

Q4 2022

# Brooklyn New Development Market Report

**SERHANT.**

NEW DEVELOPMENT



## Letter From Garrett



**GARRETT DERDERIAN**

Director of Market  
Intelligence

The new development market in Brooklyn continued to defy the broader market-wide slowdown in the fourth quarter with 22.9% more sales than this time last year. Still, the figure was 9.5% below the third quarter. The average price increased 3.5% to \$1,471,930 and the median price increased 14.2% to \$1,170,987. The average price-per-square-foot increased 2.9% to \$1,367. While prices were up, discounts were not. The average discount in the borough was just 0.5%, down from 1.8% last year and down from 1.1% in the third quarter. There were virtually no discounts for 1-, 2-, and 3-bedroom units. By market, North Brooklyn had the smallest discounts, at just 0.1%, while Northwest Brooklyn had an average discount of just 0.4%. However, newly reported contracts did decline in the borough, down 36.3% from this time last year and down 15.6% from the third quarter, suggesting we could see a sales slowdown in the near term as much of the new development active inventory in the borough, particularly the North and Northwest submarkets, gets absorbed. Buyers seeking out the greatest value and negotiability should turn to East and South Brooklyn. While they are farther away from Manhattan, they do offer more opportunity for value as buying activity in these regions has slowed. However, we are beginning to see concessions tick up in all submarkets as developers, especially in buildings that are near their final sellouts, offer additional incentives to entice buyers. As we move into 2023, we expect values to hold steady in the North and Northwest submarkets as limited supply buoys prices.

# Market Highlights:

### Average Price

**\$1,471,930**

Year-Over-Year

**3.5%**

### Median Price

**\$1,170,987**

Year-Over-Year

**14.2%**

### Average PPSF

**\$1,367**

Year-Over-Year

**2.9%**

**20.4%**

Share of  
Inventory  
Over \$2M

**25.1%**

Share of  
Closings  
Over \$2M

**122**

Average  
Days on  
Market

**0.5%**

Average  
Discount

# Closed Sales

There were 295 new development closings in the fourth quarter, up 22.9% from the fourth quarter last year, but down 9.5% from the third quarter. In total, 41% of sales were for 1-bedrooms, followed by 2-bedrooms with 34% and 3-bedrooms with 14%. Studios also had an uptick in percentage of deals, with 9% of sales, while larger 4+ bedroom homes totaled just 2% of the market. By unit size, prices were mixed. Larger homes continued to see price increases while smaller homes showed a slight pullback. The greatest median price increase was for 3-bedroom homes, where it rose 16% to \$2,900,000. The greatest average price increase was for condos with four or more bedrooms, up 22% to \$5,225,294. Studios had the sharpest pullback, with their median price down 13% and average price down 10%. By area, North Brooklyn had the greatest number of closings, with 35%. The area saw prices surge, with its median up 42% and average up 49%. The average price-per-foot jumped 20%, and an average size increase of 16% propelled the outsized price increases. In Northwest Brooklyn, where 34% of closings occurred, the median price was up an equally impressive 39% and average price was up 12%. The largest downward pricing adjustment was in South Brooklyn, where the median price fell 23% and average fell 17%.

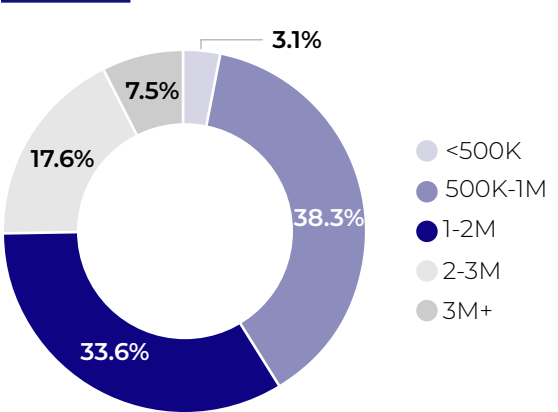
## By Bed

					
	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	9%	41%	34%	14%	2%
Average Discount	3%	0.3%	0.2%	0.02%	4%
Median Price	\$630,000	\$894,787	\$1,626,654	\$2,900,000	\$4,250,000
YoY	-13%	-2%	10%	16%	10%
Average Price	\$651,200	\$931,733	\$1,635,666	\$2,722,189	\$5,225,294
YoY	-10%	-1%	3%	5%	22%
Average PPSF	\$1,330	\$1,240	\$1,379	\$1,657	\$2,000
YoY	-4%	5%	6%	10%	13%
Average SF	554	708	1,137	1,630	2,988
YoY	1%	-13%	-9%	-3%	15%

