

ELLI MAN

REPORT

2Q 2014
BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS, & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES

Median Sales Price

4.5%

PACE

Absorption Rate

1.2 mos

SALES

Closed Sales

12.5%

INVENTORY

Total Inventory

5.9%

MARKETING TIME

Days on Market

37 days

NEGOTIABILITY

Listing Discount

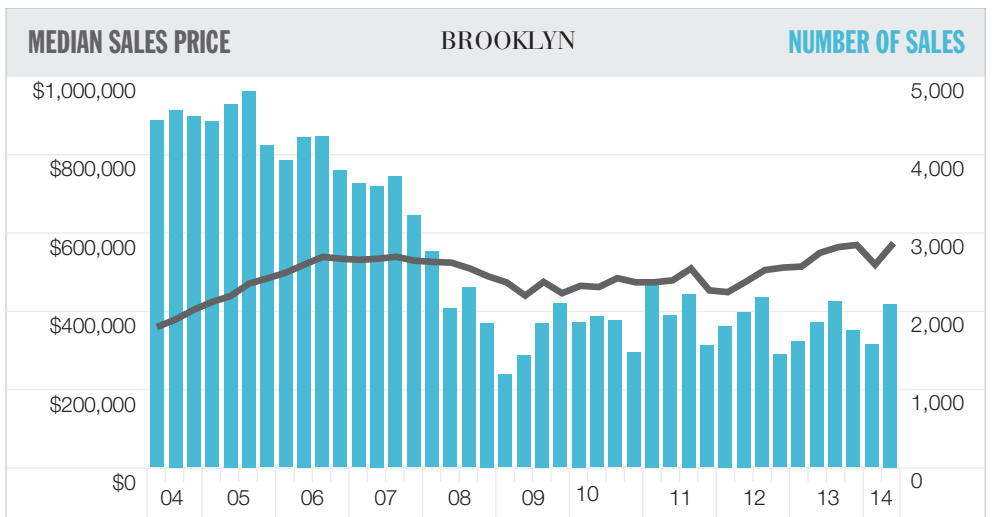
0.9%

KEY POINTS

- Price indicators reached new highs
- Inventory decreased as sales expanded
- Negotiability remained limited

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	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$783,296	15.0%	\$681,182	16.6%	\$671,964
Median Sales Price	\$575,000	10.6%	\$520,000	4.5%	\$550,000
Number of Sales	2,086	32.7%	1,572	12.5%	1,855
Days on Market (From Last List Date)	109	-16.8%	131	-25.3%	146
Listing Discount (From Last List Price)	1.0%		1.1%		0.1%
Listing Inventory	4,426	8.2%	4,092	-5.9%	4,704
Absorption Rate (mos)	6.4	-17.9%	7.8	-15.8%	7.6
Year-to-Date	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price (YTD)	\$739,413	N/A	N/A	13.0%	\$654,612
Median Sales Price (YTD)	\$555,000	N/A	N/A	3.7%	\$535,000
Number of Sales (YTD)	3,658	N/A	N/A	5.6%	3,463



Brooklyn housing prices continue to set new records, due to rising sales and low inventory. The median sales price of a Brooklyn residential property increased 4.5% to a record \$575,000 from the same period last year. Average sales price also set a new record, rising 16.6% to \$783,296 from the prior year quarter. Median sales price is now 6.5% above the \$540,000 market peak reached in the third quarter of 2007 before the 2008 Lehman "tipping point." Although this is the 7th consecutive quarter with year-over-year gains in median sales price, the first two quarters of 2014 posted smaller single-digit gains than the double-digit gains of the preceding 5 quarters. The absorption rate,

the number of months to sell all inventory at the current pace of sales accelerated to 6.4 months, from 7.6 months in the prior year quarter. There were 2,086 sales in the second quarter, 12.5% more than the prior year quarter, while listing inventory declined 5.9% to 4,426. As a result of the faster market pace, days on market, the average number of days between the last list price change to the contract date, fell 25.3% to 109 days from the same period last year. Listing discount, the percentage difference between the list price at time of sale and the sales price, remained at a nominal level, rising to 1% from 0.1% over the same period. All condo and 1-3 family market price indicators yielded new price

records as the co-op market slipped. Condo median sales price increased 5.7% to \$699,000 while the 1-3 family median sales price increased 15.4% to \$658,000 respectively from the prior year quarter to new record highs. Although co-op median sales price declined 4.2% to \$321,000, the number of sales increased 3.5% to 500, reaching the second highest level in 7 years. All four geographic regions showed year-over-year

double-digit gains in median sales price, and of all regions, the East Region had the largest increase. The East Region, the hardest hit after the financial crisis, benefited from the outward expansion of adjacent higher priced areas causing consumers to seek greater affordability. The luxury market, the highest 10% of closed sales by price for the quarter, saw larger year-over-year gains than the overall market. Median

