



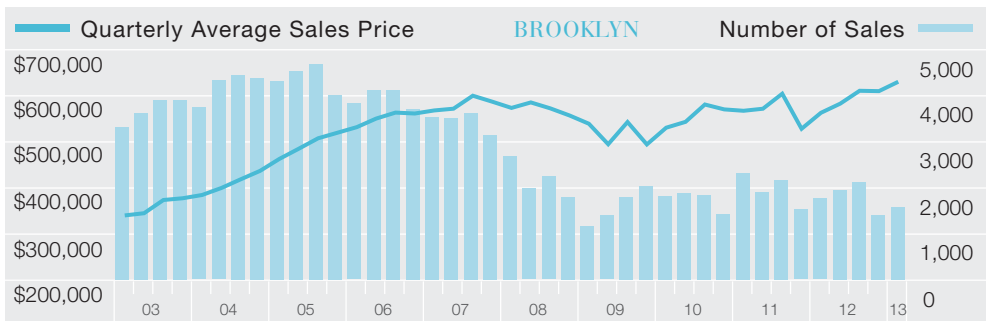
ELLIMANREPORT

BROOKLYN

- Largest drop in inventory to 5-year low** The number of listings fell 45.4% to 3,325 from the prior year levels, the lowest total in the five years we have been tracking this metric. As a result, the number of sales fell 11% to 1,608 despite record low mortgage rates.
- Price indicators rose to post-Lehman record** Median sales price increased 14.4% to \$515,000, the highest level since \$525,000 was reached in the second quarter of 2008. The median sales price of \$540,000 record was set in the third quarter of 2007.
- Listing discount fell sharply to a record low, constrained by supply** The price negotiability between buyer and seller, also known as listing discount, fell to a 5-year record low of 1.1% from 3.5% in the same period last year.

The Brooklyn housing market began 2013 with rising prices, chronically low inventory and sales restrained from the lack of supply. Several records were set in the first quarter: lowest inventory and listing discount in the 5-years they have been tracked, highest median sales price since Lehman fell and the sharpest year-over-year decline in inventory. Average sales price registered a similar year-over-year gain of 12.3% to \$634,594 in the first quarter, a new record. New development trends, often a function of what is made available to the market at any given time, showed a larger gain in median sales price than the re-sale market from the same period last year.

Brooklyn Market Matrix	1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price	\$634,594	3.4%	\$613,650	12.3%	\$565,291
Median Sales Price	\$515,000	0.5%	\$512,500	14.4%	\$450,000
New Development	\$695,000	16.4%	\$597,000	38.5%	\$501,930
Re-sale	\$483,299	-20.1%	\$605,000	12.1%	\$430,982
Number of Sales	1,608	11.3%	1,445	-11.0%	1,807
Days on Market (From Last List Date)	160	17.6%	136	5.3%	152
Listing Discount (From Last List Price)	1.1%		1.5%		3.5%
Listing Inventory	3,325	-29.0%	4,685	-45.4%	6,092
Absorption Rate (mos)	6.2	-36.1%	9.7	-38.6%	10.1
Year-to-Date	1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price (YTD)	\$634,594	N/A	N/A	12.3%	\$565,291
Median Sales Price (YTD)	\$515,000	N/A	N/A	14.4%	\$450,000
Number of Sales (YTD)	1,608	N/A	N/A	-11.0%	1,807



The decline of listing inventory accelerated at the end of 2012 through the first quarter of 2013. There were 3,325 listings in inventory at the end of the quarter, 45.4% less than in last year's levels. The lack of supply, despite record low mortgage rates, has held back some sales activity. The number of sales fell 11% from the prior year ago quarter to 1,608. As a result the monthly absorption rate, the number of months to sell all listings at the current pace of sales, collapsed to 6.2 months from 10.1 months in

the prior year quarter. As a result of inventory levels remaining at lows the listing discount, the percentage difference between list price at time of contract and contract price, fell to a 5-year low of 1.1%. This metric reflects the fast pace and tightness of the current market. Days on market, the number of days between the last price change and contract date, expanded slightly over the same period, increasing by 8 days to 160 over the same period.

