

# BROOKLYN

## Market Overview

A Quarterly Survey of Brooklyn Residential Sales

4Q 10



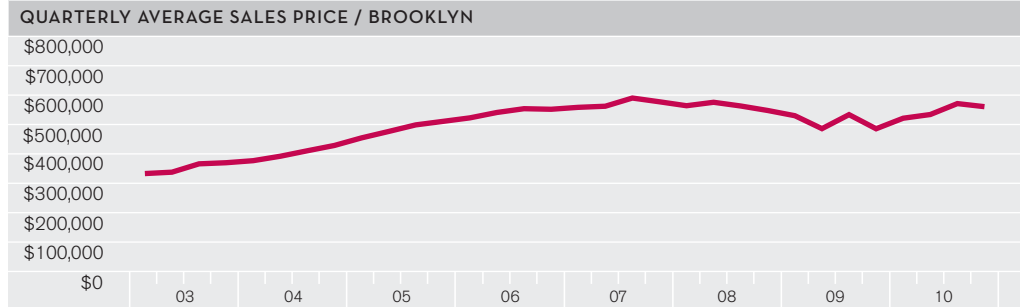
Prepared by Miller Samuel Inc.  
Appraisal and consulting services covering  
the New York City metropolitan area

### *Number of sales declined as prices edged higher*

**Listing inventory rose as number of sales declined** There were 1,468 sales in the fourth quarter, 29.9% below 2,093 sales in the prior year quarter and 21.9% below 1,879 in the prior quarter. While the decline in number of sales from the prior quarter is a seasonal pattern, the decline is greater than the 8.9% average of the prior five years. A significant portion of the decline in number of sales is attributable to the expiration of the federal homebuyer tax credit, which incentivized more sales activity in the first half of 2010, coming at the expense of less sales activity in the second half of 2010. Listing inventory rose 14% to 6,203 in the fourth quarter, from 5,439 in the prior year quarter and 6.4% below 6,630 in the prior quarter. The drop in sales caused inventory to rise and the monthly absorption rate—the number of months to sell all active inventory at the current pace of sales—to edge higher. The absorption rate was 12.7 months in the fourth quarter, weaker than 7.8 months in the prior year quarter, but below the first quarter 2009 rate of 15.3 months, immediately following the onset of the credit crunch at the end of 2008.

**Price indicators above prior year, but experienced seasonal decline** The median sales price of a Brooklyn residential property in the fourth quarter of 2010 was \$475,000, 6.2% higher than \$447,174 in the prior year quarter, but 2.2% below \$485,504 in the prior quarter. The year over year increase in price indicators was attributable to the return of a more normal mix of sales. The market is moving away from the emphasis on entry-level

BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$572,892	-1.9%	\$583,790	15.8%	\$494,721
Median Sales Price	\$475,000	-2.2%	\$485,504	6.2%	\$447,174
New Developments	\$530,000	-3.3%	\$547,928	7.7%	\$491,895
Re-Sale	\$465,000	-1%	\$469,750	5.7%	\$440,000
Number of Sales	1,468	-21.9%	1,879	-29.9%	2,093
Days on Market (from Last List Date)	119	8.7%	109	-26.9%	163
Listing Discount (from Last List Price)	5.6%		5%		6%
Listing Inventory	6,203	-6.4%	6,630	14%	5,439



sales that we experienced last year, plus there was a decline in market share of lower priced co-ops. The amount of inventory that is active on the market was 14% higher in the fourth quarter than the same period last year, but remains consistent with past norms. Despite the increase in listing inventory, there seems to be fewer properties that are priced at market levels.

**Days on market fell sharply as listing discount edged higher in second half of year** Consistent with the decline in the number of sales in the second half of the year, average days on market—the number of days from the listing date to contract date—was 119 in the fourth quarter, down significantly from 163 days during the same period a year ago, but was 10 days longer than 109 days

in the prior quarter. Listing discount—the percent difference between the listing price and contract price—followed the same pattern. The listing discount was 5.6% in the fourth quarter, down from 6% in the prior year quarter, but up from 5% in the prior quarter.

