

The background of the entire page is a detailed architectural floor plan in white lines on a dark blue grid. The plan shows various rooms, including kitchens with sinks and stoves, living areas with sofas and armchairs, and service areas. Labels like 'SERVICO', 'SANIT', and 'P1', 'P2', 'P3' are scattered throughout. Room dimensions are also noted, such as '24.75 M²', '17.72 M²', '7.22 M²', '7.21 M²', '25.58 M²', and '50.44 M²'.

Q4 2021

Brooklyn New Development Market Report

SERHANT.

NEW DEVELOPMENT

Letter From Garrett



GARRETT DERDERIAN

Director of Market
Intelligence

The Brooklyn new development market closed out the year on a high note. The average sale price increased 21.6% to \$1,422,526, driven by an outsized number of larger, 3- and 4+ -bedroom homes trading. In total, there were 240 sales, an increase of 8.6% from the fourth quarter last year. The average discount on these sales was minimal, averaging just 1.8% off the initial listing price, down from 3.2% one year ago. In total, there were 399 new contracts reported, up 31.3% from Q4 2020. Two-bedroom homes were the most popular and saw the greatest price increases. We expect buyers to continue to seek out larger spaces as remote work remains the de facto standard for most employees. While the market is strong, the biggest headwind is undoubtedly the supply level. At the end of Q4, there were 350 units on the market, down a staggering 43.6% from Q4 2020. While there are several larger developments in the pipeline, it will be several years before they are completed, which will continue to put upward pressure on prices. We forecast the market will remain robust through the first half of 2022, but could slow in the second half of the year as supply continues to shrink.

Market Highlights:

Average Price

\$1,422,526

Year-Over-Year

21.6%

Median Price

\$1,025,000

Year-Over-Year

-3.9%

Average PPSF

\$1,328

Year-Over-Year

4.1%

30.1%

Share of
Inventory
Over \$2m

166

Average
Days On
Market

18.3%

Share Of
Closings
Over \$2m

1.8%

Average
Discount

Closed Sales

There were 240 new development closings in the fourth quarter, 8.6% more than Q4 last year. The largest concentration of sales was for 1-bedroom homes, which totaled 48% of the market. Their median and average priced both dipped 2%. 2-bedrooms totaled the next greatest share, with 31% of all sales. Their median price was up 7% and their average price was up 19%. 3-bedrooms, with 12% of sales, had the greatest price increases. Their median was up 24% and average increased 25%. 3% of sales were for condos with 4 or more bedrooms, up from zero last year. By market, Northwest Brooklyn was the most active with 51% of all sales. There, the median price increased 22% and average price increased 48%, surpassing all other areas. Size played a major role, jumping 37% to 1,238 square feet as buyers sought out larger spaces. East Brooklyn had the next greatest share of closings, with 23% of the market. There, the median price dipped 12% and average price was down 7% as buyers purchased a greater number of 1-bedrooms, which is more typical of this market.

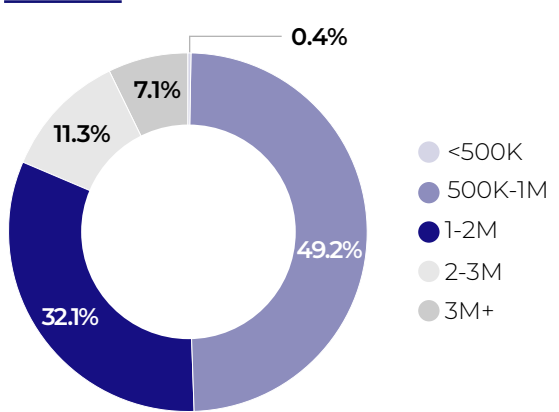
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	7%	48%	31%	12%	3%
Average Discount	2%	1%	2%	5%	4%
Median Price	\$722,500	\$917,252	\$1,477,000	\$2,495,000	\$3,850,000
YoY	18%	-2%	7%	24%	-
Average Price	\$723,241	\$936,788	\$1,592,387	\$2,596,388	\$4,272,679
YoY	12%	-2%	19%	25%	-
Average PPSF	\$1,385	\$1,177	\$1,296	\$1,507	\$1,770
YoY	-2%	-6%	3%	9%	-
Average SF	547	815	1,245	1,673	2,591
YoY	18%	10%	15%	10%	-

