

Brooklyn Residential Sales Market Report

Fourth Quarter 2017

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Brooklyn Residential Sales Market Report



Fourth Quarter 2017

Q4 2017 REPORT

Overview

The real estate market in Brooklyn closed out 2017 on a high note and sustained the trend of an expanding market. Closed sales however, took a break from the double-digit surge seen earlier this year, as the annual gains were less robust in Fourth Quarter 2017 relative to the first three quarters of the year. For buyers, constrained inventory at all price points was a key factor for lower growth levels this quarter as sellers were unable to keep pace with the strong demand for housing. New development product played a crucial role in spanning the shortfall of resale supply and the market responded favorably with swift sales of new product.

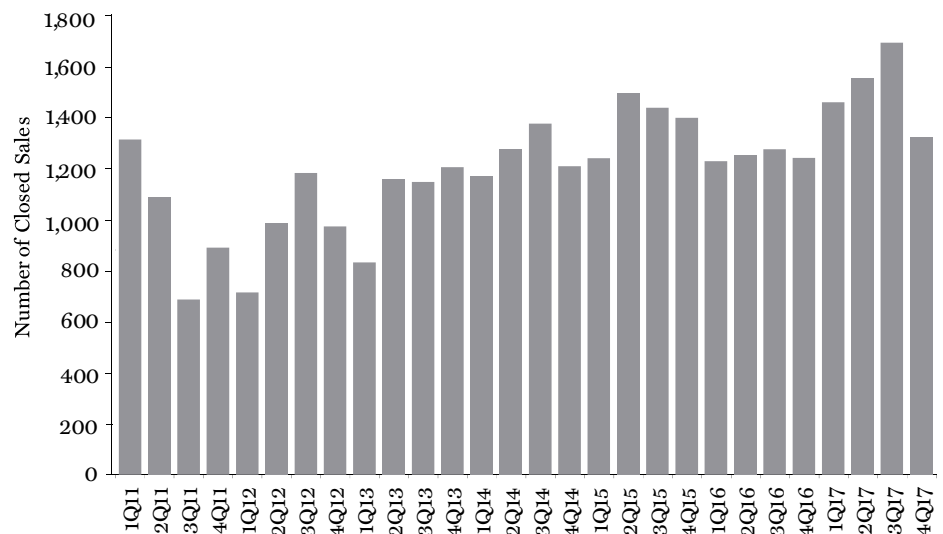
At 1,318 apartment closings, the total number of closed sales in Fourth Quarter 2017 rose 7% year-over-year. The new development market fared better than the resale market in Brooklyn as this was the strongest Fourth quarter for new development sales in seven years.

Inventory continued its descent through the end of the year, shrinking to fewer than 1,700 listed apartments for sale. The last time buyers had fewer options was the trough of inventory during Fourth Quarter 2013.

Market wide median price was \$725,000, up 4% year-over-year, and slight improvement from Third Quarter 2017. Average price adjusted downward 4% as there were fewer sales over \$2,000,000.

Brooklyn	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Closed Sales	1,318	1,237	7%	1,688	-22%
Contracts Signed	977	930	5%	1,061	-8%
Inventory	1,688	2,267	-26%	1,952	-14%
Months of Supply	3.4	5.5	-38%	3.9	-15%
Average Days on Market	84	81	4%	73	16%
<i>Prices</i>					
Median Price	\$725K	\$700K	4%	\$721K	1%
Average Price	\$853K	\$892K	-4%	\$843K	1%
Median PPSF	\$967	\$904	7%	\$962	1%
Average PPSF	\$937	\$943	-1%	\$944	-1%
<i>Median Price by Bedroom</i>					
Studio	\$397K	\$425K	-7%	\$445K	-11%
1 Bedroom	\$610K	\$635K	-4%	\$645K	-5%
2 Bedroom	\$918K	\$975K	-6%	\$900K	2%
3+ Bedroom	\$1.408M	\$1.533M	-8%	\$1.323M	7%

CLOSED SALES



Brooklyn Residential Sales Market Report



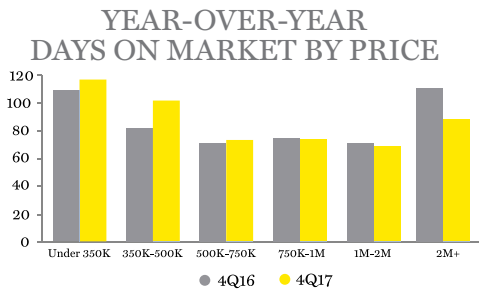
Fourth Quarter 2017

MARKETWIDE

Sales

There were 1,318 closings in Brooklyn this quarter, up 7% year-over-year and 9% above the quarterly average during the past seven years. This was the second highest fourth quarter for sales in nine years. While the largest annual increase occurred in the new development market, resale condo sales improved by 7% and resale co-op sales increased by 5%. Overall, Fourth Quarter 2017 closed out a solid year where there were more than 6,000 sales, the highest since 2008.

New development closings for Fourth Quarter 2017 were 8% above last year's number, bringing this year's total new development sales to nearly 1,700 sales. This figure marks the highest in Brooklyn since 2011. The large boost in sales activity was driven by several large-scale developments that were ready for move-ins including Austin Nichols House, 50 Greenpoint and 550 Vanderbilt. New construction taking place in South Brooklyn also captured the attention of buyers, particularly in Midwood and Sheepshead Bay.



The start of Fourth Quarter 2017 picked up where the Third Quarter left off in terms of contract activity but as the Fall selling season entered the winter months, the lack of inventory and external market factors strongly influenced sales. Contract activity ended up 5% above a strong Fourth Quarter 2016, a more modest gain compared from the consistent double-digit annual increases during the first three quarters of the year.

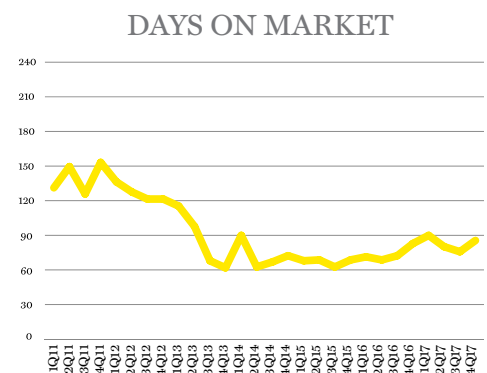
Brooklyn	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Total Sales	1,318	1,237	7%	1,688	-22%
Resale Co-ops	505	481	5%	699	-28%
Resale Condo	453	423	7%	574	-21%
New Development	360	333	8%	415	-13%
Contracts Signed	977	930	5%	1,061	-8%
<i>Days on Market</i>					
Average Days on Market	84	81	4%	73	16%
<i>Days on Market by Type</i>					
Resale Co-ops	83	77	7%	73	14%
Resale Condo	86	84	2%	73	18%
<i>Days on Market by Bedroom</i>					
Studio	75	94	-20%	83	-9%
1 Bedroom	81	72	11%	72	12%
2 Bedroom	84	81	4%	69	23%
3+ Bedroom	96	93	3%	84	14%
<i>Days on Market by Price</i>					
Under \$350K	116	112	3%	112	4%
\$350K to \$500K	102	81	25%	78	30%
\$500K to \$750K	73	70	3%	63	16%
\$750K to \$1M	75	75	-1%	53	41%
\$1M to \$2M	69	71	-3%	64	8%
\$2M+	91	114	-20%	81	12%

Days on Market

The length of time between list date and contract date in Brooklyn increased 4% from a year ago and stood at 84 days on average. Despite very low levels of inventory, this was the second highest days on market figure in four years, which implies increased buyer hesitation in the market. Compared to a year ago, days on market shrunk the most for apartments priced above \$2MM, down 20% from last year to 91 days, as buyers were quick to chase down luxury product.

Days on market for resale co-ops grew more substantially than resale condos. Resale condo average days on market

rose just 2% versus Fourth Quarter 2016. Note that days on market statistics are only based on resales as many new development residences are sold before being officially listed.



