

2017

# *Brooklyn Townhouse Report*



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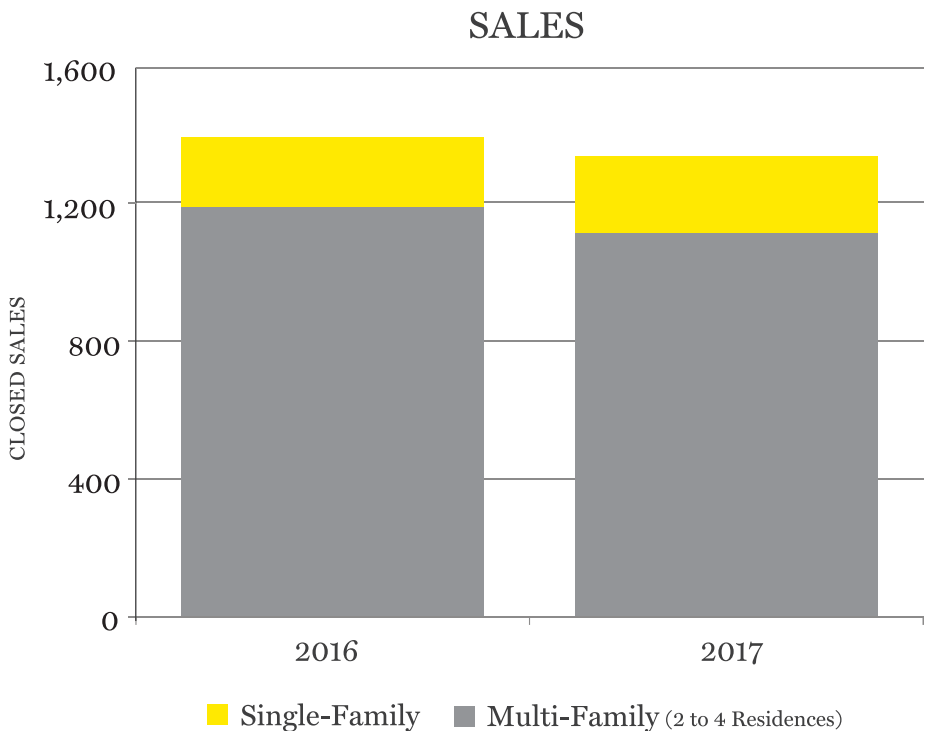
## Overview

The Brooklyn townhouse market backed off from the robust activity seen in 2016, slowed by rising prices throughout the borough. The trend of townhouses undergoing extensive renovations as either a value-add investment, rental income property or even a quick flip continued, but at a slower pace in 2017. Some neighborhoods, particularly Bedford-Stuyvesant, Crown Heights and Bushwick, experienced fewer quick resells in 2017.

Overall price figures in 2017 were higher than a year ago, which likely contributed to tempered activity. However, single-family townhouse sales during 2017 expanded throughout western parts of Brooklyn, particularly in Red Hook, Park Slope and Boerum Hill. Single-family townhouse sales increased 8% compared to 2016 as buyers were enticed by newly renovated townhouses. Multi-family sales declined 7% year-over-year which drove the overall townhouse market down in 2017. Although multi-family townhouse sales improved in few neighborhoods such as Park Slope, Greenpoint and Brooklyn Heights, the decline in northern and eastern parts of Brooklyn far outweighed those gains.

Buyers paid an average price of \$1.853M for a townhouse in Brooklyn, 11% more than in 2016. Median townhouse price increased 9% year-over-year, driven by an increase in townhouse sales over \$2M in addition to prices continuing to appreciate rapidly in western parts of Brooklyn.

