

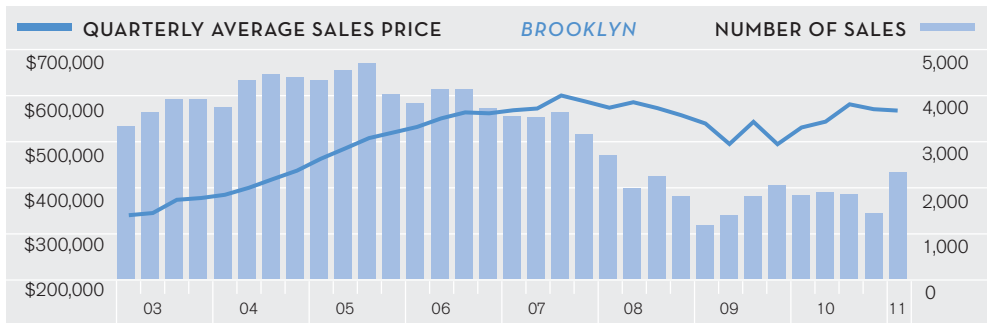
the DOUGLAS ELLIMAN report



BROOKLYN

- Number of sales jumped** There were more sales across all property types compared to the same period last year. The number of sales increased 27.5% to 2,373 in the first quarter.
- Price indicators edged higher** The median sales price of a Brooklyn residential property increased 1.9% to \$475,000 while average sales price rose 7.1% to \$569,799 from the prior year quarter.
- Absorption rate stabilized** The jump in the number of sales was met with a similar increase in listing inventory stabilizing the monthly absorption rate at 9.2 months down nominally from 9.3 months last year in the same period.

BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$569,799	-0.5%	\$572,892	7.1%	\$532,061
Median Sales Price	\$475,000	0.0%	\$475,000	1.9%	\$466,000
New Development	\$519,654	-2.0%	\$530,000	5.2%	\$494,105
Re-sale	\$463,500	-0.3%	\$465,000	1.9%	\$455,000
Number of Sales	2,373	61.6%	1,468	27.5%	1,861
Days on Market (From Last List Date)	129	8.5%	119	13.2%	114
Listing Discount (From Last List Price)	4.8%		5.6%		3.6%
Listing Inventory	7,316	17.9%	6,203	27.0%	5,761
Absorption Rate (mos)	9.2	-27.0%	12.7	-0.4%	9.3



While the number of sales jumped 27.5% to 2,373 sales in the same period last year, listing inventory offset the rise in demand by 27% over the same period to 7,316. As a result, the monthly absorption rate—the number of months to sell all active inventory at the current pace of sales—slipped nominally to 9.2 months from 9.3 months in the prior year quarter. The number of sales remained 7.7% below the 5 year quarterly average while the number of listings remained 17.4% above the 5 year quarterly average. Condo market share by units increased to 38.9% of all borough sales from 30.8% in the prior quarter. Conversely co-ops and 1-3 family sales declined

over the same period, resulting in first quarter market share of 19.6% and 41.5% respectively.

The expansion in listing inventory resulted in modest gains in both days on market and listing discount. The 15 days increase in days on market to 129 days and 1.2% rise in the listing discount to 4.8% reflect improved absorption of older listings in the quarter due to the sharp increase in sales.

Both median sales price and average sales price showed gains over the same period a year ago. There was a larger rise in the average sales price, reflecting more gains at the upper end of

the market. The median sales price edged 1.9% higher this quarter to \$475,000 from \$466,000 in the same period last year and unchanged from the prior quarter. Average sales price saw a 7.1% increase to \$569,799 from \$532,061 in the prior year quarter and nominal decline from the prior quarter average sales price of \$572,892.

Despite the slow pace of regional economic improvement, namely elevated unemployment and restrictive consumer credit conditions, the Brooklyn housing entered the first quarter of 2011 with a stable absorption rate and a modest rise in housing prices.

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 edged higher with rise in new development sales

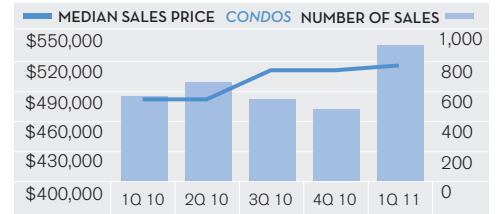
Median sales price increased 7.2% to \$520,000 from \$485,000 in the same period last year. Prices increased in all market quintiles.

• Surge in the number of sales compared to same period last year

There were 923 sales in the first quarter, 61.1% more than 573 in the prior year quarter.

