ELLIMAN REPORT

1Q 2017

BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES Median Sales Price ▲ 16.2%

PACE Absorption Rate ▼ 2.0 mos.

SALES Closed Sales ▲ 46.4%

INVENTORY Total Inventory ▼ 19.9%

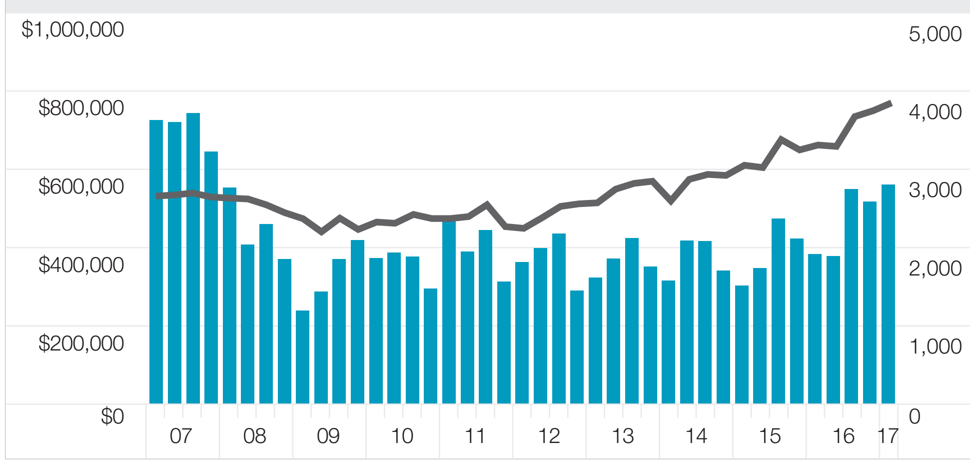
MARKETING TIME Days on Market ▲ 27 days

NEGOTIABILITY Listing Discount ▲ 2.9%

- **Records for price trend indicators, median record for 3rd consecutive month**
- **Second lowest inventory in nine years**
- **Sales surged as negotiability expanded**

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.

Brooklyn Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$993,955	4.9%	$947,553	25.0%	$795,409
Median Sales Price	$770,000	2.7%	$750,000	16.2%	$662,431
Number of Sales	2,800	8.4%	2,582	46.4%	1,912
Days on Market (From Last List Date)	97	3.2%	94	38.6%	70
Listing Discount (From Last List Price)	2.9%		1.7%		0.0%
Listing Inventory	2,290	2.6%	2,232	-19.9%	2,860
Absorption Rate (mos)	2.5	-3.8%	2.6	-44.4%	4.5
Year-to-Date	**1Q–2017**	**%Δ (QTR)**	**4Q–2016**	**%Δ (YR)**	**1Q–2016**
Average Sales Price (YTD)	$993,955	N/A	N/A	25.0%	$795,409
Median Sales Price (YTD)	$770,000	N/A	N/A	16.2%	$662,431
Number of Sales (YTD)	2,800	N/A	N/A	46.4%	1,912



The Brooklyn housing market was characterized by records for the overall sales price trend indicators, heavy sales volume and falling inventory. Overall prices were skewed higher by more new development closings that averaged twice the size of the prior year quarter. Borough wide median sales price jumped 16.2% to a record $770,000 from the prior year quarter. This was the third consecutive quarterly record set for this metric. Average sales price jumped 25% to a record $993,955 over the same period, and was the second record set in the past three quarters. Median sales price across all housing types showed mixed results. Median sales price for condos jumped 26.1% to a new record of $929,000 and was the first time the $900,000 threshold was reached; co-ops declined 2.8% to $389,000; 1-3 family increased 8.9% to $822,100. The market share of new development condos more than doubled to a 35.1% share and the average square footage more than doubled to 1,275 respectively from the year ago quarter. As a result the median sales price of a new development condo nearly doubled to a record of $1,435,000 over the same period. This also skewed the luxury market higher, representing the top 10% of all sales. Luxury median sales price surged 37.2% to $2,545,625 from the year

