Supply	4.3	19.4%	3.6	72.0%	2.5
Year-to-Date	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price (YTD)	\$964,324	N/A	N/A	-1.8%	\$982,093
Median Sales Price (YTD)	\$765,000	N/A	N/A	-3.8%	\$795,000
Number of Sales (YTD)	2,216	N/A	N/A	-8.1%	2,411



The market pace of the Brooklyn market has shifted from blistering to fast from a steady dose of additional inventory and reduced sales levels. There were 2,216 sales in the first quarter of 2019, 8.1% less than the year-ago quarter and the fifth straight quarter of year over year declines. Surprisingly, the “sweet spot” of the market for sales growth was within the \$3 million to \$4 million range as the only one to see an increase in sales, up 14.7% to 39 sales from the same period last year. Listing inventory rose 56.8% to 3,203 from the same period the previous year, the end of an era of chronically low inventory.

To be clear, the rapid rise in supply over the past year still falls short of the ten-year quarter average of 3,671 listings and the pace of the market remains fast. Uncertainty related to the new federal tax law implemented in early 2018 and affordability pressures has played a role in the slowing down the still brisk market pace. The months of supply, the number of months to sell all listing inventory at the current rate of sales, was 4.3 months, more than double the record pace of 1.9 months set in the third quarter of 2017. For context, the Manhattan months of supply was 9.4 months, a pace that was more than twice as

slow as Brooklyn. The average days on market, the number of days from the last price change to the contract date, was 94 days, 11.9% slower than the same period the previous year. Listing discount, the percentage change from the last list price to the contract price, was 5.6% up from 5% in the prior-year quarter and was the highest level reached in nearly four years. After nine consecutive quarters where median sales price reached new records or the second or third highest levels that have ever been recorded, the last two quarters have shown weaker results.

Median sales price declined 3.8% to \$765,000, and average sales price decreased 1.8% to \$964,324 respectively from the year-ago quarter. The number of sales that sold above the last asking price, inferring that a bidding war took place, was 17.8%, down from 18.1% in the same period the previous year. In analyzing property types by median sales price, co-ops were the only type to see an increase year over year, up 3.9% to \$445,000. The median sales price for 1-3 family sales fell 4.3% to \$861,750 from the prior year quarter. The median sales price of a condo

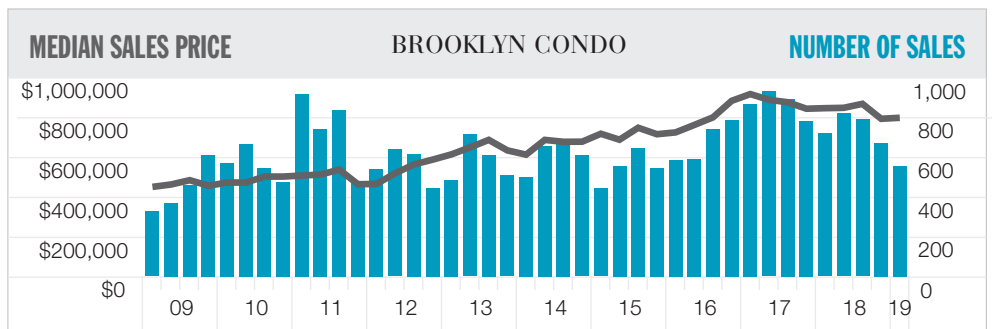
was \$810,000, down 5.6% over the same period. Luxury median sales price, representing the top 10% of all sales, rose 3.1% to \$2,500,000 over the same period, the second highest on record. The entry-threshold for the luxury market, was \$1,825,000, down nominally by 0.8% from the same period last year. With the 31.5% increase in listing inventory, the months of supply for the luxury market slowed to 3.7 months from 2.6 months in the prior year quarter but remained at a brisk pace.