Fourth Quarter 2017

MARKETWIDE

Inventory

Available inventory plummeted again this quarter. Listings decreased 26% year-over-year to just 1,688 apartments and the lowest level seen in four years. The number of listings during Fourth Quarter 2017 was 21% below the trailing seven-year average. Inventory shrunk year-over-year throughout all of 2017 in tandem with the rise in sales, suggesting that demand is outpacing supply.

The annual decrease in listings occurred across all product types, more dramatically for resales compared to new development inventory, however. Resale co-op listings dropped by 36% year-over-year and there were 28% fewer resale condo listings available compared to a year ago. Listings in new development properties dipped 4%, a more gentle decline compared to the double-digit dips for resale listings.

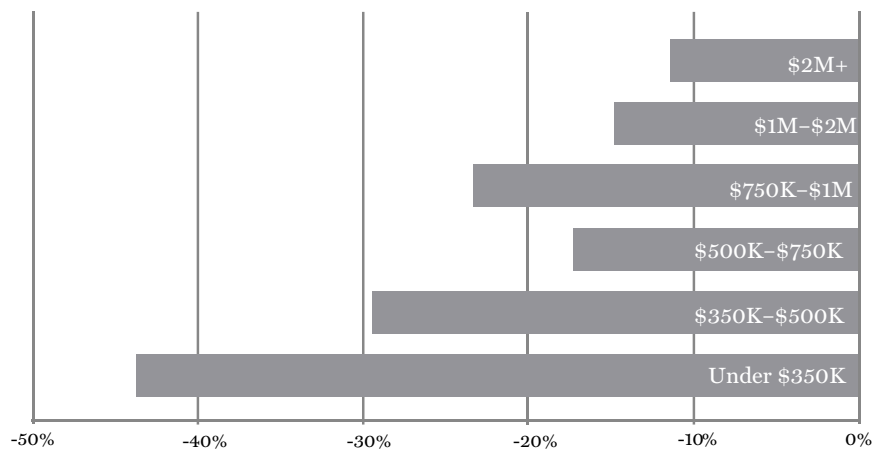
Inventory in all price categories declined compared to Fourth Quarter 2016, with the steepest annual decline occurring for listings under \$500,000. Inventory priced between \$750,000 and \$1,000,000 dropped by over 20%. Even the number of listings over \$2,000,000 declined versus a year ago, against the trend seen throughout 2017 with expanding inventory at the high end.

Months of Supply

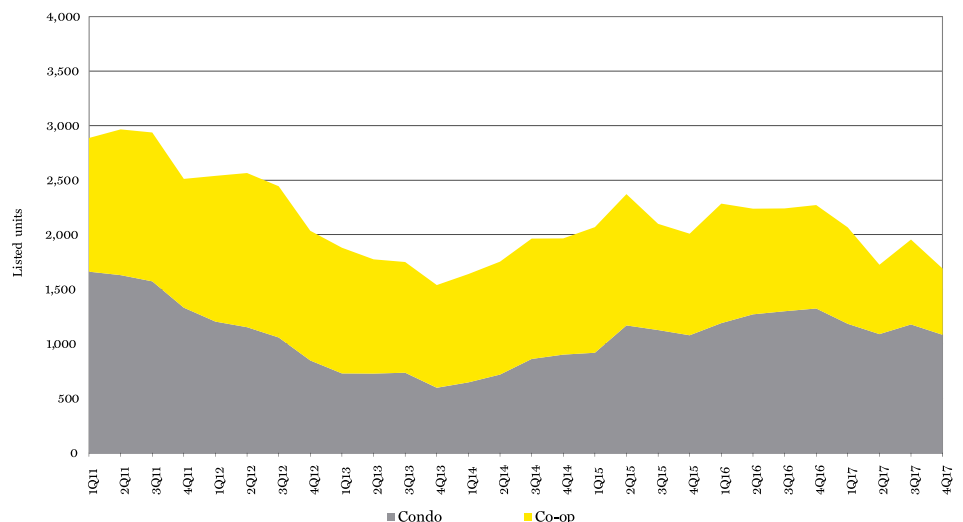
Based on sales from the last year and current listed inventory levels, the Brooklyn market was under-supplied in Fourth Quarter 2017 with 3.4 months of supply. With growth in sales and a decline in inventory, months of supply fell versus both last quarter and last year although the market was under-supplied then as well. The new development market had the largest year-over-year decrease in the months of supply figure, though months of supply was slightly higher compared to Third Quarter 2017.

All Sales	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Inventory</i>					
Market Wide	1,688	2,267	-26%	1,952	-14%
Resale Co-ops	603	942	-36%	773	-22%
Resale Condos	543	759	-28%	674	-19%
New Development	542	566	-4%	505	7%
<i>Months of Supply</i>					
Market Wide	3.4	5.5	-38%	3.9	-15%
Resale Co-ops	3.1	5.3	-41%	4.0	-23%
Resale Condos	3.3	4.7	-31%	4.1	-21%
New Development	3.8	7.5	-48%	3.6	6%

ANNUAL CHANGE IN INVENTORY BY PRICE



LISTED CO-OP & CONDO INVENTORY



Brooklyn Residential Sales Market Report



Fourth Quarter 2017

MARKETWIDE

Prices

Fourth Quarter 2017 displayed some mixed pricing trends in Brooklyn, partially due to the effects of shifts within the new development market. Several marquee properties in Dumbo and Brooklyn Heights are nearing sellout and therefore had less of an influence on pricing. Robust new development activity shifted to areas further afield in the borough.

YEAR-OVER-YEAR PRICE CHANGE



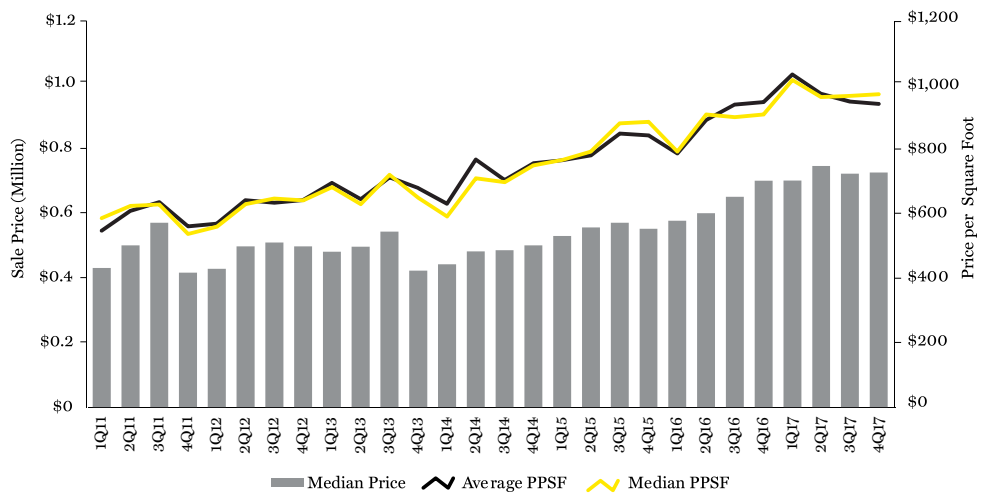
As a result, average price dipped 4%, the second consecutive quarter of an annual average price decline driven by fewer sales at the high end. Median price market wide was \$725,000, 4% higher than Fourth Quarter 2016 and nearly equal to last quarter's figure. Median price growth was affected by the 5% increase in market share of sales in the \$500,000 to \$750,000 range, as competition for product in

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<i>Median Price by Type</i>					
Resale Co-ops	\$455K	\$385K	18%	\$420K	8%
Resale Condo	\$870K	\$800K	9%	\$866K	0%
New Development	\$932K	\$1.040M	-10%	\$890K	5%
<i>Median Price by Bedroom</i>					
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this price range continued to prove robust. Median price per square foot rose 7% year-over-year while average price per square foot slipped 1% lower. Despite the market wide median price

increase, median prices by bedroom were all lower than last quarter and last year. Overall median price still rose due to a shift in market share of sales by bedroom type.

