

Corcoran Year End Review

2019 | BROOKLYN

corcoran



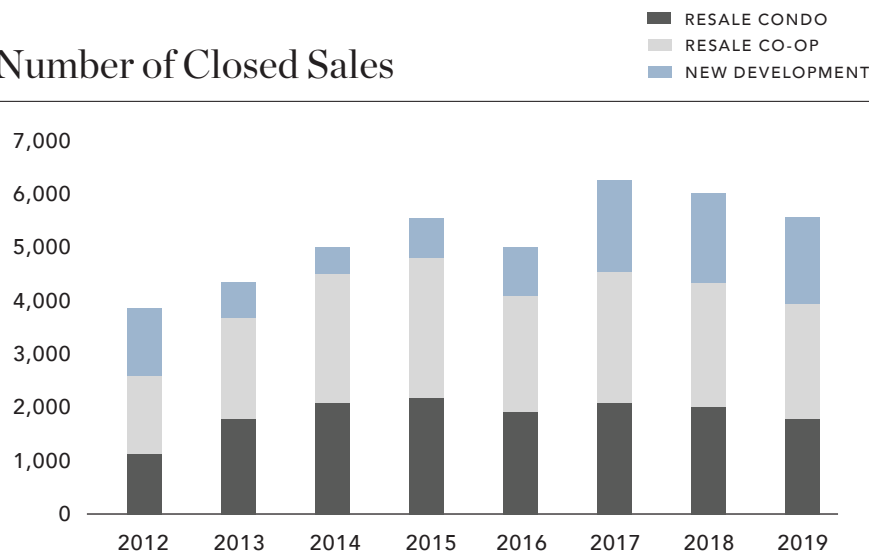
Overview

Sales in Brooklyn moderated in 2019 versus a strong 2018, yet closing activity was still higher than years leading up to the peak in 2017. Prices continued to show relative resiliency despite the transfer and mansion tax headwinds that directly affected transactions over \$2M. While sales overall were down 8%, sales over \$2M fell by an even steeper 18%. Meanwhile inventory continued to accumulate, partly due to slower absorption, but also due to new development introductions as 2019 saw the second highest number of units come to market in Brooklyn in the last ten years.

Closings

Closings declined annually for the past two years after peaking in 2017; this year they fell by 8% versus 2018. The decline was across the board as all three product types had year-over-year decreases. Resale condo closings fell the most, down 10%, followed by resale co-op closings, which were 8% below last year. Both resale closing figures hit a six-year low. New development closings only dipped 3% and exceeded 1,600 closings for the third consecutive year, but nearly 40% of those closings had contracts signed in prior years.

Number of Closed Sales

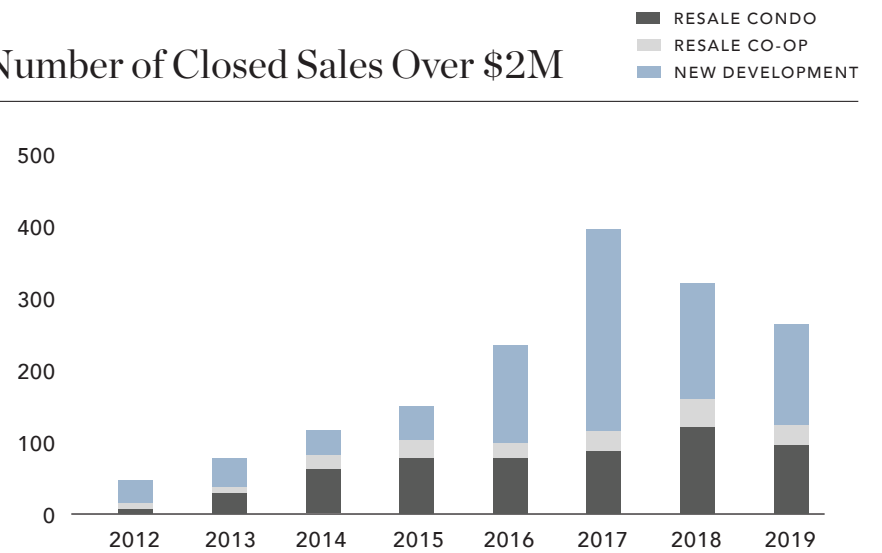


OVERALL	2019	2018	% CHG
CLOSINGS	5,537	5,999	-8%
INVENTORY	2,141	1,952	10%
MEDIAN PRICE	\$679,000	\$685,000	-1%
AVERAGE PRICE	\$840,000	\$848,000	-1%
AVERAGE PPSF	\$942	\$910	4%

Closings Over \$2M

With the July 1st transfer and mansion tax increases for transactions over \$2M, total closings at the high end dropped for the second consecutive year. There were 18% fewer closings over \$2M versus last year, yet the figure of 264 closings was still three times higher than the average from 2009 through 2016, the years leading up to the peak of 2017. All product types had double-digit annual decreases in sales at the high end, with resale condo and resale co-op declines exaggerated due to last year's peak performance in the luxury market. New development closings over \$2M were 14% lower than last year and a striking 50% below 2017.