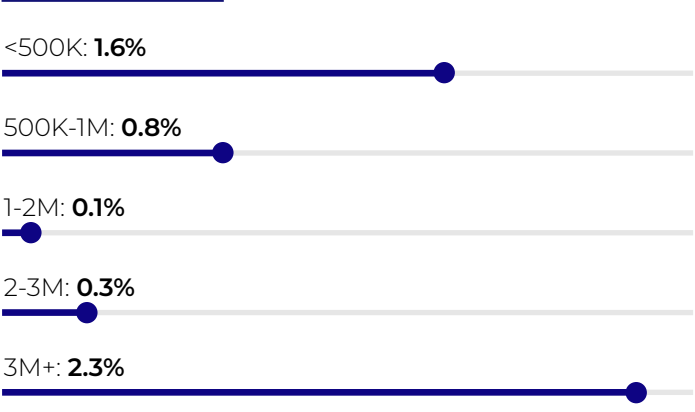
## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	35%	34%	15%	17%
Average Discount	0.1%	0.4%	2%	1%
Median Price	\$1,359,591	\$1,985,587	\$810,000	\$728,048
YoY	42%	39%	1%	-23%
Average Price	\$1,617,612	\$2,113,862	\$872,125	\$763,218
YoY	49%	12%	-0.5%	-17%
Average PPSF	\$1,497	\$1,553	\$1,117	\$968
YoY	20%	4%	17%	13%
Average SF	1,041	1,392	704	794
YoY	16%	12%	-26%	-25%

## By Price



## Discount Rate








# Closed Sales



# Contracts Signed

There were 254 contracts reported in the fourth quarter, down 36.3% from the fourth quarter last year and down 15.6% from the third quarter. The most popular unit size was 2-bedroom homes, which totaled 44% of all property trades. While having the greatest share of deals, these homes also had the largest yearly price declines. Their median price fell 29% and average dropped 16%. Conversely, 1-bedroom homes, which made up 24% of all contracts, had a median price increase of 26% and average price increase of 15%. The largest homes with four or more bedrooms also showed strong improvement with their median up 67% and average up 41%, but the limited number of trades in this subset causes greater yearly changes and is not reflective of broader shifts in the market. By area, Northwest Brooklyn was the most active with 35% of all contracts. There, the median price increased 5% and average price increased 10%. East Brooklyn, with 25% of deals, showed a 0.2% increase in median price but an average price decline of 8%. By price range, the most active segment was for listings priced between \$500,000-1 million, with 41.7% of all trades. That was followed by the \$1-2 million range with 33.9%, and the \$2-3 million with 12.2%.

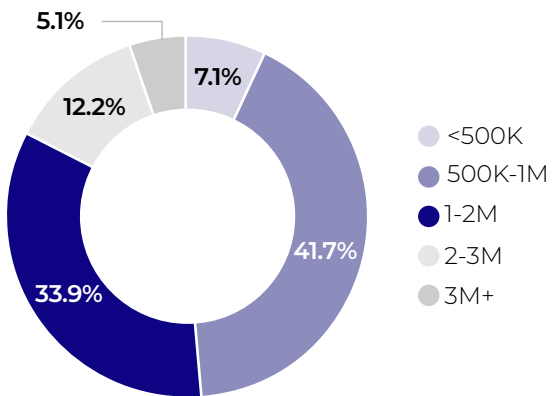
## By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	14%	24%	44%	17%	2%
Median Price	\$507,000	\$940,000	\$1,140,000	\$2,350,000	\$6,397,500
YoY	-5%	26%	-29%	-5%	67%
Average Price	\$520,981	\$949,778	\$1,272,565	\$2,368,349	\$6,060,000
YoY	-4%	15%	-16%	-5%	41%
Average PPSF	\$993	\$1,255	\$1,225	\$1,504	\$1,970
YoY	-16%	11%	-8%	0%	7%
Average SF	533	776	1,038	1,558	2,984
YoY	11%	4%	-9%	-7%	32%

