ELLIMAN REPORT

2Q 2016

BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES 3.6%
Median Sales Price

PACE 3.2 mos.
Absorption Rate

SALES 8.8%
Closed Sales

INVENTORY 37.4%
Total Inventory

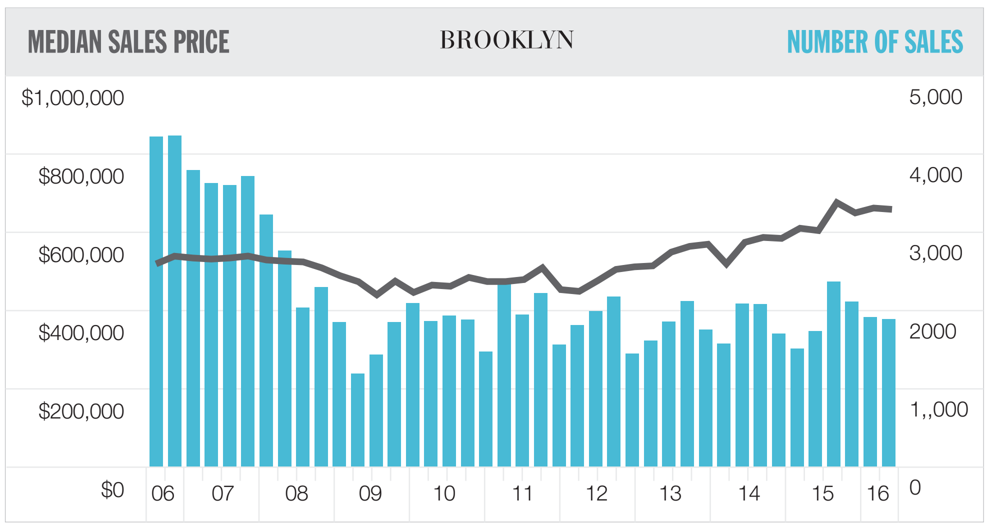
MARKETING TIME 3 days
Days on Market

NEGOTIABILITY 6.9%
Listing Discount

- **Prices moved higher for the 15th consecutive quarter**
- **Fastest absorption rate in the 8 years this metric has been tracked**
- **Marketing time edged higher as negotiability dropped**

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–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$816,827	2.7%	$795,409	3.6%	$788,529
Median Sales Price	$659,000	-0.5%	$662,431	8.9%	$605,000
Number of Sales	1,888	-1.3%	1,912	8.8%	1,735
Days on Market (From Last List Date)	76	8.6%	70	4.1%	73
Listing Discount (From Last List Price)	1.1%		0.0%		8.0%
Listing Inventory	2,672	-6.6%	2,860	-37.4%	4,269
Absorption Rate (mos)	4.2	-6.7%	4.5	-43.2%	7.4
Year-to-Date	**2Q–2016**	**%Δ (QTR)**	**1Q–2016**	**%Δ (YR)**	**2Q–2015**
Average Sales Price (YTD)	$806,050	N/A	N/A	4.6%	$770,280
Median Sales Price (YTD)	$660,000	N/A	N/A	7.3%	$615,000
Number of Sales (YTD)	3,800	N/A	N/A	17.2%	3,242



Brooklyn housing prices moved higher with expanding sales and declining inventory. Median sales price increased 8.9% to $659,000 from the prior year quarter, a 15-quarter trend that began in the fourth quarter of 2012. Average sales price followed the same pattern, rising 3.6% to $816,827 over the same period. The median sales price for condos up 10.6% to $773,926, co-ops up 20% to $390,043, and 1-3 family houses up 2.9% to $700,000 respectively over the same period. For much of the market, prices continue to move higher due to constrained supply and higher demand. Simply put, the Brooklyn housing market has remained on a tear - along with its global brand - that began more than 5 years ago. Listing inventory fell 37.4% to 2,672 from the year ago quarter. Despite a chronic lack of supply, the number of sales increased 8.8% to 1,888, the fourth consecutive year over year increase. With demand overpowering supply, the pace of the market accelerated. The absorption rate, the number of months to sell all listing inventory at the current rate of sales, fell to 4.2 months from 7.4 months from the year ago quarter. This was the fastest moving quarter in the eight years this metric has been tracked. Listing discount, the percentage difference between the list price at time of sale and the sales price, was 1.1%, down from 8% in the year ago quarter. Days on market, the number of

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Appraisal and consulting services covering the New York City metropolitan area