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 posted sharp gains

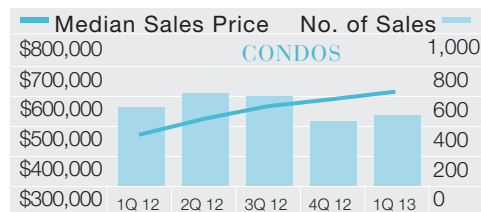
Median sales price was \$626,223, up 31% from the prior year levels. Average sales price showed a 30.9% rise, while average price per square foot increased a nominal 0.3% over the same period.

• Sales fell below prior year levels

There were 489 sales in the first quarter, 9.9% less than the same period last year.

Condo Market Matrix	1Q-2013	% Chg (qtr)	4Q-2012	% Chg (yr)	1Q-2012
Average Sales Price	\$760,405	9.0%	\$697,593	30.9%	\$581,059
Average Price per Sq Ft	\$676	7.5%	\$629	0.3%	\$674
Median Sales Price	\$626,223	4.4%	\$600,000	31.0%	\$478,000
Number of Sales (Closed)	489	9.2%	448	-9.9%	543
Days on Market (From Last List Date)	144	-14.3%	168	-22.6%	186
Listing Discount (From Last List Price)	2.2%		1.3%		3.2%

Quintiles	Med. Sales Price	% Change (yr)
5/5	\$1,286,539	44.4%
4/5	\$829,617	36.2%
3/5	\$626,223	31.4%
2/5	\$485,220	25.9%
1/5	\$335,000	30.5%



CO-OPS

• Price indicators showed pronounced rise from prior year levels

Median sales price rose 10.2% to \$303,000 from the same period last year. Average sales price increased 23.3% over the same period.

• Number of sales jumped

There were 466 sales in the first quarter, 26.6% more than in the prior year period. Listing discount fell to 1.1% from 3.5% in the same period last year.

Co-op Market Matrix	1Q-2013	% Chg (qtr)	4Q-2012	% Chg (yr)	1Q-2012
Average Sales Price	\$407,085	-10.9%	\$456,722	23.3%	\$330,106
Median Sales Price	\$303,000	-16.1%	\$361,000	10.2%	\$275,000
Number of Sales (Closed)	466	23.9%	376	26.6%	368
Days on Market (From Last List Date)	156	13.9%	137	6.1%	147
Listing Discount (From Last List Price)	1.1%		1.5%		3.5%

Quintiles	Med. Sales Price	% Change (yr)
5/5	\$828,313	31.5%
4/5	\$450,000	25.9%
3/5	\$303,000	10.2%
2/5	\$220,000	12.8%
1/5	\$150,000	4.5%



1-3 FAMILY

• All price indicators showed gains from prior year levels

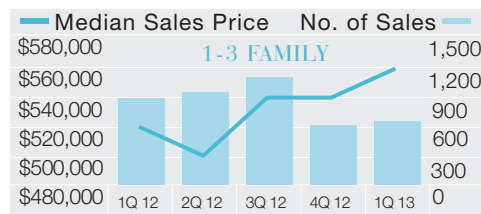
Median sales price was \$560,000, 7.7% above prior year levels. Average sales price and average price per square foot followed similar patterns.

• Sales fell from prior year levels

There were 653 sales, 27.1% fewer than the same period last year, as the decline in inventory restrained market activity.

1-3 Family Market Matrix	1Q-2013	% Chg (qtr)	4Q-2012	% Chg (yr)	1Q-2012
Average Sales Price	\$702,737	8.4%	\$648,109	7.7%	\$652,329
Average Price per Sq Ft	\$292	7.7%	\$271	9.0%	\$268
Median Sales Price	\$560,000	3.7%	\$540,000	7.7%	\$520,000
Number of Sales (Closed)	653	5.2%	621	-27.1%	896
Days on Market (From Last List Date)	98	63.3%	60	2.1%	96
Listing Discount (From Last List Price)	12.9%		1.6%		3.2%

Quintiles	Med. Sales Price	% Change (yr)
5/5	\$1,225,000	16.7%
4/5	\$728,000	7.9%
3/5	\$560,000	7.7%
2/5	\$408,250	6.6%
1/5	\$235,000	-2.1%



LUXURY

• Price indicators continued to outpace overall market

Median sales price was \$1,527,500, up 17.5% from the same period last year. The overall market saw a 14.4% gain over the same period.