HISTORICAL PRICES



Fourth Quarter 2017

MARKETWIDE

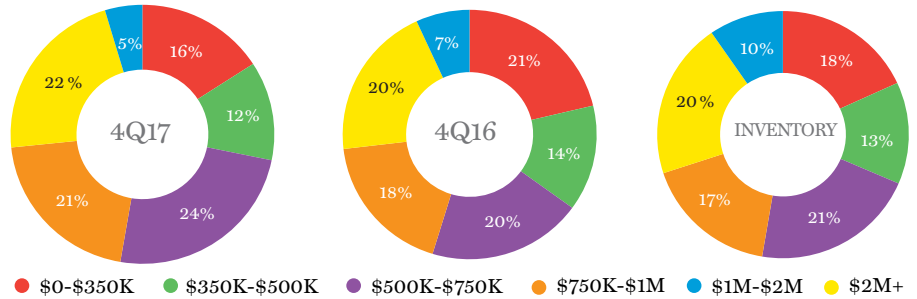
Market Share

Comparing the market share of sales to active listings yields notable differences that can affect buyers' searches and sellers' sales efforts, as supply and demand may not match. Here we compare market share of sales and inventory by various measures.

Price Point

Shifts in market share occurred in nearly all price categories compared to last year. The most notable changes were for residences under \$350,000, which lost 5% of market share, and \$500,000 to \$750,000, which gained 4%. The most imbalanced price segment is the category over \$2MM. This quarter it claimed 5% of sales, while last year 7% of sales were over \$2M. 10% of current inventory is over \$2M.

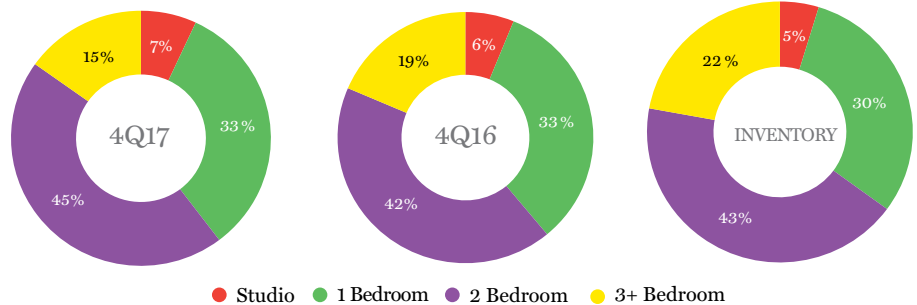
PRICE POINT



Bedrooms

Two and three plus bedrooms had the biggest divergence in market share of sales and inventory, but in different directions. Two bedrooms captured 45% of sales this quarter, compared to 42% of sales last year. Conversely, three+ bedroom units accounted for 15% of sales, less than the 19% share in Fourth Quarter 2016.

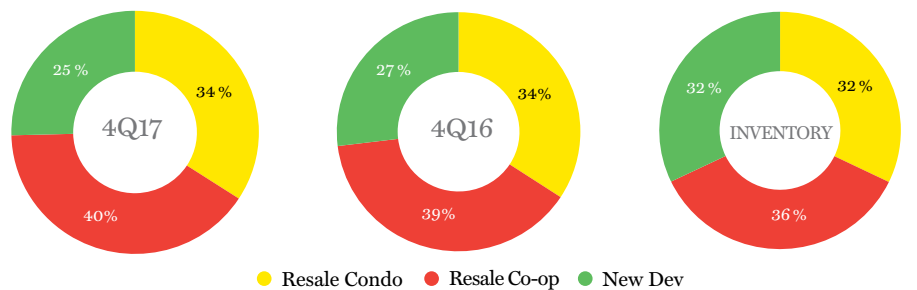
BEDROOMS



Property Type

New development captured a slightly smaller market share of sales this quarter, while resale co-ops slightly gained market share of sales. New developments claimed 25% of sales and currently represent 32% of active listings. Resale condo market share of sales was unchanged year-over-year.

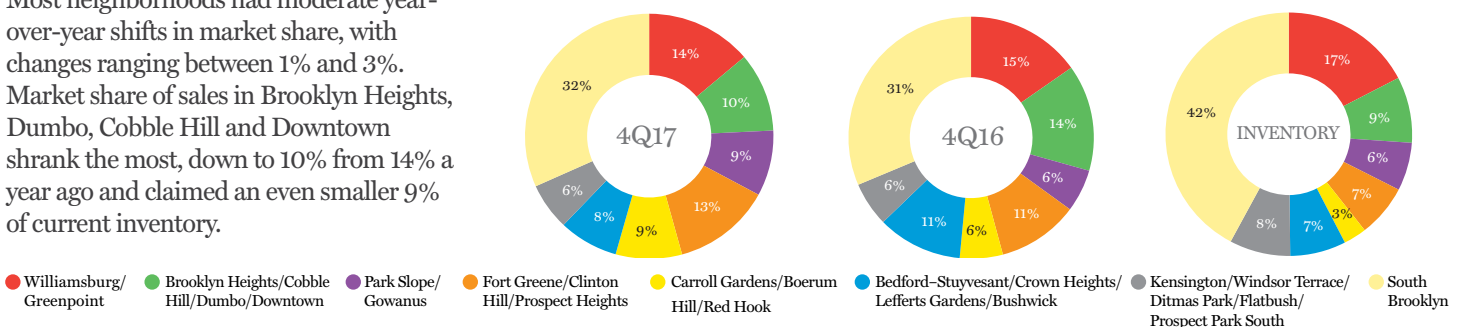
PROPERTY TYPE



Neighborhood

Most neighborhoods had moderate year-over-year shifts in market share, with changes ranging between 1% and 3%. Market share of sales in Brooklyn Heights, Dumbo, Cobble Hill and Downtown shrank the most, down to 10% from 14% a year ago and claimed an even smaller 9% of current inventory.

NEIGHBORHOOD

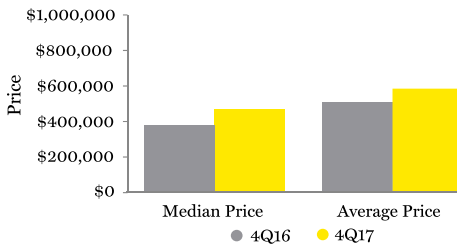


Fourth Quarter 2017

RESALE CO-OPS

Following Third Quarter's three-year record high sales figure, co-op activity remained robust, improving 5% year-over-year. The improved level of sales throughout the year is even more impressive considering the sustained low levels of inventory. Co-op inventory has declined year-over-year during nine of the past ten quarters. Strong demand coupled with supply constraints resulted in the largest annual median price gain seen in two years.

RESALE CO-OP
YEAR-OVER-YEAR PRICE



Due to increased sales and fewer listings, months of supply shrank substantially, to 3.1 months from 5.3 a year ago. On average, co-ops were on the market for 83 days, nearly equal to the figure in the resale condo market and up 7% year-over-year. With fewer listings to choose from, co-op buyers were compelled to purchase apartments lingering on the market.

