

Q4 2021

# Brooklyn

## Market Report

**SERHANT.**

## Letter From Garrett



**GARRETT DERDERIAN**  
Director of Market  
Intelligence

Brooklyn had a record-breaking year. In total, \$16.6 billion worth of property traded in 2021, the highest grossing total on record. Sales volume shot up a staggering 79.6% from 2020 and was 13.6% above the previous record of \$14.7 billion set in 2017. In the fourth quarter, there were 2,759 sales, up 12.6% from this time last year. The average price increased 10.5% to \$1,113,934 and the median price increased 4.7% to \$900,000. Both fell just short of the price records set in Q3. Additionally, there were 10,377 contracts signed in 2021, the first time the number of deals surpassed 10,000. Contract volume totaled \$13.8 billion, topping 2020's \$7.76 billion by 77.5% and breaking the previous record set in 2019 of \$8.56 billion by 60.9%. While demand was robust this year, and should be strong through the first half of 2022, the number of listings for sale is a growing concern. This is the third straight quarter of a yearly declines in inventory across all property types. Condo and co-op supply in Northwest Brooklyn noted the steepest declines in Q4, dipping 43.9% and 47.9% year-over-year, respectively. For 1-3 family homes, North Brooklyn had the greatest drop in listings, down 36.7%. Additionally, rising mortgage rates could slow activity in the second half of 2022, but it should be noted the projected rate at the end of the year, around 3.7%, will still be below the rate just before the pandemic struck in early 2020.

# Market Highlights:

### Average Price

**\$1,113,934**

Year-Over-Year

**10.5%**

### Median Price

**\$900,000**

Year-Over-Year

**4.7%**

### Average PPSF

**\$825**

Year-Over-Year

**1.1%**

**48.8%**

Share of Inventory  
Over \$1m

**4.0%**

Average  
Discount

**22.7%**

Of Properties Took  
Less Than 30 Days  
To Enter Contract

**38.4%**

Share Of Closings  
Over \$1m

**127**

Average Days On  
Market

**20.6%**

Of Properties Took  
Over 180 Days  
To Enter Contract

## Closed Sales

There were 2,759 fourth quarter sales in Brooklyn, an increase of 12.6% over this time last year. The largest concentration of sales was for 1-3 family homes, with 44% of all deals, followed by condos with 33%, and co-ops with 23%. All property types recorded median and average price increases. For condos and 1-3 family homes, their median and average prices both hit record Q4 highs. Condos saw the largest size gain, increasing 13% to 1,136 square feet, while townhomes saw a 7% rise to 2,473 square feet. By market, North Brooklyn prices reported the greatest appreciation, with the area's median price jumping 25% to \$1,250,000, surpassing Northwest Brooklyn's \$1,150,000. The increase can largely be attributed to larger units trading, with the average size increasing 16% to 1,463 square feet.

### By Property Type

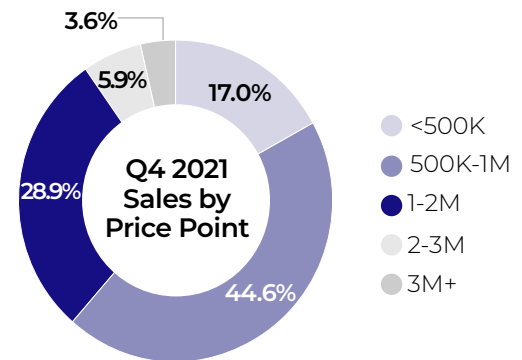
|            | % Units | Average Discount | Median Price | YoY | Average Price | YoY | Average PPSF | YoY   | Average SF | YoY |
|------------|---------|------------------|--------------|-----|---------------|-----|--------------|-------|------------|-----|
| Condo      | 33%     | 3%               | \$932,377    | 2%  | \$1,170,525   | 14% | \$1,114      | 3%    | 1,136      | 13% |
| Co-op      | 23%     | 2%               | \$489,000    | 5%  | \$664,534     | 5%  | \$702        | 2%    | 928        | 1%  |
| 1-3 Family | 44%     | 7%               | \$1,021,500  | 8%  | \$1,305,285   | 12% | \$595        | -0.2% | 2,473      | 7%  |

