ELLIMAN REPORT

4Q 2016

BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES Median Sales Price **15.4%**

PACE Absorption Rate **2.0 mos.**

SALES Closed Sales **22.3%**

INVENTORY Total Inventory **31.0%**

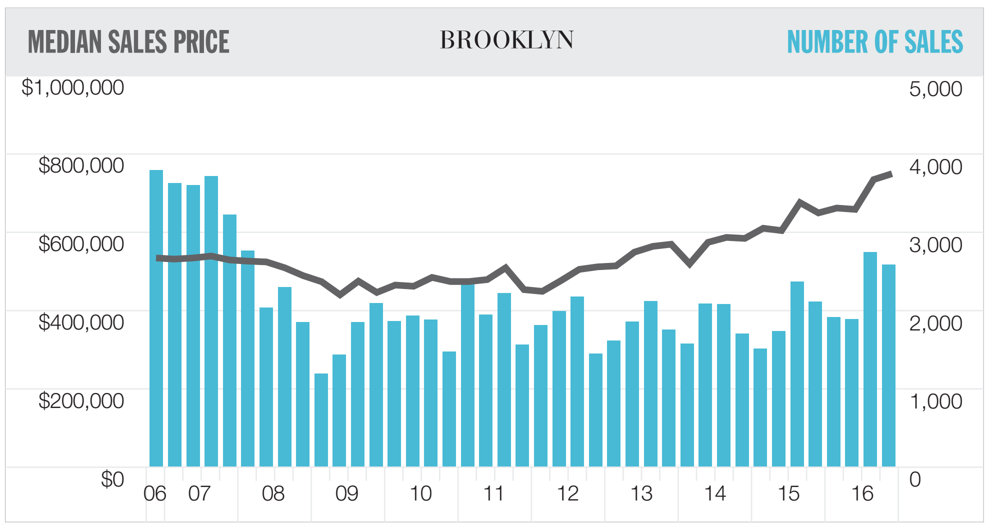
MARKETING TIME Days on Market **30 days**

NEGOTIABILITY Listing Discount **1.7%**

- **Median sales price sets new record**
- **Lowest inventory in more than eight years**
- **Fastest market pace since the financial crisis**

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Brooklyn Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$947,553	-3.7%	$983,511	17.3%	$808,121
Median Sales Price	$750,000	2.0%	$735,000	15.4%	$650,000
Number of Sales	2,582	-5.8%	2,741	22.3%	2,112
Days on Market (From Last List Date)	94	16.0%	81	46.9%	64
Listing Discount (From Last List Price)	1.7%		-0.3%		0.0%
Listing Inventory	2,232	-14.9%	2,624	-31.0%	3,233
Absorption Rate (mos)	2.6	-10.3%	2.9	-43.5%	4.6
Year-to-Date	**4Q–2016**	**%Δ (QTR)**	**3Q–2016**	**%Δ (YR)**	**4Q–2015**
Average Sales Price (YTD)	$899,417	N/A	N/A	11.4%	$807,173
Median Sales Price (YTD)	$700,000	N/A	N/A	7.7%	$650,000
Number of Sales (YTD)	9,123	N/A	N/A	18.1%	7,722



A contrarian housing market within New York City is the role that Brooklyn continues to assume. For the final quarter of 2016, the housing market showed a combination of rising prices, falling inventory and more sales. Median sales price increased 15.4% year over year to a new record of $750,000, the fourth new quarterly record of the past 2 years. Average sales price jumped 17.3% to $947,553 as this metric continues to approach the $1 million threshold. Median sales price across all housing types also showed large gains. Median sales price for condos jumped 23% to new record of $895,000; co-ops rose 6.9% to $385,000; 1-3 family increased 9.3% to tie the prior quarter record of $830,000. After three consecutive quarters of outsized gains, luxury median sales price, representing the top 10% of sales, did not rise faster than the overall market. Luxury median sales price increased 28.8% to $2,446,000 from the prior year quarter. Luxury average sales price growth was also larger, rising 7.9% to $2,807,587 over the same period. The luxury market threshold rose 19.6% to $1,710,000 suggesting that the high end Brooklyn market is expanding. Overall number of sales jumped 22.3% to 2,582, the most fourth quarter sales