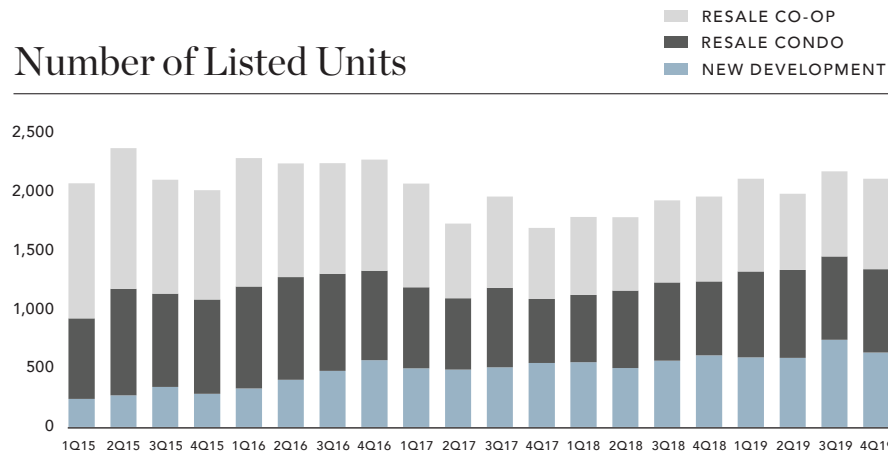
Number of Closed Sales Over \$2M



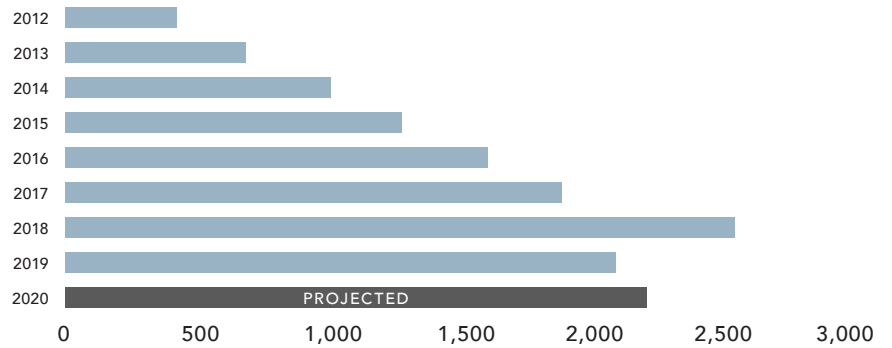
Inventory

At the end of 2019, inventory was 10% higher than Fourth Quarter 2018, the second highest figure in three years. Despite the increase, listings were still 11% below the most recent peak in Third Quarter 2015. Driving up supply figures were slower sales in the resale market as well as more

new development introductions, particularly in Dumbo and Brooklyn Heights. Over 2,100 new units came to market during 2019, one-third of which were in Dumbo and Brooklyn Heights. An additional 2,200 new units are anticipated to come to market during 2020.



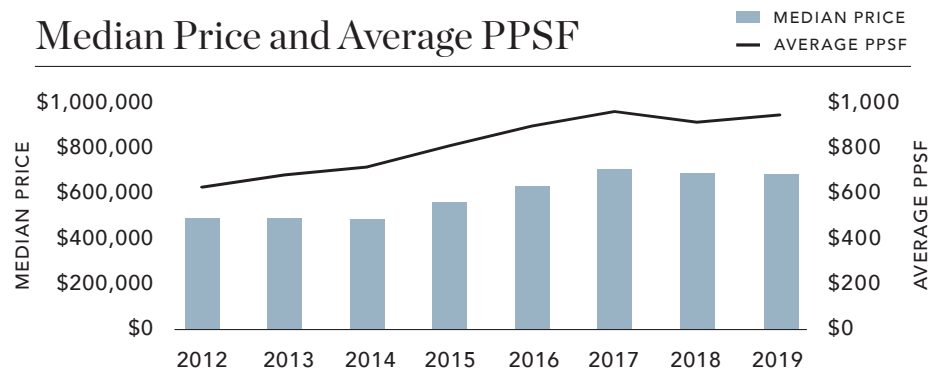
New Development Units Launched for Sale



Prices

Median price rose by double-digits annually during 2015 through 2017 yet the figure essentially leveled off during the past two years. Median price dipped 2% in 2018 and this year fell just 1% to \$679,000. The \$1M to \$2M price segment of the market remained very steady and helped offset the otherwise skewing effect from the decrease in sales over \$2M. Meanwhile, market wide average price per square foot increased 4% to \$942, the second highest figure on record.