• More price growth closer to the threshold than the top of market

The entry-price threshold was \$1,180,000. Price growth increased closer to the threshold.

Luxury Market Matrix	1Q-2013	% Chg (qtr)	4Q-2012	% Chg (yr)	1Q-2012
Average Sales Price	\$1,810,931	12.0%	\$1,616,371	8.6%	\$1,668,154
Median Sales Price	\$1,527,500	9.3%	\$1,397,000	17.5%	\$1,300,000
Number of Sales (Closed)	160	11.1%	144	-11.1%	180
Days on Market (From Last List Date)	170	63.5%	104	23.2%	138
Listing Discount (From Last List Price)	3.4%		2.0%		2.1%

Quintiles	Med. Sales Price	% Change (yr)
5/5	\$2,658,186	8.1%
4/5	\$1,900,500	18.8%
3/5	\$1,527,500	17.5%
2/5	\$1,349,905	22.7%
1/5	\$1,222,909	25.1%



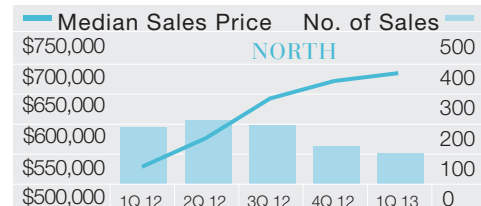
Note: This sub-category is the analysis of the top ten percent of all sales. The data is also contained within the other markets presented.

NORTH

- **Price indicators up sharply** Median sales price surged 30.4% to \$691,029 from prior year levels. Average price per square foot increased 5.6% to \$550 per square foot. Average sales price also jumped 29.4% over the same period.
- **Number of sales fell sharply** Restrained by lack of supply, sales fell 45.1% to 107 from prior year levels.
- **Condo sales still dominate regional activity** 79.4% of all sales in the region were condominiums largely built or converted over the past decade.

North Market Matrix		1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price		\$811,087	0.6%	\$806,633	29.4%	\$626,774
Average Price Per Sq Ft		\$550	2.4%	\$537	5.6%	\$521
Median Sales Price		\$691,029	2.0%	\$677,500	30.4%	\$530,000
Number of Sales		107	-16.4%	128	-45.1%	195
Condo Submarket Matrix		1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price		\$788,598	0.0%	\$788,784	24.2%	\$634,946
Average Price Per Sq Ft		\$721	-3.9%	\$750	-5.1%	\$760
Median Sales Price		\$644,039	-3.4%	\$666,500	23.9%	\$520,000

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$1,193,176	20.5%
4/5	\$693,000	0.0%
3/5	\$575,000	8.5%
2/5	\$501,930	15.4%
1/5	\$399,000	33.4%

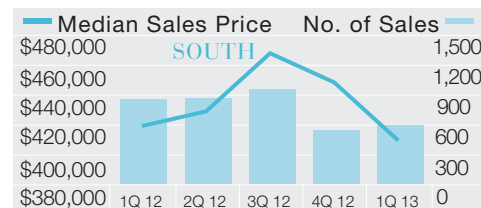


SOUTH

- **Number of sales fell sharply** There were 606 sales in the first quarter, 31% fewer than seen in the prior year quarter.
- **Price indicators slipped with greater weakness at lower end** Median sales price fell 2.5% to \$410,000 with the bottom 40% of the market in the quintile analysis showing weakest price trends.