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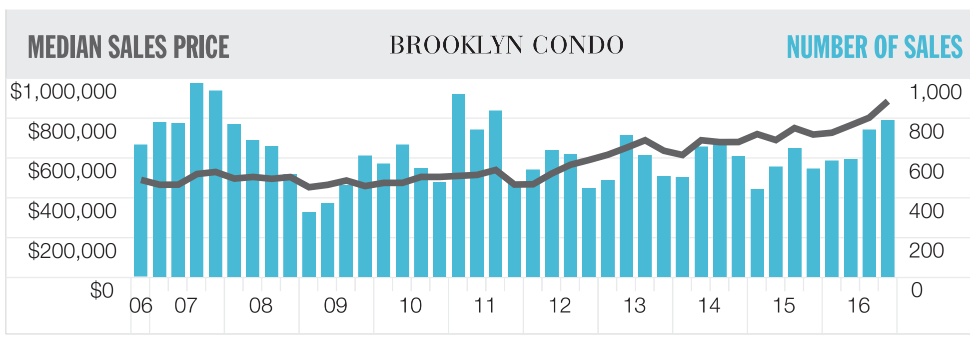
since 2007. Listing inventory fell 31% to 2,232, the lowest level recorded since this metric was first tracked in 2008. As a result of elevated sales and limited supply, the pace of the market was the fastest in more than 8 years. The absorption rate, the number of months to sell all listing inventory at the current rate of sales, fell to 2.6 months from 4.6 months from the year ago quarter, the fastest market pace recorded. Days on market, the number of days between the last list price change and the contract date for the overall market, was 94 days, 30 days slower than the same period last year. However listing discount edged higher but remained unusually tight, rising to 1.7% from 0% in the prior year quarter, a reflection of nominal negotiability between the parties. Closings of new development sales surged as market share expanded. There were 179 new development condo sales, nearly double the 90 sales total of the year ago quarter, representing 6.9% of borough shares. Median sales price of a new development condo sales jumped 41.9% to new record of $1,123,486, resulting from a 40.9% jump in the average square footage of a sale. The 0.2% increase in average price per square foot to $1,148 is more representative of price trends in the new development condition market.

CONDOS

- **Median and average sales price set new records**
- **Surge in sales from year ago level**
- **Days on market and listing discount expanded**

Condo Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$1,141,570	-0.3%	$1,145,401	19.9%	$952,380
Average Price Per Sq Ft	$904	-17.1%	$1,091	-14.8%	$1,061
Median Sales Price	$895,000	10.2%	$812,008	23.0%	$727,500
Number of Sales	791	6.5%	743	44.3%	548
Days on Market (From Last List Date)	101	29.5%	78	77.2%	57
Listing Discount (From Last List Price)	2.5%		0.5%		0.3%

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$2,156,598	36.6%
4/5	$1,195,000	21.9%
3/5	$895,000	23.4%
2/5	$650,000	20.5%
1/5	$450,000	31.5%

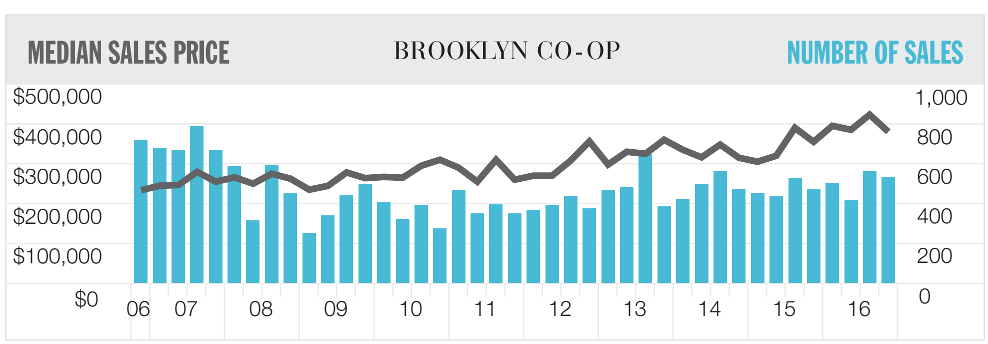


CO-OPS

- **Median and average sales price moved higher**
- **The number of sales rose sharply**
- **Slower marketing times with much less negotiability**

Co-op Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$499,718	-10.4%	$557,853	2.2%	$489,056
Median Sales Price	$385,000	-10.0%	$428,000	6.9%	$360,000
Number of Sales	532	-5.2%	561	12.7%	472
Days on Market (From Last List Date)	82	17.1%	70	10.8%	74
Listing Discount (From Last List Price)	-1.1%		0.8%		-1.4%

