

Q4 2020

Brooklyn New Development Market Report

SERHANT.

NEW DEVELOPMENT

Letter From Garrett



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The Brooklyn new development market surged in the fourth quarter of 2020. While overall activity was down due to restrictions placed on the market earlier in the year, the median price jumped 33.4% to \$1,066,187 and the average price increased by 22.2% to \$1,170,252. The average price-per-foot was jumped 19.0% to \$1,276. Contract prices increased for larger homes with 3 or more bedrooms, indicating the importance placed on and demand buyers have for larger spaces. Northwest Brooklyn, where 50% of all new development homes are listed, saw its active listing median price rise 14% year-over-year. Likewise, North Brooklyn saw its median price rise 7%. As buyers continue to view Brooklyn as a first-choice option to purchase a home, we expect prices to slowly increase as the year progresses. Currently, 22.9% of all listings are priced over \$2 million, while only 6.8% of closings were over the same threshold. Homes that sold spent an average of 174 days listed and had an average discount of 3.2%, half the market-wide rate of 6.4%.

Market Highlights:

Average Price

\$1,170,252

Year-Over-Year

22.2%

Median Price

\$1,066,187

Year-Over-Year

33.4%

Average PPSF

\$1,276

Year-Over-Year

19.0%

22.9%

Share of
Inventory
Over \$2m

174

Average
Days On
Market

6.8%

Share Of
Closings
Over \$2m

3.2%

Average
Discount

Closed Sales

There were 221 new development closings in Q4. The largest concentration of sales was for 1BR homes, which totaled 51% of the market. 2BRs followed with 32%, while 3BRs made up 10%. Studio sales totaled 7%. 3BR homes reported the most significant price increases, with their median price up 18% and their average price up 26%. Similarly, 1BRs saw their median price rise 13% and their average price increase 15%. Each bedroom type had an average price-per-foot increase. 3BRs were up 20%, 1BRs and 2BRs were up 15% each, and studios increased 5%. In East Brooklyn, where 10% of all closings were held, prices surged. The median was up 50% and the average up 44%. With 59% of all closings, Northwest Brooklyn had a median price rise of 9% and an average price increase of 8%. North Brooklyn, with 25% of closings, was the only market to record price declines. There, the median slipped 2% while the average fell 0.2%. Across Brooklyn, 90.5% of all closings were priced between \$500,000 – 2 million.

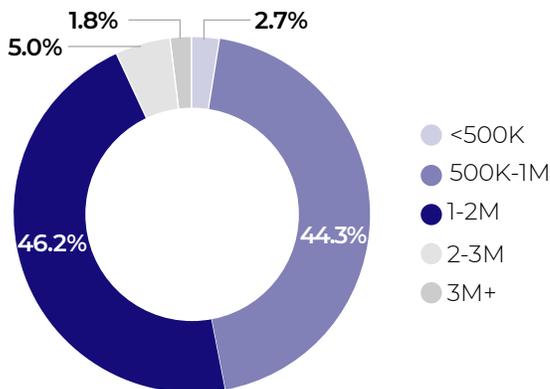
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	7%	51%	32%	10%	–
Average Discount	0.2%	2%	4%	9%	–
Median Price	\$610,950	\$935,000	\$1,375,000	\$2,020,000	–
YoY	0%	13%	-1%	18%	–
Average Price	\$643,322	\$957,057	\$1,341,046	\$2,073,375	–
YoY	10%	15%	3%	26%	–
Average PPSF	\$1,415	\$1,249	\$1,261	\$1,387	–
YoY	5%	15%	15%	20%	–
Average SF	464	740	1,087	1,525	–
YoY	-2%	5%	-3%	9%	–