South Market Matrix		1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price		\$475,653	-3.8%	\$494,335	-5.8%	\$505,085
Median Sales Price		\$410,000	-8.9%	\$450,000	-2.5%	\$420,500
Condo		\$435,669	-1.0%	\$440,000	8.8%	\$400,530
Co-op		\$204,000	-6.6%	\$218,500	4.6%	\$195,000
1-3 Family		\$570,500	0.1%	\$570,000	3.5%	\$551,250
Number of Sales		606	8.4%	559	-31.0%	878

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$815,000	-5.0%
4/5	\$578,000	-0.3%
3/5	\$410,000	-2.4%
2/5	\$270,000	-10.4%
1/5	\$153,000	-10.0%



EAST

- **Number of sales fell from prior year levels** Number of sales fell 15.5% to 284 from same period a year ago, the second year-over-year quarterly decline.
- **Price indicators posted strong gains** Median sales price increased 5.2% to \$390,199 from the prior year quarter. Average sales price showed a similar pattern.

East Market Matrix		1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price		\$431,266	1.7%	\$424,101	7.5%	\$401,179
Median Sales Price		\$390,199	-2.5%	\$400,000	5.2%	\$370,831
Condo		\$420,000	-14.9%	\$493,250	36.8%	\$307,000
1-3 Family		\$400,000	-0.6%	\$402,500	4.2%	\$384,000
Number of Sales		284	18.3%	240	-15.5%	336

Quintiles	Med. Sales Price	% Change (YR)
5/5	\$700,000	14.8%
4/5	\$521,000	9.7%
3/5	\$390,199	6.5%
2/5	\$270,000	3.8%
1/5	\$175,000	-5.4%

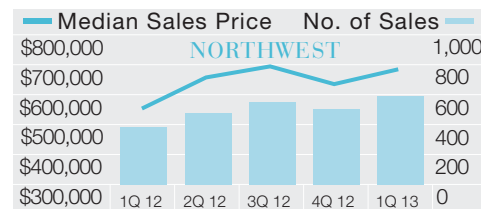


NORTHWEST

- **Number of sales surged from prior year levels** There were 611 sales, 53.5% above prior year levels, the most quarterly sales in more than a year.
- **Price indicators rose sharply** Both price indicators rose above prior year levels. Median sales price jumped 24.1% to \$695,000 from the prior year quarter.

Northwest Market Matrix		1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price		\$855,835	9.4%	\$782,545	6.1%	\$806,529
Median Sales Price		\$695,000	7.9%	\$644,000	24.1%	\$560,000
Number of Sales		611	18.0%	518	53.5%	398

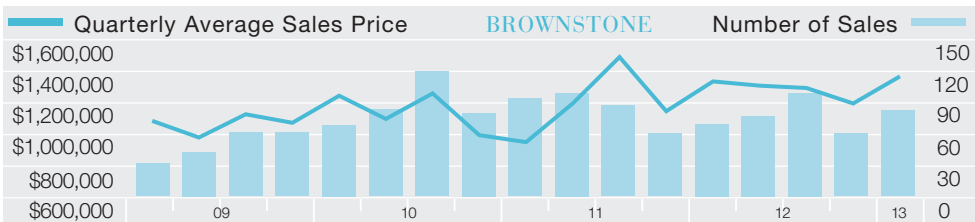
Quintiles	Med. Sales Price	% Change (YR)
5/5	\$1,513,473	6.1%
4/5	\$959,750	23.0%
3/5	\$695,000	24.2%
2/5	\$484,360	14.0%
1/5	\$306,830	7.7%