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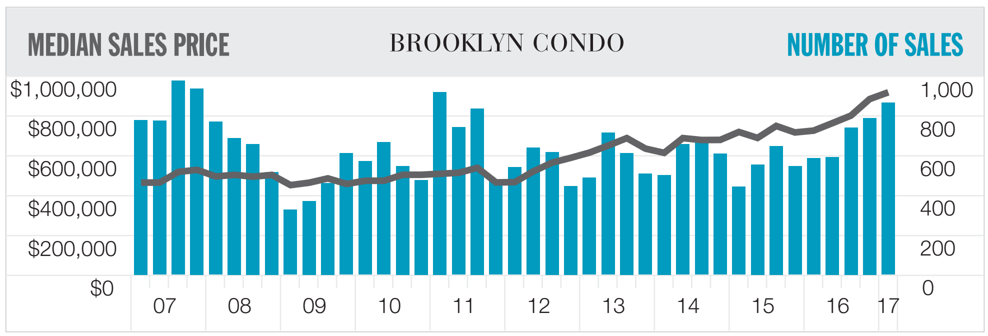
ago quarter. Much like the New York City metropolitan area, the Brooklyn luxury market experienced a decline in listing inventory, down 15.4% to 252 over the same period. Borough wide listing inventory also fell, down 19.9% to 2,290, the lowest recorded supply for a first quarter and the second lowest supply on record. On a year over year basis, listing inventory was down across all property types and market segments tracked in the report. Borough wide listing inventory could not keep up with sales, surging 46.4% from the same period a year ago to 2,800. As a result of rising sales and declining supply, the pace of the market was the fastest recorded in 9 years. The absorption rate, the number of months to sell all listing inventory at the current rate of sales, fell to 2.5 months from 4.5 months from the year ago quarter, the fastest market pace on record. Days on market, the number of days between the last list price change and the contract date, was 97 days, 27 days slower than the same period last year. However, listing discount edged higher but remained unusually tight, rising to 2.9% from 0% in the prior year quarter. This was a reflection of the further distance traveled by sellers to meet the buyers on price as inferred by the longer marketing time average.

CONDOS

- **Surge in sales, largely due to new development closings**
- **Price trend indicators skewed higher by new development**
- **Days on market and listing discount continued to edge higher**

Condo Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$1,203,255	5.4%	$1,141,570	43.5%	$838,651
Average Price Per Sq Ft	$1,146	26.8%	$904	20.4%	$952
Median Sales Price	$929,000	3.8%	$895,000	26.1%	$736,616
Number of Sales	869	9.9%	791	47.8%	588
Days on Market (From Last List Date)	101	0.0%	101	34.7%	75
Listing Discount (From Last List Price)	1.4%		2.5%		0.2%
Listing Inventory	769	12.9%	681	-10.4%	858
Absorption Rate (Mos)	2.7	3.8%	2.6	-38.6%	4.4

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$2,320,933	64.9%
4/5	$1,374,282	45.9%
3/5	$929,000	26.1%
2/5	$671,418	19.8%
1/5	$454,246	16.9%

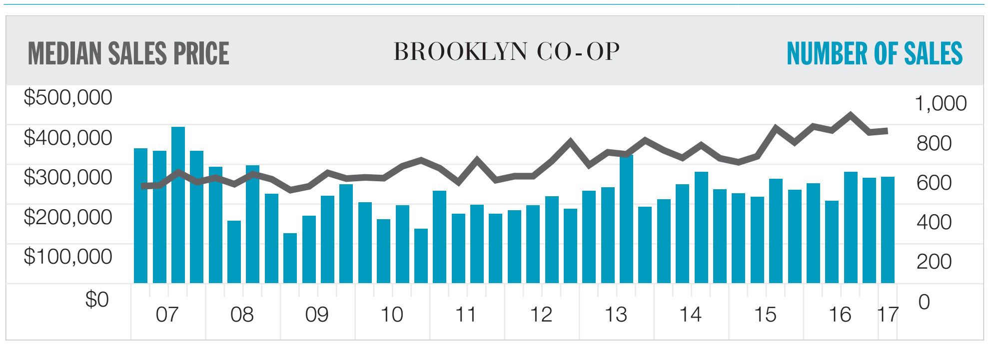


CO-OPS

- **Median and average sales price increased**
- **Sales rose as inventory declined**
- **Expanded days on market despite faster pace**

Co-op Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$521,953	4.4%	$499,718	3.2%	$505,901
Median Sales Price	$389,000	1.0%	$385,000	-2.8%	$400,000
Number of Sales	537	0.9%	532	6.3%	505
Days on Market (From Last List Date)	87	6.1%	82	38.1%	63
Listing Discount (From Last List Price)	2.4%		-1.1%		-0.4%
Listing Inventory	456	10.7%	412	-21.2%	579
Absorption Rate (Mos)	2.5	8.7%	2.3	-26.5%	3.4

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,034,000	7.0%
4/5	$590,000	-0.6%
3/5	$389,000	-2.8%
2/5	$266,003	6.4%
1/5	$165,000	6.2%