Median Price and Average PPSF



Statistics by Type

Fewer closings occurred across all product types compared to last year although the decline in new development closings was less steep. Sales by price segment generally trended equally for all three product types, the only variation being the decline in resale condos priced between \$1M and \$2M, a 9% decline while new developments and resale co-ops

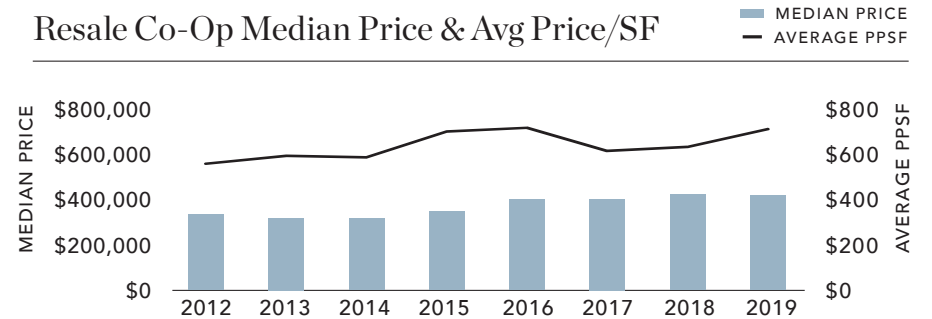
RESALE CO-OP	2019	2018	% CHG
CLOSINGS	2,129	2,324	-8%
INVENTORY	766	718	7%
MEDIAN PRICE	\$420,000	\$423,000	-1%
AVERAGE PRICE	\$556,000	\$557,000	0%
AVERAGE PPSF	\$714	\$635	12%
SALES UNDER \$1M	1,893	2,083	-9%
SALES \$1M TO \$2M	209	202	3%
SALES OVER \$2M	27	39	-31%

RESALE CONDO	2019	2018	% CHG
CLOSINGS	1,799	2,009	-10%
INVENTORY	708	626	13%
MEDIAN PRICE	\$810,000	\$820,000	-1%
AVERAGE PRICE	\$965,000	\$968,000	0%
AVERAGE PPSF	\$908	\$897	1%
SALES UNDER \$1M	1,212	1,352	-10%
SALES \$1M TO \$2M	490	536	-9%
SALES OVER \$2M	97	121	-20%

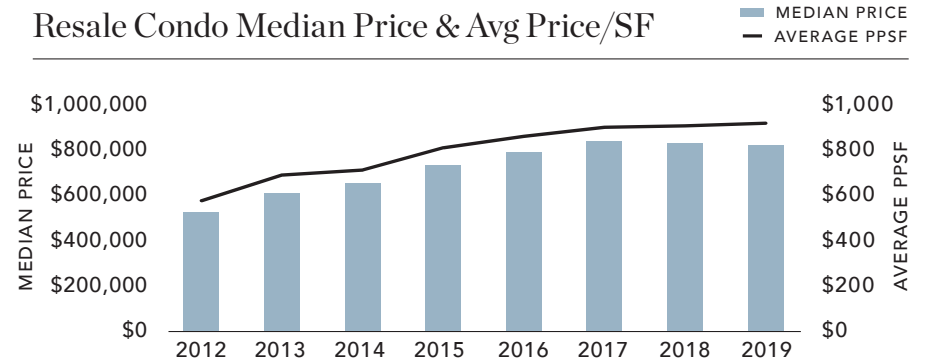
NEW DEVELOPMENT	2019	2018	% CHG
CLOSINGS	1,609	1,660	-3%
INVENTORY	630	608	4%
MEDIAN PRICE	\$839,000	\$833,000	1%
AVERAGE PRICE	\$1,077,000	\$1,110,000	-3%
AVERAGE PPSF	\$1,072	\$1,080	-1%
SALES UNDER \$1M	1,022	1,089	-6%
SALES \$1M TO \$2M	447	409	9%
SALES OVER \$2M	140	162	-14%

both had gains in this price range. Median price for each product type was essentially flat, as was average price for all types except new development which fell 3% year-over-year. Resale co-op average price per square foot increased 12% versus last year, the largest increase in five-years due to a shrinking share of sales in South Brooklyn.