Overall	2017	2016	Year/Year
Closings	1,320	1,384	-5%
Average PPSF	\$696	\$618	13%
Average Price	\$1,852,951	\$1,673,263	11%
Median Price	\$1,520,000	\$1,400,000	9%

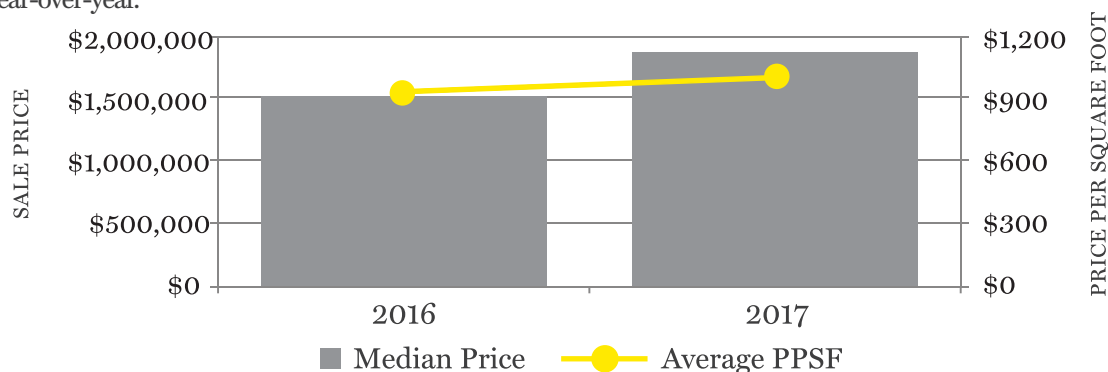




## Single-Family

Single-family townhouse sales increased year-over-year along with all single-family townhouse price metrics. The single-family townhouse market performed better than the multi-family townhouse market with regards to closed sales and price improvements due to an increase in expensive townhouse sales. Both average and median price figures experienced double-digit increases, fueled by an increase in market share of transactions over \$2M. Roughly 45% of single-family townhouses sold over \$2M in 2017 compared to 35% in 2016 driving the average price per square foot up 10% year-over-year.

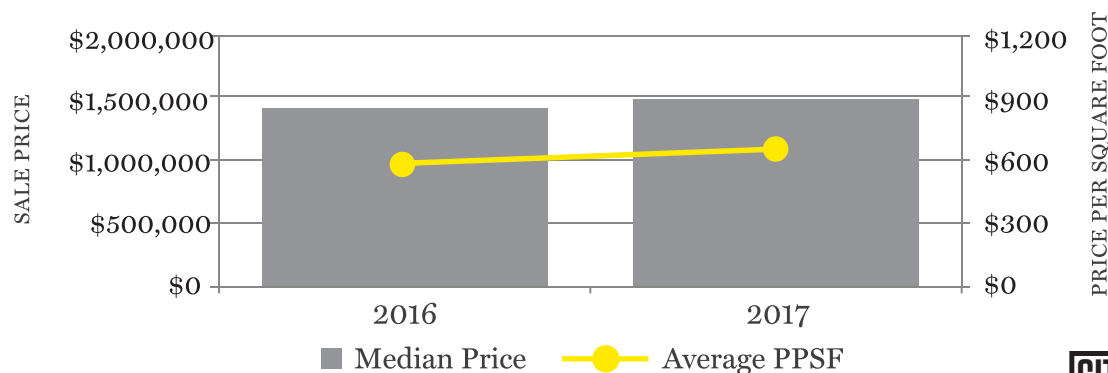
Single-Family	2017	2016	Y/Y
Closings	203	188	8%
Average PPSF	\$993	\$906	10%
Average Price	\$2,417,867	\$2,057,896	17%
Median Price	\$1,850,000	\$1,492,685	24%



