

Q1 2022

Brooklyn Market Report

SERHANT.

Letter From Garrett



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Director of Market
Intelligence

Following an incredibly strong 2021, Brooklyn had a record first quarter on multiple fronts. The borough-wide median price hit an all-time record of \$950,000 and there was a Q1 record of \$3.8 billion in property trades. The average price increase 8.5% year-over-year to \$1,191,269. It was the second highest average price ever recorded. The luxury threshold, representing the top 10% of transactions, surpassed \$2 million for the first time in a first quarter, increasing 6.3% to \$2,109,500. The number of contracts signed increased 4.2% year-over-year, driven by a surge in sales for properties costing \$2 million or more. While the overall rise was modest, it was notable given the strong pace of sales in 2021 and limited number of homes for sale, which dropped 14.2% from the first quarter last year. Given the reduced number of townhomes for sale and continued desire for bigger homes, we expect larger condominium units to perform well as we enter the busy spring buying season. Rising mortgage rates do present a potential headwind, especially at lower price points, as the average discount is just 4.0%, down from 7.1% in the first quarter last year.

Market Highlights:

Average Price

\$1,191,269

Year-Over-Year

8.5%

Median Price

\$950,000

Year-Over-Year

5.6%

Average PPSF

\$855

Year-Over-Year

1.7%

52.3%

Share of Inventory
Over \$1m

4.0%

Average
Discount

25.8%

Of Properties Took
Less Than 30 Days
To Enter Contract

41.8%

Share Of Closings
Over \$1m

125

Average Days On
Market

25.1%

Of Properties Took
Over 180 Days
To Enter Contract

Closed Sales

There were 3,128 Q1 sales in Brooklyn, an increase of 9.3% over this time last year. Condos accounted for 37% of sales and had an average discount of 3%. Their median price dipped 2% as buyers once again sought out efficient units, while the average price increased 6% with larger homes still in demand. 1-3 family homes totaled 44% of sales and had an average discount of 6%. These homes had the greatest median price increase, jumping 8%. By area, Northwest Brooklyn was the costliest and reported the steepest price increases. Its median price increased 11% and average price increased 15%. They also had the smallest discounts, averaging just 2%. North Brooklyn had the greatest price-per-foot increase, up 12%. The most trades, with 46%, were in South Brooklyn.

By Property Type

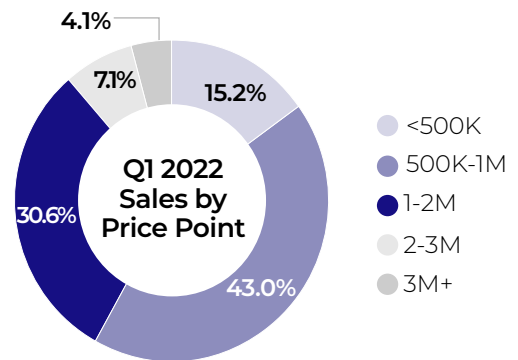
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	37%	3%	\$939,500	-2%	\$1,191,256	6%	\$1,107	-3%	1,093	-1%
Co-op	19%	3%	\$521,166	4%	\$694,839	15%	\$705	3%	934	4%
1-3 Family	44%	6%	\$1,100,000	8%	\$1,352,833	4%	\$642	7%	2,344	-5%

