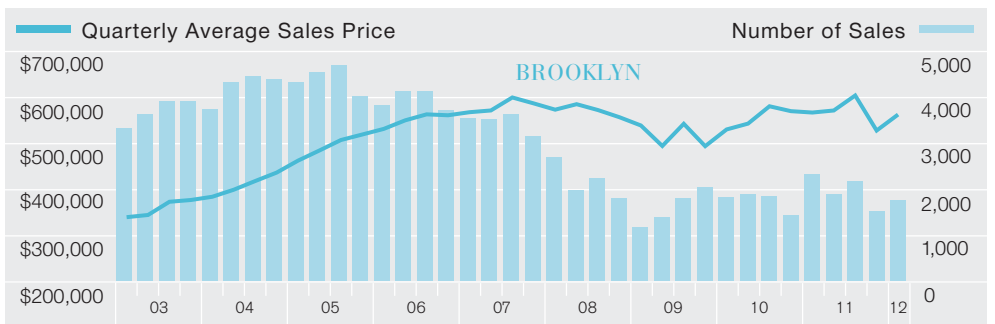


ELLIMANREPORT

BROOKLYN

- **Listing inventory and number of sales below prior year levels** Listing inventory fell 16.7% to 6,092 from 7,316 in the prior year quarter, settling below the 6,280 five year quarterly average. Number of sales dropped 23.9% to 1,807 from the three year high of 2,373 in the prior year quarter.
- **Price indicators edged lower** Median sales price slipped 5.3% to \$450,000 from \$475,000 in the prior year quarter.
- **Listing discount continued to decline, as days on market expanded** It took an average of 152 days to market a property that sold in the first quarter, about a month longer than the same period last year. The listing discount slipped to 3.5% from 4.8% in the same quarter last year corresponding to the drop in listing inventory.

Brooklyn Market Matrix	1Q-2012	% Chg (qtr)	4Q-2011	% Chg (yr)	1Q-2011
Average Sales Price	\$565,291	6.7%	\$529,640	-0.8%	\$569,799
Median Sales Price	\$450,000	-1.0%	\$454,383	-5.3%	\$475,000
New Development	\$501,930	0.6%	\$499,000	-3.4%	\$519,654
Re-Sale	\$430,982	-1.6%	\$438,000	-7.0%	\$463,500
Number of Sales	1,807	16.0%	1,558	-23.9%	2,373
Days on Market (From Last List Date)	152	12.6%	135	17.8%	129
Listing Discount (From Last List Price)	3.5%		3.7%		4.8%
Listing Inventory (Active)	6,092	3.1%	5,908	-16.7%	7,316
Absorption Rate (Monthly, Active)	10.1	-11.4%	11.4	9.8%	9.2



Housing prices slipped from prior year levels, largely due to the shift in mix of property types that sold over the quarter. The sharp decline in mortgage rates to record lows resulted in an increase in co-op sales market share, a lower priced property type. Median sales price declined 5.3% to \$450,000 from \$475,000 in the same period last year. Average sales price slipped 0.8% to \$565,291 from \$569,799 over the same period. Listing discount, the difference between the list price at the time of contract and the sales price, was 3.5% tighter than 4.8% in the same period last year.

The number of sales fell 23.9% to 1,807 from a three year high of 2,373 in the prior year quarter. Listing inventory also saw a large decline, falling 16.7% to 6,092 from 7,316 in the same period last year. As a result the absorption rate, the number of months to sell all active inventory at the current pace of sales, increased to 10.1 months from 9.2 months over the same period.

New development market share accounted for 15.2% of all sales in the quarter, consistent with the 15.7% quarterly average of the past four years. The market share of the East Brooklyn region surged to 18.6% of borough sales from 10.3% in the same quarter last year likely due to

the rise in distressed sales. An expansion of the monthly absorption rate was consistent with the rise in days on market. The average number of days to market a property that sold in the first quarter was 152 days, about a month longer than 129 days in the same period last year.

Brooklyn sales activity was below historic norms as mortgage credit conditions remained tight, and the regional economy continues to see slow economic gains. However, the market continues to enjoy stabilized pricing after considering the shift in the mix with gains in co-op sales relative to other property types.

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. 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.