## Multi-Family

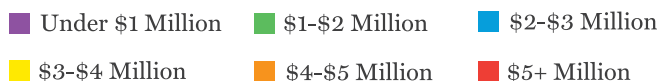
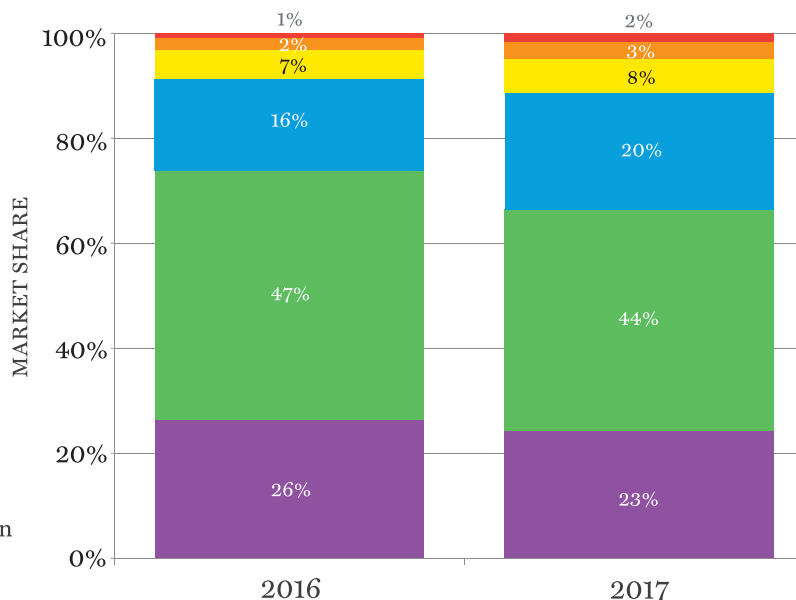
Multi-family townhouse sales in 2017, dropped 7% year-over-year driven by a decline in sales in neighborhoods such as Bedford-Stuyvesant, Crown Heights and Bushwick, the largest decline in number of sales in Brooklyn. Multi-family townhouse sales during 2017 comprised 85% of all townhouse closings, a similar composition to 2016. Prices rose likely hindering the velocity of sales. Average and median price figures in 2017 were up 9% and 6% year-over-year, respectively. All neighborhoods in Brooklyn saw median price gains in this segment of the market.

Multi-Family	2017	2016	Y/Y
Closings	1,117	1,196	-7%
Average PPSF	\$647	\$581	11%
Average Price	\$1,750,285	\$1,612,802	9%
Median Price	\$1,480,000	\$1,400,000	6%



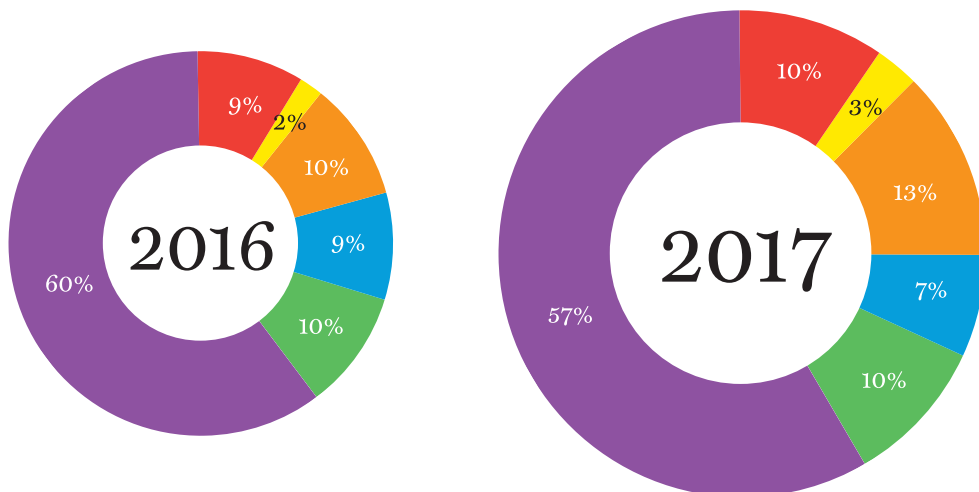
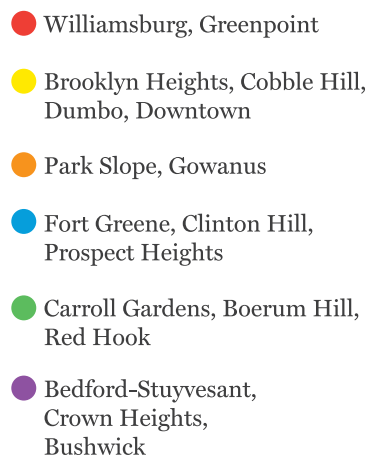
## Townhouse Sales by Price

During 2017, the market share of townhouse sales shifted towards more expensive sales. The lower end and largest categories of sales, \$1M to \$2M and Under \$1M, both lost 3% market share. The \$2M to \$3M price range expanded to a fifth of all sales, while townhouses sold in the \$3M to \$4M also captured more buyers in 2017. Market share of sales over \$5M doubled compared to a year ago, though still claimed a small 2% of the market.