**Brooklyn showed stability** The fourth quarter results were consistent with the results of the prior quarter adjusted for seasonality. Despite the fact that the regional economy continues to slowly improve, unemployment remains stubbornly high and credit remains tight. The fourth quarter tends to be the weakest of the year in terms of price and sales trends so the return of a historically normal pattern of seasonality suggests continuing market improvement.

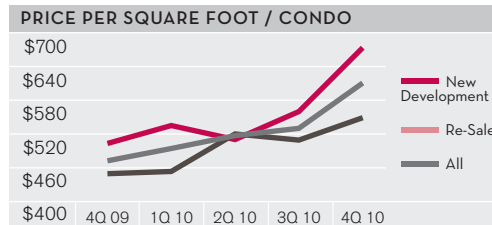
# CONDO *market*

*Price indicators rose as number of sales fell*

**Days on market fell sharply as number of sales declined** There were 478 sales in the fourth quarter, down 22% from 613 in the prior year quarter. Market share for new development condos edged higher over the same period to 47.5% of all borough condo sales from 43.7% in the prior year quarter. Consistent with this trend, condo sales gained market share over the past year, accounting for 32.6% of all borough sales, up from 29.3% in the prior year quarter. All price indicators showed

CONDO MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$575,010	-2.7%	\$591,015	13.4%	\$506,953
Average Price per Square Foot	\$611	15.2%	\$530	29.5%	\$472
New Developments	\$674	20.5%	\$560	34%	\$503
Re-Sale	\$549	8%	\$509	22.3%	\$449
Median Sales Price	\$515,000	0%	\$515,000	9.8%	\$468,975
Number of Sales	478	-12.9%	549	-22%	613
Days on Market (from Last List Date)	141	11%	127	-27.7%	195
Listing Discount (from Last List Price)	4.2%		4.6%		6.2%

increases over the past year as higher priced units experienced more activity than last year. Median sales price, unchanged from the prior quarter, rose 9.8% to \$515,000 from \$468,975 in the prior year quarter. Days on market fell sharply to 141 days from 195 days in the same period last year.



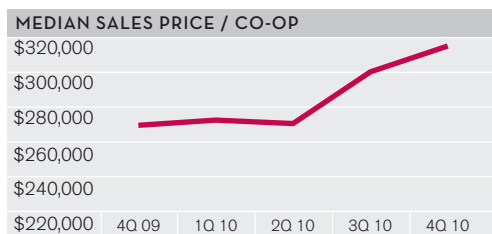
# CO-OP *market*

*Price indicators jumped due to shift from smaller sales*

**Co-op sales continued to trend lower** After peaking in the prior year quarter, co-op sales have been trending lower over the past year. There were 275 sales in the fourth quarter, 45% below 500 in the prior year quarter, a recent high water mark. This was reflective of the federal tax credit program for first time buyers, which caused entry level sales

CO-OP MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$400,997	-1%	\$404,951	26.3%	\$317,402
Median Sales Price	\$315,000	5%	\$300,000	17.1%	\$269,000
Number of Sales	275	-30%	393	-45%	500
Days on Market (from Last List Date)	80	-15.8%	95	-51.5%	165
Listing Discount (from Last List Price)	3.7%		3.2%		3.4%

to surge at the end of 2009. Despite the decline in sales, properties sold more quickly. Days on market dropped to 80 days from 165 days in the prior year quarter. This shift in the type of sales resulted in a jump in price indicators. Median sales price was \$315,000 in the fourth quarter, up 17.1% from \$269,000 in the same period last year.



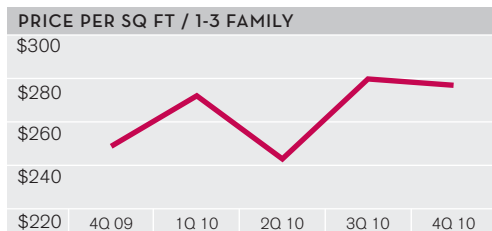
# 1-3 FAMILY *market*

*Number of sales declined and days on market dropped*

**Price indicators showed stability** The median sales price for the fourth quarter was \$520,000, slipping 1% below \$525,000 in the same period last year and is unchanged from the prior quarter. There were 715 sales in the quarter, 27% less than the two year high of 980 sales in the same period a year ago and 23.7% below 937 in the prior