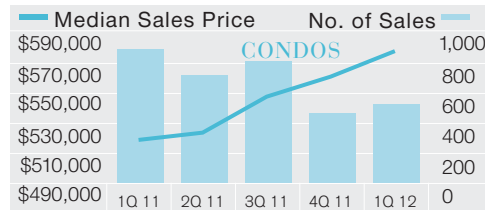


CONDOS

- **Price indicators were mixed** Median sales price fell 8.1% to \$478,000 from \$520,000 in the prior year quarter. Average sales price declined 6.2% to \$581,059 and the average price per square foot increased 5.1% to \$674 over the same period.
- **Number of sales fell from three-year high** There were 543 sales in the first quarter, 41.2% below 923 sales in the prior year quarter, a three-year high water mark.

Condo Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$581,059	3.0%	\$563,912	-6.2%	\$619,227
Average Price per Sq Ft	\$674	25.7%	\$536	5.1%	\$641
Median Sales Price	\$478,000	0.3%	\$476,580	-8.1%	\$520,000
Number of Sales (Closed)	543	13.4%	479	-41.2%	923
Days on Market (From Last List Date)	186	-10.1%	207	18.5%	157
Listing Discount (From Last List Price)	3.2%		5.6%		4.5%

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$890,969	-10.6%
4/5	\$609,250	-7.9%
3/5	\$476,580	-8.4%
2/5	\$385,320	-6.0%
1/5	\$256,775	-14.2%

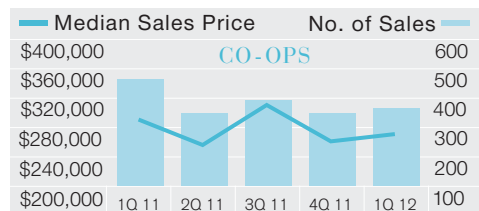


CO-OPS

- **Fewer sales than same period last year** There were 368 sales, down 21% from the two-year high water mark of 466 sales in the prior year quarter.
- **Price indicators remained below prior year quarter** The median sales price declined 6.8% to \$275,000 from \$295,000 in the same period last year. Average sales price was 13.6% below prior year levels.

Co-op Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$330,106	-2.7%	\$339,156	-13.6%	\$381,865
Median Sales Price	\$275,000	3.8%	\$265,000	-6.8%	\$295,000
Number of Sales (Closed)	368	4.8%	351	-21.0%	466
Days on Market (From Last List Date)	147	12.2%	131	9.7%	134
Listing Discount (From Last List Price)	3.5%		3.7%		4.8%

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$630,000	-7.4%
4/5	\$357,500	-10.6%
3/5	\$275,000	-6.8%
2/5	\$195,000	-4.8%
1/5	\$143,494	10.4%

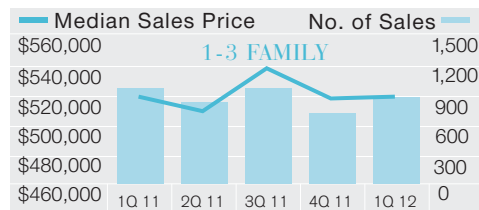


1-3 FAMILY

- **Number of sales declined** There were 896 sales in the first quarter, 8.9% below 984 sales in the same period last year.
- **Price indicators showed stability** Median sales price was \$520,000, unchanged from the same period last year. Average sales price expanded 6.5% to \$652,329 and the average price per square foot fell 6.9% to \$268 over the same period.

1-3 Family Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$652,329	8.9%	\$598,930	6.5%	\$612,437
Average Price per Sq Ft	\$268	6.3%	\$252	-6.9%	\$288
Median Sales Price	\$520,000	0.2%	\$518,750	0.0%	\$520,000
Number of Sales (Closed)	896	23.1%	728	-8.9%	984
Days on Market (From Last List Date)	96	100.0%	48	68.4%	57
Listing Discount (From Last List Price)	3.2%		2.8%		6.6%

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$1,050,000	6.1%
4/5	\$675,000	-3.1%
3/5	\$520,000	0.0%
2/5	\$383,000	-1.5%
1/5	\$240,000	2.1%

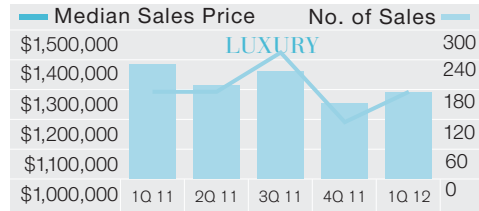


LUXURY

- **Listing discount sharply below prior year levels** The difference between the list price at time of sale and the sales price compressed to 2.1% from 7.8% in the same quarter last year.
- **Price indicators showed stable to rising conditions** The median sales price was \$1,300,000 in the first quarter, unchanged from the same period last year. Average sales price increased 11.7% to \$1,668,154 over the same period.