CONDO MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$619,227	7.7%	\$575,010	16.9%	\$529,596
Average Price Per Sq Ft	\$641	4.9%	\$611	29.8%	\$494
Median Sales Price	\$520,000	1.0%	\$515,000	7.2%	\$485,000
Number of Sales	923	93.1%	478	61.1%	573
Days on Market (From Last List Date)	157	11.3%	141	28.7%	122
Listing Discount (From Last List Price)	4.5%		4.2%		4.2%

QUINTILES/Condo Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$997,000	17.3%
4/5	\$661,862	15.1%
3/5	\$520,000	7.2%
2/5	\$410,000	5.5%
1/5	\$299,130	16.4%



CO-OPS

• More sales in the first quarter than in the same period last year

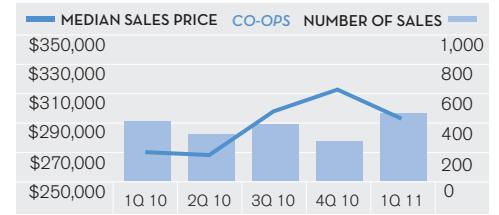
The number of sales increased 13.9% to 466 from 409 in the same period last year.

• Price indicators above same quarter last year

Median sales price increased 8.5% to \$295,000 from \$272,000 in the prior year quarter. The second through fifth quintiles posted year over year increases.

CO-OP MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$381,865	-4.8%	\$400,997	14.0%	\$334,994
Median Sales Price	\$295,000	-6.3%	\$315,000	8.5%	\$272,000
Number of Sales	466	69.5%	275	13.9%	409
Days on Market (From Last List Date)	134	67.5%	80	11.7%	120
Listing Discount (From Last List Price)	4.8%		3.7%		4.3%

QUINTILES/Co-op Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$680,500	9.4%
4/5	\$400,000	9.7%
3/5	\$295,000	8.5%
2/5	\$204,802	6.4%
1/5	\$130,000	-9.4%



1-3 FAMILY

• Price indicators were mixed

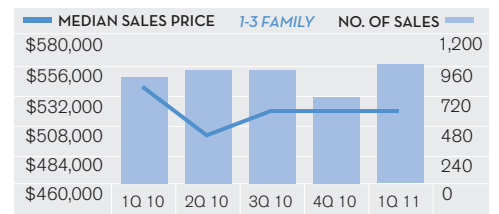
Median sales price slipped 3.7% in the first quarter, from \$540,000 in the same period last year. Price per square foot increased 6.3% over the same period to \$288 from \$271.

• Number of sales increased

There were 984 sales in the first quarter, 11.9% more than 879 sales in the prior year quarter and the most since the third quarter of 2008.

1-3 FAMILY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$612,437	-3.9%	\$637,589	-2.1%	\$625,363
Average Price Per Sq Ft	\$288	4.3%	\$276	6.3%	\$271
Median Sales Price	\$520,000	0.0%	\$520,000	-3.7%	\$540,000
Number of Sales	984	37.6%	715	11.9%	879
Days on Market (From Last List Date)	57	-52.1%	119	-46.2%	106
Listing Discount (From Last List Price)	6.6%		7.2%		2.9%

QUINTILES/1-3 Family Median Sales Price by No. of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$990,000	-0.8%
4/5	\$696,381	0.9%
3/5	\$520,000	-3.7%
2/5	\$389,000	-6.3%
1/5	\$235,000	-6.0%



LUXURY

• Price indicators posted large gains

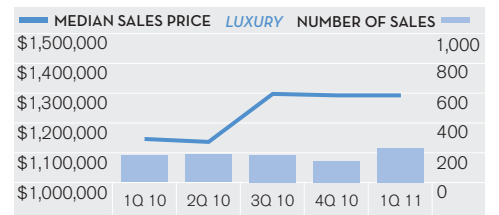
Median sales price was \$1,300,000 in the first quarter, 13% above \$1,150,000 in the prior year quarter. The luxury market began at \$890,000 in the first quarter.

• Marketing time declined as negotiability expanded

Days on market was 119 days, 6 days faster than the same period a year ago. The listing discount expanded over the same period to 7.8% from 4.9% in the prior year quarter.