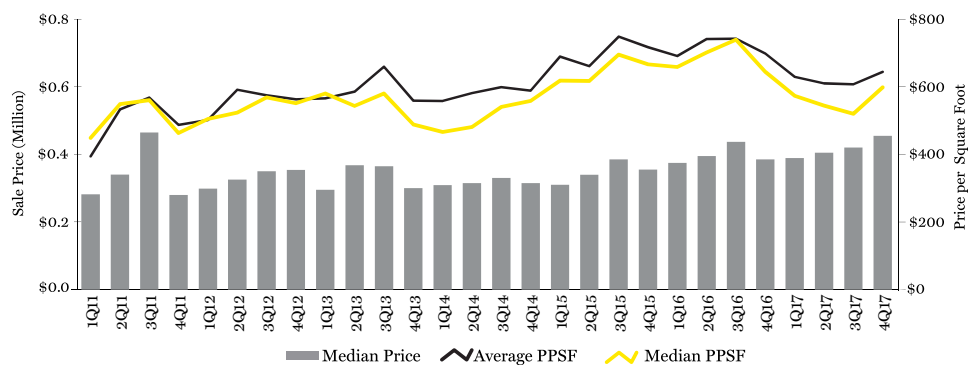
Average price was 15% higher than last year, reaching \$573,000 and the first double-digit annual increase in average price in over a year. Median price rose 18% year-over-year to \$455,000, the

Resale Co-ops	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	505	481	5%	699	-28%
Average Days on Market	83	77	7%	73	14%
Inventory	603	942	-36%	773	-22%
Months of Supply	3.1	5.3	-41%	4.0	-23%
<i>Prices</i>					
Median Price	\$455K	\$385K	18%	\$420K	8%
Average Price	\$573K	\$499K	15%	\$542K	6%
Median PPSF	\$598	\$644	-7%	\$520	15%
Average PPSF	\$644	\$698	-8%	\$607	6%
<i>Median Price by Bedroom</i>					
Studio	\$343K	\$337K	2%	\$300K	14%
1 Bedroom	\$458K	\$477K	-4%	\$395K	16%
2 Bedroom	\$700K	\$785K	-11%	\$701K	0%
3+ Bedroom	\$999K	\$1.190M	-16%	\$1.050M	-5%

highest figure since Third Quarter 2011. Strong demand and persistent inventory constraints in the co-op market to some extent drove the escalating prices as did fewer sales in South Brooklyn compared to last year.

Median and average price per square foot were both lower relative to last year, the fifth consecutive quarter of annual price per square foot declines. All bedroom types except studios had year-over-year median price decreases.

RESALE CO-OP HISTORICAL PRICES

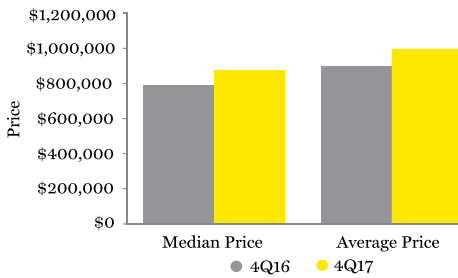


Fourth Quarter 2017

RESALE CONDOS

Like the co-op market, the resale condo market also faced increasing supply constraints. Buyers purchased apartments faster than sellers could list their apartments. While sales activity increased 7% year-over-year, simultaneously, there were 28% fewer apartments available. Months of supply dropped by nearly a month-and-a-half versus a year ago. On average, apartments were on the market just two days longer than last year, as a few lingering listings finally sold. As a result, there was upward pressure on prices and many metrics reached record or near record highs.

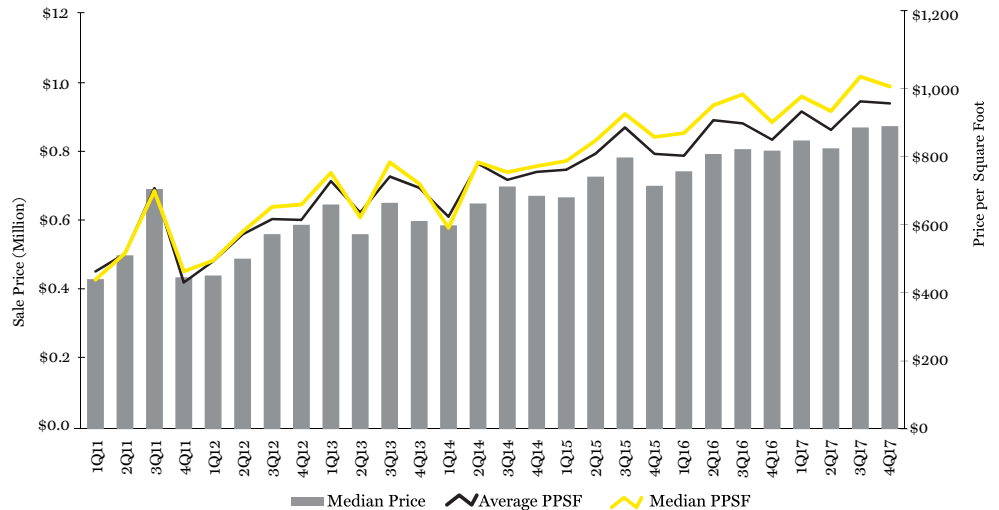
RESALE CONDO YEAR-OVER-YEAR PRICE



Median price reached \$870,000, 9% more than Fourth Quarter 2016 and the highest seen in over eight years. Both average price and average price per square foot figures increased 12% compared to Fourth Quarter 2016. The median price of one bedrooms rose 2% relative to last year, while three plus bedrooms had annual median price declines.

Resale Condos	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	453	423	7%	574	-21%
Average Days on Market	86	84	2%	73	18%
Inventory	543	759	-28%	674	-19%
Months of Supply	3.3	4.7	-31%	4.1	-21%
<i>Prices</i>					
Median Price	\$870K	\$800K	9%	\$866K	0%
Average Price	\$993K	\$888K	12%	\$1.002M	-1%
Median PPSF	\$982	\$881	11%	\$1,012	-3%
Average PPSF	\$934	\$831	12%	\$941	-1%
<i>Median Price by Bedroom</i>					
Studio	\$635K	\$650K	-2%	\$662K	-4%
1 Bedroom	\$773K	\$759K	2%	\$810K	-5%
2 Bedroom	\$991K	\$999K	-1%	\$1.118M	-11%
3+ Bedroom	\$1.275M	\$1.475M	-14%	\$1.175M	9%

RESALE CONDO HISTORICAL PRICES

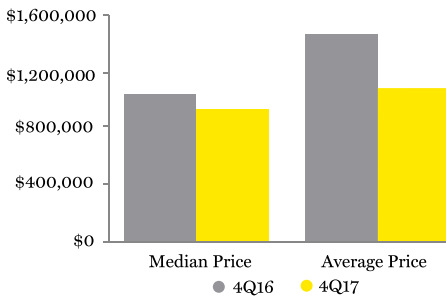


Fourth Quarter 2017

NEW DEVELOPMENTS

New development closings rose 8% year-over-year to 360 sales, though market share of sales was slightly lower than a year ago. Throughout 2017, new development product captured the attention of buyers in the market and as a result, 2017 had the highest number of new development closings in eight years.

NEW DEVELOPMENT YEAR-OVER-YEAR PRICE



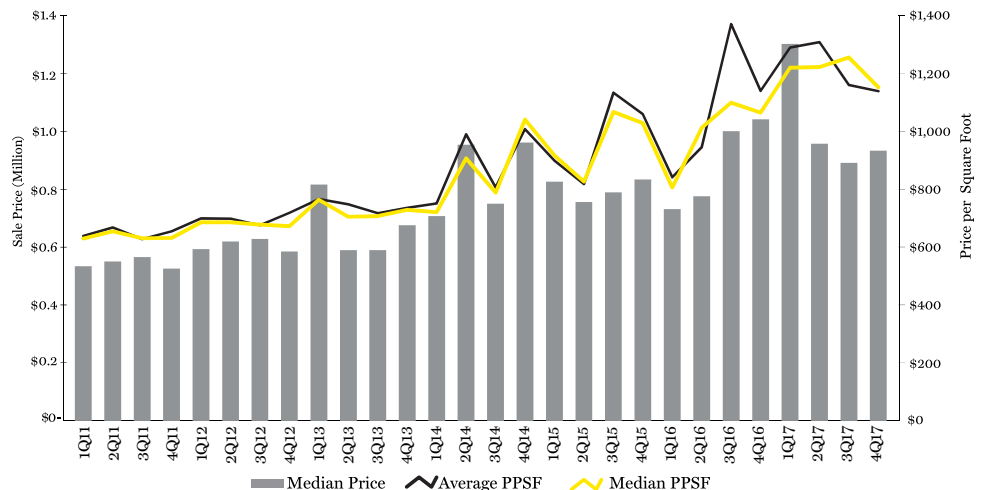
New development launches continued to expand to a wider variety of neighborhoods, and this quarter sales shifted away from northwestern neighborhoods to areas further east and south in the borough. There were fewer new development closings in Dumbo and Brooklyn Heights but there was an increase in sales in Fort Greene, Clinton Hill and Prospect Heights. As a result of the movement in sales from a location perspective, there was a downward swing in median and average price compared to last year; both had double-digit year-over-year declines. Average price per square foot remained level and median price per square foot increased 8% versus Fourth Quarter 2016, driven by sales of efficient residences at 550 Vanderbilt and 50 Greenpoint.