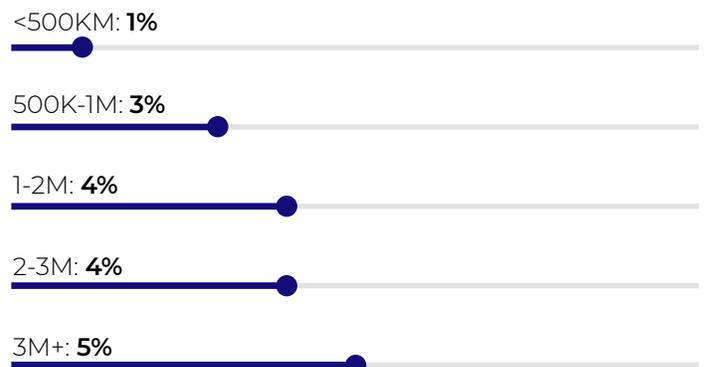
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	25%	59%	10%	6%
Average Discount	3%	3%	3%	4%
Median Price	\$957,910	\$1,170,610	\$911,333	\$670,000
YoY	-2%	9%	50%	10%
Average Price	\$1,137,651	\$1,272,741	\$940,606	\$689,597
YoY	-0.2%	8%	44%	4%
Average PPSF	\$1,081	\$1,428	\$1,032	\$767
YoY	-4%	9%	18%	6%
Average SF	875	900	955	935
YoY	13%	-13%	39%	1%

By Price



Discount Rate



Closed Sales

North Brooklyn



Northwest Brooklyn



East Brooklyn



South Brooklyn



Contracts Signed

In total, 304 contracts were reported in Q4. Of those, 42% were for 2BRs and 39% were for 1BRs. The greatest median price increase was for 4+BR homes where it surged 74%. Studio units and 2BRs both reported the greatest median price declines, down 12%. The median price of 1BRs slipped 10%. Across markets, Northwest Brooklyn had the strongest performance, with its median price up 5%, average price up 7%, and average price-per-foot up 2%. It was the only submarket where each price metric increased. East Brooklyn reported the most significant losses, with its median price down 14% and average price down 12%. North Brooklyn showed mixed results, with its median price down 6%, but average price up 5%, due to several high-priced transactions. Properties priced above \$3 million spent the most days on the market, averaging 235, while properties priced under \$500,000 were listed for just 124 days.

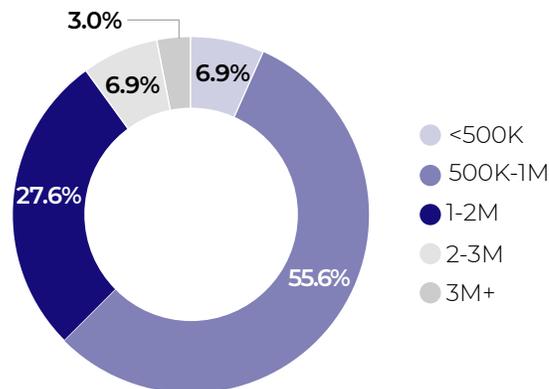
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	3%	39%	42%	13%	2%
Median Price	\$574,500	\$650,000	\$995,000	\$1,995,000	\$5,375,500
YoY	-12%	-10%	-12%	19%	74%
Average Price	\$633,505	\$712,860	\$1,145,113	\$1,945,311	\$4,520,167
YoY	4%	-10%	-4%	8%	27%
Average PPSF	\$1,116	\$1,039	\$1,086	\$1,196	\$1,727
YoY	-15%	-3%	2%	3%	21%
Average SF	585	702	1,069	1,601	2,525
YoY	6%	-6%	-4%	5%	-7%

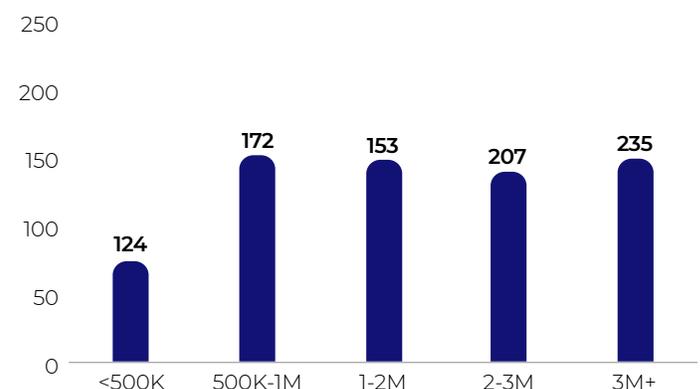
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	22%	32%	23%	23%
Median Price	\$848,000	\$1,378,040	\$699,000	\$668,000
YoY	-6%	5%	-14%	-5%
Average Price	\$1,065,394	\$1,698,844	\$822,250	\$719,445
YoY	5%	7%	-12%	2%
Average PPSF	\$1,099	\$1,408	\$940	\$802
YoY	-5%	2%	-5%	12%
Average SF	956	1,181	896	923
YoY	11%	7%	-6%	-5%