LUXURY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,493,731	-3.3%	\$1,544,932	12.8%	\$1,323,873
Median Sales Price	\$1,300,000	0.0%	\$1,300,000	13.0%	\$1,150,000
Number of Sales	237	61.2%	147	27.4%	186
Days on Market (From Last List Date)	119	-16.8%	143	-4.8%	125
Listing Discount (From Last List Price)	7.8%		6.8%		4.9%

QUINTILES/Luxury Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$2,100,000	15.4%
4/5	\$1,575,000	18.9%
3/5	\$1,300,000	13.0%
2/5	\$1,100,000	10.8%
1/5	\$988,000	6.8%



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.

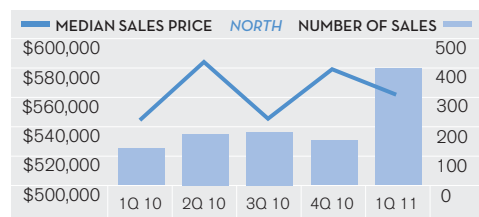
NORTH

- **Price indicators rose** Median sales price edged 3.2% higher to \$562,519 from \$545,000 in the prior year quarter. The price per square foot of a condo increased 14.2% to \$632 over the same period.
- **Condo sales continued to dominate sales activity** Condo sales more than doubled from the same period last year and condos represented 86.1% of total sales in the region. The region's share accounted for 16.5% of Brooklyn sales, up from 6.8% last year.

NORTH MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$629,885	-7.8%	\$682,862	4.9%	\$600,262
Average Price Per Sq Ft	\$638	1.4%	\$629	37.1%	\$465
Median Sales Price	\$562,519	-3.0%	\$580,000	3.2%	\$545,000
Number of Sales	402	159.4%	155	216.5%	127

CONDO SUBMARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$623,754	-2.4%	\$639,308	7.6%	\$579,843
Average Price Per Sq Ft	\$632	-2.9%	\$651	14.2%	\$554
Median Sales Price	\$560,019	-0.9%	\$565,000	5.8%	\$529,490

QUINTILES/North Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$975,000	4.5%
4/5	\$666,954	-9.0%
3/5	\$560,019	1.8%
2/5	\$440,000	-2.2%
1/5	\$336,000	3.4%

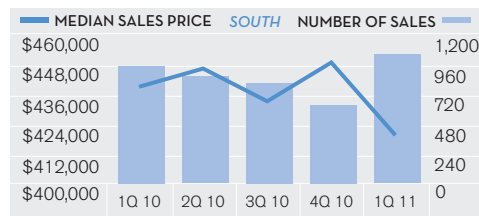


SOUTH

- **Price indicators were mixed** While the median sales price slipped 4.5% to \$420,000 from \$440,000 in the prior year quarter, average sales price was unchanged at \$490,219 over the same period.
- **Number of sales increased** There were 1,068 sales, up 9.7% over the prior year quarter and represented 45% of all borough sales.

SOUTH MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$490,219	-4.8%	\$514,844	0.0%	\$490,227
Median Sales Price	\$420,000	-6.7%	\$450,000	-4.5%	\$440,000
Condo	\$419,000	3.3%	\$405,600	3.4%	\$405,093
Co-op	\$200,000	2.0%	\$196,000	0.0%	\$200,000
1-3 Family	\$520,000	-5.5%	\$550,000	-8.7%	\$569,490
Number of Sales	1,068	64.6%	649	9.7%	974

QUINTILES/South Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$850,000	0.0%
4/5	\$565,128	-4.1%
3/5	\$420,000	-4.5%
2/5	\$295,000	-6.0%
1/5	\$177,000	4.9%

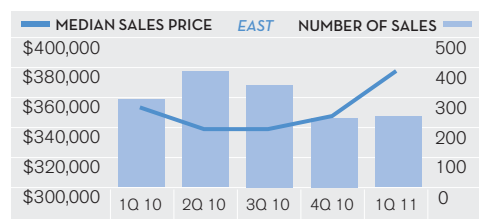


EAST

- **Number of sales fell sharply** There were 245 sales in the first quarter, 18.9% less than the prior year quarter, but 2.5% more than the prior quarter.
- **Price indicators increased** Median sales price increased 7.1% to \$380,000 from \$354,950 in the prior year quarter. Average sales price expanded 5.1% to \$398,550 over the same period.