1-3 FAMILY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$637,589	-2.6%	\$654,567	10.4%	\$577,537
Average Price per Square Foot	\$276	-0.8%	\$279	11.6%	\$247
Median Sales Price	\$520,000	0%	\$520,000	-1%	\$525,000
Number of Sales	715	-23.7%	937	-27%	980
Days on Market (from Last List Date)	119	13.3%	105	-15.6%	141
Listing Discount (from Last List Price)	7.2%		6%		7.1%

quarter. Although there was a decline in sales, the time to sell a property fell over the same period to 119 days from 141 days in the same period last year. The percent spread between listing and contract price was 7.2%, essentially unchanged over the year despite the decline in sales.



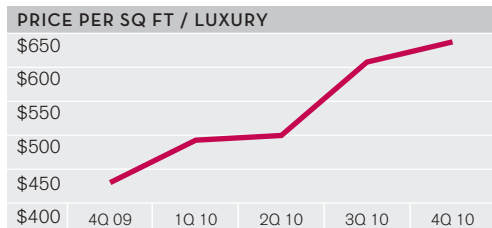
# LUXURY *market*

*Price indicators rose with more high-end sales*

**Days on market fell sharply** Brooklyn luxury properties averaged 147 days on market, 2 months faster than the recent 208 day high set in the fourth quarter of 2009 and reflecting the significantly weaker market conditions of the preceding year. The listing discount remained relatively stable at 6.8% compared to 6.5% in the prior year quarter, but both price indicators jumped as more expensive

LUXURY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,544,932	-5.9%	\$1,642,007	37.6%	\$1,122,759
Median Sales Price	\$1,300,000	-0.4%	\$1,305,000	36.8%	\$950,000
Number of Sales	147	-21.4%	187	-29.3%	208
Days on Market (from Last List Date)	143	14.4%	125	-26.3%	194
Listing Discount (from Last List Price)	6.8%		3.3%		6.5%

properties were included in the mix of sales this quarter. The bottom of the top ten percent of the Brooklyn market began at \$935,000 in the fourth quarter, above the \$835,000 benchmark set in the prior year quarter.



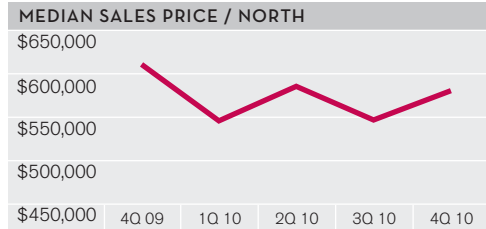
Note: This sub-category is the analysis of the top ten percent of all co-op, condo and 1-3 family sales. The data is also contained within the co-op, condo and 1-3 family markets presented.

# NORTH

*Only major region to show increase in sales, largely due to condos*

**Price indicators continued to show mixed results** Median sales price slipped 5% to \$580,000 in the fourth quarter from \$610,475 in the same period last year, but rose 6.2% from \$546,000 in the prior quarter. Average sales price moved in the opposite direction over the past year, rising 8.1% to \$682,862 from \$631,590 in the prior year quarter. North Brooklyn was the only major region in the borough to see an increase in the number of sales over the past year, largely due to a gain in condo sales activity. There were 155 sales in the fourth quarter, 21.1% higher than the 128 sales in the prior year quarter, but down 15.3% from a two year high of 183 sales in the prior quarter. The year over year

NORTH BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$682,862	14.9%	\$594,268	8.1%	\$631,590
Average Price per Square Foot		\$629	27.9%	\$492	34.5%	\$467
Median Sales Price		\$580,000	6.2%	\$546,000	-5%	\$610,475
Number of Sales		155	-15.3%	183	21.1%	128
CONDO SUBMARKET MATRIX / NORTH		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$639,308	10.4%	\$579,180	4.5%	\$611,867
Average Price per Square Foot		\$651	16.3%	\$560	15.5%	\$564
Median Sales Price		\$565,000	4.7%	\$539,500	-2.6%	\$580,000