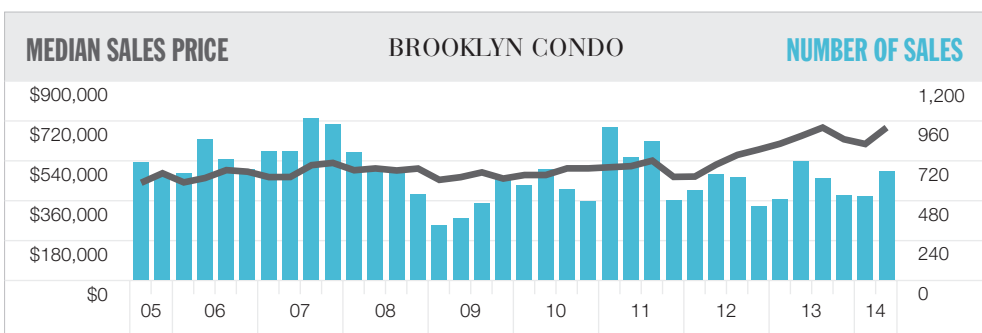
sales price jumped 29.6% to a \$2,138,325 from the prior year quarter, the highest level reached in the 8 years this metric was tracked. The entry threshold was \$1,490,000, a 23.1% rise from the same period last year and also an 8 year record. The largest year-over-year gains were seen in the 1-3 family market with an 9.1% rise in market share to 44.4% and a 15.4% rise in median sales price to \$658,000.

CONDOS

- All price indicators set records
- Sales fell from prior year levels
- Marketing time and negotiability declined

Condo Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$910,347	19.8%	\$759,761	14.9%	\$792,538
Average Price Per Sq Ft	\$830	21.2%	\$685	14.3%	\$726
Median Sales Price	\$699,000	11.8%	\$625,000	5.7%	\$661,494
Number of Sales	659	31.0%	503	-8.1%	717
Days on Market (From Last List Date)	77	-33.6%	116	-38.4%	125
Listing Discount (From Last List Price)	0.0%		0.4%		1.3%

Quintiles	Med. Sales Price	%Change (YR)
5/5	\$1,761,991	27.0%
4/5	\$977,500	13.0%
3/5	\$699,000	5.7%
2/5	\$490,000	-2.1%
1/5	\$325,000	6.7%

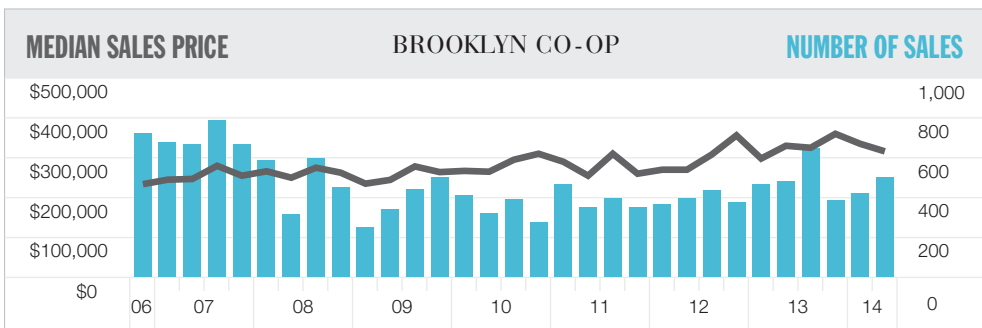


CO-OPS

- Median sales price declined
- Most second quarter sales in 7 years
- Listing discount remained nominal

Co-op Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$431,335	-5.2%	\$455,107	1.9%	\$423,377
Median Sales Price	\$321,000	-5.6%	\$340,000	-4.2%	\$335,000
Number of Sales	500	18.2%	423	3.5%	483
Days on Market (From Last List Date)	100	-16.0%	119	-32.0%	147
Listing Discount (From Last List Price)	1.0%		1.1%		0.1%