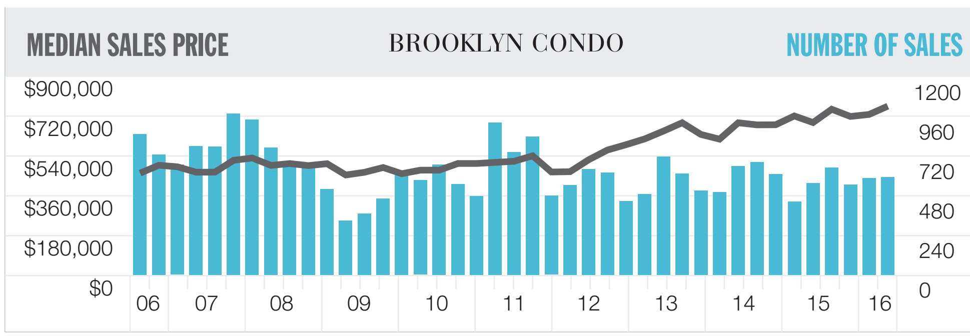
days between the last list price change and the contract date, was 76 days, 3 days slower than the same period last year but still considered low in historic terms. Luxury median sales price, representing the top 10% of sales, did not keep pace with the overall market for the second consecutive quarter. Luxury median sales price declined 6.2% to $1,900,000 from the prior year quarter. Luxury average sales price showed a similar pattern, declining 9.4% to $2,213,797 over the same period. The luxury market threshold edged 1.5% higher to $1,525,000. Condo new development represent 7.4% of all borough sales and 23.6% of all borough condo sales this quarter with both metrics roughly double their market share of a year ago. New development condo price trend indicators were mixed as median sales price slipped 3.6% to $698,894 and average sales price rose 2% to $917,619 respectively from the year ago quarter. The number of new development sales closings more than doubled to 140 and marketing time fell 41% to an average of 79 days. For the re-sale condo market, housing prices were up across all price indicators. Re-sale condo median sales price increased 5.7% to $797,500 and average sales price increased 4.4% respectively from the year ago quarter.

CONDOS

- **All price indicators moved higher**
- **Number of sales and marketing time expanded**
- **Negotiability fell sharply**

Condo Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$953,456	13.7%	$838,651	9.6%	$869,860
Average Price Per Sq Ft	$1,039	9.1%	$952	23.1%	$844
Median Sales Price	$773,926	5.1%	$736,616	10.6%	$700,000
Number of Sales	594	1.0%	588	6.8%	556
Days on Market (From Last List Date)	71	-5.3%	75	14.5%	62
Listing Discount (From Last List Price)	1.3%		0.2%		12.0%

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,669,000	7.5%
4/5	$1,085,000	13.7%
3/5	$773,926	10.6%
2/5	$581,840	4.8%
1/5	$403,362	31.8%

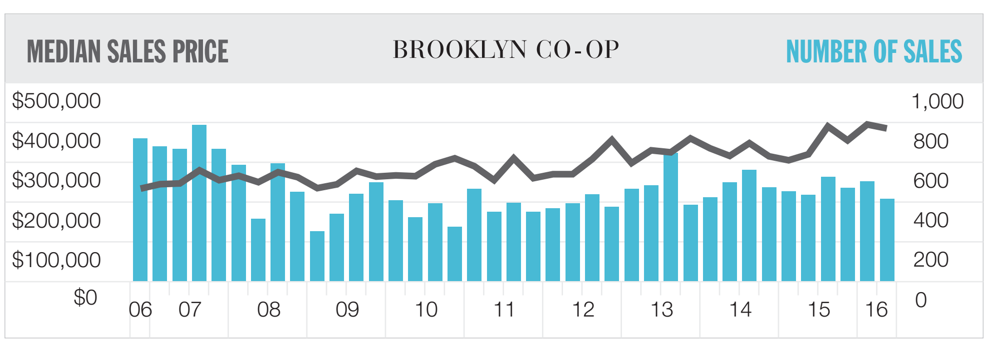


CO-OPS

- **Price trend indicators rose sharply**
- **Number of sales slipped**
- **Faster marketing time and nominal negotiability**

Co-op Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$507,315	0.3%	$505,901	13.3%	$447,755
Median Sales Price	$390,043	-2.5%	$400,000	20.0%	$325,000
Number of Sales	416	-17.6%	505	-4.6%	436
Days on Market (From Last List Date)	88	39.7%	63	-3.3%	91
Listing Discount (From Last List Price)	0.4%		-0.4%		-2.4%