**QUINTILES / Median Sales Price by No. of Sales / NORTH**

Quintile	Current Qtr	% Chg Prior Year Qtr
5/5	\$1,025,725	14%
4/5	\$739,500	-3.3%
3/5	\$583,457	-5.1%
2/5	\$477,646	-6%
1/5	\$346,561	-6.7%

increase caused the market share of the region to jump to 10.6% of all borough sales from 6.1% at the end of 2009. In addition, the market share

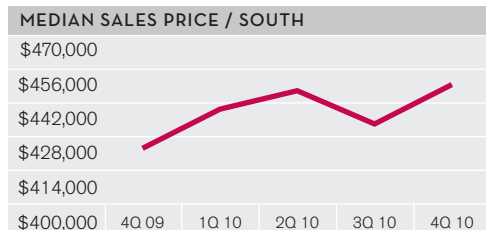
of condos in the region was 87.1%, compared to 83.6% last year at this time and the highest share in two years.

# SOUTH

*Price indicators edged higher due to shift to larger units*

**Number of sales fell** There were 649 sales in the fourth quarter, 45.5% less than the two year high of 1,190 sales reached in the same period last year, which was caused by the end of year release of pent-up demand. The number of sales are 22% below the 832 in the prior quarter, reflecting the lower level of sales activity in the second half of 2010, after the expiration of the federal homebuyer tax credit in the second quarter. The decline in sales activity was reflected in the region's decline in borough market share, falling to 44.2% from 56.9% during the same period last year. Despite the decline in sales, median sales price rose 6.1%

SOUTH BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$514,844	7.0%	\$481,334	11.7%	\$460,976
Median Sales Price	All	\$450,000	3.7%	\$434,000	6.1%	\$424,100
	Condo	\$405,600	-7.5%	\$438,555	1.4%	\$400,000
	Co-op	\$196,000	3.2%	\$190,000	-2%	\$200,000
	1-3 Family	\$550,000	0.9%	\$545,000	-0.2%	\$551,150
Number of Sales		649	-22%	832	-45.5%	1,190



**QUINTILES / Median Sales Price by No. of Sales / SOUTH**

Quintile	Current Qtr	% Chg Prior Year Qtr
5/5	\$869,000	11.4%
4/5	\$600,000	7.1%
3/5	\$450,865	6.1%
2/5	\$330,000	6.5%
1/5	\$170,000	0%

to \$450,000 from \$424,100 in the same period last year and increased 3.7% from \$434,000 in the prior quarter. The rise in price indicators was reflected in

the increase in median sales price for each quintile over the past year, ranging from 0% to 11.4% with larger gains at the higher end of the market.

# EAST

*Price indicators trended lower*

**Number of sales fell** There were 239 sales in the fourth quarter, 25.5% below 321 sales in the prior year quarter and well below the 464 sale quarterly average. There were 32.3% fewer sales than the 353 sales in the prior quarter. The lower level of sales activity in the quarter is partially attributable to the impact of the expiration of the federal tax credit for homebuyers and the lull in foreclosure activity, due to legal problems revealed with the foreclosure process performed by many national mortgage servicers. Despite the decline in the number of sales, East Brooklyn gained market share in the borough reaching 16.3% from 15.3%

EAST BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$365,722	-6.6%	\$391,616	-5.2%	\$385,588
Median Sales Price	All	\$349,000	2.6%	\$340,000	-8.2%	\$380,000
	Condo	\$344,760	-4.5%	\$360,915	6.7%	\$323,184
	1-3 Family	\$349,900	2.9%	\$340,000	-10.3%	\$390,000
Number of Sales		239	-32.3%	353	-25.5%	321



**QUINTILES / Median Sales Price by No. of Sales / EAST**

Quintile	Current Qtr	% Chg Prior Year Qtr
5/5	\$569,500	-8.1%
4/5	\$431,420	-11.8%
3/5	\$349,415	-8.8%
2/5	\$260,000	-3.2%
1/5	\$196,381	9.5%

in the prior year quarter. Both price indicators showed year over year declines consistent with the decline in sales activity. Median sales price for East

Brooklyn was \$349,000, 8.2% below \$380,000 in the prior year quarter, but edged 2.6% higher than \$340,000 in the prior quarter.