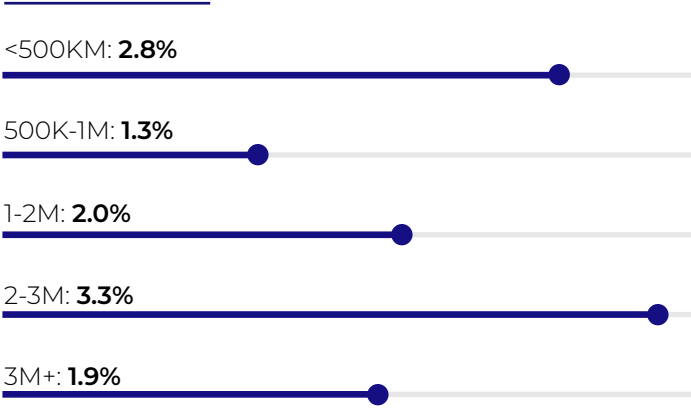
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	13%	51%	23%	14%
Average Discount	0.1%	3%	0.2%	2%
Median Price	\$959,304	\$1,432,500	\$801,425	\$944,091
YoY	0.1%	22%	-12%	41%
Average Price	\$1,082,597	\$1,889,142	\$876,154	\$915,906
YoY	-5%	48%	-7%	33%
Average PPSF	\$1,249	\$1,499	\$955	\$855
YoY	16%	5%	-7%	12%
Average SF	898	1,238	950	1,057
YoY	3%	37%	-0.5%	13%

By Price



Discount Rate








Closed Sales



Contracts Signed

There were 399 contracts reported in the fourth quarter, up 31.3% from the 304 reported this time last year. The most popular unit size was 2-bedroom homes, which made up 38% of all deals. Their median price surged 60% and average price increased 33%, the greatest price increases of any unit size. 1-bedrooms made up the next greatest share of contracts, with 30%. These units also reported healthy price increases, with their median up 15% and average up 16%. 3-bedrooms, with 21% of all contracts, had a median price increase of 25% and average price rise of 28%. By area, Northwest Brooklyn was the most active market, with 50% of all contracts signed. There, the median price increased 38% and average price increased 16%. However, it was North Brooklyn, with 18% of all deals, that reported the greatest price increases. Its median price grew 41% and average price jumped 33%. The increases were driven by a 23% rise in the average price-per-square-foot. Conversely, South Brooklyn was the only market to report price drops, due to a 20% decline in average unit size.

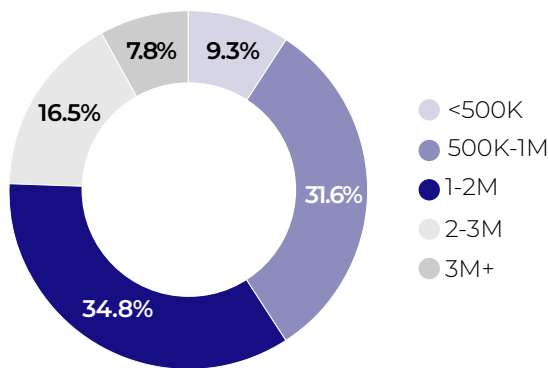
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	9%	30%	38%	21%	3%
Median Price	\$532,500	\$749,000	\$1,595,000	\$2,485,000	\$3,822,500
YoY	-7%	15%	60%	25%	-29%
Average Price	\$544,750	\$825,297	\$1,523,613	\$2,486,884	\$4,303,500
YoY	-14%	16%	33%	28%	-5%
Average PPSF	\$1,184	\$1,129	\$1,331	\$1,500	\$1,843
YoY	6%	9%	23%	25%	7%
Average SF	481	747	1,145	1,678	2,265
YoY	-18%	6%	7%	5%	-10%