By Location

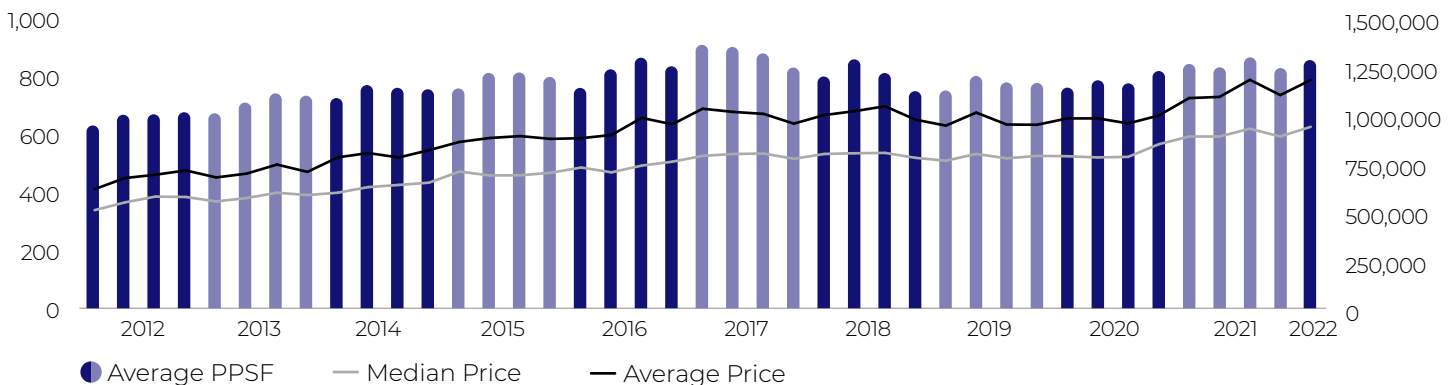
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	11%	4%	\$1,107,500	9%	\$1,309,383	11%	\$1,099	12%	1,380	-12%
Northwest Brooklyn	27%	2%	\$1,326,363	11%	\$1,729,207	15%	\$1,224	6%	1,533	5%
East Brooklyn	15%	4%	\$850,000	-6%	\$1,021,764	1%	\$736	8%	1,683	-17%
South Brooklyn	46%	6%	\$760,000	6%	\$855,140	3%	\$567	2%	1,524	-8%

By Price

Brooklyn set a new median price record in Q1, driven by increased sales in the luxury sector. In total 11.2% of sales were above \$2 million, surpassing the 9.9% in Q1 last year. The median price increased 5.6% to \$950,000 and the average price increased 8.5% to \$1,191,269. Only 15.2% of sales were below \$500,000, while 43.0% of sales were for homes priced between \$500,000 – 1 million. 30.6% of sales were priced between \$1-2 million. Notably, the smallest discounts were for homes priced \$3 million and above at just 2.5%. The \$2-3 million tranche had the next smallest discounts, at 2.8%. The greatest discounts were for homes priced under \$500,000 at 6.7%. The \$500,000 – 1 million and \$1-2 million brackets had discounts of 3.9% and 3.3%, respectively.



Historical Price Trends



Contracts Signed

There were 2,510 contracts signed in the first quarter, an increase of 4.2% year-over-year. Yearly contract activity has slowed due to extremely limited supply. Condos made up the greatest share of deals, with 48%. That was followed by 1-3 family homes with 32%, and co-ops with 20%. The greatest price increases were for condos. Their median price rose 11% and average increased 15%. They also had the greatest price-per-foot increase, up 12%. By market, Northwest Brooklyn had the greatest median price increase, up 15%. The most deals were also in Northwest Brooklyn, with 38%. South Brooklyn recorded the next greatest number of transactions, with 33%. Its median price was up 14%, the same as North Brooklyn, and its average price was up 15%. Size played a factor, increasing 8% from this time last year.

By Property Type

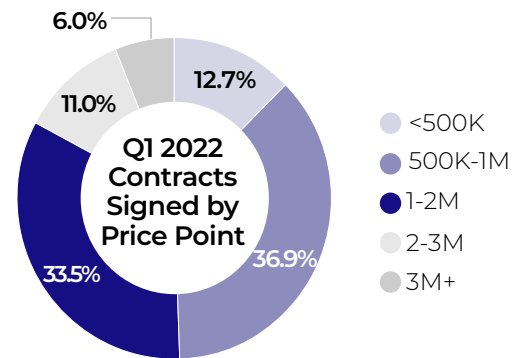
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	48%	\$1,100,000	11%	\$1,403,960	15%	\$1,225	12%	1,129	4%
Co-op	20%	\$529,000	-4%	\$687,119	1%	\$670	-3%	947	1%
1-3 Family	32%	\$1,395,000	3%	\$1,735,461	3%	\$721	7%	2,503	0.1%