New Developments	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
Sales	360	333	8%	415	-13%
Inventory	542	566	-4%	505	7%
Months of Supply	3.8	7.5	-48%	3.6	6%
<i>Prices</i>					
Median Price	\$932K	\$1.040M	-10%	\$890K	5%
Average Price	\$1.112M	\$1.466M	-24%	\$1.129M	-2%
Median PPSF	\$1,150	\$1,063	8%	\$1,253	-8%
Average PPSF	\$1,137	\$1,138	0%	\$1,269	-10%
<i>Median Price by Bedroom</i>					
Studio	\$576K	\$392K	47%	\$648K	-11%
1 Bedroom	\$740K	\$775K	-4%	\$867K	-15%
2 Bedroom	\$1.085M	\$1.288M	-16%	\$972K	12%
3+ Bedroom	\$1.912M	\$2.208M	-13%	\$1.833M	4%

New development inventory dipped only slightly versus last year but listings were up versus Third Quarter 2016. Whereas the resale market has felt supply constraints in recent quarters, new development product has offered

alternatives for buyers. New development properties in areas immediately south of Prospect Park and other southern Brooklyn neighborhoods is where inventory has increased the most.

NEW DEVELOPMENT HISTORICAL PRICES



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LUXURY

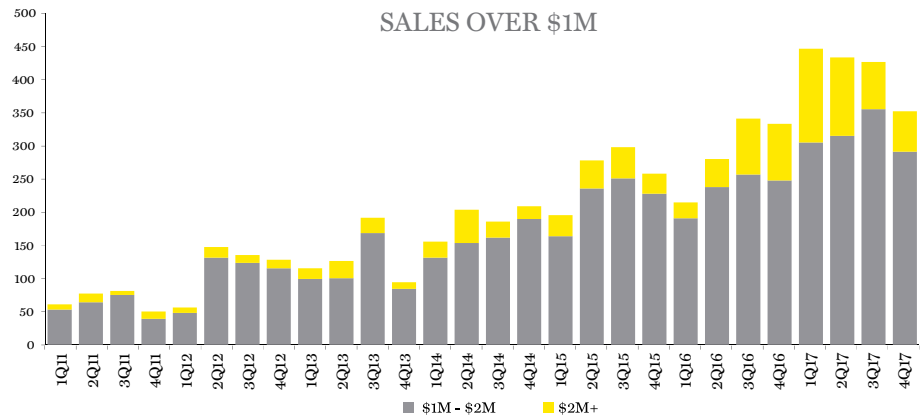
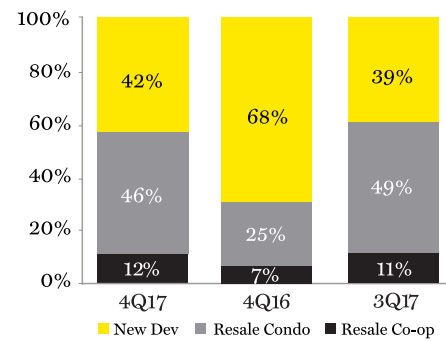
The luxury market is defined as the top 10% of closed sales in terms of price. In Fourth Quarter 2017 the luxury threshold, which marks the entry point into the luxury category, was \$1.38M. This was 14% below the threshold in Fourth Quarter 2016, and 9% below last quarter's figure.

Since the beginning of the year, the entry point into the luxury market has been slipping. A significant drop in the number of sales over \$3M drove both the threshold and overall prices lower.

The average price in the luxury market was \$1.9M, 32% below last year's figure, but level with Third Quarter 2017. Median price dipped below \$2M for the first time in a year-and-a-half. Fewer sales in neighborhoods such as Dumbo and Brooklyn Heights depressed pricing in the luxury market. Additionally new development sales did not claim the majority of market share this quarter as it did a year ago.

Luxury	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$1.775M	\$2.405M	-26%	\$2.233M	-21%
Average Price	\$1.913M	\$2.799M	-32%	\$1.915M	0%
Median PPSF	\$1,381	\$1,367	1%	\$1,383	0%
Average PPSF	\$1,347	\$1,367	-1%	\$1,390	-3%
Luxury Threshold	\$1.380M	\$1.600M	-14%	\$1.520M	-9%

MARKET SHARE OF LUXURY SALES



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Fourth Quarter 2017

WILLIAMSBURG & GREENPOINT

Median condo price reached a new record.

	181 <i>Sales</i>	293 <i>Inventory</i>	85 <i>Days on Market</i>	\$1.120M <i>Median Price</i>	\$1,264 <i>Average PPSF</i>
<i>Annual Change</i>	-4%	-19%	-16%	+4%	+11%

Williamsburg and Greenpoint closed sales declined compared to both last quarter and last year, 27% and 4%, respectively. Inventory was 19% lower versus last year but was level with the previous quarter. Although several large new development properties are still on the market, these properties have less inventory to sell than they did a year ago. On average, apartments spent slightly more time on market compared to last year – 85 days this quarter versus 82 days in Fourth Quarter 2016.

Average price per square foot reached a nine-year high

Median condo price rose compared to Fourth Quarter 2016 but average price dipped slightly. The median condo price for Williamsburg and Greenpoint reached a new record high this quarter, 6% higher than the previous highest record which was achieved in Fourth Quarter 2016. Average price per square foot increased 11% year-over-year to a nine-year record high of \$1,264, driven by new development closings at 184 Kent and 50 Greenpoint.

As seen market wide, median price figures for all bedroom types decreased versus Fourth Quarter 2016. Three plus bedrooms decreased the most due to a significant drop in transactions above \$2,000,000.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	181	188	-4%	247	-27%
Average Days on Market	85	102	-16%	82	4%
Inventory	293	363	-19%	296	-1%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$430K	\$360K	19%	\$411K	5%
Average Price	\$474K	\$414K	14%	\$549K	-14%
Median PPSF	N/A	\$655	N/A	\$639	N/A
Average PPSF	N/A	\$663	N/A	\$715	N/A
<i>Median Price by Bedroom</i>					
Studio	\$430K	\$403K	7%	N/A	N/A
1 Bedroom	\$690K	\$510K	35%	\$381K	81%
2 Bedroom	N/A	\$360K	N/A	\$475K	N/A
3+ Bedroom	N/A	N/A	N/A	N/A	N/A

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$1.153M	\$1.090M	6%	\$998K	15%
Average Price	\$1.231M	\$1.251M	-2%	\$1.175M	5%
Median PPSF	\$1,223	\$1,185	3%	\$1,273	-4%
Average PPSF	\$1,264	\$1,141	11%	\$1,253	1%
<i>Median Price by Bedrooms</i>					
Studio	\$627K	\$640K	-2%	\$710K	-12%
1 Bedroom	\$837K	\$895K	-6%	\$875K	-4%
2 Bedroom	\$1.374M	\$1.385M	-1%	\$1.317M	4%
3+ Bedroom	\$1.833M	\$2.475M	-26%	\$1.950M	-6%

Fourth Quarter 2017

BROOKLYN HEIGHTS, COBBLE HILL, DUMBO & DOWNTOWN

Condo median and average price was both down by more than 30% versus Fourth Quarter 2016, the largest decline in all of Brooklyn.