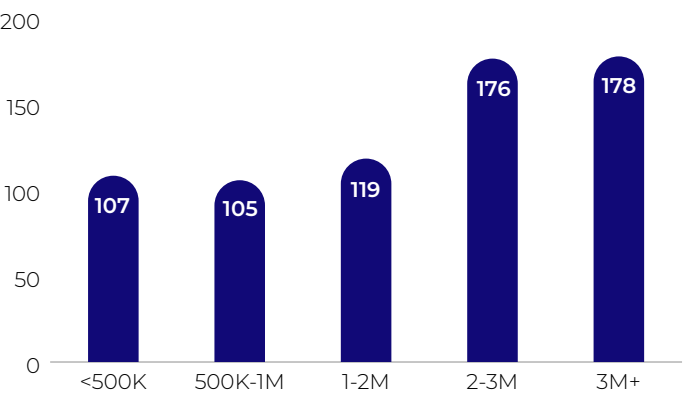
## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	18%	35%	25%	22%
Median Price	\$1,237,000	\$1,982,500	\$852,000	\$625,000
YoY	4%	5%	0.2%	8%
Average Price	\$1,287,174	\$2,165,116	\$871,730	\$619,751
YoY	-9%	10%	-8%	1%
Average PPSF	\$1,371	\$1,606	\$1,004	\$841
YoY	1%	6%	-2%	-1%
Average SF	938	1,319	893	738
YoY	-8%	1%	-3%	1%

## By Price








## Average Days on Market



# Active Listings

There were 481 new development condos on the market at the end of the fourth quarter, up 37.4% from last year and up 2.6% from the third quarter. Prices were down from this time last year for all unit sizes. The most listings, with 38%, were for 1-bedroom homes. They had a median price decline of 26% and average price decline of 16%. 2-bedrooms followed with 36% share and had a median price decline of 12% and average price loss of 7%. 3-bedrooms had a median price decline of 8% and average price decline of 7%. By area, the most listings were concentrated in Northwest Brooklyn, with 35% share. These homes had modest price increases, with their median up 0.5% and average up 2%. North Brooklyn totaled 20% of the market and saw its median dip 1% and average fall 2%. Both East and South Brooklyn totaled 23% of the market and showed price declines. In East Brooklyn, the median and average prices were both down 3%. In South Brooklyn, the median and averages both fell 26%, the greatest drops of any submarket. However, a 32% reduction in average unit size influenced the figures. The most listings, with 42.4% share, were priced between \$500,000 and 1 million. The smallest share of listings, with just 6.7%, were priced under \$500,000.

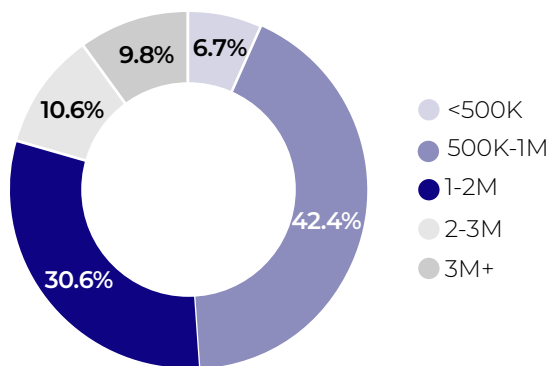
## By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	4%	38%	36%	18%	4%
Median Price	\$518,500	\$675,000	\$1,295,000	\$2,300,000	\$4,250,000
YoY	-10%	-26%	-12%	-8%	-12%
Average Price	\$528,303	\$788,985	\$1,440,778	\$2,413,783	\$5,323,381
YoY	-12%	-16%	-7%	-7%	-7%
Average PPSF	\$1,016	\$1,162	\$1,322	\$1,463	\$1,823
YoY	-5%	-6%	-3%	-1%	-5%
Average SF	541	700	1,111	1,587	2,861
YoY	3%	-12%	-3%	-10%	-1%

## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	20%	35%	23%	23%
Median Price	\$1,163,000	\$2,081,000	\$795,000	\$625,000
YoY	-1%	0.5%	-3%	-26%
Average Price	\$1,336,443	\$2,546,970	\$906,059	\$641,994
YoY	-2%	2%	-3%	-26%
Average PPSF	\$1,329	\$1,686	\$1,037	\$863
YoY	3%	5%	3%	-8%
Average SF	1,029	1,473	881	771
YoY	-4%	-3%	-8%	-32%