## Townhouse Sales by Region

At 57% market share of sales, the majority of townhouse sales were in Bedford-Stuyvesant, Crown Heights and Bushwick. However, this area had a decline in market share of sales in 2017 of 3% compared to last year. The second highest area for townhouse sales was Park Slope and Gowanus which gained 3% market share in 2017 compared to last year, the largest year-over-year market share gain. Fort Greene, Clinton Hill & Prospect Heights were the only other areas to experience a decrease in market share compared to 2016.



# 2017

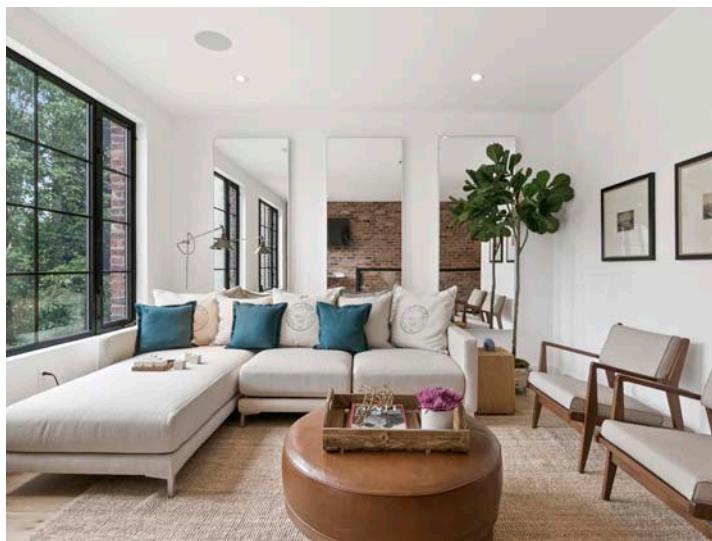
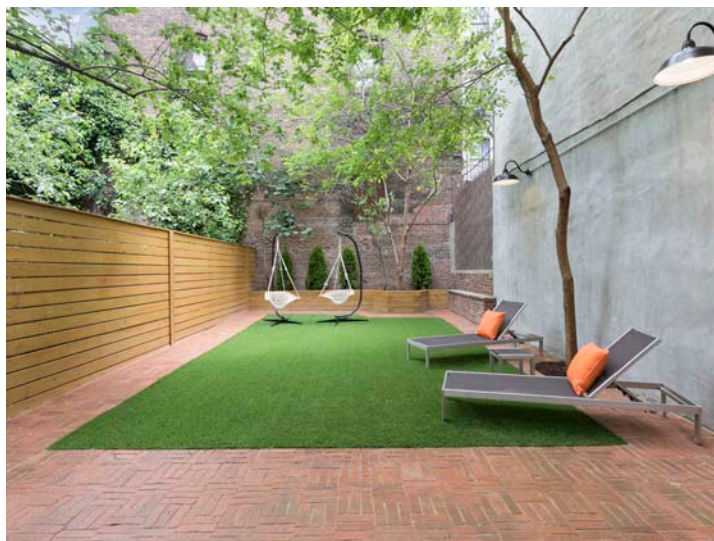
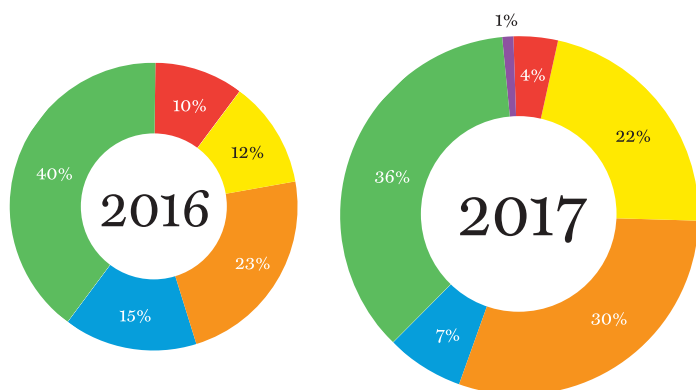
# Brooklyn Townhouse Report

## Luxury

Brooklyn's luxury townhouse market is defined as the highest 10% of all transactions in terms of price. All price metrics in the luxury category experienced gains compared to last year due to an uptick in sales over \$5M in both the single-family and multi-family segments. The average price was \$4.522M this year compared to \$3.952M last year, up 14%. The highest recorded sale in 2017 was \$12.9M, while in 2016 it was \$9.4M; both sales were in Brooklyn Heights. As pricing pushed up during 2017, the luxury sale price threshold, the lowest sale price in the luxury townhouse market, was also up 8% at \$3.25M versus last year.

