

Q3 2021

Brooklyn Market Report

SERHANT.

Letter From Garrett



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The Brooklyn housing market is on fire. There were 3,121 sales in Q3, 121% more than Q3 last year. In total, there have been 10,700 sales year-to-date, 18.5% more than the 9,031 sales recorded in all of 2020. Borough-wide, the Q3 median price was \$940,000 and the average price was \$1,192,529, up 18.2% and 23.3%, respectively. Both are all-time highs. The record-level prices came as discounts continued to shrink, currently at just 4.0% off the initial list price. The price increases were driven by continued demand and decreasing inventory as buyers scooped up properties. In fact, there were 2,366 contracts signed, 16.9% more than the third quarter last year. Condos were the most popular property type, totaling 44% of all contracts. 1-3 family homes followed with 35% of contracts. Both property types recorded double-digit price increases year-over-year. The number of active listings dropped 31% year-over-year. Townhome inventory remains a concern as there are simply not enough homes available to purchase to keep up with demand. We expect demand to remain strong and the supply level to shrink as we head into Q4 and early next year.

Market Highlights:

Average Price

\$1,192,529

Year-Over-Year

23.3%

Median Price

\$940,000

Year-Over-Year

18.2%

Average PPSF

\$863

Year-Over-Year

11.5%

51.7%

Share of Inventory
Over \$1m

4.0%

Average
Discount

22.0%

Of Properties Took
Less Than 30 Days
To Enter Contract

43.0%

Share Of Closings
Over \$1m

130

Average Days On
Market

18.5%

Of Properties Took
Over 180 Days
To Enter Contract

Closed Sales

There were 3,121 Q3 sales in Brooklyn, an increase of 121% over this time last year. Prices surged across all property types. Condos saw their median price increase 19% and average increase 15%. The median price of co-ops increased 35% and their average increased 19%, while 1-3 family homes saw their median price jump 24% and average rise 29%. The greatest price-per-square-foot increase was for 1-3 family homes, which showed a 19% increase. By market, the greatest price increases were in North Brooklyn. There, the median price increased 21% and average price increased 24%. Northwest Brooklyn, which remained the most expensive market, saw its median rise 5% and average rise 11%. The greatest price-per-square-foot increase was in East Brooklyn, where it jumped 21% to \$775. South Brooklyn saw the most sales, with 42% of the total.

By Property Type

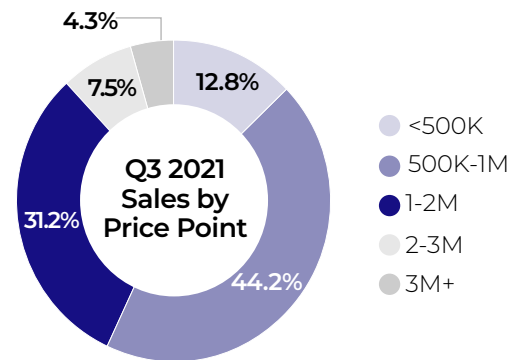
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	36%	3%	\$950,000	19%	\$1,149,334	15%	\$1,092	12%	1,134	4%
Co-op	20%	2%	\$606,732	35%	\$766,640	19%	\$792	13%	965	7%
1-3 Family	45%	7%	\$1,100,000	24%	\$1,414,731	29%	\$634	19%	2,444	4%