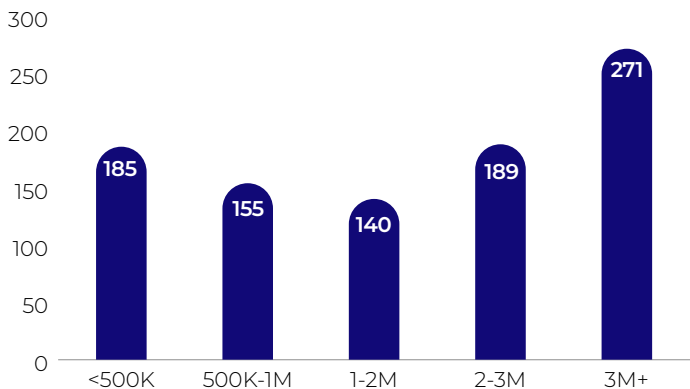
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	18%	50%	18%	14%
Median Price	\$1,195,000	\$1,895,000	\$850,000	\$580,000
YoY	41%	38%	22%	-13%
Average Price	\$1,418,479	\$1,971,026	\$949,592	\$616,439
YoY	33%	16%	15%	-14%
Average PPSF	\$1,354	\$1,508	\$1,019	\$846
YoY	23%	7%	8%	5%
Average SF	1,021	1,303	922	734
YoY	7%	10%	3%	-20%

By Price








Average Days On Market



Active Listings

There were 350 new development condos on the market at the end of the Q4, down a staggering 43.6% from Q4 2020. 2-bedrom homes had the most listings, totaling 43% of the market. Their median price increased 16% and average price increased 9%. 3-bedrooms made up the next greatest share, with 26% of all listings. They also reported price increases, with their median up 12% and average up 1%. 1-bedrooms followed with 23% of listings. They had the greatest median price increase, up 17%. Studios were the only unit size to see price declines, with heir median down 15% and average down 7%. By area, Northwest Brooklyn had the most listings. Its median price jumped 12% and average price increased 18%. The greatest median price increase was in North Brooklyn, where 21% of listings were located. It increased 29%, due to an average price-per-square-foot increase of 15%. South Brooklyn had the greatest average price increase, up 30%. Its average price-per-square-foot was up 17% and average size was up 10%.

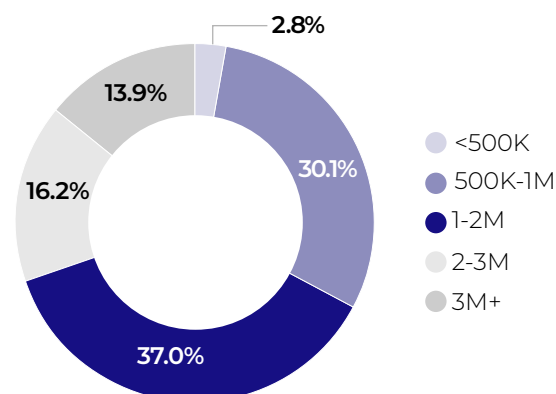
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	3%	23%	43%	26%	5%
Median Price	\$573,000	\$910,000	\$1,477,500	\$2,497,500	\$4,835,000
YoY	-15%	17%	16%	12%	8%
Average Price	\$601,818	\$942,482	\$1,551,768	\$2,599,624	\$5,719,895
YoY	-7%	5%	9%	1%	19%
Average PPSF	\$1,068	\$1,231	\$1,365	\$1,482	\$1,923
YoY	-19%	9%	10%	4%	14%
Average SF	526	796	1,143	1,762	2,903
YoY	6%	-2%	-1%	1%	3%

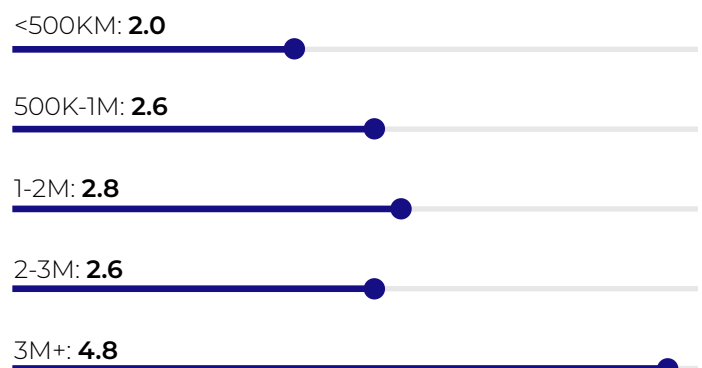
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	21%	54%	19%	7%
Median Price	\$1,175,000	\$2,071,000	\$823,000	\$842,000
YoY	29%	12%	-0.2%	13%
Average Price	\$1,362,937	\$2,502,791	\$936,143	\$1,064,498
YoY	18%	18%	7%	30%
Average PPSF	\$1,287	\$1,603	\$1,005	\$941
YoY	15%	4%	3%	17%
Average SF	1,072	1,520	956	1,130
YoY	0.3%	13%	4%	10%

