

Q3 2021

Brooklyn Market Report

COMPASS



570 Decatur St
Courtesy of: Mick O'Connor
Photographer: Geraldine Pierson

In Q3, Brooklyn proved again that it is a destination, not an alternative. As the city roared back to life, prices in the vibrant borough eclipsed records driven by a hot luxury market and its stunning new developments, homes with ample space, and the region's distinctive culture.

The average price per square foot reached an all-time high at \$867 per square foot – an increase of 20.6 percent year-over-year. The third quarter also saw the average sales price increase to \$1,198,345, and the median price soared to \$935,000, climbing 22.2 percent and 18.1 percent, respectively.

Another notable figure this past

quarter was the total sales volume. It was up 129 percent year-over-year, following the fewest sales on record of any third quarter in 2020. This latest number represents consumer confidence in Brooklyn real estate and a strong pivot away from the pandemic-induced slowdown.

No sector was more in demand than the luxury market. Properties sold for \$3 million and above saw the most growth of any price bracket and doubled in market share compared to Q2 and year-over-year. Compass agents noted that confidence in the value of Brooklyn real estate has grown exponentially, especially in the luxury market. Many of them

reported that bidding wars and multiple offers were more common than ever. The data matches their insights; discount rates in the borough were the lowest they have been since 2018.

The luxury market was not the only sector thriving. Price increases took place at every end of the market. Properties under \$500,000 saw the most significant year-over-year price growth, with their median price up 7.3 percent and their average up 4.9 percent.

Needless to say, the Brooklyn real estate market is prospering. With prices and activity at all-time highs, Brooklyn's red-hot market shows no signs of diminishing.

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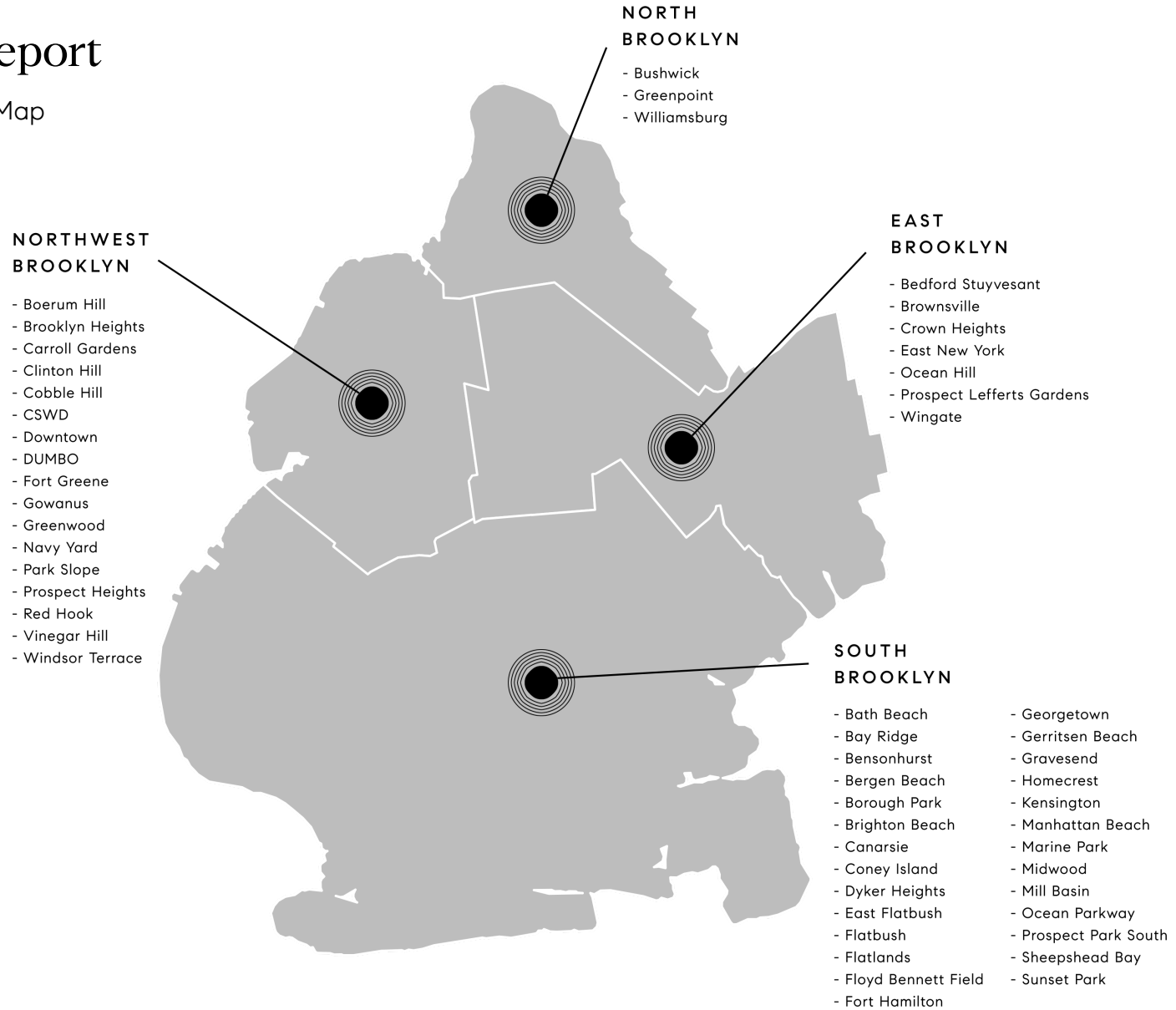
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SOURCES

RLS, ACRIS (Automated City Register Information System)

Brooklyn Market Report

Neighborhood Map



Prices reached new highs, while sales activity was maintained from last quarter.