By Location

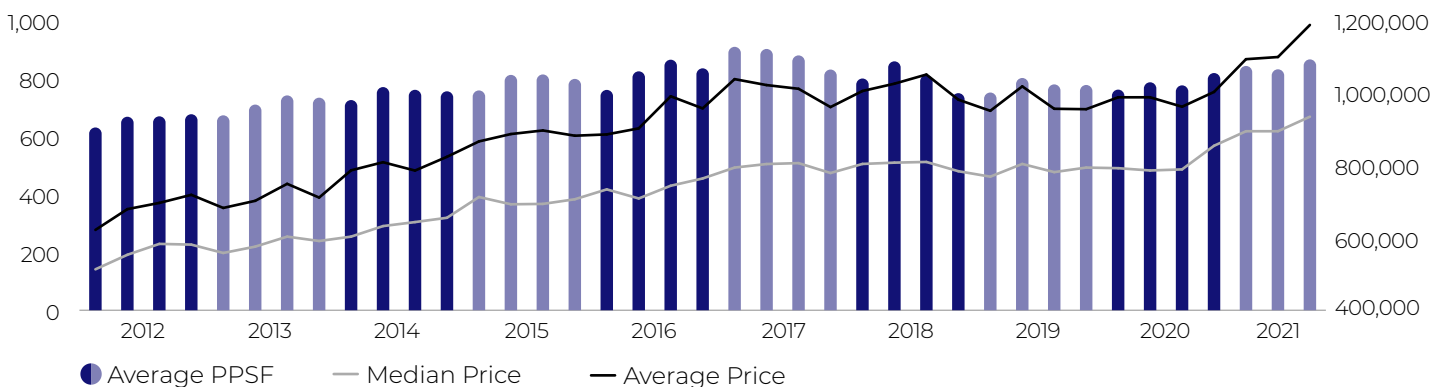
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	10%	5%	\$1,120,000	21%	\$1,327,505	24%	\$1,089	12%	1,462	10%
Northwest Brooklyn	33%	1%	\$1,265,000	5%	\$1,671,333	11%	\$1,194	11%	1,503	0%
East Brooklyn	15%	4%	\$900,000	19%	\$1,074,238	26%	\$755	21%	1,757	-2%
South Brooklyn	42%	6%	\$750,000	7%	\$880,854	8%	\$548	8%	1,664	0%

By Price

The median price in Brooklyn was \$940,000, up 18.2% from this time last year and the average price was \$1,192,529, up 23.3%. Both are record highs. The greatest concentration of sales was priced between \$500,000-1 million, with 44.2%. That was followed by the \$1-2 million tranche, with 31.2%, and sales under \$500,000, with 12.8%. Sales priced \$2 million and above totaled 11.9% of the market. Notably, the greatest discounts were for the least expensive properties, priced under \$500,000, at 6.4%. The smallest discounts were for homes priced between \$2-3 million, at just 2.7%, followed by sales priced \$3 million and higher, at 3.3%.



Historical Price Trends



Contracts Signed

There were 2,366 contracts signed in the third quarter, an increase of 16.9% year-over-year. The largest concentration of contracts was for condos, with 44% of all deals, followed by 1-3 family homes with 35%. The greatest price increases were for condos, which saw their median price rise 22% and average price rise 18%. 1-3 family homes had a median price increase of 17% and average price increase of 34%. They also had the highest price-per-square-foot increase, jumping 28%. By area, the greatest price increases were in Northwest Brooklyn. There, the median price jumped 21% and average price increased 31%. East Brooklyn reported a median rise of 17% while North Brooklyn saw its median increase 14%. South Brooklyn was the outlier, with its median falling 7%.

By Property Type

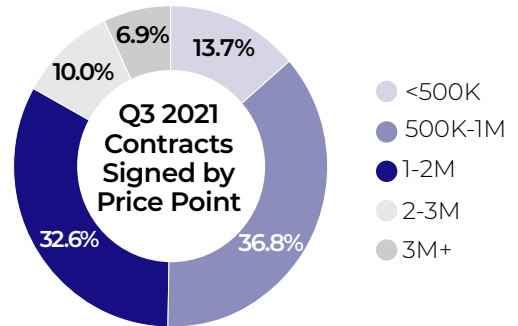
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	44%	\$1,099,500	22%	\$1,307,801	18%	\$1,145	9%	1,138	10%
Co-op	21%	\$535,000	-8%	\$676,395	-4%	\$677	-5%	919	-1%
1-3 Family	35%	\$1,377,500	17%	\$1,890,744	34%	\$787	28%	2,434	5%