CONDOS

- Condo sales represented the lowest market share of total sales in more than twelve years
- Price trend indicators declined as marketing time and negotiability expanded
- The pace of the market remained fast despite the increase in listing inventory

Quintiles	Med. Sales Price	%Δ (YR)
5/5	\$1,749,400	-7.8%
4/5	\$1,110,295	-0.8%
3/5	\$810,000	-5.6%
2/5	\$639,913	-3.8%
1/5	\$441,680	-2.0%

Condo Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$1,000,769	0.4%	\$996,475	-4.2%	\$1,045,015
Average Price Per Sq Ft	\$949	-10.6%	\$1,062	-12.4%	\$1,083
Median Sales Price	\$810,000	0.6%	\$805,000	-5.6%	\$858,177
Number of Sales	557	-17.5%	675	-22.9%	722
Days on Market (From Last List Date)	102	39.7%	73	13.3%	90
Listing Discount (From Last List Price)	4.3%		5.4%		3.1%
Listing Inventory	821	14.5%	717	38.0%	595
Months of Supply	4.4	37.5%	3.2	76.0%	2.5

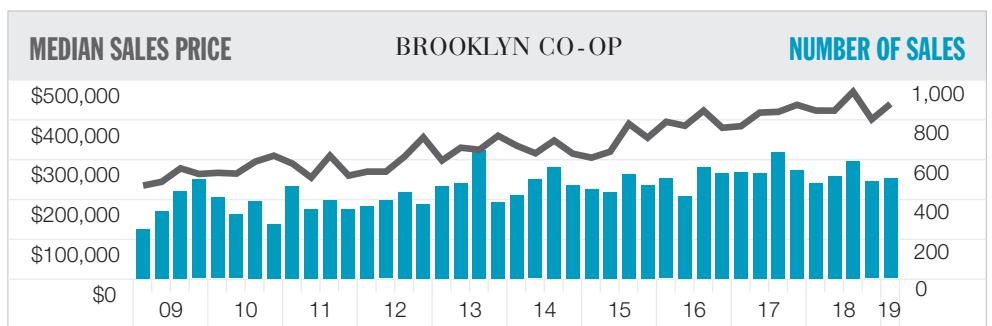


CO-OPS

- Average and median sales price expanded despite the decline in average sales size
- The number of sales rose year over year after four consecutive quarters of declines
- Listing inventory increased as marketing time edged higher

Quintiles	Med. Sales Price	%Δ (YR)
5/5	\$1,133,100	0.7%
4/5	\$644,100	4.7%
3/5	\$445,000	3.9%
2/5	\$313,400	4.8%
1/5	\$212,000	10.4%

Co-op Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$595,819	9.3%	\$545,232	3.5%	\$575,917
Median Sales Price	\$445,000	9.5%	\$406,250	3.9%	\$428,211
Number of Sales	505	3.1%	490	4.8%	482
Days on Market (From Last List Date)	81	-4.7%	85	2.5%	79
Listing Discount (From Last List Price)	7.7%		1.5%		3.2%
Listing Inventory	391	18.1%	331	3.7%	377
Months of Supply	2.3	15.0%	2.0	0.0%	2.3



1-3 FAMILY

- Price trend indicators showed mixed results as sales slipped
- Listing inventory surged, slowing the pace of the market
- Marketing time expanded with less negotiability

Quintiles	Med. Sales Price	%Δ (YR)
5/5	\$2,126,250	9.0%
4/5	\$1,241,000	-0.7%
3/5	\$861,750	-4.3%
2/5	\$670,000	1.5%
1/5	\$445,975	4.3%

Brooklyn Market by LOCATION

NORTH

- Price trend indicators rose sharply as sales continued to slide
- Marketing time tightened, and negotiability expanded

SOUTH

- Average sales price slipped year over year, breaking a four-quarter streak of setting records
- Median sales price edged higher as the number of sales declined

EAST

- The first quarter of the past eight that the median sales price fell short of a record
- Number of sales edged higher as negotiability expanded

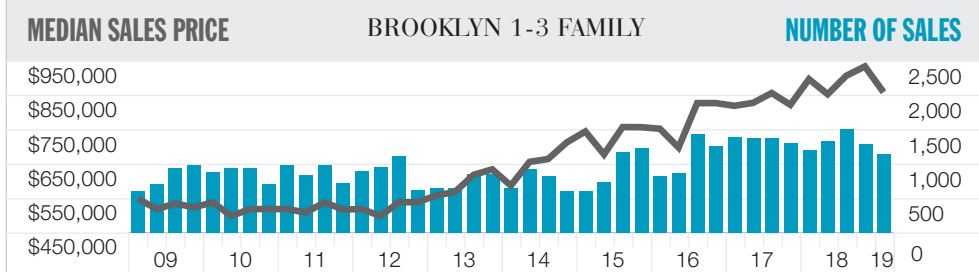
NORTHWEST

- All price trend indicators slipped as sales declined
- Shorter market time with more negotiability