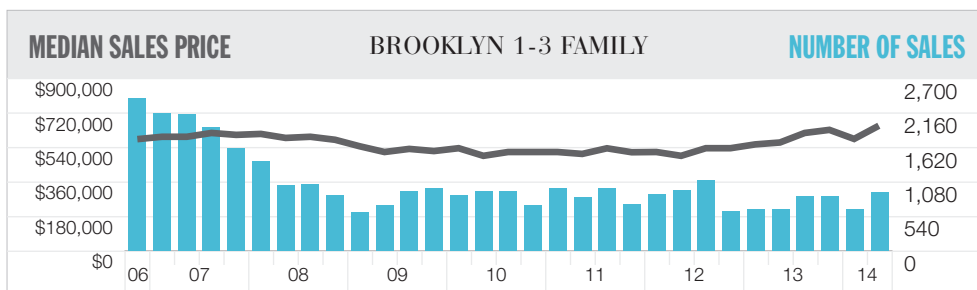
Quintiles	Med. Sales Price	%Change (YR)
5/5	\$897,500	10.1%
4/5	\$675,000	40.6%
3/5	\$497,500	48.5%
2/5	\$355,000	51.1%
1/5	\$237,500	58.3%



1-3 FAMILY

- Double-digit price growth to record levels
- Sharp rise in sales
- Marketing time stabilized

1-3 Family Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$882,815	14.9%	\$768,030	22.1%	\$723,286
Average Price per Sq Ft	\$379	17.7%	\$322	28.0%	\$296
Median Sales Price	\$658,000	11.8%	\$588,733	15.4%	\$570,000
Number of Sales (Closed)	927	43.5%	646	41.5%	655
Days on Market (From Last List Date)	90	1.1%	89	-3.2%	93
Listing Discount (From Last List Price)	2.5%		5.2%		1.3%



Quintiles	Med. Sales Price	%Change (YR)
5/5	\$1,600,888	23.1%
4/5	\$898,500	19.8%
3/5	\$658,000	15.4%
2/5	\$485,000	15.5%
1/5	\$293,000	10.6%

Brooklyn Market by LOCATION

NORTH

- All price indicators posted large gains
- Number of sales declined

North Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$1,041,624	16.5%	\$894,139	26.6%	\$822,574
Average Price Per Sq Ft	\$735	15.6%	\$636	5.2%	\$699
Condo	\$902	31.1%	\$688	13.9%	\$792
Median Sales Price	\$858,050	16.3%	\$737,500	19.8%	\$716,011
Number of Sales	178	45.9%	122	-13.2%	205

SOUTH

- Median and average sales price showed consistent rise
- Number of sales surged

South Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$536,337	-0.6%	\$539,671	11.0%	\$483,273
Median Sales Price	\$462,185	3.0%	\$448,750	11.4%	\$415,000
Condo	\$465,000	3.6%	\$449,000	8.1%	\$430,000
Co-op	\$224,500	4.3%	\$215,300	11.9%	\$200,685
1-3 Family	\$632,500	0.4%	\$630,000	5.4%	\$600,000
Number of Sales	898	25.4%	716	55.4%	578

EAST

- Largest price gains of all regions
- More sales than prior year period

East Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$596,939	24.0%	\$481,276	30.0%	\$459,084
Median Sales Price	\$523,172	25.4%	\$417,350	26.8%	\$412,500
Condo	\$499,250	23.3%	\$405,000	62.9%	\$306,500
1-3 Family	\$565,000	25.6%	\$450,000	24.3%	\$454,504
Number of Sales	434	41.8%	306	19.9%	362

NORTHWEST

- Second most price gains of all regions
- Sales and affordability declined

Northwest Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$1,228,897	22.9%	\$1,000,134	38.0%	\$890,627
Median Sales Price	\$849,500	6.2%	\$800,000	21.4%	\$700,000
Condo	\$950,000	6.9%	\$888,383	17.0%	\$811,815
Co-op	\$542,000	-2.3%	\$555,000	13.8%	\$476,250
1-3 Family	\$1,866,118	11.4%	\$1,675,000	16.6%	\$1,600,000
Number of Sales	576	34.6%	428	-18.9%	710

BROWNSTONE

- Average sales price cracked \$2M threshold for first time
- Sales surged more than 50%