Luxury Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$1,668,154	21.5%	\$1,372,713	11.7%	\$1,493,731
Median Sales Price	\$1,300,000	8.7%	\$1,195,676	0.0%	\$1,300,000
Number of Sales (Closed)	180	15.4%	156	-24.1%	237
Days on Market (From Last List Date)	138	-0.7%	139	16.0%	119
Listing Discount (From Last List Price)	2.1%		1.3%		7.8%

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$2,460,000	17.1%
4/5	\$1,600,000	1.6%
3/5	\$1,300,000	0.0%
2/5	\$1,100,000	0.0%
1/5	\$977,500	-1.1%



Note: This sub-category is the analysis of the top ten percent of all sales. The data is also contained within the other markets presented.

NORTH

• **Number of sales below prior year spike**

There were 195 sales in the first quarter, 51.5% below the prior year quarter surge of 402 sales, but 28.3% above 152 sales in the prior quarter.

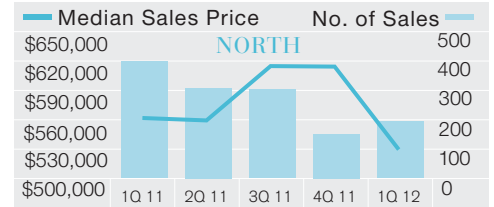
- **Price indicators slipped** Median sales price was \$530,000, 5.8% below \$562,519 in the same period last year. The remaining price indicators also declined from prior year levels.

• **Condo prices mixed as average size fell**

While median sales price slipped, average sales price and price per square foot increased above prior year levels.

North Market Matrix		1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price		\$626,774	-6.2%	\$668,374	-0.5%	\$629,885
Average Price Per Sq Ft		\$521	-6.6%	\$558	-18.3%	\$638
Median Sales Price		\$530,000	-13.9%	\$615,521	-5.8%	\$562,519
Number of Sales		195	28.3%	152	-51.5%	402
Condo Submarket Matrix		1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price		\$634,946	-2.4%	\$650,724	1.8%	\$623,754
Average Price Per Sq Ft		\$760	13.1%	\$672	20.3%	\$632
Median Sales Price		\$520,000	-11.2%	\$585,493	-7.1%	\$560,019

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$990,000	1.5%
4/5	\$693,251	3.9%
3/5	\$530,000	-5.4%
2/5	\$435,000	-1.1%
1/5	\$299,000	-11.0%



SOUTH

• **Number of sales fell from prior year level**

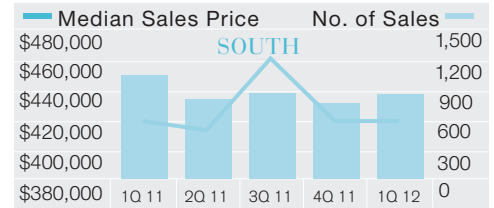
There were 878 sales in the first quarter, 17.8% below 1,068 in the prior year quarter.

• **Price indicators showed stability**

Median sales price was essentially unchanged at \$420,500 compared to the same quarter last year. Average sales price was up 3% to \$505,085 from \$490,219 over the same period.

South Market Matrix		1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price		\$505,085	9.9%	\$459,671	3.0%	\$490,219
Median Sales Price		\$420,500	0.1%	\$420,000	0.1%	\$420,000
Condo		\$400,530	-3.8%	\$416,247	-4.4%	\$419,000
Co-op		\$195,000	5.4%	\$185,000	-2.5%	\$200,000
1-3 Family		\$551,250	0.2%	\$550,000	6.0%	\$520,000
Number of Sales		878	12.6%	780	-17.8%	1,068

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$857,500	0.9%
4/5	\$580,000	2.6%
3/5	\$420,000	0.0%
2/5	\$301,500	2.2%
1/5	\$170,000	-4.0%



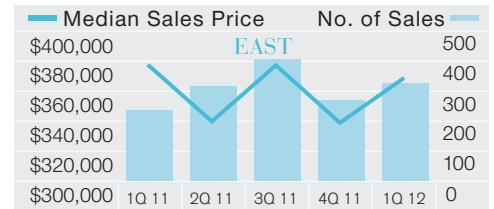
EAST

- **Price indicators were mixed** Median sales price slipped 2.4% to \$370,831 from \$380,000 in the same period last year. Average sales price edge up 0.7% to \$401,179 from \$398,550 over the same period.