BROWNSTONE

- Price trend indicators showed mixed results as 2 and 3-family median price set records
- Number of sales and marketing time continued to decrease

1-3 Family Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$1,107,993	-5.7%	\$1,174,415	0.1%	\$1,106,656
Average Price Per Sq Ft	\$567	-4.2%	\$592	12.9%	\$502
Median Sales Price	\$861,750	-8.1%	\$937,206	-4.3%	\$900,000
Number of Sales	1,154	-10.6%	1,291	-4.4%	1,207
Days on Market (From Last List Date)	100	29.9%	77	25.0%	80
Listing Discount (From Last List Price)	5.9%		2.7%		8.5%
Listing Inventory	1,991	2.4%	1,945	85.9%	1,071
Months of Supply	5.2	15.6%	4.5	92.6%	2.7



North Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$1,438,771	15.3%	\$1,247,985	11.5%	\$1,290,677
Average Price Per Sq Ft	\$1,181	16.6%	\$1,013	31.8%	\$896
Condo	\$1,233	20.6%	\$1,022	22.7%	\$1,005
Median Sales Price	\$1,261,303	22.0%	\$1,034,125	16.0%	\$1,087,500
Number of Sales	140	-17.6%	170	-19.5%	174

South Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$764,239	-4.2%	\$798,034	-0.8%	\$770,161
Median Sales Price	\$660,000	-1.5%	\$670,000	1.3%	\$651,590
Condo	\$615,000	-0.5%	\$618,021	0.0%	\$615,004
Co-op	\$320,000	6.7%	\$300,000	6.7%	\$300,000
1-3 Family	\$820,000	-6.3%	\$875,000	-3.5%	\$850,000
Number of Sales	1,147	-16.3%	1,371	-7.5%	1,240

East Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$840,668	-2.6%	\$862,710	-2.2%	\$859,410
Median Sales Price	\$730,000	-6.4%	\$779,500	-5.5%	\$772,500
Condo	\$660,000	-6.4%	\$705,000	-5.9%	\$701,159
1-3 Family	\$780,000	-2.5%	\$800,000	-5.5%	\$825,000
Number of Sales	479	2.8%	466	2.8%	466

Northwest Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$1,458,337	-10.5%	\$1,629,316	-1.7%	\$1,483,549
Median Sales Price	\$1,150,775	0.3%	\$1,147,334	-1.5%	\$1,168,000
Condo	\$1,242,500	-3.1%	\$1,282,500	-4.0%	\$1,294,500
Co-op	\$760,000	3.4%	\$735,000	6.3%	\$715,000
1-3 Family	\$2,500,000	2.9%	\$2,430,000	11.1%	\$2,250,000
Number of Sales	450	-3.6%	467	-15.3%	531

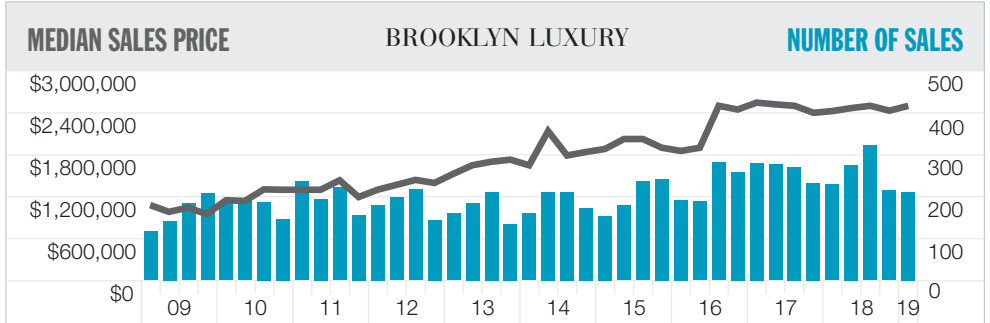
Brownstone Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$2,483,376	-11.6%	\$2,809,161	-1.6%	\$2,522,806
Average Price Per Sq Ft	\$1,162	-21.1%	\$1,472	18.3%	\$982
Median Sales Price	\$2,500,000	2.9%	\$2,430,000	11.1%	\$2,250,000
1-Family	\$2,375,000	-22.1%	\$3,050,000	-1.0%	\$2,399,000
2-Family	\$2,500,000	4.2%	\$2,400,000	26.9%	\$1,970,000
3-Family	\$2,787,000	5.6%	\$2,640,000	14.6%	\$2,431,250
Number of Sales	85	4.9%	81	-16.7%	102