### By Location

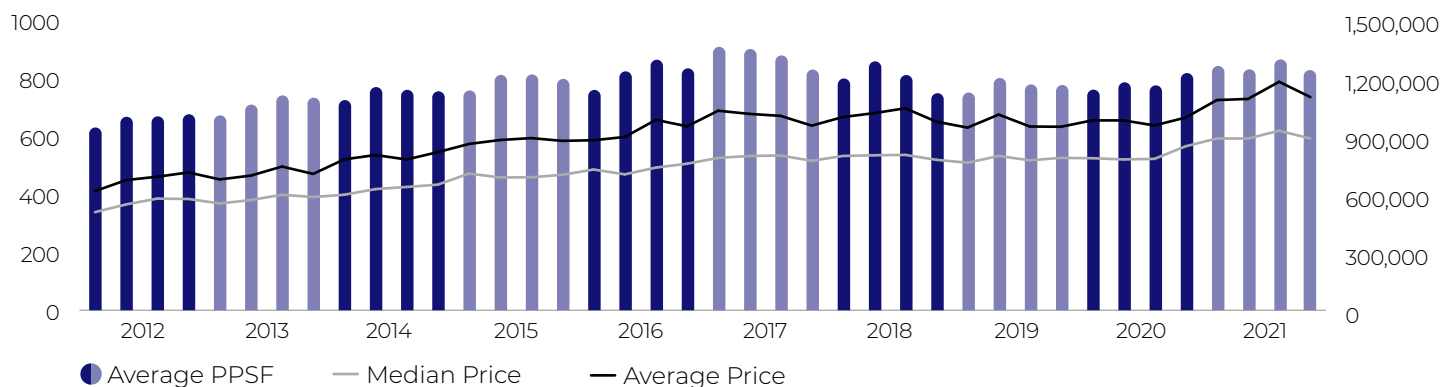
|                    | % Units | Average Discount | Median Price | YoY | Average Price | YoY | Average PPSF | YoY | Average SF | YoY   |
|--------------------|---------|------------------|--------------|-----|---------------|-----|--------------|-----|------------|-------|
| North Brooklyn     | 10%     | 3%               | \$1,250,000  | 25% | \$1,413,024   | 20% | \$1,129      | 11% | 1,463      | 16%   |
| Northwest Brooklyn | 27%     | 2%               | \$1,150,000  | -2% | \$1,561,198   | 14% | \$1,207      | 4%  | 1,404      | 6%    |
| East Brooklyn      | 15%     | 4%               | \$875,250    | 6%  | \$998,071     | 8%  | \$717        | 6%  | 1,801      | -6%   |
| South Brooklyn     | 49%     | 6%               | \$749,000    | 3%  | \$828,651     | 2%  | \$525        | -2% | 1,626      | -0.2% |

### By Price

The median price in Brooklyn was \$900,000, up 4.7% from Q4 last year. The average price increased 10.5% to \$1,113,934. Both fell just short of the record highs achieved in the third quarter. The greatest concentration of sales was priced between \$500,000-1 million, with 44.6%. That was followed by the \$1-2 million tranche, with 28.9%, and sales under \$500,000, with 17.0%. Sales priced \$2 million and above totaled 9.5% of the market. The highest discount rate was for the least expensive properties, priced under \$500,000, at 5.3%. The smallest discounts were for the most expensive properties, priced \$3 million and higher, at just 1.9%. Demand for larger, costlier spaces resulted in little negotiation room as buyers continued to seek out these spaces.



### Historical Price Trends



# Contracts Signed

There were 2,447 contracts signed in the fourth quarter, an increase of 6.9% year-over-year. The smaller percentage increase in contracts signed can largely be attributed to the lack of inventory in the borough, especially for town-homes. The largest share of contracts was for condos, with 43% of all deals, followed by 1-3 family homes with 36%. The greatest price increases were for condos, which saw their median price rise 11% and average price rise 19%. 1-3 family homes had a median price increase of 2% and average price increase of 9%. They had the highest price-per-square-foot increase, up 11%. By area, the greatest price increases were in North Brooklyn. There, the median and average prices both grew 15%. Northwest Brooklyn reported the highest price-per-square-foot, up 14% to \$1,264. East Brooklyn was the only market to note a median price decline, driven by an average size reduction of 10%.

## By Property Type

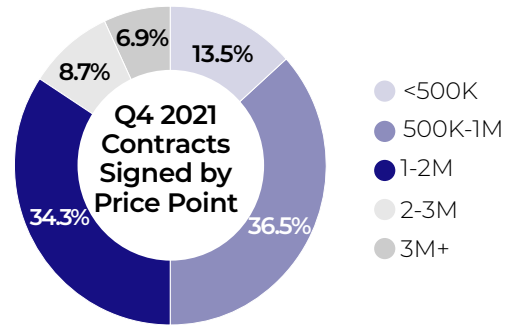
|            | % Units | Median Price | YoY | Average Price | YoY   | Average PPSF | YoY | Average SF | YoY   |
|------------|---------|--------------|-----|---------------|-------|--------------|-----|------------|-------|
| Condo      | 43%     | \$1,030,000  | 11% | \$1,342,690   | 19%   | \$1,175      | 10% | 1,121      | 6%    |
| Co-op      | 21%     | \$549,000    | -5% | \$692,613     | -0.5% | \$671        | -8% | 888        | -4%   |
| 1-3 Family | 36%     | \$1,347,000  | 2%  | \$1,757,388   | 9%    | \$727        | 11% | 2,527      | -0.3% |