- **Number of sales jumped** There were 336 sales, 37.1% more than 245 sales in the prior year quarter.

East Market Matrix		1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price		\$401,179	5.9%	\$378,781	0.7%	\$398,550
Median Sales Price		\$370,831	9.1%	\$340,000	-2.4%	\$380,000
Condo		\$307,000	-8.3%	\$334,620	2.6%	\$299,130
1-3 Family		\$384,000	5.2%	\$365,000	-3.7%	\$398,940
Number of Sales		336	21.3%	277	37.1%	245

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$610,000	-7.8%
4/5	\$475,000	-1.0%
3/5	\$366,520	-3.5%
2/5	\$260,000	-0.6%
1/5	\$184,950	-2.7%



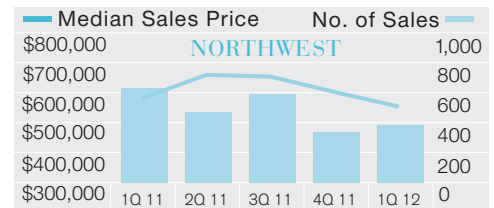
NORTHWEST

- **Price indicators were mixed** Median sales price slipped 4.9% to \$560,000 from \$588,750 in the same period last year. Average sales price jumped 11.1% to \$806,529 from \$725,650 over the same period.

- **The number of sales below prior year levels** There were 398 sales, 39% below 652 sales in the prior year quarter.

Northwest Market Matrix		1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price		\$806,529	8.2%	\$745,330	11.1%	\$725,650
Median Sales Price		\$560,000	-8.2%	\$610,000	-4.9%	\$588,750
Number of Sales		398	14.0%	349	-39.0%	652

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$1,426,253	7.2%
4/5	\$780,000	-0.6%
3/5	\$559,590	-5.0%
2/5	\$425,000	0.0%
1/5	\$285,000	-5.0%



BROWNSTONE

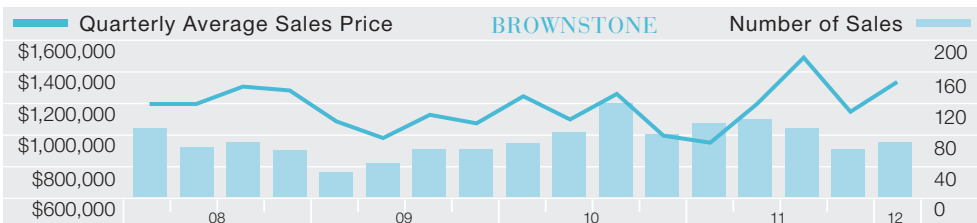
Number of sales fell below prior year levels

There were 70 sales in the first quarter, 26.3% less than 95 sales in the prior year quarter.

Price indicators jumped as average size returned to norm

The average size of a Brownstone sale was 2,751 square feet, 21.7% above prior year levels, consistent with the 2,694-square foot five-year average. Median sales price jumped 41.3% to \$1,342,500.

Brownstone Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$1,730,300	26.6%	\$1,367,122	54.4%	\$1,120,733
Average Price Per Sq Ft	\$629	25.0%	\$503	26.8%	\$496
Median Sales Price	\$1,342,500	16.7%	\$1,150,000	41.3%	\$950,000
1-Family	\$1,435,000	67.8%	\$855,000	50.3%	\$955,000
2-Family	\$1,397,500	16.5%	\$1,200,000	45.2%	\$962,500
3-Family	\$1,000,000	-18.4%	\$1,225,000	14.3%	\$875,000
Number of Sales	70	14.8%	61	-26.3%	95



NEW DEVELOPMENT

Price indicators were mixed

Median sales price slipped 3.4% to \$501,930 from \$519,654 in the prior year quarter. Average sales price and average price per square foot increased 3.7% and 13.7% respectively over the same period.