- Williamsburg, Greenpoint
- Fort Greene, Clinton Hill, Prospect Heights
- Brooklyn Heights, Cobble Hill, Dumbo, Downtown
- Carroll Gardens, Boerum Hill, Red Hook
- Park Slope, Gowanus
- Bedford-Stuyvesant, Crown Heights, Bushwick

Luxury	2017	2016	Y/Y
Avg Sale Price	\$4,522,372	\$3,952,316	14%
Median Price	\$4,000,000	\$3,687,500	8%
Average Size	3,758	3,392	9%
Average PPSF	\$1,203	\$1,165	5%



391 South 3rd Street | Carolina Gontijo | CLOSING PRICE: \$3.575M

This one-of-a-kind custom townhouse offers the best of both worlds – a historic industrial-inspired design, coupled with state-of-the-art modern technology and amenities. Newly-built in a style that honors the neighborhood's rich history, the classic façade is clad in reclaimed brick and boasts oversized warehouse-style windows. Sprawling over 3,364 sq ft, the property offers a separate two-bedroom, one-bath apartment on the first floor that offers valuable income-producing potential, or use as a home office, guest suite or artist's studio. The possibilities are endless.

*Williamsburg & Greenpoint***SINGLE-FAMILY**

Single-family townhouse sales in Williamsburg and Greenpoint declined 22% year-over-year, mainly due to the sellout of all six new construction townhouses on Wythe Lane during 2016. Single-family townhouse sales are limited in Williamsburg and Greenpoint and figures can be skewed upward or downward based on a few sales. Despite the lack of new construction townhouses, all price metrics rose by double-digits as more than half of single-family townhouses sold in 2017 were above \$2M compared to 39% in 2016.

**MULTI-FAMILY**

Multi-family townhouse sales declined slightly, down just 2% versus 2016. All multi-family townhouse sales were over \$900K, driving the median multi-family townhouse price up 3% compared to last year. Average price was down barely 1% versus 2016, the only area in Brooklyn where multi-family average price declined. Average price fell because the average size of multi-family townhouses sold was 9% smaller than in 2016. Therefore, average multi-family townhouse price per square foot increased 8% year-over-year.

Single-Family	2017	2016	Y/Y
Number of Sales	18	23	-22%
Average Sale Price	\$2,442,722	\$2,027,252	20%
Median Price	\$2,200,000	\$1,550,000	42%
Average Size	2,017	1,999	1%
Average PPSF	\$1,211	\$1,014	19%

Multi-Family	2017	2016	Y/Y
Number of Sales	106	108	-2%
Average Sale Price	\$1,945,968	\$1,962,898	-1%
Median Price	\$1,850,000	\$1,800,000	3%
Average Size	2,465	2,697	-9%
Average PPSF	\$789	\$728	8%

*Brooklyn Heights, Cobble Hill, Dumbo, & Downtown***SINGLE-FAMILY**

Single-family townhouse sales were up compared to 2016, which was a robust year for Brooklyn Heights and Cobble Hill. Average and median single-family townhouse price experienced double-digit gains versus 2016, driven by two high priced single-family townhouse sales that were over 5,000 square foot in Brooklyn Heights. Average and median single-family townhouse price figures were the highest in Brooklyn at \$5.74M and \$4.95M, respectively. As larger and more expensive single-family townhouses sold in 2017, the average price per square foot improved 1% versus 2016 to \$1,566 per square foot, the highest single-family townhouse price per square foot in Brooklyn.

**MULTI-FAMILY**

Multi-family townhouse sales in Brooklyn Heights, Cobble Hill, Dumbo and Downtown were up compared to 2016. All price metrics improved in 2017 versus last year, as there was an increase in townhouse sales over \$4M. Multi-family townhouse median price was 32% higher than 2016, the highest year-over-year increase in Brooklyn. The noticeable shift in sales activity towards areas outside of Brooklyn Heights proper continued from last year into 2017, historically the highest-end of the townhouse market, yet pricing still rose.