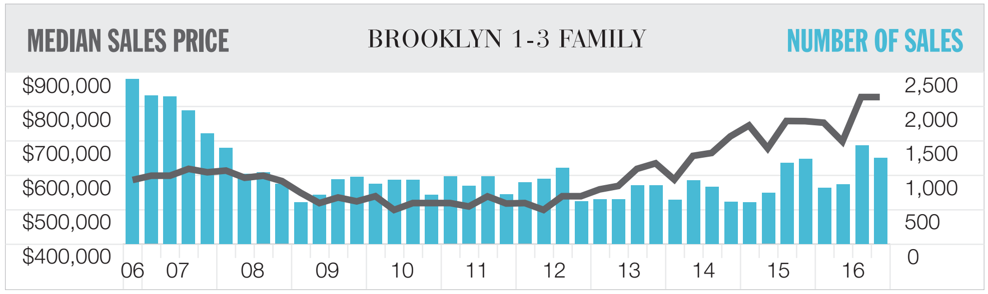
Quintiles	Med. Sales Price	%Δ (YR)
5/5	$940,193	-0.4%
4/5	$575,000	4.6%
3/5	$385,000	6.9%
2/5	$280,000	16.7%
1/5	$168,200	12.1%



1-3 FAMILY

- Median sales price tied prior quarter record
- The number of sales edged higher
- Days on market increased as listing discount declined

1-3 Family Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$1,014,891	-4.8%	$1,065,982	4.4%	$972,065
Average Price Per Sq Ft	$459	-3.0%	$473	8.3%	$424
Median Sales Price	$830,000	0.0%	$830,000	9.3%	$759,500
Number of Sales	1,259	-12.4%	1,437	1.4%	1,242
Days on Market (From Last List Date)	96		99		92
Listing Discount (From Last List Price)	1.9%		-2.3%		4.0%



Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,776,000	7.0%
4/5	$1,150,000	15.2%
3/5	$830,000	9.3%
2/5	$600,000	5.1%
1/5	$375,000	7.1%

Brooklyn Market by LOCATION

NORTH

- Overall price trend indicators moved higher
- Number of sales surged

North Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$1,305,563	-5.1%	$1,376,305	17.1%	$1,114,939
Average Price Per Sq Ft	$1,030	26.1%	$817	7.3%	$960
Condo	$1,157	0.3%	$1,154	-6.4%	$1,236
Median Sales Price	$1,140,000	14.1%	$999,000	23.1%	$926,250
Number of Sales	239	18.9%	201	39.0%	172

SOUTH

- Price trend indicators were higher across all property types
- Number of sales increased

South Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$712,508	0.7%	$707,862	2.5%	$695,413
Median Sales Price	$615,000	-1.0%	$621,250	5.1%	$585,000
Condo	$621,275	10.9%	$560,000	18.3%	$525,000
Co-op	$282,400	0.9%	$280,000	16.2%	$243,000
1-3 Family	$785,000	1.2%	$776,000	7.6%	$729,500
Number of Sales	1,309	-2.6%	1,344	12.8%	1,160

EAST

- All property type price trend indicators increased
- The number of sales edged higher

East Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$806,607	-2.3%	$825,629	7.9%	$747,294
Median Sales Price	$700,000	2.9%	$680,000	11.6%	$627,500
Condo	$675,048	13.8%	$593,000	36.8%	$493,465
1-3 Family	$750,000	1.0%	$742,750	12.8%	$665,000
Number of Sales	505	-1.9%	515	3.5%	488

NORTHWEST

- Price trend indicators continued to rise sharply
- The number of sales jumped from prior year

Northwest Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$1,501,969	-1.9%	$1,530,987	23.6%	$1,215,246
Median Sales Price	$1,075,000	-2.3%	$1,100,000	17.5%	$915,000
Condo	$1,287,250	7.5%	$1,197,500	25.6%	$1,025,000
Co-op	$710,000	4.1%	$682,000	6.8%	$665,000
1-3 Family	$2,257,500	-3.9%	$2,350,000	11.5%	$2,025,000
Number of Sales	529	-22.3%	681	25.1%	423

BROWNSTONE

- Overall price trend indicators increased
- Continued surge in number of sales

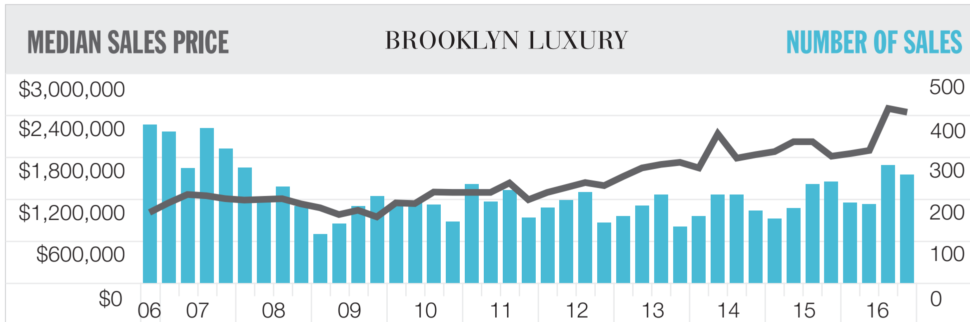
Brownstone Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$2,589,756	4.2%	$2,486,015	0.6%	$2,574,648
Average Price Per Sq Ft	$946	3.6%	$913	2.3%	$925
Median Sales Price	$2,257,500	-3.9%	$2,350,000	11.5%	$2,025,000
1-Family	$2,250,000	-4.3%	$2,350,000	-2.2%	$2,300,000
2-Family	$2,295,000	-5.8%	$2,437,500	13.3%	$2,025,000
3-Family	$2,050,000	-6.7%	$2,197,500	17.1%	$1,750,000
Number of Sales	90	-30.2%	129	57.9%	57

