

Q2 2022

# Brooklyn New Development Market Report

**SERHANT.**

NEW DEVELOPMENT



## Letter From Garrett



**GARRETT DERDERIAN**  
Director of Market  
Intelligence

Brooklyn new development prices shattered the ceiling in Q2, driven by an outsized number of luxury-level closings. The average sales price increased 42.3% to \$1,664,268 and the median price skyrocketed 55.8% to \$1,515,000. Nearly a third of closings, 32.6%, were priced at \$2 million or more, the highest figure on record. As a comparison, in Q2 last year 10.2% of closings were above \$2 million and in Q1, 19.8% met the same threshold. That works out to 110 closings at \$2 million or more in the second quarter, up 224% from just 34 last year. While the market fired on all cylinders, there are some headwinds: tight supply and fluctuating financial markets resulted in a pullback of newly reported contracts, which fell 18.1% from last year and fell 32.2% from the first quarter. Still, the market largely remains in sellers' territory as the number of available condos dropped 25.2% from last year. All price points up to \$3 million clearly favor sellers, while the \$3 million and above market is balanced with 6 months' supply. As we move into the second half of the year, expect fewer sales but limited negotiation. Presently, the average discount is just 0.8%, its lowest level on record.

# Market Highlights:

### Average Price

**\$1,664,268**

Year-Over-Year

**42.3%**

### Median Price

**\$1,515,000**

Year-Over-Year

**55.8%**

### Average PPSF

**\$1,381**

Year-Over-Year

**15.0%**

**27.2%**

Share of  
Inventory  
Over \$2m

**148**

Average  
Days On  
Market

**32.6%**

Share Of  
Closings  
Over \$2m


**0.8%**

Average  
Discount

# Closed Sales

There were 337 new development closings in Q2, surpassing the 332 last year and 322 in Q1. The largest concentration of sales was for 2-bedroom homes, which totaled 39%. 1-bedrooms followed with 31%, while 3-bedrooms made up 22%. Homes with 4 or more bedrooms totaled 3% of all sales and studios equaled 5%. The greatest price increases were for 4+ bedroom homes, where the median price was up 36%, average price was up 28%, and average price-per-foot was up 18%. 2-bedrooms showed similar improvement, with their median price up 32% and average price up 29%. Across markets, Northwest Brooklyn recorded the most sales with 62%, and noted the healthiest price increases. Its median price surged 48% and average price increased 29%. North Brooklyn prices were relatively flat, with its median price up 1% but average down 2%. East Brooklyn saw its average price pop 25% due to several high-priced transactions, but its median was down 3%. The smallest discounts were in Northwest Brooklyn, at just 0.4% off the list price. North and South Brooklyn each had 3% discounts, the highest of the submarkets.

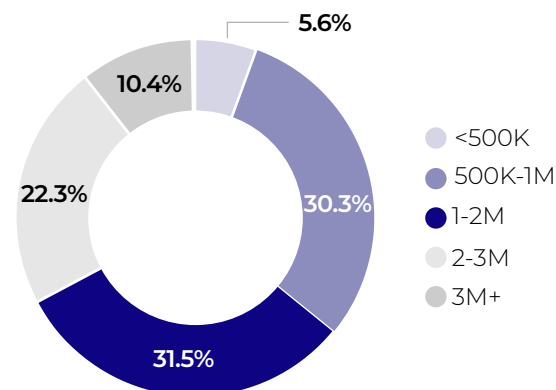
## By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	5%	31%	39%	22%	3%
Average Discount	1%	1%	1%	0.3%	1%
Median Price	\$575,397	\$810,000	\$1,627,564	\$2,700,000	\$3,675,000
YoY	10%	-2%	32%	29%	36%
Average Price	\$563,684	\$891,528	\$1,638,849	\$2,739,643	\$4,005,214
YoY	2%	9%	29%	8%	28%
Average PPSF	\$1,196	\$1,118	\$1,323	\$1,577	\$1,790
YoY	-5%	2%	9%	6%	18%
Average SF	514	781	1,171	1,711	2,619
YoY	-3%	5%	11%	-3%	1%