Single-Family	2017	2016	Y/Y
Number of Sales	19	12	58%
Average Sale Price	\$5,740,000	\$4,451,907	29%
Median Price	\$4,950,000	\$4,250,000	16%
Average Size	3,664	2,869	28%
Average PPSF	\$1,566	\$1,552	1%

Multi-Family	2017	2016	Y/Y
Number of Sales	20	17	18%
Average Sale Price	\$4,221,250	\$3,633,824	16%
Median Price	\$4,225,000	\$3,200,000	32%
Average Size	3,322	3,226	3%
Average PPSF	\$1,271	\$1,126	13%



*Park Slope & Gowanus***SINGLE-FAMILY**

Single-family townhouse sales in Park Slope and Gowanus increased 30% compared to 2016, the highest number of single-family townhouse sales in Brooklyn excluding Bedford-Stuyvesant, Crown Heights and Bushwick. Single-family townhouse average and median price figures experienced strong gains, up 22% and 24%, respectively, as sales over \$5M grew six-fold in 2017. As more expensive and slightly larger single-family townhouses sold in 2017, the average price per square foot increased 7% year-over-year.

**MULTI-FAMILY**

Similar to single-family townhouse sales, closings for multi-family townhouses in Park Slope and Gowanus improved significantly compared to 2016, up 28%. Multi-family townhouse average and median price figures were both up 9% year-over-year as the number of sales over \$4M grew by eight-fold in 2017. Several multi-family townhouses that sold in 2016 were resold in 2017 after extensive renovations fueling the 8% year-over-year increase in average price per square foot.

Single-Family	2017	2016	Y/Y
Number of Sales	35	27	30%
Average Sale Price	\$3,237,003	\$2,649,228	22%
Median Price	\$2,570,000	\$2,075,000	24%
Average Size	2,589	2,270	14%
Average PPSF	\$1,250	\$1,167	7%

Multi-Family	2017	2016	Y/Y
Number of Sales	140	109	28%
Average Sale Price	\$2,382,893	\$2,190,236	9%
Median Price	\$2,283,750	\$2,100,000	9%
Average Size	2,507	2,491	1%
Average PPSF	\$950	\$879	8%

*Fort Greene, Clinton Hill, & Prospect Heights***SINGLE-FAMILY**

Single-family townhouse sales in Fort Greene, Clinton Hill and Prospect Heights are relatively infrequent, and the trend continued in 2017. Single-family townhouse closed sales dipped to just three sales in 2017 versus twelve single-family townhouse sales last year. Price metrics also declined year-over-year, partially due to the low number of closings, but also due to sales further away from Prospect Park.

**MULTI-FAMILY**

Multi-family townhouse sales in Fort Greene, Clinton Hill and Prospect Heights declined compared to last year, down 15%. The average and median price figures improved compared to last year, driven by an increase of townhouse sales over \$2M. Multi-family townhouse average and median price figures were up 3% and 10% year-over-year, respectively. The average size of a sold multi-family townhouse increased 4% from last year which lead to the slight 1% decline in the average price per square foot.

Single-Family	2017	2016	Y/Y
Number of Sales	3	12	-75%
Average Sale Price	\$2,720,833	\$2,738,381	-1%
Median Price	\$2,550,000	\$2,997,500	-15%
Average Size	2,982	2,860	4%
Average PPSF	\$912	\$958	-5%

Multi-Family	2017	2016	Y/Y
Number of Sales	94	111	-15%
Average Sale Price	\$2,210,652	\$2,138,422	3%
Median Price	\$2,200,000	\$2,000,000	10%
Average Size	3,006	2,877	4%
Average PPSF	\$735	\$743	-1%

## Carroll Gardens, Boerum Hill, & Red Hook

### SINGLE-FAMILY

Single-family townhouse sales increased significantly in Carroll Gardens, Boerum Hill and Red Hook versus 2016, fueled by robust sales in Red Hook and new construction single-family townhouse sales in Boerum Hill. Five single-family new construction townhouses at State + Bond in Boerum Hill sold in 2017 with an average sale price of \$4.7M. However, the increase in single-family townhouse sales in Red Hook where value-seeking buyers could still find townhouses under \$3M, ultimately suppressed both the average and median single-family townhouse price figures. Average price and median price fell compared to 2016, down 4% and 17%, respectively.