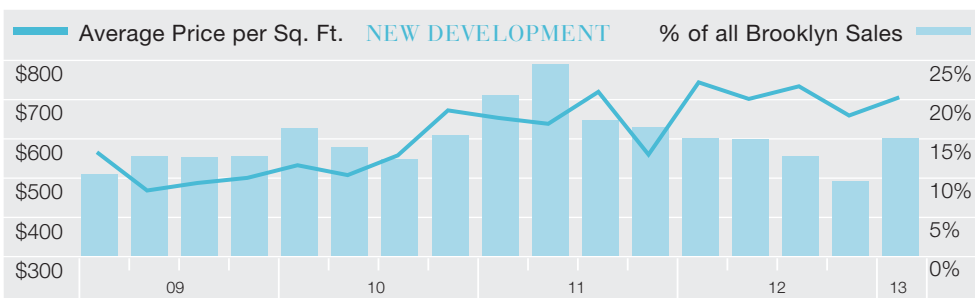
BROWNSTONE

- Number of sales jumped from prior year levels** There were eighty three 1-3 family sales in the first quarter, 18.6% more than the same period last year.
- Price indicators were mixed** While showing sharp quarter-over-quarter gains of 14.6%, median sales price edged 2.4% above prior year levels. The other price metrics declined from the same period last year.

Brownstone Market Matrix	1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price	\$1,643,213	10.4%	\$1,488,180	-5.0%	\$1,730,300
Average Price Per Sq Ft	\$566	-1.9%	\$577	-10.0%	\$629
Median Sales Price	\$1,375,000	14.6%	\$1,200,000	2.4%	\$1,342,500
1-Family	\$1,480,000	29.3%	\$1,145,000	3.1%	\$1,435,000
2-Family	\$1,325,000	-4.4%	\$1,386,000	-5.2%	\$1,397,500
3-Family	\$1,400,000	21.7%	\$1,150,000	40.0%	\$1,000,000
Number of Sales	83	36.1%	61	18.6%	70



New Development Market Matrix	1Q-2013	% Chg (QTR)	4Q-2012	% Chg (YR)	1Q-2012
Average Sales Price	\$822,095	11.0%	\$740,485	27.7%	\$643,803
Average Price Per Sq Ft	\$707	7.0%	\$661	-5.1%	\$745
Median Sales Price	\$695,000	16.4%	\$597,000	38.5%	\$501,930
Number of Sales	243	73.6%	140	-11.6%	275
Days on Market (From Last List Date)	125	17.9%	106	-50.8%	254
Listing Discount (From Last List Price)	1.0%		0.2%		4.1%



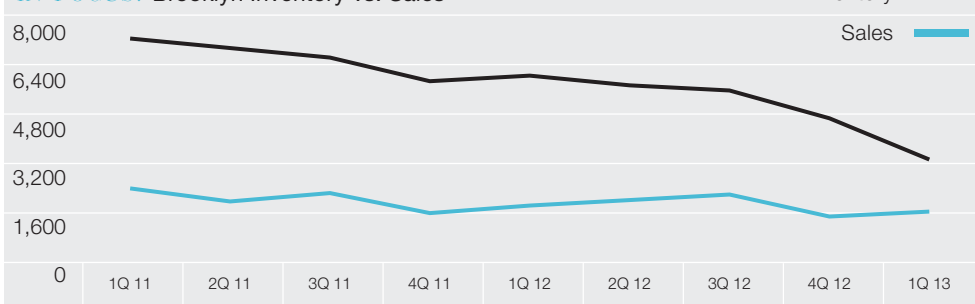
NEW DEVELOPMENT

- Market share consistent with post-Lehman average** The 15.1% market share of new development sales borough-wide was consistent with the 15% 4-year quarterly average since 1Q 09.
- Price per square foot has been trending higher over the past 4 years** At \$707 per square foot, new development pricing is 24.5% higher than in the same period 4 years ago.
- Days on market plunged over the past year** The number of days from last price change to contract date has fallen sharply to 125 days from 254 days in the prior year quarter. The large drop reflected the absorption of laggards over the past year.

IN-FOCUS

- Over the past 2 years listing inventory has collapsed** Over the past two years, listing inventory has fallen 45.4% to 3,325 listings from 6,092 listings.
- Sales levels have been restrained by low supply** The number of sales have fallen 32.2% or half the rate of the drop in supply. Low mortgage rates have been no match for falling supply.

IN-FOCUS: Brooklyn Inventory vs. Sales



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

EAST BROOKLYN

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

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