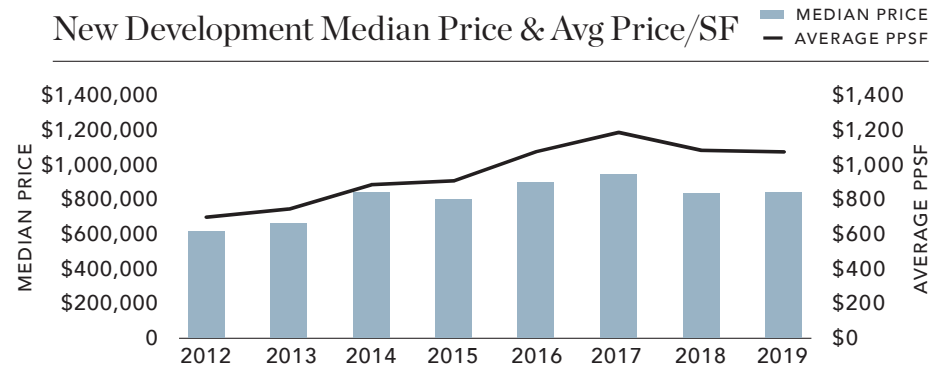
Resale Co-Op Median Price & Avg Price/SF



Resale Condo Median Price & Avg Price/SF



New Development Median Price & Avg Price/SF



Statistics by Neighborhood

Sales increased by double-digits annually year-over-year in two Submarkets: Williamsburg & Greenpoint and Bedford-Stuyvesant, Crown Heights, Lefferts Gardens & Bushwick. These neighborhoods were also the only two areas where average price per square foot rose annually. Average price per square foot reached \$1,258 in Williamsburg and Greenpoint, a 5% rise year-over-year and a record high for this area. Williamsburg & Greenpoint and Fort Greene, Clinton Hill, & Prospect Heights were the only two areas where inventory levels shrank versus

a year ago. Active listings in Brooklyn Heights, Cobble Hill, Dumbo & Downtown surged 41% year-over-year and was double the supply level compared to 2017 due to large-scale new development launches. Median and average price per square foot declined the most in Park Slope & Gowanus as well as Kensington, Windsor Terrace, Ditmas Park, Flatbush & Prospect Park South due to the shrinking share of new development sales versus last year.

WILLIAMSBURG & GREENPOINT

	2019	2018	%CHG
CLOSINGS	789	609	30%
INVENTORY	216	245	-12%
MEDIAN PRICE	\$1,145,000	\$998,000	15%
AVG PPSF	\$1,258	\$1,196	5%

BROOKLYN HEIGHTS, COBBLE HILL, DUMBO, & DOWNTOWN

	2019	2018	%CHG
CLOSINGS	551	663	-17%
INVENTORY	389	276	41%
MEDIAN PRICE	\$965,000	\$970,000	-1%
AVG PPSF	\$1,264	\$1,294	-2%

PARK SLOPE & GOWANUS

	2019	2018	%CHG
CLOSINGS	387	436	-11%
INVENTORY	152	131	16%
MEDIAN PRICE	\$999,000	\$1,087,000	-8%
AVG PPSF	\$1,080	\$1,130	-4%

FORT GREENE, CLINTON HILL, & PROSPECT HEIGHTS

	2019	2018	%CHG
CLOSINGS	536	564	-5%
INVENTORY	140	171	-18%
MEDIAN PRICE	\$899,500	\$913,500	-2%
AVG PPSF	\$1,016	\$1,040	-2%

CARROLL GARDENS, BOERUM HILL, & RED HOOK

	2019	2018	%CHG
CLOSINGS	418	426	-2%
INVENTORY	71	61	16%
MEDIAN PRICE	\$1,160,593	\$1,176,880	-1%
AVG PPSF	\$1,182	\$1,216	-3%

BEDFORD-STUYVESANT, CROWN HEIGHTS, LEFFERTS GARDENS, & BUSHWICK

	2019	2018	%CHG
CLOSINGS	598	521	15%
INVENTORY	255	241	6%
MEDIAN PRICE	\$643,249	\$685,000	-6%
AVG PPSF	\$761	\$750	1%

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

	2019	2018	%CHG
CLOSINGS	346	411	-16%
INVENTORY	174	165	5%
MEDIAN PRICE	\$551,100	\$603,822	-9%
AVG PPSF	\$680	\$723	-6%

SOUTH BROOKLYN

	2019	2018	%CHG
CLOSINGS	1,998	2,370	-16%
INVENTORY	707	662	7%
MEDIAN PRICE	\$405,000	\$410,000	-1%
AVG PPSF	\$560	\$546	3%

THE FOLLOWING MEMBERS OF THE THE CORCORAN GROUP MADE SIGNIFICANT CONTRIBUTIONS TO THIS REPORT:

Jordan Glaubinger | Kristy Hoffman | Ryan Schleis | Brie Train