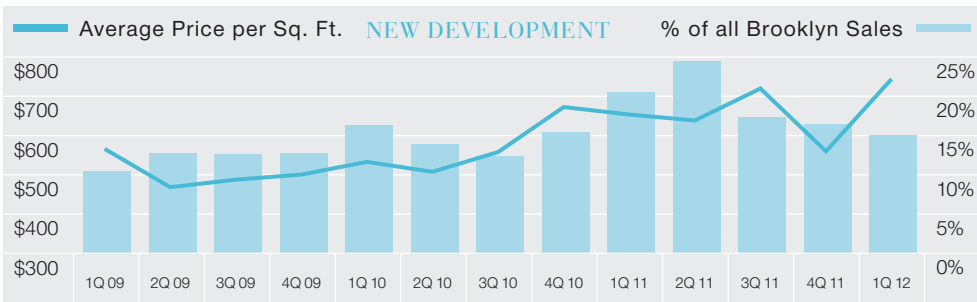
Market share down, but remained within five-year norm

New development market share slipped to 15.2% of all borough sales, down from 20.7% in the prior year quarter, but consistent with the 15.7% five-year average.

Days on market increased, as older housing stock was absorbed

The number of days to sell an active new development listing averaged 254 days, up from 180 days in the prior year quarter.

New Development Market Matrix	1Q-2012	% Chg (QTR)	4Q-2011	% Chg (YR)	1Q-2011
Average Sales Price	\$643,803	10.5%	\$582,606	3.7%	\$620,976
Average Price Per Sq Ft	\$745	32.6%	\$562	13.7%	\$655
Median Sales Price	\$501,930	0.6%	\$499,000	-3.4%	\$519,654
Number of Sales	275	7.0%	257	-44.1%	492
Days on Market (From Last List Date)	254	8.1%	235	41.1%	180
Listing Discount (From Last List Price)	4.1%		3.0%		6.7%



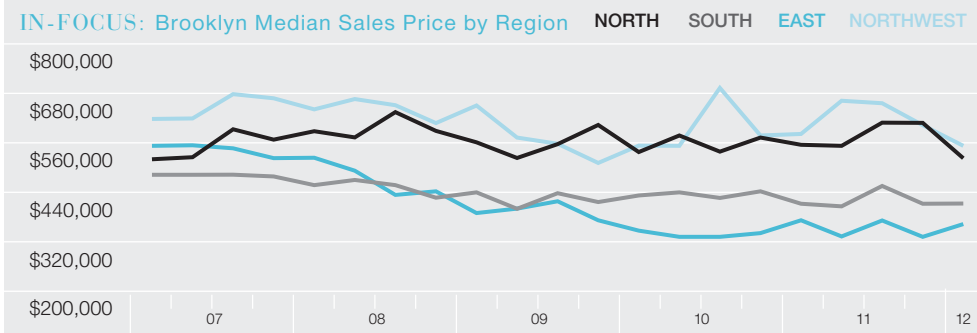
IN-FOCUS

North region prices at pre-credit crunch levels

Median sales price 0.5% above 5-year ago levels largely due to the new development dominance whose market share averaged 82.6%.

East saw largest drop in price from peak

The higher concentration of speculation and subsequent concentration of distressed sales led to a 33.8% drop over the period.



NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN

Greenpoint
Navy Yard
Williamsburg-Central
Williamsburg-East
Williamsburg-North
Williamsburg-South

NORTHWEST BROOKLYN

"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Cobble Hill-West
Downtown-Fulton Ferry
Downtown-Fulton Mall

Downtown-Metrotech
Fort Greene
Gowanus
Park Slope
Park Slope South
Prospect Heights
Red Hook
Windsor Terrace

SOUTH BROOKLYN

Bath Beach
Bay Ridge
Bensonhurst
Bergen Beach
Brighton Beach
Brighton Beach
Bush Terminal
Canarsie
Coney Island
Dyker Heights
Flatbush-Central
Flatbush-East
Flatbush-Lefferts
Garden
Flatbush-North
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison

Manhattan Beach
Marine Park
Midwood
Mill Basin
Ocean Parkway-North
Ocean Parkway-South
Old Mill Basin
Seagate
Sheepshead Bay
Sunset Park

EAST BROOKLYN

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

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