	135 <i>Sales</i>	148 <i>Inventory</i>	82 <i>Days on Market</i>	\$960K <i>Median Price</i>	\$1,248 <i>Average PPSF</i>
<i>Annual Change</i>	-23%	-11%	+11%	-5%	-10%

Closed sales in Brooklyn Heights, Cobble Hill, Dumbo, and Downtown Brooklyn were down 23% versus Fourth Quarter 2016 due to fewer new development closings as currently selling properties reach the end of their selling cycle. Inventory fell by 11% versus Fourth Quarter 2016, driven by the lack of new development introductions and fewer resales being available for purchase as the market remains extremely tight. Sellers found a buyer in an average of 82 days, longer than the 74 days on average this time last year, and slightly lower than the borough wide figure.

The lowest decline in inventory

Most price metrics in the co-op market displayed gains this quarter. Both median price and median price per square foot rose 6% year-over-year while average price jumped 10%. Median price for all bedroom types in the co-op market rose except for three bedrooms. Median price for two bedrooms experienced the largest increase, up 22% year-over-year.

The trend of having the highest average condo sale price compared to other areas in Brooklyn continued this quarter, however, there were declines among all price metrics versus last year. Median and average condo price figures fell significantly year-over-year by 32% and 39%, respectively. The lack of sales above \$2,000,000 drove pricing down. The average price per square foot also decreased annually for the second consecutive quarter.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	135	176	-23%	181	-25%
Average Days on Market	82	74	11%	55	49%
Inventory	148	167	-11%	207	-29%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$725K	\$683K	6%	\$725K	0%
Average Price	\$863K	\$784K	10%	\$903K	-4%
Median PPSF	\$964	\$910	6%	\$908	6%
Average PPSF	\$1,032	\$952	8%	\$1,012	2%
<i>Median Price by Bedroom</i>					
Studio	\$399K	\$350K	14%	\$430K	-7%
1 Bedroom	\$680K	\$613K	11%	\$625K	9%
2 Bedroom	\$1.143M	\$937K	22%	\$1.148M	0%
3+ Bedroom	\$1.900M	\$2.150M	-12%	\$2.138M	-11%

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$1.143M	\$1.690M	-32%	\$1.281M	-11%
Average Price	\$1.401M	\$2.280M	-39%	\$1.761M	-20%
Median PPSF	\$1,260	\$1,295	-3%	\$1,212	4%
Average PPSF	\$1,296	\$1,467	-12%	\$1,343	-3%
<i>Median Price by Bedroom</i>					
Studio	\$721K	\$758K	-5%	\$544K	33%
1 Bedroom	\$999K	\$970K	3%	\$938K	7%
2 Bedroom	\$1.480M	\$1.478M	0%	\$1.540M	-4%
3+ Bedroom	\$2.275M	\$3.875M	-41%	\$3.923M	-42%

Brooklyn Residential Sales Market Report



Fourth Quarter 2017

PARK SLOPE & GOWANUS

Sales had double-digit gains versus last year despite the drop in inventory.

	111 <i>Sales</i>	108 <i>Inventory</i>	66 <i>Days on Market</i>	\$981K <i>Median Price</i>	\$1,146 <i>Average PPSF</i>
<i>Annual Change</i>	+58%	-38%	+9%	+8%	+8%

Sales in Park Slope and Gowanus leaped 58% year-over-year driven by new development closings at 251 First Street. Inventory decreased 38% versus last year, a greater decline than the Brooklyn market overall. On average, apartments spent slightly more time on market compared to last year – 66 days this quarter versus 61 days in Fourth Quarter 2016.

Median and average co-op price figures experienced double-digit gains relative to last year, up 19% and 26%, respectively. Pricing skewed higher due to several sales over \$2,000,000. Additionally, the median price for all bedroom types had gains versus last year except for one bedrooms.

Days on market was the second lowest

Both median and average condo price rose by double-digits versus last year, up 13% and 16%, respectively, but these figures were both down 9% versus last quarter's record high. Median and average price per square foot also rose; average price per square foot reached \$1,196 per square foot, 12% higher than last year and the second highest in eight years. One bedrooms and three plus bedroom median prices increased substantially compared to both last quarter and last year.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	111	70	58%	151	-27%
Average Days on Market	66	61	9%	44	51%
Inventory	108	174	-38%	146	-26%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$899K	\$754K	19%	\$828K	9%
Average Price	\$1.017M	\$809K	26%	\$878K	16%
Median PPSF	\$998	\$1,019	-2%	\$1,060	-6%
Average PPSF	\$1,003	\$1,043	-4%	\$1,068	-6%
<i>Median Price by Bedroom</i>					
Studio	\$395K	\$305K	29%	\$349K	13%
1 Bedroom	\$615K	\$630K	-2%	\$576K	7%
2 Bedroom	\$920K	\$907K	1%	\$974K	-6%
3+ Bedroom	\$2.330M	\$1.325M	76%	\$1.288M	81%

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$1.199M	\$1.062M	13%	\$1.318M	-9%
Average Price	\$1.307M	\$1.123M	16%	\$1.442M	-9%
Median PPSF	\$1,175	\$1,104	6%	\$1,220	-4%
Average PPSF	\$1,196	\$1,065	12%	\$1,219	-2%
<i>Median Price by Bedroom</i>					
Studio	\$620K	N/A	N/A	\$646K	-4%
1 Bedroom	\$870K	\$637K	36%	\$730K	19%
2 Bedroom	\$1.060M	\$1.110M	-5%	\$1.250M	-15%
3+ Bedroom	\$2.450M	\$1.450M	69%	\$1.853M	32%

Brooklyn Residential Sales Market Report



Fourth Quarter 2017

FORT GREENE, CLINTON HILL & PROSPECT HEIGHTS

Average condo sale price was \$1,149,000, 14% higher versus last year and a nine-year record.

	169 Sales	117 Inventory	58 Days on Market	\$900K Median Price	\$1,126 Average PPSF
Annual Change	+27%	-29%	-16%	+16%	+30%

Sales activity in Fort Greene, Clinton Hill and Prospect Heights increased significantly versus this time last year, primarily due to an increase in closings at new development properties such as 550 Vanderbilt and 525 Myrtle Avenue. Inventory dropped compared to both last quarter and last year by double-digits. Sellers found a buyer in an average of 58 days, shorter than the 70 days on average this time last year and one of the shortest average days on market in the borough.

Price metrics in the co-op market varied this quarter. Median price rose 8% versus Fourth Quarter 2017 while average co-op price and average price per square foot remained nearly level versus last year.

Condo price per square foot had double-digit gains

Sale prices in the condo market set new records this quarter. The median price was just shy of \$1,000,000, a 5% rise versus Fourth Quarter 2017. Median and average price per square foot figures increased by double-digits. Average price per square foot for condos increased 34% to \$1,158, surpassing the previous record high figure of \$1,032 per square foot reached in Second Quarter 2017. All bedroom types experienced gains in median price, with studio and one bedroom residences increasing by double-digits versus Fourth Quarter 2016.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	169	133	27%	218	-23%
Average Days on Market	58	70	-16%	55	6%
Inventory	117	165	-29%	134	-13%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$658K	\$606K	8%	\$696K	-6%
Average Price	\$728K	\$739K	-1%	\$738K	-1%
Median PPSF	\$823	\$863	-5%	\$840	-2%
Average PPSF	\$867	\$863	0%	\$832	4%
<i>Median Price by Bedroom</i>					
Studio	N/A	\$425K	N/A	\$399K	N/A
1 Bedroom	\$611K	\$540K	13%	\$610K	0%
2 Bedroom	\$899K	\$830K	8%	\$890K	1%
3+ Bedroom	N/A	\$1.456M	NA	\$1.070M	N/A

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$990K	\$940K	5%	\$899K	10%
Average Price	\$1.149M	\$1.010M	14%	\$1.012M	14%
Median PPSF	\$1,132	\$907	25%	\$1,162	-3%
Average PPSF	\$1,158	\$867	34%	\$1,023	13%
<i>Median Price by Bedroom</i>					
Studio	\$635K	\$507K	25%	\$600K	6%
1 Bedroom	\$855K	\$700K	22%	\$888K	-4%
2 Bedroom	\$1.136M	\$1.050M	8%	\$1.138M	0%
3+ Bedroom	\$1.538M	\$1.400M	10%	\$1.574M	-2%

Brooklyn Residential Sales Market Report



Fourth Quarter 2017

CARROLL GARDENS, BOERUM HILL & RED HOOK

Despite the largest decline in inventory in all of Brooklyn, sales were up 63% versus Fourth Quarter 2016.