EAST MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$398,550	9.0%	\$365,722	5.1%	\$379,072
Median Sales Price	\$380,000	8.9%	\$349,000	7.1%	\$354,950
Condo	\$299,130	-13.2%	\$344,760	-13.9%	\$347,450
1-3 Family	\$398,940	14.0%	\$349,900	13.2%	\$352,500
Number of Sales	245	2.5%	239	-18.9%	302

QUINTILES/East Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$661,862	12.0%
4/5	\$480,000	0.3%
3/5	\$380,000	5.6%
2/5	\$261,612	-1.2%
1/5	\$190,000	4.6%

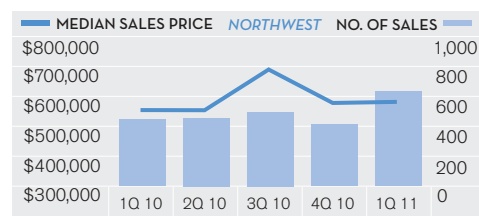


NORTHWEST

- **The number of sales surged** There were 652 sales in the first quarter, up 42.4% from the prior year quarter total. Borough market share for the region expanded over the same period.
- **Price indicators increased** Median sales price increased 5% to \$588,750 from \$560,506 in the same period last year.

NORTHWEST MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$725,650	-1.7%	\$737,931	3.2%	\$702,995
Median Sales Price	\$588,750	0.6%	\$585,000	5.0%	\$560,506
Number of Sales	652	53.4%	425	42.4%	458

QUINTILES/NW Median Sales Price by Number of Sales	Current Qtr	% Change Prior Yr Qtr
5/5	\$1,331,000	2.4%
4/5	\$785,000	6.5%
3/5	\$588,750	5.1%
2/5	\$425,000	-3.2%
1/5	\$300,000	6.8%



BROWNSTONE

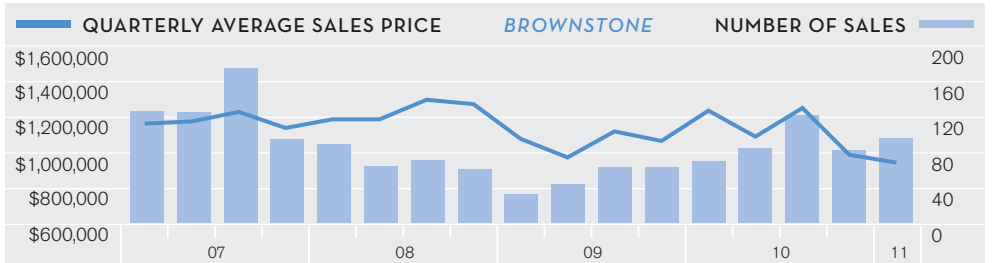
Price indicators dropped as smaller houses were sold

The average square footage of a first quarter sale was 2,260 square feet, 15.9% smaller than 2,716 in the prior year quarter. The percentage year over year quarterly decline in all price indicators bracket the decline in average square footage.

Number of sales jumped

There were 95 sales in the first quarter, up 37.7% from 69 sales in the prior year quarter.

BROWNSTONE MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,120,733	-10.6%	\$1,253,524	-20.6%	\$1,410,818
Average Price Per Sq Ft	\$496	7.2%	\$462	-5.6%	\$525
Median Sales Price	\$950,000	-4.5%	\$995,000	-24.0%	\$1,250,000
1-Family	\$955,000	2.1%	\$935,000	-24.8%	\$1,270,000
2-Family	\$962,500	-17.7%	\$1,170,000	-24.2%	\$1,270,000
3-Family	\$875,000	-16.7%	\$1,050,000	-41.2%	\$1,487,500
Number of Sales	95	17.3%	81	37.7%	69



IN-FOCUS

Despite mixed market, properties do sell above list price Roughly 4.8% of all sales in the first quarter sold for more than their original list price.

Original list price does influence the time it takes to sell For the past two years, properties that sold above their original list price sold an average of 49 days faster than the overall market.

Market share of properties that sold above list price has stabilized over the past 7 quarters The number of sales that sold above list price fell from 18.2% in 1Q 08 to 1.7% in 3Q09, bracketing 5% for the next year and a half.



what type of conditions may exist. The amount of properties that sell above list price and their marketing time relationship with the overall market fluctuates with changes in the conditions of the market.

In the first quarter of 2008 before the onset of the credit crunch later that year, 18.2% of all properties sold for more than their original list price. The motive for pricing close to market levels was reflected in the 89 day reduction in the amount of time an average property spent

on the market. By the fourth quarter of 2008, and the credit crunch fully under way, the market share of properties that sold above original list price fell to 5.1% simply because housing prices began to fall. Market share bottomed at 1.7% in the third quarter of 2008 and for the next 7 quarters the number of properties to sell above list price has remained 5%. The reduction in marketing time also stabilized over this period, with these properties selling an average of 49 days faster than the overall market rate.

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

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
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
Flatbush-Central

MARINE PARK

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