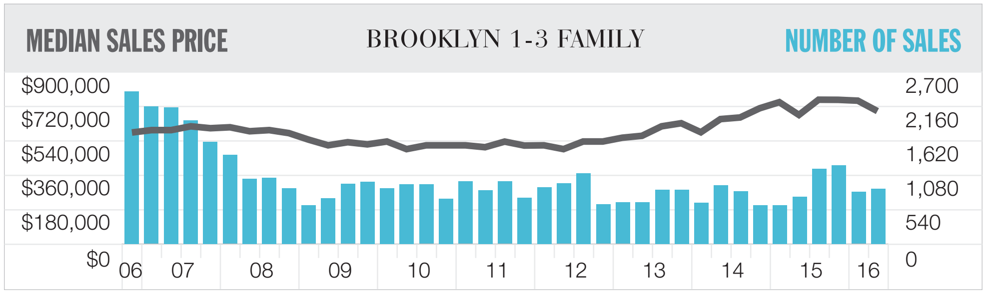
Quintiles	Med. Sales Price	%Δ (YR)
5/5	$999,500	24.3%
4/5	$537,500	16.8%
3/5	$390,043	20.0%
2/5	$260,000	15.6%
1/5	$162,500	9.1%



1-3 FAMILY

- Price indicators were mixed
- Surge in number of sales
- Marketing time and negotiability expanded

1-3 Family Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$871,977	-7.5%	$942,876	-6.0%	$927,637
Average Price Per Sq Ft	$389	-13.2%	$448	-5.4%	$411
Median Sales Price	$700,000	-7.3%	$755,000	2.9%	$680,000
Number of Sales	872	6.5%	819	17.4%	743
Days on Market (From Last List Date)	122		66		99
Listing Discount (From Last List Price)	7.6%		4.0%		4.1%



Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,580,000	-5.5%
4/5	$988,000	2.5%
3/5	$700,000	2.9%
2/5	$530,000	6.2%
1/5	$320,000	10.3%

Brooklyn Market by LOCATION

NORTH

- Number of sales moved higher
- Price trend indicators were mixed

North Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$1,067,503	8.3%	$985,268	-23.2%	$1,390,013
Average Price Per Sq Ft	$914	-3.0%	$942	1.6%	$900
Condo	$1,169	-3.9%	$1,216	13.2%	$1,033
Median Sales Price	$870,000	0.6%	$865,000	-17.1%	$1,050,000
Number of Sales	143	-12.3%	163	5.9%	135

SOUTH

- Price trend indicators continued to rise
- Number of sales moved higher

South Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$643,606	0.2%	$642,566	12.3%	$573,193
Median Sales Price	$549,346	-1.9%	$560,037	13.6%	$483,500
Condo	$550,000	-1.8%	$560,037	4.8%	$525,000
Co-op	$265,000	6.0%	$250,000	12.8%	$235,000
1-3 Family	$724,000	-3.5%	$750,000	8.9%	$665,000
Number of Sales	901	-10.8%	1,010	3.9%	867

EAST

- Sharp gains in all price trend indicators
- Jump in number of sales

East Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$735,808	8.9%	$675,480	16.8%	$629,900
Median Sales Price	$650,000	9.7%	$592,500	13.0%	$575,000
Condo	$730,000	16.8%	$625,000	19.3%	$611,734
1-3 Family	$639,000	4.8%	$610,000	9.3%	$584,876
Number of Sales	414	40.8%	294	15.6%	358

NORTHWEST

- Price trend indicators were mixed
- Rise in the number of sales

Northwest Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$1,174,425	1.9%	$1,152,003	-3.8%	$1,221,289
Median Sales Price	$985,000	14.8%	$857,756	8.2%	$910,000
Condo	$1,085,236	8.5%	$999,999	8.6%	$999,000
Co-op	$642,000	-8.3%	$700,000	4.0%	$617,500
1-3 Family	$1,970,000	-15.7%	$2,338,250	-23.9%	$2,589,500
Number of Sales	430	-3.4%	445	14.7%	375