	114 <i>Sales</i>	51 <i>Inventory</i>	58 <i>Days on Market</i>	\$1.145M <i>Median Price</i>	\$1,131 <i>Average PPSF</i>
<i>Annual Change</i>	+63%	-43%	+25%	-11%	-1%

Sales in Carroll Gardens, Boerum Hill, and Red Hook increased significantly by 63% versus last year driven by an increase in new development sales. Listed inventory decreased 43% compared to the same time a year ago, the steepest year-over-year decline in the borough. At an average of 58 days, the length of time from listing to contract date was the one of the lowest in Brooklyn indicating a very competitive market.

Inventory fell by 43% versus last year

Average and median co-op price figures increased versus last year, up 3% and 10%, respectively. Average and median price per square foot figures experienced double-digit gains year-over-year and rose compared to Third Quarter 2017 as well. Median price figures increased for two and three plus bedrooms while studios and one bedrooms fell versus last year.

Despite the number of new development sales in the condo market, median and average price figures fell due to fewer sales over \$2,000,000 compared to a year ago. Average price per square foot experienced modest shifts, down 2% from Fourth Quarter 2016 but up 4% compared to last quarter. One and two bedroom median price rose compared to last year while the three plus bedroom median price declined 9% year-over-year.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	114	70	63%	98	16%
Average Days on Market	51	89	-43%	64	-20%
Inventory	58	47	25%	53	9%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$852K	\$826K	3%	\$950K	-10%
Average Price	\$932K	\$846K	10%	\$1.031M	-10%
Median PPSF	\$1,091	\$880	24%	\$1,011	8%
Average PPSF	\$1,042	\$896	16%	\$1,023	2%
<i>Median Price by Bedroom</i>					
Studio	\$405K	\$433K	-6%	\$395K	3%
1 Bedroom	\$554K	\$628K	-12%	\$675K	-18%
2 Bedroom	\$1.240M	\$953K	30%	\$1.020M	22%
3+ Bedroom	\$2.313M	\$1.351M	71%	\$1.506M	54%

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$1.339M	\$1.635M	-18%	\$1.247M	7%
Average Price	\$1.382M	\$1.701M	-19%	\$1.280M	8%
Median PPSF	\$1,170	\$1,127	4%	\$1,102	6%
Average PPSF	\$1,146	\$1,170	-2%	\$1,105	4%
<i>Median Price by Bedroom</i>					
Studio	N/A	N/A	N/A	\$700K	N/A
1 Bedroom	\$808K	\$645K	25%	\$835K	-3%
2 Bedroom	\$1.363M	\$1.260M	8%	\$1.288M	6%
3+ Bedroom	\$1.973M	\$2.157M	-9%	\$1.713M	15%

Fourth Quarter 2017

BEDFORD-STUYVESANT, CROWN HEIGHTS, LEFFERTS GARDENS & BUSHWICK

Median and average condo sale price achieved a record nine-year high at \$767,480 and \$767,000, respectively.

	102 <i>Sales</i>	124 <i>Inventory</i>	109 <i>Days on Market</i>	\$728K <i>Median Price</i>	\$787 <i>Average PPSF</i>
<i>Annual Change</i>	-26%	-19%	+37%	+16%	+15%

Sales in Bedford-Stuyvesant, Crown Heights, Lefferts Gardens and Bushwick fell by 26% in Fourth Quarter 2017 versus last year, the largest decline in all the borough due to fewer new development sales. Inventory was down 19% year-over-year which also contributed to suppressed sales. Days on market lengthened to 109 average days an apartment stays on market before going into contract, the longest in Brooklyn, as buyers adjusted to rising prices in these neighborhoods.

Apartments lingered on the market the longest

All price metrics for the co-op market displayed gains, the only area in Brooklyn where this occurred. Median and average co-op price was up versus Fourth Quarter 2016, by 11% and 17%, respectively. Median price for all bedroom types increased compared to both last quarter and last year.

Average and median condo price increased versus Fourth Quarter 2016 due to a decline in market share of sales under \$500,000. A year ago, 30% of sales were under \$500,000 and this year just 15% of buyers transacted below \$500,000. Median and average price figures rose by 16% and 7%, respectively, both figures achieving a nine-year record high. Condo average price per square foot increased 15% above last year's figure to \$787 per square foot, reaching a new record in nine years on record.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	102	139	-26%	103	-1%
Average Days on Market	109	80	37%	72	52%
Inventory	124	154	-19%	131	-5%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$413K	\$370K	11%	\$443K	-7%
Average Price	\$483K	\$414K	17%	\$501K	-4%
Median PPSF	\$761	\$469	62%	\$803	-5%
Average PPSF	\$727	\$547	33%	\$777	-6%
<i>Median Price by Bedroom</i>					
Studio	\$295K	\$223K	33%	\$300K	-2%
1 Bedroom	\$517K	\$370K	40%	\$429K	20%
2 Bedroom	\$838K	\$735K	14%	\$671K	25%
3+ Bedroom	N/A	N/A	N/A	\$1.149M	N/A

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$767K	\$660K	16%	\$738K	4%
Average Price	\$767K	\$719K	7%	\$754K	2%
Median PPSF	\$906	\$756	20%	\$863	5%
Average PPSF	\$790	\$692	14%	\$742	6%
<i>Median Price by Bedroom</i>					
Studio	\$520K	\$385K	35%	\$496K	5%
1 Bedroom	\$642K	\$549K	17%	\$563K	14%
2 Bedroom	\$885K	\$834K	6%	\$826K	7%
3+ Bedroom	\$1.129M	\$1.010M	12%	\$990K	14%

Brooklyn Residential Sales Market Report



Fourth Quarter 2017

KENSINGTON, WINDSOR TERRACE, DITMAS PARK, FLATBUSH & PROSPECT PARK SOUTH

Sales were up 12% versus last year, driven by strong co-op sales.

	81 <i>Sales</i>	135 <i>Inventory</i>	80 <i>Days on Market</i>	\$501K <i>Median Price</i>	\$599 <i>Average PPSF</i>
<i>Annual Change</i>	+12%	-30%	+8%	0%	-1%

During Fourth Quarter 2017 sales were up by 12% year-over-year despite the decline of inventory. Inventory declined 30% below Fourth Quarter 2016 in line with the steep drop in listings seen market wide. The average days on market, at 80 days, was 8% more than year likely due to lingering listings finally selling.

Condo price metrics were lower

Co-op median and average price figures increased year-over-year by 13% and 8%, respectively. Median price figures for all bedroom types were up versus Fourth Quarter 2016 except for three plus bedrooms, which fell by 1% versus this time last year.