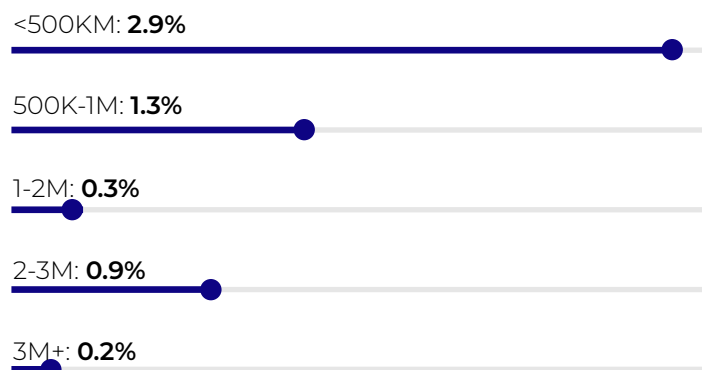
## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	10%	62%	19%	9%
Average Discount	3%	0.4%	1%	3%
Median Price	\$905,000	\$1,947,611	\$845,000	\$514,399
YoY	1%	48%	-3%	-6%
Average Price	\$1,087,601	\$2,075,282	\$1,120,634	\$615,284
YoY	-2%	29%	25%	2%
Average PPSF	\$1,174	\$1,498	\$1,130	\$776
YoY	2%	8%	12%	-17%
Average SF	965	1,344	980	809
YoY	9%	11%	15%	22%

## By Price



## Discount Rate



# Closed Sales

## North Brooklyn



## Northwest Brooklyn



## East Brooklyn








## South Brooklyn



# Contracts Signed

There were 415 contracts reported in the second quarter, down 18.1% from Q2 last year and down 32.2% from Q1 as rising mortgage rates and dwindling supply slowed sales. Amongst contracts signed, 39% were for 2-bedroom homes and 35% were for 1-bedrooms. The greatest price increases were for 3-bedroom homes, where the median price was up 16% and average price was up 17%. These homes also had the highest price-per-foot increase, up 13%. Studio home prices declined, with their median down 5% and average down 3%. Size played a role, dropping an accompanying 5%. Across markets, Northwest Brooklyn was the most in-demand and saw the greatest price increases. In total, 40% of all contracts were signed in the area. Its median price was up 14% and average price increased 13%. East Brooklyn also showed price improvements with its median up 2% and average up 15%. Prices pulled back in North Brooklyn: its median fell 3% and average fell 7%. These declines were due in large part to an 11% drop in average unit size rather than a loss in value. South Brooklyn was similar, with its median down 6% and average down 12%. There, the average unit size was down 9% as buyers once again purchased more efficient units.

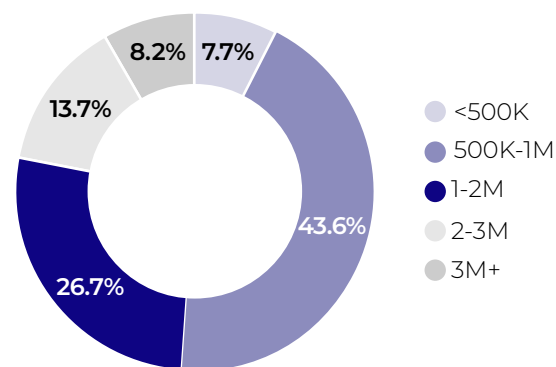
## By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	6%	35%	39%	18%	3%
Median Price	\$547,000	\$734,000	\$1,177,000	\$2,495,000	\$3,700,000
YoY	-5%	6%	-8%	16%	1%
Average Price	\$561,950	\$802,608	\$1,333,629	\$2,662,071	\$4,027,857
YoY	-3%	9%	-4%	17%	-12%
Average PPSF	\$1,170	\$1,153	\$1,231	\$1,569	\$1,820
YoY	-0.5%	7%	3%	13%	-4%
Average SF	489	711	1,076	1,674	2,192
YoY	-5%	2%	-7%	5%	-4%

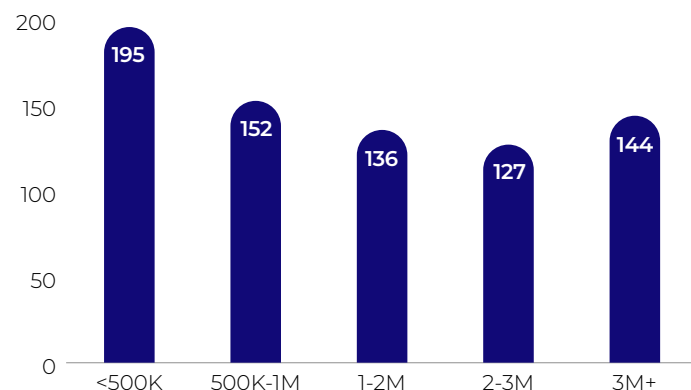
## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	20%	40%	25%	15%
Median Price	\$857,000	\$1,987,500	\$785,000	\$600,000
YoY	-3%	14%	2%	-6%
Average Price	\$1,065,011	\$2,220,100	\$915,939	\$628,251
YoY	-7%	13%	15%	-12%
Average PPSF	\$1,262	\$1,580	\$1,067	\$853
YoY	7%	6%	12%	-0.4%
Average SF	876	1,384	858	757
YoY	-11%	6%	-1%	-9%