## By Location

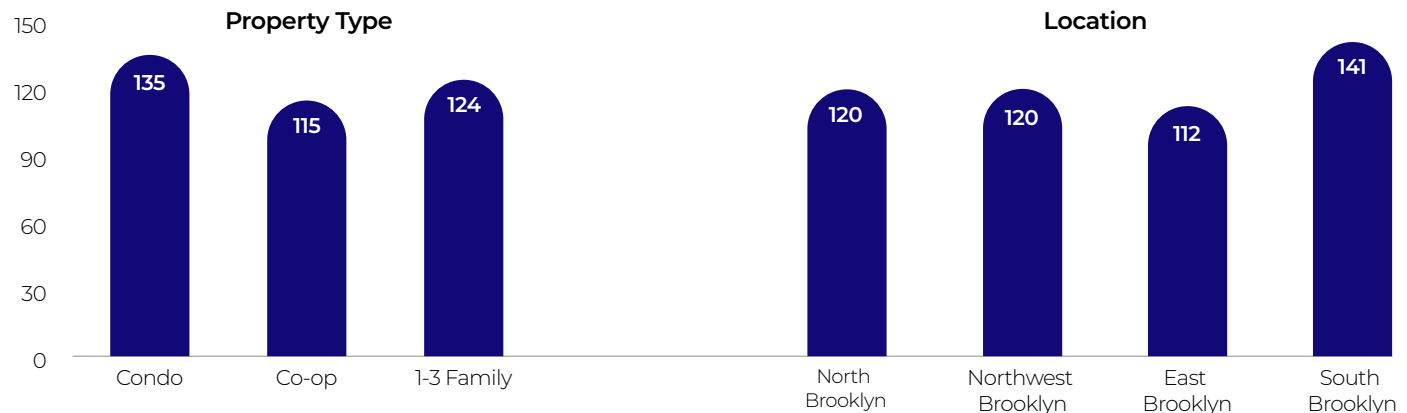
|                    | % Units | Median Price | YoY | Average Price | YoY | Average PPSF | YoY | Average SF | YoY  |
|--------------------|---------|--------------|-----|---------------|-----|--------------|-----|------------|------|
| North Brooklyn     | 15%     | \$1,295,000  | 15% | \$1,496,943   | 15% | \$1,165      | 12% | 1,454      | 4%   |
| Northwest Brooklyn | 36%     | \$1,350,000  | 12% | \$1,828,440   | 16% | \$1,264      | 14% | 1,536      | -1%  |
| East Brooklyn      | 13%     | \$950,000    | -5% | \$1,172,692   | 1%  | \$784        | 8%  | 1,723      | -10% |
| South Brooklyn     | 36%     | \$775,000    | 11% | \$891,988     | 12% | \$577        | 2%  | 1,661      | 6%   |

## By Price

The greatest share of contracts signed, with 36.5%, were priced between \$500,000 - 1 million. These homes spent an average of 111 days on the market, matching homes priced between \$1-2 million. The next greatest share of contracts was priced between \$1-2 million, with 34.3% of the market. Homes priced between \$2-3 million totaled 8.7% of deals and spent an average of 159 days listed. Homes priced \$3 million and higher equaled 6.9% of transactions and spent 175 days listed, the highest of any price tranche. Properties priced under \$500,000 spent the next greatest time on the market, averaging 163 days. They made up 13.5% of all contracts.



## Average Days on Market



# Active Listings

There were 3,541 active listings on the market at the end of Q4, a 23.3% drop from this time last year. The greatest supply decline for condos was in Northwest Brooklyn, which saw the number of active listings plummet 43.9%. The greatest decline in 1-3 family homes was in North Brooklyn, where inventory fell 36.7%. The median condo price was slightly lower than this time last year, due to many luxury units selling. 1-3 family homes saw the greatest price increases, with their median price up 6% and average price up 3%. They also had the highest price-per-square-foot increase, jumping 10% to \$729. By area, prices in Northwest Brooklyn reported the greatest surge, due to extremely limited inventory. There, the median price was up 17% and average price was up 16%. South Brooklyn saw a number of pricey listings hit the market, resulting in an average price increase of 16%.