By Location

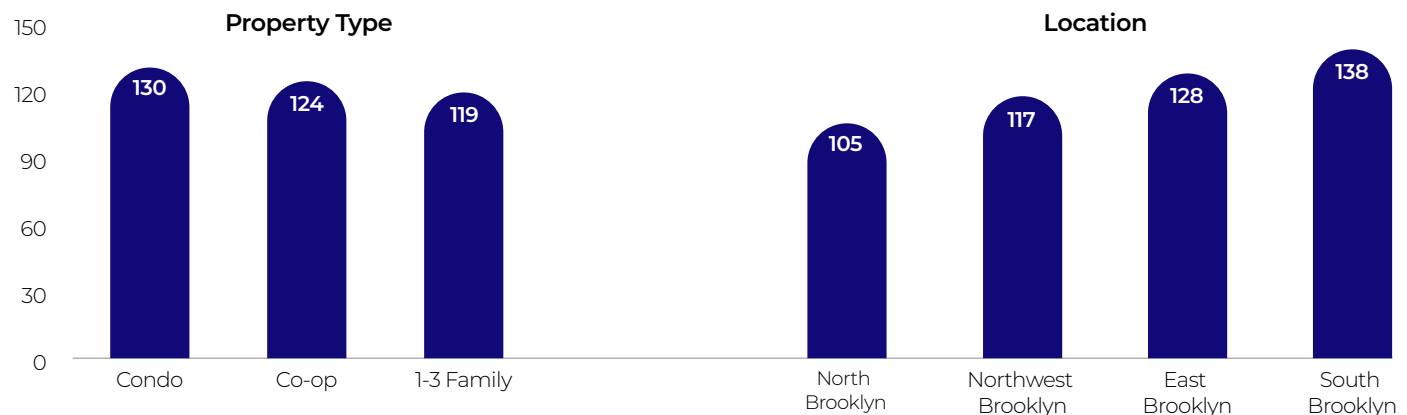
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	13%	\$1,262,500	14%	\$1,406,155	11%	\$1,166	9%	1,399	6%
Northwest Brooklyn	38%	\$1,470,000	15%	\$1,828,171	10%	\$1,341	15%	1,466	-4%
East Brooklyn	16%	\$937,500	-2%	\$1,171,166	3%	\$815	7%	1,661	-4%
South Brooklyn	33%	\$759,450	14%	\$909,769	15%	\$588	4%	1,633	8%

By Price

The greatest share of contracts signed, at 36.9%, were priced between \$500,000 - 1 million. These homes spent an average of 122 days on the market. The next greatest share of contracts was priced between \$1-2 million, with 33.5% of the market. They spent an average of 113 listed, making them the fastest moving subset. 12.7% of contracts were priced under \$500,000. They moved the slowest, averaging 157 days listed. Homes priced between \$2-3 million totaled 11.0% of contracts and 6.0% were priced \$3 million and higher. They spent an average of 127 days and 130 days on the market, correspondingly.



Average Days on Market



Active Listings

There were 3,874 active listings on the market at the end of Q1, a decrease of 14.2% from this time last year. The greatest share of inventory was for 1-3 family homes, totaling 48% of the market. Their median price grew 8% and their price-per-foot jumped 18%. Condos totaled 33% of the market. Their median price dipped 1% from last year as more efficient units were brought to market. However, their average priced increased 17% as larger, costlier condos were available for sale. Each submarket reported healthy price increases. The greatest median price increase, up 25%, was in Northwest Brooklyn That was closely followed by South Brooklyn's 20% and North Brooklyn's 13%. The average price in Northwest Brooklyn was up 20% to over \$2.3 million. It was the only market with an average price surpassing \$2 million.