## By Price








## Average Days On Market



# Active Listings

There were 475 new development condos on the market at the end of the second quarter, down 25.2% from this time last year and down 10.9% from the first quarter. 2-bedroom homes made up the largest share of inventory, with 40%. 1-bedrooms totaled 27%, followed by 3-bedrooms at 21%. Studios, with 8% of listings, had the greatest price increases. Their median price jumped 25% and average price increased 15%. The only other bedroom type to note both metrics up was 3-bedrooms, with its median up 5% and average up 9%. By market, the largest concentration of new development inventory, with 43%, was in Northwest Brooklyn. There, the median price increased 23% and the average price grew 30%. Size played a factor, increasing 20%, along with an 11% rise in the average price-per-foot. East Brooklyn showed a similar pattern, with its median price up 20% and average price up 32%. North Brooklyn prices were more stable, with its median dipping 3% and average up just 1%. However, the average unit size was down 10%, the greatest drop of any submarket. South Brooklyn prices were also flat from last year, with the median up 3% but average down 7%.

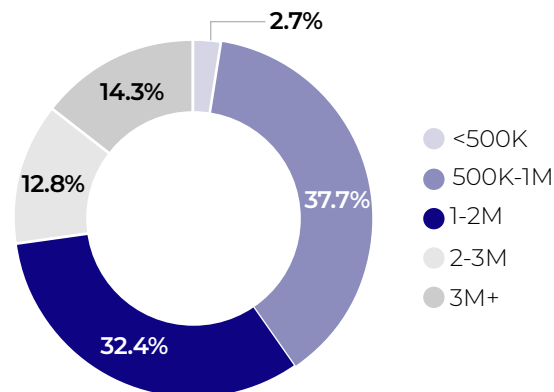
## By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	8%	27%	40%	21%	5%
Median Price	\$597,000	\$850,000	\$1,324,500	\$2,850,000	\$4,872,500
YoY	25%	-11%	-11%	5%	-8%
Average Price	\$639,467	\$964,765	\$1,460,162	\$2,838,635	\$5,612,864
YoY	15%	4%	-5%	9%	5%
Average PPSF	\$1,222	\$1,325	\$1,284	\$1,591	\$1,894
YoY	5%	6%	-3%	5%	-1%
Average SF	558	742	1,140	1,755	2,941
YoY	16%	-3%	-1%	4%	3%

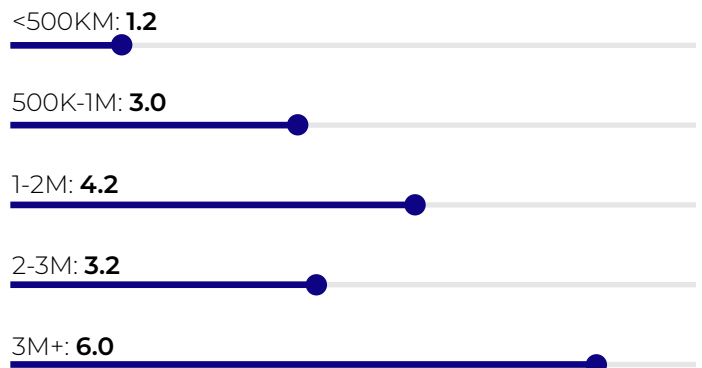
## By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	20%	43%	18%	18%
Median Price	\$1,150,000	\$2,085,000	\$812,000	\$699,000
YoY	-3%	23%	20%	3%
Average Price	\$1,407,183	\$2,604,964	\$941,322	\$876,430
YoY	1%	30%	32%	-7%
Average PPSF	\$1,353	\$1,711	\$1,072	\$938
YoY	7%	11%	20%	-1%
Average SF	1,041	1,515	899	930
YoY	-10%	20%	10%	-3%

## By Price



## Months Of Supply



# Active Listings

## North Brooklyn



## Northwest Brooklyn



## East Brooklyn



## South Brooklyn



## 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. © 2022, 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.