LUXURY

- Sales priced between \$3 million and \$4 million were the only price strata with an increase
- Median sales price rose to the second highest level on record
- Listing inventory increased year over year for the fourth straight quarter

Luxury Mix	Luxury Sales Share	Median Sales Price
Condo	20.9%	\$2,387,500
Co-op	7.6%	\$2,675,000
1-3 Family	71.6%	\$2,500,000

Luxury Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$2,724,093	-11.8%	\$3,088,772	-2.3%	\$2,788,647
Median Sales Price	\$2,500,000	2.9%	\$2,430,000	3.1%	\$2,425,000
Number of Sales	211	-1.9%	215	-7.9%	229
Days on Market (From Last List Date)	105	72.1%	61	1.9%	103
Listing Discount (From Last List Price)	5.7%		2.6%		5.5%
Listing Inventory	259	29.5%	200	31.5%	197
Months of Supply	3.7	32.1%	2.8	42.3%	2.6
Entry-Price Threshold	\$1,825,000	-0.8%	\$1,840,000	-0.8%	\$1,839,857



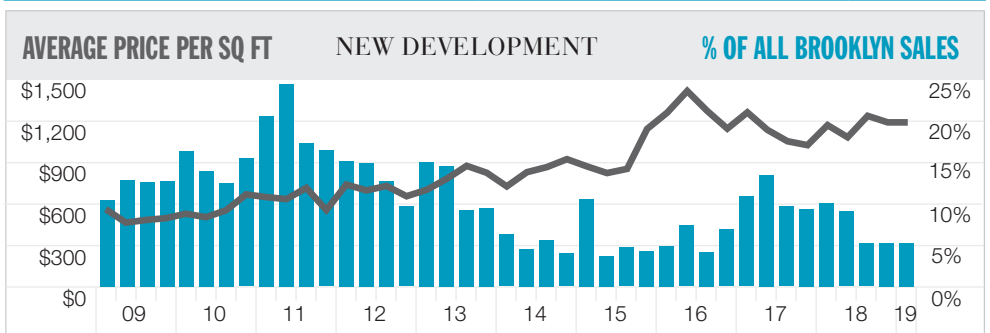
NEW DEVELOPMENT

Condos

- New development price trends declined, skewed by the shift to smaller sized units
- Listing inventory expanded as the number of sales slowed
- Average sales size slipped year over year and has been trending lower over the past year

New Development Mix	Condo Sales Share	Median Sales Price
< \$1M	70.1%	\$703,379
\$1M - \$3M	27.3%	\$1,488,238
> \$3M	2.6%	\$4,513,960

New Development Market Matrix	Q1-2019	%Δ (QTR)	Q4-2018	%Δ (YR)	Q1-2018
Average Sales Price	\$1,058,287	7.2%	\$987,663	-20.1%	\$1,324,707
Average Price Per Sq Ft	\$984	-17.5%	\$1,193	-16.1%	\$1,173
Median Sales Price	\$794,235	15.1%	\$690,000	-17.2%	\$959,155
Number of Sales	77	-41.7%	132	-68.4%	244
Days on Market (From Last List Date)	107	50.7%	71	2.9%	104
Listing Discount (From Last List Price)	5.4%		10.2%		2.5%
Listing Inventory	143	-4.7%	150	40.2%	102
Months of Supply	5.6	64.7%	3.4	330.8%	1.3
Sales Share of All Condos	13.8%		19.6%		33.8%



NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN

Greenpoint
Williamsburg

NORTHWEST BROOKLYN

"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Downtown
Dumbo

SOUTH BROOKLYN

Fort Greene
Gowanus
Navy Yard
Park Slope
Park Slope South
Prospect Heights
Red Hook
Vinegar Hill
Windsor Terrace

Bath Beach
Bay Ridge
Bensonhurst
Bergen Beach
Borough Park
Brighton Beach
Bush Terminal
Canarsie
Coney Island

Dyker Heights
Flatbush
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison
Manhattan Beach

Marine Park
Midwood
Mill Basin
Ocean Parkway
Old Mill Basin
Seagate
Sheepshead Bay
Sunset Park

EAST BROOKLYN

Bedford Stuyvesant
Brownsville
Bushwick
Crown Heights
Cypress Hills
East New York
Farragut
Homecrest
Ocean Hill
Wingate
Wyckoff Heights

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