BROWNSTONE

- Price trend indicators declined
- Drop in the number of sales

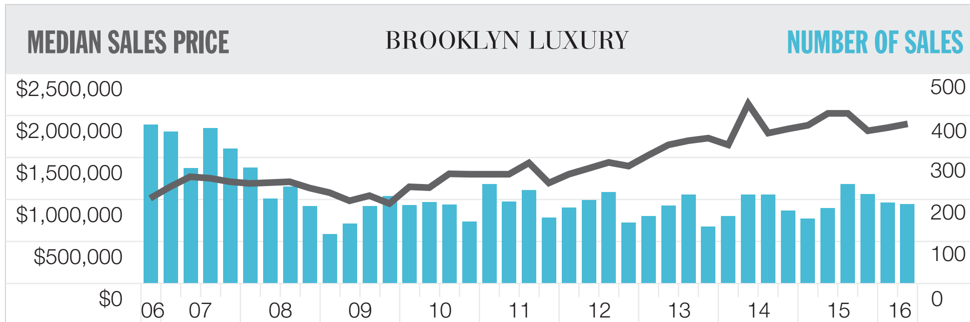
Brownstone Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$2,247,079	-12.9%	$2,579,566	-22.5%	$2,898,551
Average Price Per Sq Ft	$812	-19.8%	$1,013	-21.8%	$1,039
Median Sales Price	$1,970,000	-15.7%	$2,338,250	-23.9%	$2,589,500
1-Family	$1,820,000	-14.4%	$2,125,000	-32.6%	$2,700,000
2-Family	$1,870,000	-25.2%	$2,500,000	-18.7%	$2,300,000
3-Family	$2,779,500	-0.2%	$2,785,000	16.1%	$2,394,750
Number of Sales	42	-25.0%	56	-17.6%	51

LUXURY

- **Luxury market threshold edged higher**
- **Longer marketing time but with less negotiability**
- **Price trend indicators were mixed**

Luxury Mix	Luxury Sales Share	Median Sales Price
Condo	40.2%	$1,980,063
Co-op	9.5%	$1,755,000
1-3 Family	50.3%	$1,900,000

Luxury Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$2,213,797	1.0%	$2,192,789	-9.4%	$2,443,808
Median Sales Price	$1,900,000	2.4%	$1,855,250	-6.2%	$2,025,000
Number of Sales	189	-1.6%	192	5.6%	179
Days on Market (From Last List Date)	99	67.8%	59	39.4%	71
Listing Discount (From Last List Price)	0.0%		1.1%		1.4%
Entry-Price Threshold	$1,525,000	5.2%	$1,450,000	1.7%	$1,500,000



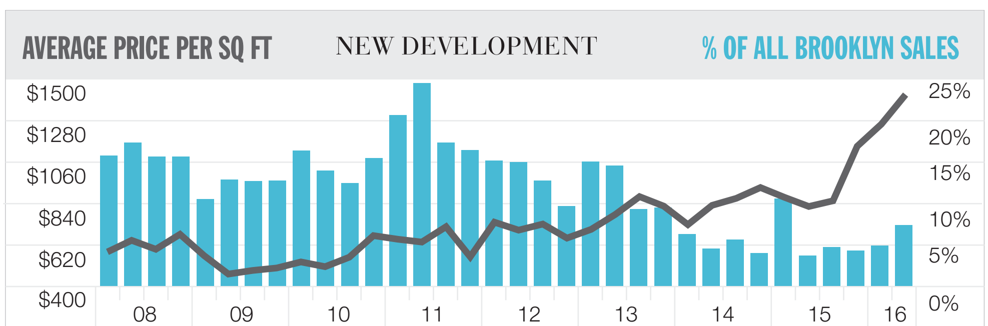
NEW DEVELOPMENT

Condos

- **Price indicators were mixed and showed volatility**
- **Number of sales and market share jumped**
- **Marketing time fell as negotiability remained low**

New Development Mix	Condo Sales Share	Median Sales Price
< $1M	75.0%	$615,000
$1M - $3M	25.0%	$1,332,200
> $3M	N/A	N/A

New Development Market Matrix	2Q–2016	%Δ (QTR)	1Q–2016	%Δ (YR)	2Q–2015
Average Sales Price	$917,619	12.1%	$818,235	2.0%	$899,666
Average Price Per Sq Ft	$1,419	12.4%	$1,263	71.4%	$828
Median Sales Price	$698,894	-7.2%	$753,505	-3.6%	$725,000
Number of Sales	140	50.5%	93	115.4%	65
Days on Market (From Last List Date)	79	-13.2%	91	-41.0%	134
Listing Discount (From Last List Price)	0.7%		1.2%		-0.4%
Sales Share of Overall Market	7.4%		4.9%		3.7%



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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