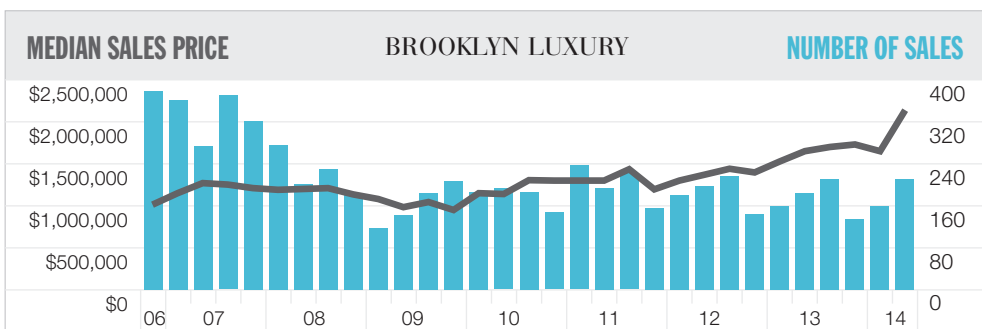
Brownstone Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$2,391,985	23.5%	\$1,936,753	25.2%	\$1,910,645
Average Price Per Sq Ft	\$858	30.6%	\$657	30.6%	\$657
Median Sales Price	\$1,866,118	11.4%	\$1,675,000	16.6%	\$1,600,000
1-Family	\$2,818,750	27.5%	\$2,210,000	76.2%	\$1,600,000
2-Family	\$1,617,500	16.8%	\$1,385,250	11.6%	\$1,450,000
3-Family	\$1,357,500	-33.8%	\$2,050,000	-35.9%	\$2,117,000
Number of Sales	104	76.3%	59	50.7%	69

LUXURY

- Rise in price indicators outpaced overall market
- Entry threshold rose rapidly to \$1.49M
- Marketing time fell sharply

Luxury Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$2,526,708	27.7%	\$1,978,121	32.6%	\$1,905,420
Median Sales Price	\$2,138,325	29.6%	\$1,650,000	29.6%	\$1,650,000
Number of Sales	211	31.9%	160	14.1%	185
Days on Market (From Last List Date)	85	-30.3%	122	-42.6%	148
Listing Discount (From Last List Price)	1.3%		0.4%		1.6%
Entry-Price Threshold	\$1,490,000	16.0%	\$1,285,000	23.1%	\$1,210,159

Quintiles	Med. Sales Price	%Change (YR)
5/5	\$3,894,806	31.1%
4/5	\$2,740,000	42.0%
3/5	\$2,138,325	29.6%
2/5	\$1,777,500	23.4%
1/5	\$1,600,000	26.9%

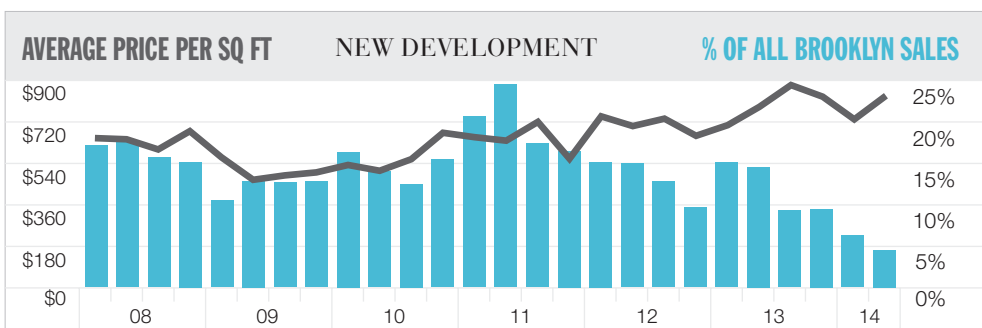


NEW DEVELOPMENT

- Modest rise in median sales price
- Market share decreased as new development favors rentals
- Negotiability fell below nominal level

New Development Market Matrix	2Q-2014	%Chg (QTR)	1Q-2014	%Chg (YR)	2Q-2013
Average Sales Price	\$1,062,152	24.3%	\$854,639	21.0%	\$877,932
Average Price Per Sq Ft	\$834	13.9%	\$732	6.1%	\$786
Median Sales Price	\$725,000	8.7%	\$666,953	2.8%	\$704,918
Number of Sales	93	-6.1%	99	-65.7%	271
Days on Market (From Last List Date)	101	-22.9%	131	13.5%	89
Listing Discount (From Last List Price)	0.2%		0.3%		3.0%
Sales Share of Overall Market	4.5%		6.3%		14.6%

New Development Mix	Condo Sales Share	Median Sales Price
< \$1M	66.7%	\$488,360
\$1M - \$3M	28.0%	\$1,558,596
> \$3M	5.4%	\$4,734,862



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

SOUTH BROOKLYN

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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