By Price



Average Days On Market



Active Listings

There were 621 new development units on the market at the end of Q4. 2BRs made up the largest share of inventory, with 39%. 1BRs totaled 30%, followed by 3BRs at 21%. Studio units were the only unit type to record price declines, with a median drop of 4% and an average drop of 7%. The greatest median price increase was for 2BR homes, up 10%, and the greatest average price increase was for 1BR homes, up 11%. Northwest Brooklyn held 50% of all new development inventory, where the median price surged 14%, the most of any submarket, and the average price increased 3%. North Brooklyn prices were also up; its median rose 7% and average increased 8%. The greatest level of supply was for homes priced \$3 million and above, with 20.7 months. The lowest level of supply, where demand is outstripping supply, was for properties priced between \$500,000 - 1 million, with 4.5 months.

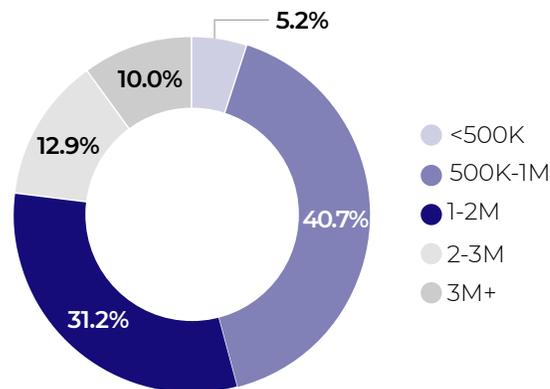
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	7%	30%	39%	21%	3%
Median Price	\$675,000	\$780,000	\$1,275,000	\$2,237,000	\$4,475,000
YoY	-4%	6%	10%	9%	3%
Average Price	\$647,883	\$899,338	\$1,423,971	\$2,575,969	\$4,818,941
YoY	-7%	11%	9%	5%	1%
Average PPSF	\$1,324	\$1,127	\$1,239	\$1,431	\$1,687
YoY	-8%	0.4%	5%	-0.5%	-3%
Average SF	499	809	1,154	1,744	2,829
YoY	3%	10%	3%	6%	5%

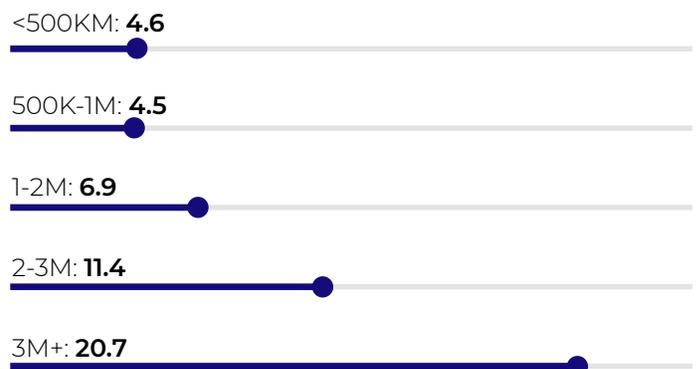
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	19%	50%	16%	14%
Median Price	\$909,500	\$1,845,000	\$825,000	\$745,000
YoY	7%	14%	0%	10%
Average Price	\$1,159,780	\$2,127,239	\$874,941	\$818,837
YoY	8%	3%	-2%	-9%
Average PPSF	\$1,118	\$1,536	\$978	\$805
YoY	-0.5%	1%	-4%	-0.3%
Average SF	1,069	1,345	915	1,026
YoY	12%	2%	0.4%	-1%

By Price



Months Of Supply



Active Listings

North Brooklyn



Northwest Brooklyn



East Brooklyn



South Brooklyn



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