By Property Type

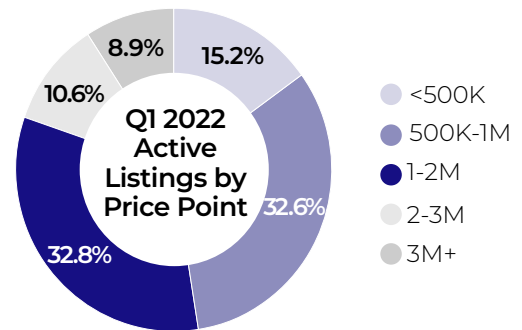
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	33%	\$970,000	-1%	\$1,491,546	17%	\$1,152	5%	1,183	3%
Co-op	19%	\$439,000	7%	\$582,740	7%	\$573	7%	916	0.5%
1-3 Family	48%	\$1,490,000	8%	\$1,916,647	9%	\$757	18%	2,672	-10%

By Location

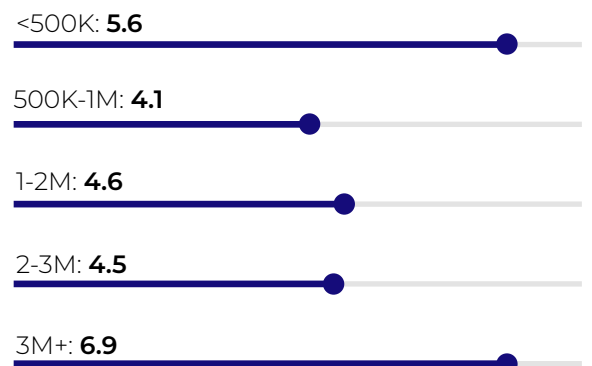
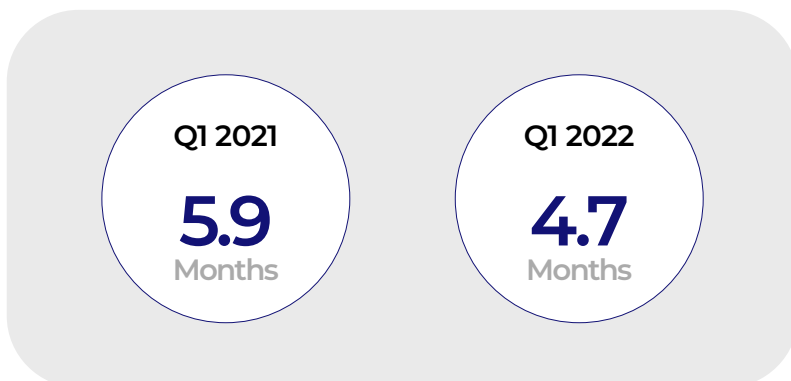
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	11%	\$1,350,000	13%	\$1,689,661	12%	\$1,120	11%	1,830	4%
Northwest Brooklyn	23%	\$1,750,000	25%	\$2,333,216	20%	\$1,390	10%	1,815	8%
East Brooklyn	15%	\$995,000	3%	\$1,243,250	5%	\$736	7%	1,925	-6%
South Brooklyn	51%	\$819,000	20%	\$1,144,576	32%	\$632	14%	1,802	5%

By Price

In total, 52.3% of listings were priced at \$1 million or more, the greatest total on record. For the first time, there were more listings available in the \$1-2 million tranche, with 32.8%, than the \$500,000 – 1 million bracket, with 32.6%. 10.6% of properties were priced between \$2-3 million, and 8.9% were above \$3 million. The greatest level of supply, with 6.9 months, was for homes priced \$3 million and higher. The smallest supply level was for homes priced between \$500,000 and \$1 million, at just 4.1 months. The \$1-2 million bracket had 4.6 months' supply and the \$2-3 million bracket had 4.5 months' supply. Listings priced up to \$500,000 had 5.6 months', the second greatest level in the market.



Months of Supply



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