By Location

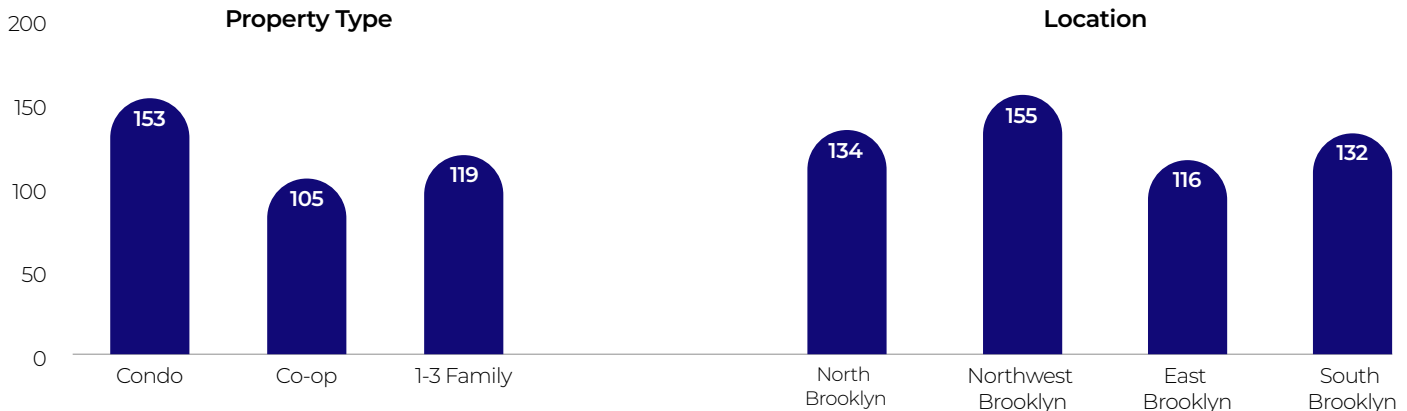
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	13%	\$1,250,000	14%	\$1,407,013	13%	\$1,181	10%	1,349	27%
Northwest Brooklyn	41%	\$1,450,000	21%	\$1,911,333	31%	\$1,289	16%	1,528	39%
East Brooklyn	13%	\$995,000	17%	\$1,130,685	11%	\$776	4%	1,659	33%
South Brooklyn	33%	\$679,000	-7%	\$801,048	-5%	\$567	4%	1,488	8%

By Price

The greatest share of contracts signed, with 36.8%, were priced between \$500,000 - 1 million. These homes spent an average of 122 days on the market, the quickest pace of any bracket. The next greatest share of contracts was priced between \$1-2 million, with 32.6% of the market. They spent an average of 134 days for sale. 10.0% of contracts were priced between \$2-3 million, while 6.9% were priced at \$3 million or more. Homes priced between \$2-3 million averaged 160 days listed, while those priced \$3 million and higher spent 171 days listed. Contracts for homes priced under \$500,000 totaled 13.7% of all deals and spent an average of 134 days on the market.



Average Days on Market



Active Listings

There were 4,638 active listings on the market at the end of Q3, a 31.0% decline from this time last year. The greatest share of listings was for 1-3 family homes, totaling 46% of all active properties. Condos followed with 35% and co-ops had 19%. 1-3 family homes were the only property type to record price increases, with their median price up 0.2% and average price up 2%. Condos saw their median decline 8% and average price dip 6%. The declines were largely a result of smaller sized units being listed. By market, South Brooklyn had the most listings, with 45%. There, the median price dipped 7% and average price fell 2%. Northwest Brooklyn followed, where the median price was down 2% but average price increased 4%. In North Brooklyn, the median price fell 7% and average fell 4%. All price declines were the result of more efficient sized units being listed compared to last year, rather than a loss in real value.