### MULTI-FAMILY

Multi-family townhouse sales fell 17% year-over-year in Carroll Gardens, Boerum Hill and Red Hook as sales below \$2M moderated compared to 2016. As more expensive multi-family townhouses sold, all price metrics rose by double-digits versus last year. Multi-family townhouse average and median price figures were up 11% and 12%, respectively, due to the increase in the number of sales over \$4.5M in 2017. Multi-family townhouses sold in 2017 were 11% larger, while average price per square foot was essentially the same versus 2016.

Single-Family	2017	2016	Y/Y
Number of Sales	34	22	55%
Average Sale Price	\$3,053,118	\$3,179,743	-4%
Median Price	\$2,724,409	\$3,272,500	-17%
Average Size	2,795	2,673	5%
Average PPSF	\$1,092	\$1,190	-8%

Multi-Family	2017	2016	Y/Y
Number of Sales	100	120	-17%
Average Sale Price	\$2,949,455	\$2,646,290	11%
Median Price	\$2,937,500	\$2,615,900	12%
Average Size	3,045	2,736	11%
Average PPSF	\$969	\$967	0%

## Bedford-Stuyvesant, Crown Heights, & Bushwick

### SINGLE-FAMILY

Single-family townhouse sales in Bedford-Stuyvesant, Crown Heights and Bushwick was nearly level with last year but all price metrics fell slightly year-over-year. Some buyers were able to find deals under \$1M, driving overall prices down. Even though a few high priced single-family townhouses over \$2.5M sold in 2017, over 50% of townhouses sold in 2017 were below \$1M compared to 37% in 2016. Slightly smaller single-family townhouses sold in 2017 compared to 2016 but the single-family townhouse average price per square foot also declined by 1% year over year.

### MULTI-FAMILY

Bedford-Stuyvesant, Crown Heights and Bushwick multi-family townhouse sales declined by 10% versus 2016. A double-digit decline in sales in Bedford-Stuyvesant, Crown Heights and Bushwick will have a significant impact on the overall Brooklyn closed sales as close to two-thirds of townhouse sales are from these neighborhoods. Multi-family townhouse sales in the prior two years were extremely robust, driven by aggressive buyers, many of who were all-cash investors and not end-users themselves. The decline in multi-family townhouse sales was also driven by value-add investors and sellers continuing to push prices upward throughout the neighborhoods. As multi-family townhouse price figures rose above investor thresholds, fewer

Single-Family	2017	2016	Y/Y
Number of Sales	94	92	2%
Average Sale Price	\$1,197,174	\$1,222,726	-2%
Median Price	\$995,250	\$1,200,000	-17%
Average Size	2,061	2,091	-1%
Average PPSF	\$581	\$585	-1%

Multi-Family	2017	2016	Y/Y
Number of Sales	657	731	-10%
Average Sale Price	\$1,260,302	\$1,178,506	7%
Median Price	\$1,205,000	\$1,145,000	5%
Average Size	2,673	2,813	-5%
Average PPSF	\$472	\$419	13%

transactions resulted. Average and median multi-family townhouse price figures increased year-over-year, up 7% and 5%, respectively. Average price per square foot for multi-family townhouses rose by 13% year-over-year, to \$472 price per square foot, though still 27% below the market wide average.





**DISCLAIMER:**

For the purposes of this report, we define multi-family townhouses as two-to four-family townhouses. Mixed-use properties (those containing office, commercial space or retail) are excluded from the report. This report presents information only on arms-length transactions (a sale between two unconnected parties). We exclude certain other types of sales such as: foreclosure or short sales, changes in legal status or ownership entity, properties that required extensive gut renovation or demolition, bulk or investment sales. Townhouse condominiums in new development properties are not included if they are part of the condominium offering. We have further expanded our boundaries from last year's report and all statistics for 2016 have been updated for this report and will differ to what was published last year.

Neighborhoods are grouped based on zip codes; Williamsburg & Greenpoint includes 11211, 11222 and 11249; Brooklyn Heights, Cobble Hill, Dumbo & Downtown are 11201; Park Slope & Gowanus are 11215; Fort Greene, Clinton Hill & Prospect Heights includes 11205, 11238, 11243; Carroll Gardens, Boerum Hill & Red Hook includes 11231, 11217; Bedford-Stuyvesant, Crown Heights & Bushwick includes 11206, 11237, 11221, 11216, 11213, 11233, 11225.