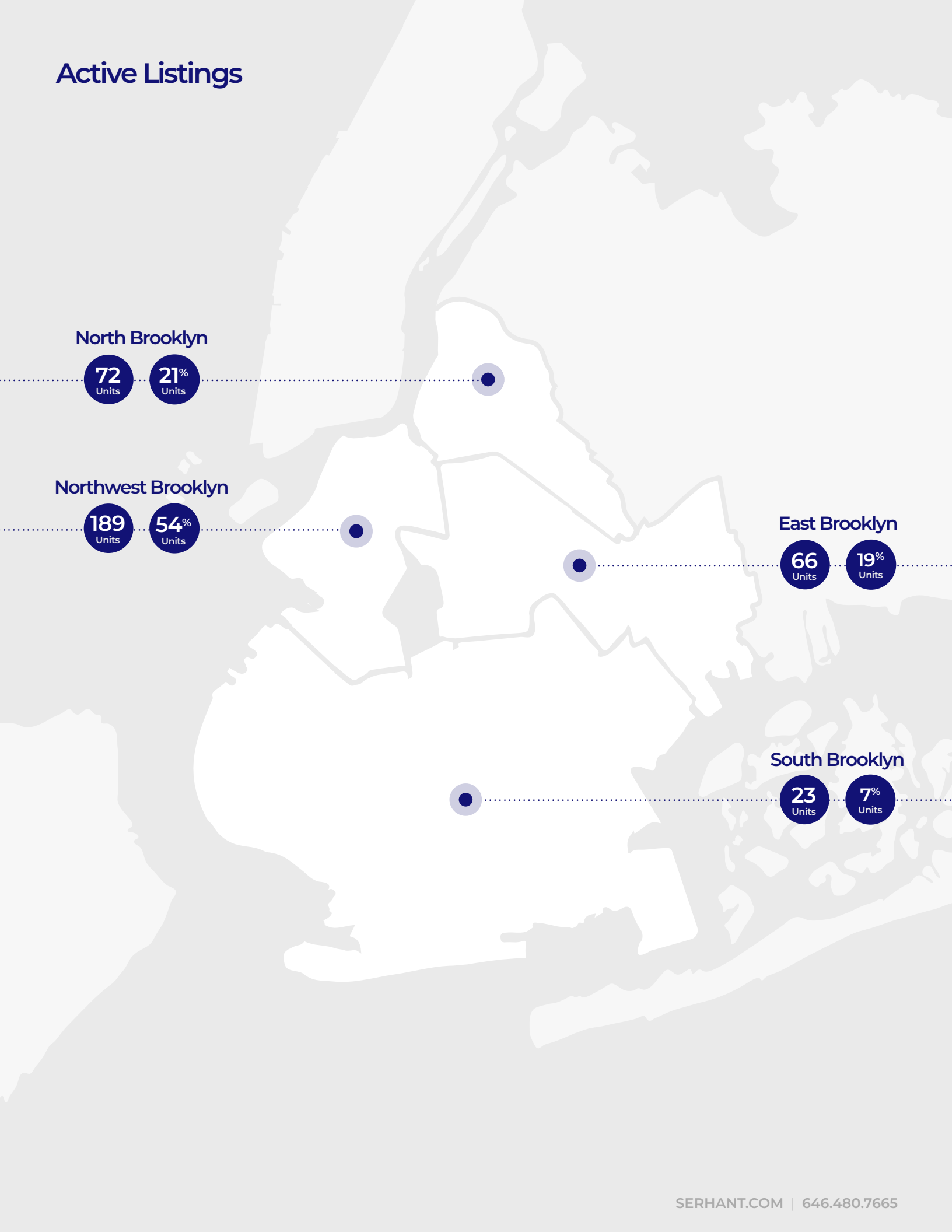
By Price



Months Of Supply



Active Listings



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