By Property Type

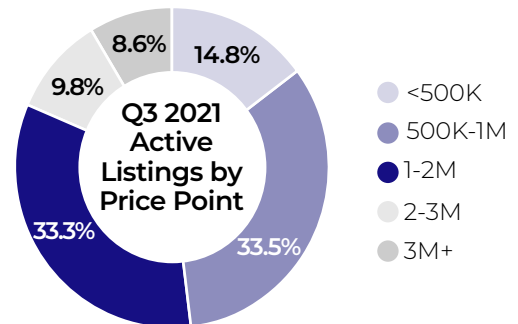
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	35%	\$949,000	-8%	\$1,306,037	-6%	\$1,099	-1%	1,158	-7%
Co-op	19%	\$465,000	-20%	\$625,871	-23%	\$598	-10%	930	-24%
1-3 Family	46%	\$1,498,500	0.2%	\$1,905,863	2%	\$767	5%	2,655	-3%

By Location

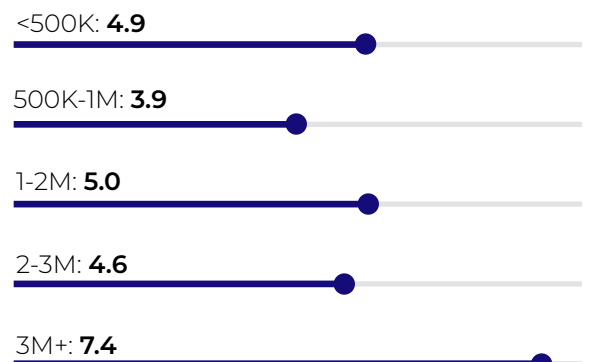
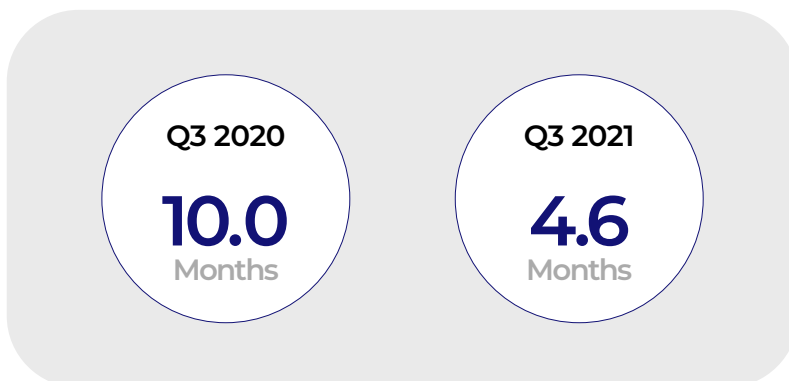
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	11%	\$1,299,000	-7%	\$1,642,456	-4%	\$1,061	1%	1,793	-4%
Northwest Brooklyn	28%	\$1,467,000	-2%	\$2,071,934	4%	\$1,302	4%	1,713	0%
East Brooklyn	15%	\$999,000	-5%	\$1,249,140	-5%	\$738	5%	1,935	-10%
South Brooklyn	45%	\$789,999	-7%	\$1,058,278	-2%	\$623	3%	1,709	-10%

By Price

The greatest share of available homes, with 33.5% of the market, were priced between \$500,000-1 million. This price tranche had 3.9 months of inventory, indicating a strong sellers' market. 33.3% of listings were priced between \$1-2 million, where there were 5.0 months' supply. Listings priced under \$500,000 made up 14.8% of the market and had 4.9 months' supply. Listings priced between \$2-3 million totaled 9.8% of the market and had 4.6 months' supply. Listings priced \$3 million and above equaled 8.6% of the market and had a 7.4 months' supply, indicating the market is still in buyers' territory.



Months of Supply



Research

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