LUXURY

- **Price trend indicators moved higher**
- **Marketing time continued to expand**
- **The luxury entry threshold jumped**

Luxury Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$2,807,587	-9.4%	$3,099,912	7.9%	$2,603,061
Median Sales Price	$2,446,900	-2.1%	$2,500,000	28.8%	$1,900,000
Number of Sales	259	-8.2%	282	7.0%	242
Days on Market (From Last List Date)	114	12.9%	101	142.6%	47
Listing Discount (From Last List Price)	0.7%		-3.0%		0.9%
Entry-Price Threshold	$1,710,000	-5.0%	$1,800,000	19.6%	$1,429,519

Luxury Mix	Luxury Sales Share	Median Sales Price
Condo	42.5%	$2,512,500
Co-op	3.1%	$2,142,500
1-3 Family	54.4%	$2,300,000



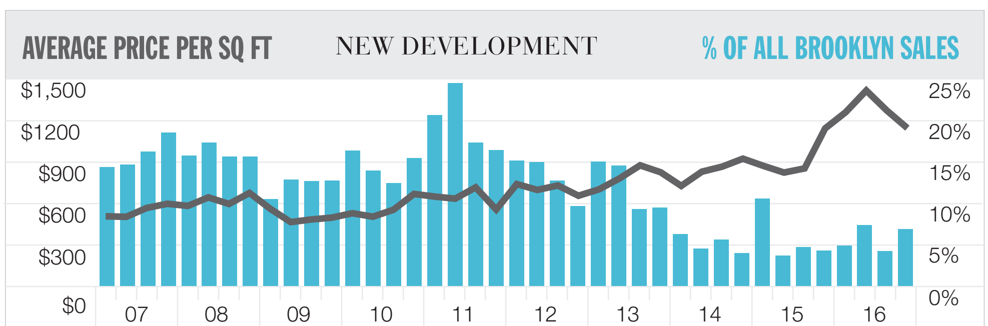
NEW DEVELOPMENT

Condos

- **Price indicators skewed by sharp rise in average size**
- **Number of sales nearly doubled**
- **Market share of closings jumped**

New Development Market Matrix	4Q–2016	%Δ (QTR)	3Q–2016	%Δ (YR)	4Q–2015
Average Sales Price	$1,580,741	-15.5%	$1,869,810	41.2%	$1,119,703
Average Price Per Sq Ft	$1,148	-10.0%	$1,275	0.2%	$1,146
Median Sales Price	$1,123,486	44.3%	$778,452	41.9%	$791,689
Number of Sales	179	57.0%	114	98.9%	90
Days on Market (From Last List Date)	168	4.3%	161	180.0%	60
Listing Discount (From Last List Price)	-1.9%		-3.1%		0.0%
Sales Share of Overall Market	6.9%		4.2%		4.3%

New Development Mix	Condo Sales Share	Median Sales Price
< $1M	42.5%	$771,489
$1M - $3M	44.7%	$1,400,047
> $3M	12.8%	$4,229,148



NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN
Greenpoint
Williamsburg

NORTHWEST BROOKLYN
"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Downtown
Dumbo
Fort Greene
Gowanus
Navy Yard
Park Slope
Park Slope South
Prospect Heights
Red Hook
Vinegar Hill
Windsor Terrace

SOUTH BROOKLYN
Bath Beach
Bay Ridge
Bensonhurst
Bergen Beach
Borough Park
Brighton Beach
Bush Terminal
Canarsie
Coney Island
Dyker Heights
Flatbush
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison
Manhattan Beach
Marine Park
Midwood
Mill Basin
Ocean Parkway
Old Mill Basin
Seagate
Sheepshead Bay
Sunset Park

EAST BROOKLYN
Bedford Stuyvesant
Brownsville
Bushwick
Crown Heights
Cypress Hills
East New York
Farragut
Homecrest
Ocean Hill
Wingate
Wyckoff Heights

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