## By Property Type

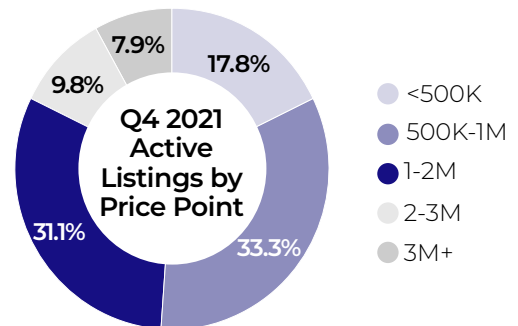
|            | % Units | Median Price | YoY | Average Price | YoY | Average PPSF | YoY | Average SF | YoY |
|------------|---------|--------------|-----|---------------|-----|--------------|-----|------------|-----|
| Condo      | 34%     | \$926,500    | -3% | \$1,418,601   | 11% | \$1,107      | 3%  | 1,169      | -3% |
| Co-op      | 21%     | \$408,000    | -4% | \$517,803     | -9% | \$532        | -7% | 906        | 1%  |
| 1-3 Family | 46%     | \$1,488,000  | 6%  | \$1,846,339   | 3%  | \$729        | 10% | 2,677      | -3% |

## By Location

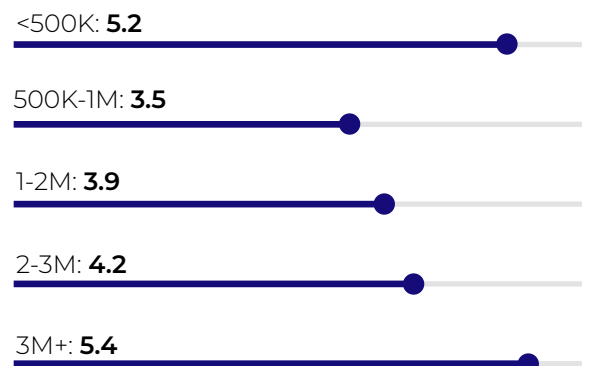
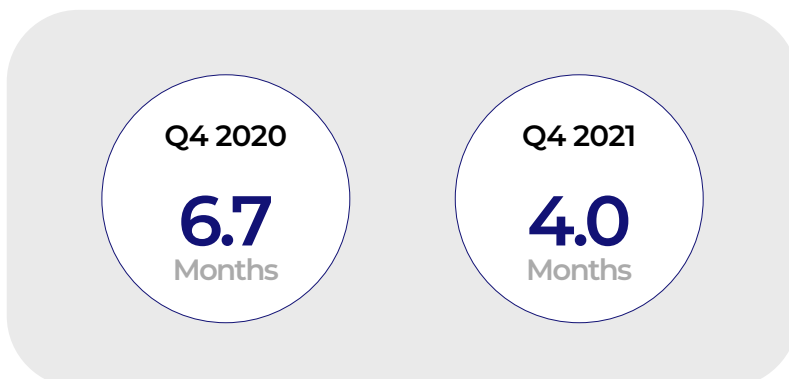
|                    | % Units | Median Price | YoY | Average Price | YoY | Average PPSF | YoY | Average SF | YoY |
|--------------------|---------|--------------|-----|---------------|-----|--------------|-----|------------|-----|
| North Brooklyn     | 10%     | \$1,250,000  | 0%  | \$1,557,760   | -4% | \$1,060      | 5%  | 1,675      | -6% |
| Northwest Brooklyn | 22%     | \$1,750,000  | 17% | \$2,304,093   | 16% | \$1,337      | 6%  | 1,826      | 7%  |
| East Brooklyn      | 16%     | \$985,000    | -1% | \$1,224,107   | 2%  | \$739        | 4%  | 1,891      | -5% |
| South Brooklyn     | 51%     | \$775,000    | 3%  | \$1,086,843   | 16% | \$599        | 3%  | 1,762      | 2%  |

## By Price

The greatest share of available homes, with 33.3% of the market, were priced between \$500,000-1 million. This price tranche had 3.5 months of inventory, the lowest supply of any price tranche. 31.1% of listings were priced between \$1-2 million, where there were 3.9 months' supply. Listings priced under \$500,000 made up 17.8% of the market and had 5.2 months' supply. Listings priced between \$2-3 million totaled 9.8% of the market and had 4.2 months' supply. Listings priced \$3 million and above equaled 7.9% of the market and had a 5.4 months' supply, down significantly from the 7.4 months' supply in Q3. The entirety of Brooklyn is now a balanced market that favors sellers.



## Months of Supply



**Research**

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