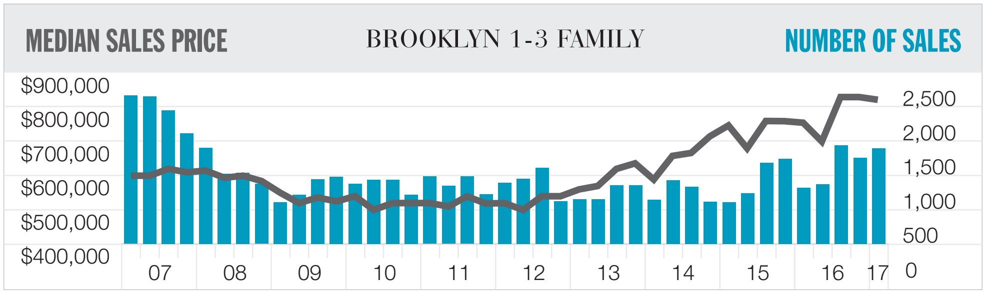


1-3 FAMILY

- Price trend indicators moved higher
- Sales surged as inventory fell sharply
- Days on market stabilized

1-3 Family Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$1,045,305	3.0%	$1,014,891	10.9%	$942,876
Average Price Per Sq Ft	$471	2.6%	$459	5.1%	$448
Median Sales Price	$822,100	-1.0%	$830,000	8.9%	$755,000
Number of Sales	1,394	10.7%	1,259	70.2%	819
Days on Market (From Last List Date)	99		96		100
Listing Discount (From Last List Price)	5.4%		1.9%		4.0%
Listing Inventory	1,065	-6.5%	1,139	-25.2%	1,423
Absorption Rate (Mos)	2.3	-14.8%	2.7	-55.8%	5.2

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,900,000	11.8%
4/5	$1,150,000	15.4%
3/5	$822,100	8.9%
2/5	$600,000	9.1%
1/5	$390,000	16.9%



Brooklyn Market by LOCATION

NORTH

- Overall price trend indicators increased
- Number of sales continued to surge

North Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$1,182,955	-9.4%	$1,305,563	20.1%	$985,268
Average Price Per Sq Ft	$1,044	1.4%	$1,030	10.8%	$942
Condo	$1,147	-0.9%	$1,157	-5.7%	$1,216
Median Sales Price	$1,040,000	-8.8%	$1,140,000	20.2%	$865,000
Number of Sales	245	2.5%	239	50.3%	163

SOUTH

- Price trend indicators were higher across all property types
- Number of sales increased

South Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$742,266	4.2%	$712,508	15.5%	$642,566
Median Sales Price	$638,442	3.8%	$615,000	14.0%	$560,037
Condo	$615,000	-1.0%	$621,275	9.8%	$560,037
Co-op	$270,000	-4.4%	$282,400	8.0%	$250,000
1-3 Family	$790,000	0.6%	$785,000	5.3%	$750,000
Number of Sales	1,345	2.8%	1,309	33.2%	1,010

EAST

- All property type price trend indicators moved higher
- Surge in the number of sales

East Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$793,613	-1.6%	$806,607	17.5%	$675,480
Median Sales Price	$689,000	-1.6%	$700,000	16.3%	$592,500
Condo	$628,112	-7.0%	$675,048	0.5%	$625,000
1-3 Family	$726,059	-3.2%	$750,000	19.0%	$610,000
Number of Sales	511	1.2%	505	73.8%	294

NORTHWEST

- Overall price trend indicators surged
- Jump in number of sales

Northwest Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$1,558,462	3.8%	$1,501,969	35.3%	$1,152,003
Median Sales Price	$1,275,000	18.6%	$1,075,000	48.6%	$857,756
Condo	$1,493,323	16.0%	$1,287,250	49.3%	$999,999
Co-op	$657,466	-7.4%	$710,000	-6.1%	$700,000
1-3 Family	$2,200,000	-2.5%	$2,257,500	-5.9%	$2,338,250
Number of Sales	699	32.1%	529	57.1%	445

BROWNSTONE

- Overall price trend indicators declined
- Single family price moved higher with heavy sales volume