# NORTHWEST

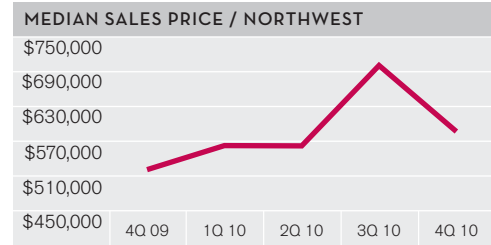
*Price indicators rose as larger properties sold*

**Number of sales slipped** There were 425 sales in the fourth quarter, 6.4% below 454 sales in the same period last year. The 16.8% quarter-over-quarter decline in sales was consistent with seasonal patterns. Market share in Northwest Brooklyn jumped to 29% from 21.7% during the same period last year due to the increases in condo and 1-3 family sales over the same period. Condo market share rose nearly 5% and 1-3 family house market share increased just over 5%. The market share of co-ops fell approximately 10% over the same period combined with their lower average sales price caused overall price indicators to rise.

**Price indicators jumped over year with more high-end units sold** The rise in prices was not due to the sale of larger properties since the average square footage of a sold property was 1,163 square feet, down 23.7% from 1,524 square

feet in the prior quarter. The median sales price of a Northwest Brooklyn property was \$585,000, 12.8% above \$518,636 in the prior year quarter, but 16.4% below \$700,000 in the prior quarter.

NORTHWEST BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$737,931	-16.1%	\$879,611	18.7%	\$621,743
Median Sales Price	\$585,000	-16.4%	\$700,000	12.8%	\$518,636
Number of Sales	425	-16.8%	511	-6.4%	454



QUINTILES / Median Sales Price by No. of Sales / NORTHWEST	Current Qtr	% Chg Prior Year Qtr
5/5	\$1,350,000	22.5%
4/5	\$786,250	10.9%
3/5	\$586,400	12.8%
2/5	\$419,511	7.6%
1/5	\$325,000	17.3%

# BROWNSTONE

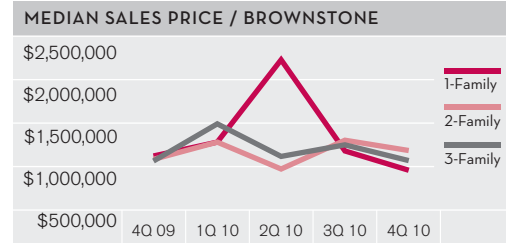
*Market share nearly doubled as some price indicators rose above prior year levels*

**Large rise in sales compared to same period last year** There were 81 sales in the fourth quarter, 30.6% more than 62 sales in the prior year quarter, but down 33.1% from the 3-year high prior quarter total of 121 sales. Greater volatility is expected in a small market segment. However, along with the gain in the sales activity, market share rose sharply over the year to 5.5% of all borough sales from 3% in the same period last year and above the 3.7% 3-year average.

year quarter. Average sales price increased 8.9% to \$1,253,524 from \$1,151,398 over the same period. Price per square foot followed the same pattern rising 9.1% to \$462 from \$424 in the prior year quarter. All three price indicators showed declines from the prior quarter. Despite the volatility in price indicators, the average size of a property that sold throughout the year was consistent. The average square footage of a Brownstone that sold in the

fourth quarter was 2,710 square feet, essentially unchanged from 2,716 square feet in the prior quarter.

Note: This sub-category is the analysis of 1-3 family sales that are already included within the Northwest Brooklyn market section.



BROWNSTONE BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr	
Average Sales Price	\$1,253,524	-16.8%	\$1,507,393	8.9%	\$1,151,398	
Average Price per Square Foot	\$462	-15.8%	\$549	9.1%	\$424	
Median Sales Price	All	\$995,000	-21.3%	\$1,265,000	-7.4%	\$1,075,000
	1-Family	\$935,000	-19.7%	\$1,165,000	-15.4%	\$1,105,000
	2-Family	\$1,170,000	-9.5%	\$1,292,500	9.9%	\$1,065,000
	3-Family	\$1,050,000	-15.2%	\$1,237,500	0.5%	\$1,045,000
Number of Sales	81	-33.1%	121	30.6%	62	

## 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

### SOUTH BROOKLYN

Bath Beach  
Bay Ridge  
Bensonhurst  
Bergen Beach  
Borough Park  
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

### EAST BROOKLYN

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

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