All price metrics for the condo market experienced declines, although the small number of sales can have a skewing effect on price statistics. Median and average condo price figures were down 13% and 6%, respectively, compared to last year. Average price per square foot for condos had modest gains this quarter versus Fourth Quarter 2016.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	81	73	12%	84	-3%
Average Days on Market	80	74	8%	63	28%
Inventory	135	192	-30%	182	-26%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$483K	\$426K	13%	\$465K	4%
Average Price	\$482K	\$446K	8%	\$500K	-4%
Median PPSF	\$583	\$526	11%	\$595	-2%
Average PPSF	\$582	\$560	4%	\$627	-7%

<i>Median Price by Bedroom</i>					
Studio	\$253K	\$250K	1%	\$259K	-2%
1 Bedroom	\$473K	\$416K	14%	\$436K	8%
2 Bedroom	\$597K	\$580K	3%	\$655K	-9%
3+ Bedroom	\$745K	\$750K	-1%	\$1.037M	-28%

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$581K	\$665K	-13%	\$780K	-26%
Average Price	\$646K	\$689K	-6%	\$812K	-20%
Median PPSF	\$609	\$701	-13%	\$678	-10%
Average PPSF	\$637	\$629	1%	\$685	-7%

<i>Median Price by Bedroom</i>					
Studio	N/A	\$425K	N/A	N/A	N/A
1 Bedroom	\$657K	\$689K	-5%	\$649K	1%
2 Bedroom	\$620K	\$769K	-19%	\$570K	9%
3+ Bedroom	N/A	\$745K	N/A	\$1.033M	N/A

Brooklyn Residential Sales Market Report



Fourth Quarter 2017

SOUTH BROOKLYN

Sales were up a modest 9% versus last year, fueling the drop in inventory.

	425 <i>Sales</i>	712 <i>Inventory</i>	108 <i>Days on Market</i>	\$410K <i>Median Price</i>	\$508 <i>Average PPSF</i>
<i>Annual Change</i>	+9%	-26%	-2%	+22%	-1%

South Brooklyn sales activity was not as robust as the previous quarter but was up 9% year-over-year. As is typical in South Brooklyn, listings took the second longest to sell compared to other areas of the borough at 108 average days on market, only slightly lower than Fourth Quarter 2016.

Both condo and co-ops had median price gains

Co-op median price rose a modest 4% and average price grew 15% relative to last year. Both average and median price per square foot increased slightly versus Fourth Quarter 2016. Studio and two bedroom co-ops saw the most significant price growth, with median prices rising by 38% and 13%, respectively. Median price for three plus bedrooms were down compared to both last quarter and last year.

Median and average condo price continued to rise this quarter. Both price metrics have increased year-over-year for the last four consecutive quarters mainly due to the well received new product introduced into the neighborhood. Median price reached \$625,000, the highest in nine years on record. Average condo price had a slight gain of 4% to \$628,000. Median and average price per square foot both increased by 3% versus this time last year.

	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Overview</i>					
Sales	425	388	9%	606	-30%
Average Days on Market	108	110	-2%	106	1%
Inventory	712	963	-26%	792	-10%

Co-op	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$280K	\$270K	4%	\$290K	-3%
Average Price	\$323K	\$282K	15%	\$313K	3%
Median PPSF	\$391	\$374	5%	\$366	7%
Average PPSF	\$407	\$392	4%	\$386	5%
<i>Median Price by Bedroom</i>					
Studio	\$195K	\$141K	38%	\$182K	7%
1 Bedroom	\$270K	\$280K	-4%	\$280K	-4%
2 Bedroom	\$366K	\$324K	13%	\$350K	5%
3+ Bedroom	\$425K	\$590K	-28%	\$505K	-16%

Condo	4Q17	4Q16	% Chg (yr)	3Q17	% Chg (qtr)
<i>Prices</i>					
Median Price	\$625K	\$520K	20%	\$611K	2%
Average Price	\$628K	\$604K	4%	\$643K	-2%
Median PPSF	\$579	\$564	3%	\$583	-1%
Average PPSF	\$561	\$545	3%	\$586	-4%
<i>Median Price by Bedroom</i>					
Studio	\$302K	N/A	N/A	\$380K	-21%
1 Bedroom	\$461K	\$535K	-14%	\$453K	2%
2 Bedroom	\$625K	\$750K	-17%	\$620K	1%
3+ Bedroom	\$767K	\$952K	-19%	\$715K	7%

Fourth Quarter 2017

METHODOLOGY

Source – Sales counts and figures in this report are based on publicly reported closed sales information via The Automated City Register Information System (ACRIS) and compiled using PropertyShark, an independent research firm, as well as from Corcoran’s proprietary listings database.

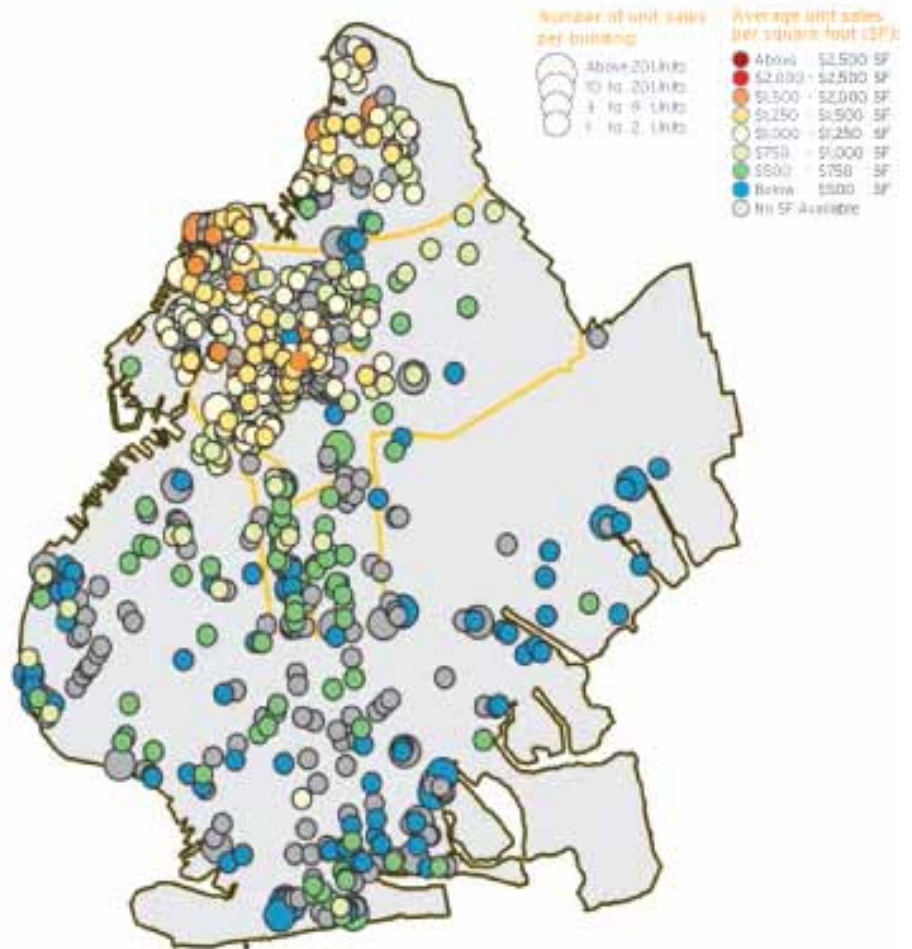
Metrics

Closed Sales figures for the current quarter are based on known closings recorded at the time the report is prepared and projected through the end of the quarter taking into account typical seasonality and public reporting timing.

Contracts Signed figures for the current quarter are based on reported signed contracts at the time the report is prepared and projected through the end of the quarter taking into account typical seasonality

Days on Market averages how long a unit takes to sell and is calculated by subtracting contract date from list date. Units on the market longer than three years and shorter than one day are considered outliers and removed from the data to prevent significant skewing. New developments are excluded because many available, unsold units are held off the market for long periods of time.

Average Price per Square Foot is the average price divided by the average square footage. In prior Reports this was calculated as an average of all prices per square foot, which gives a number less skewed by high price sales and more similar to a median price per square foot. The two metrics are now separated to give more insight to market dynamics.



Median Price and Price per Square Foot are the middle or midpoint price where half of sales fall below and half fall above this number.

Inventory is a count of all currently listed units and is measured two weeks before the end of the quarter. It does not include unsold yet unlisted units in new developments (“shadow” inventory).

Months of Supply is an estimate of how long it would take to sell all currently listed units based on the average closed sales per month over the last twelve months. Six to nine months is considered supply-demand equilibrium.

Previous Quarter statistics for sales and prices are revised in the subsequent report once data is available for the full quarter period.