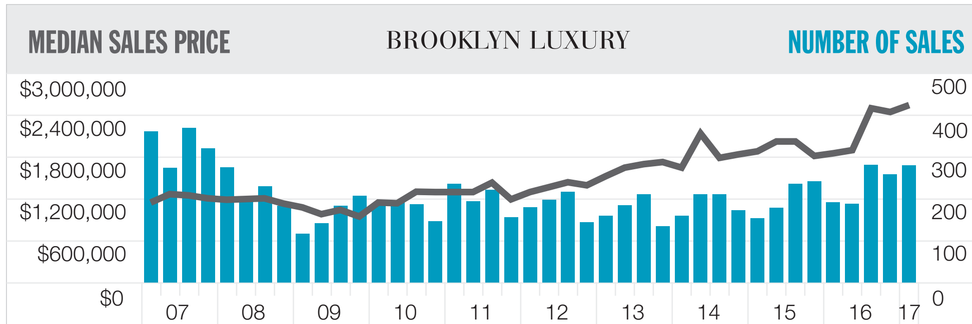
Brownstone Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$2,342,067	-9.6%	$2,589,756	-9.2%	$2,579,566
Average Price Per Sq Ft	$880	-7.0%	$946	-13.1%	$1,013
Median Sales Price	$2,200,000	-2.5%	$2,257,500	-5.9%	$2,338,250
1-Family	$2,300,000	2.2%	$2,250,000	8.2%	$2,125,000
2-Family	$2,250,000	-2.0%	$2,295,000	-10.0%	$2,500,000
3-Family	$1,825,000	-11.0%	$2,050,000	-34.5%	$2,785,000
Number of Sales	137	52.2%	90	144.6%	56

LUXURY

- Price trend indicators expanded
- Marketing time rose sharply
- The luxury entry threshold moved higher

Luxury Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$2,894,385	3.1%	$2,807,587	32.0%	$2,192,789
Median Sales Price	$2,545,625	4.0%	$2,446,900	37.2%	$1,855,250
Number of Sales	281	8.5%	259	46.4%	192
Days on Market (From Last List Date)	130	14.0%	114	120.3%	59
Listing Discount (From Last List Price)	4.0%		0.7%		1.1%
Listing Inventory	252	20.6%	209	-15.4%	298
Absorption Rate (Mos)	2.7	12.5%	2.4	-42.6%	4.7
Entry-Price Threshold	$1,970,313	15.2%	$1,710,000	35.9%	$1,450,000

Luxury Mix	Luxury Sales Share	Median Sales Price
Condo	48.0%	$2,450,000
Co-op	3.6%	$2,262,500
1-3 Family	48.4%	$2,675,000



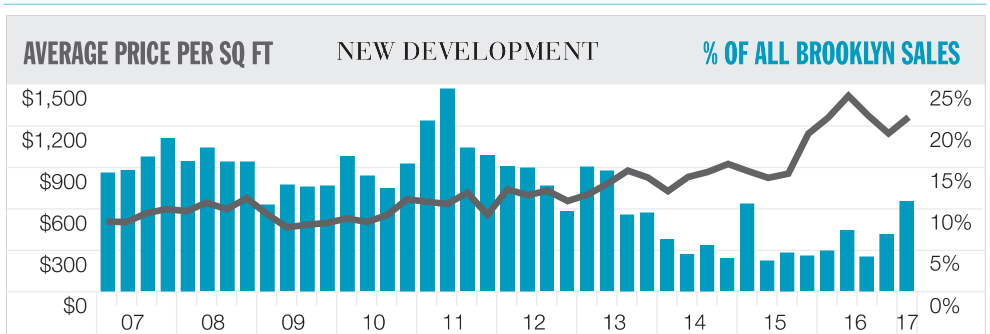
NEW DEVELOPMENT

Condos

- Median and average sales price nearly doubled along with sales size
- Surge in closings skewed market wide price trend indicators
- Marketing time expanded despite inventory declined

New Development Market Matrix	1Q–2017	%Δ (QTR)	4Q–2016	%Δ (YR)	1Q–2016
Average Sales Price	$1,613,137	2.0%	$1,580,741	97.1%	$818,235
Average Price Per Sq Ft	$1,265	10.2%	$1,148	0.2%	$1,263
Median Sales Price	$1,435,000	27.7%	$1,123,486	90.4%	$753,505
Number of Sales	305	70.4%	179	228.0%	93
Days on Market (From Last List Date)	147	-12.5%	168	61.5%	91
Listing Discount (From Last List Price)	-0.4%		-1.9%		1.2%
Listing Inventory	91	8.3%	84	-24.8%	121
Absorption Rate (Mos)	0.9	-35.7%	1.4	-76.9%	3.9
Sales Share of All Condos	35.1%		22.6%		15.8%

New Development Mix	Condo Sales Share	Median Sales Price
< $1M	38.7%	$699,000
$1M - $3M	53.4%	$1,765,000
> $3M	7.9%	$3,817,500



NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN
Greenpoint
Williamsburg

NORTHWEST BROOKLYN
"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Downtown
Dumbo
Fort Greene
Gowanus
Navy Yard
Park Slope
Park Slope South
Prospect Heights
Red Hook
Vinegar Hill
Windsor Terrace

SOUTH BROOKLYN
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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