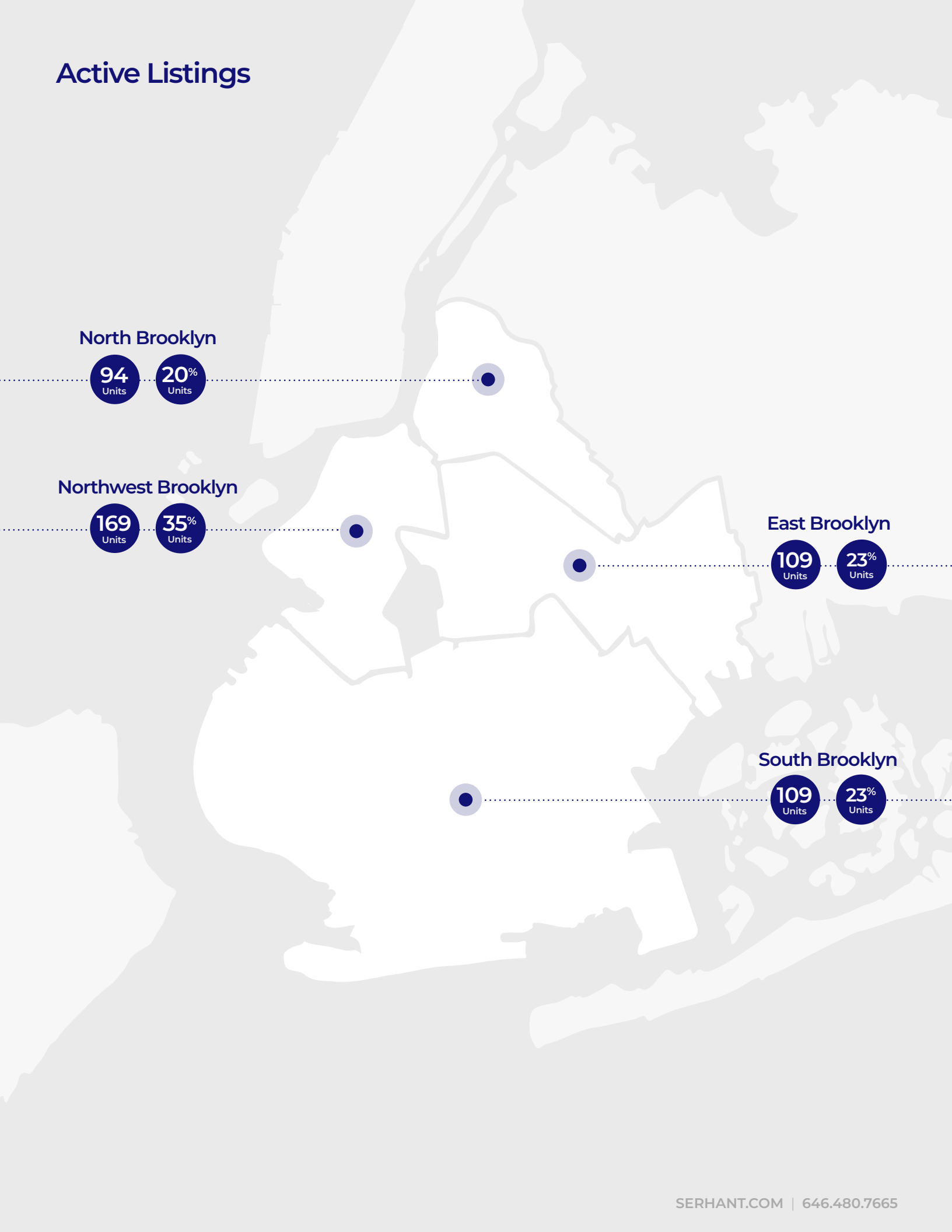
## By Price



## Months of Supply



# Active Listings



**Research**

Garrett Derderian  
Director of Market Intelligence  
garrett@serhant.com  
917.291.9159

---

The information compiled by SERHANT. is produced and analyzed from sources deemed to be reliable. SERHANT. makes no representations or warranties, express or implied, with respect to future market conditions or prices of residential product at the time the subject property or any competitive property is complete and ready for occupancy or with respect to any report, study, finding, recommendation, or other information provided by SERHANT. herein. Moreover, no warranty, express or implied, is made or should be assumed regarding the accuracy, adequacy, completeness, legality, reliability, merchantability, or fitness for a particular purpose of any information, in part or whole, contained herein. All material is presented with the understanding that SERHANT. is not providing any legal, accounting, or other professional services. Nothing in this report shall constitute an offer or solicitation with respect to purchase, sale or rental of any property. Any and all such warranties are hereby expressly disclaimed. © 2023, SERHANT. This report and the information provided in this report are proprietary to SERHANT and may not be sold, used or reprinted, in whole or in part, without the prior written consent in each instance of SERHANT. Equal Housing Opportunity. All Rights Reserved. Methodology: Visit SERHANT website market reports page.