\$1,198,345

Average
Sales Price

\$1,157,182

Average
Condo Price

\$867

Average Price
Per Square Foot

3.7%

Average
Discount

\$935,000

Median
Sales Price

\$744,818

Average
Co-op Price

134

Average Days
on the Market

19%

of Properties Took
More Than 180 Days
to Enter Contract

Methodology

Geography covered in this report is Brooklyn.

Inventory is calculated based on all properties actively listed during the quarter at the time the report is prepared.

Contract Signed figures for the current quarter are based on publicly reported transactions at the time the report is prepared. The signed price reflects the latest available asking price.

Recorded Sales figures for the quarter are based on known closings recorded at the time the report is prepared.

Median Price is the middle price of a given dataset.

Average Price is the sum of all prices divided by the total number of properties.

Months of Supply is an estimated time it would take to sell all current active listings based on the trailing 12-month sales rate.

Time on Market is calculated by how many properties entered contract during the quarter in the given period.

Discount is the percentage difference between the initial list and recorded sale price.

Current Quarter is reflective of the initial day of the quarter until the 20th day of the quarter's closing month. These numbers will be updated in subsequent reports to reflect the dataset of the entire quarter.

Quarters

Q1: January 1 - March 31

Q2: April 1 - June 30

Q3: July 1 - September 30

Q4: October 1 - December 31

Recorded Sales

BY PROPERTY TYPE

- Sales were up 129.3% year-over-year, following the fewest sales on record of any third quarter in 2020
- The average and median price both reached new highs, climbing 22.2% and 18.1%, respectively
- Average price per square foot reached \$867/SF, up 20.6% year-over-year to its all-time high
- Discounts were only 4% this quarter, compared to the typical 6 or 7% seen since late 2018
- Luxury properties sold for \$3M and above had the most growth of any price bracket, and nearly doubled in market share from both last quarter, and last year
- Properties under \$500,000 saw the largest year-over-year price growth, with their median price up 7.3%, and their average up 4.9%
- The \$500,000 to \$1M price bracket accounted for 43.5% of sales, the most of any group, followed by the the \$1M-2M range with 30.6%
- Condos and houses under \$500,000 saw the largest discounts of any group, at 8% and 15%, respectively

Q3 2021 Recorded Sales

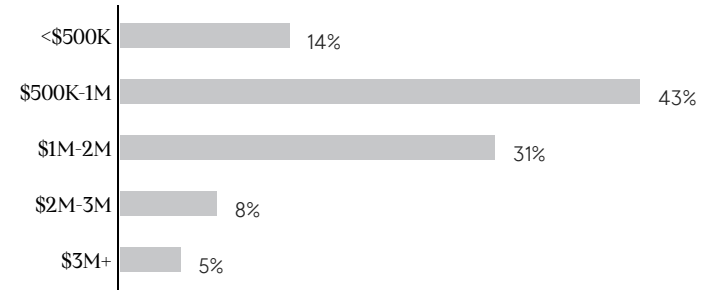
	% Units	Average Discount	Median Price	YoY	2020	Average Price	YoY	2020	Average PPSF	YoY	2020	Average SF	YoY	2020
CONDO	36.6%	3%	\$941,881	17.7%	\$800,000	\$1,157,182	16.6%	\$992,319	\$1,093	12.3%	\$973	1,130	3.2%	1,095
CO-OP	20.3%	2%	\$585,493	37.3%	\$426,500	\$744,818	23.1%	\$605,147	\$770	14.6%	\$672	950	4.7%	907
HOUSE	43.1%	6%	\$1,120,000	24.9%	\$897,000	\$1,447,358	30.7%	\$1,107,810	\$645	20.1%	\$537	2,476	4.9%	2,361

Recorded Sales

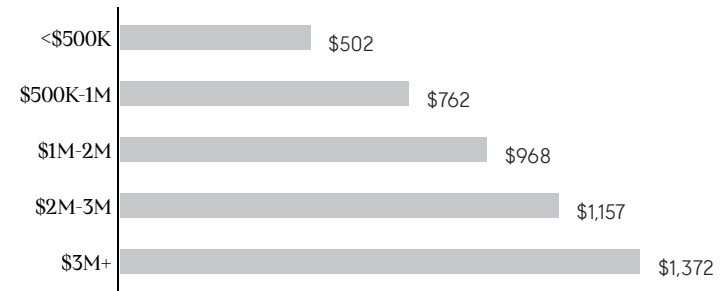
BY PRICE POINT

- More than 80% of condos sold between \$500K and \$2M
- Houses had the most transactions, with 43.1% of sales, but saw the least growth year-over-year
- South Brooklyn and Northwest Brooklyn saw the most sales, with 41.2% and 32.8% market share, respectively
- North Brooklyn prices increased the most, with the average price climbing nearly 27%
- Northwest Brooklyn properties were the least affordable at \$1,184/SF
- The \$1M-2M price bracket accounted for the most volume, with approximately \$1.53B in sales

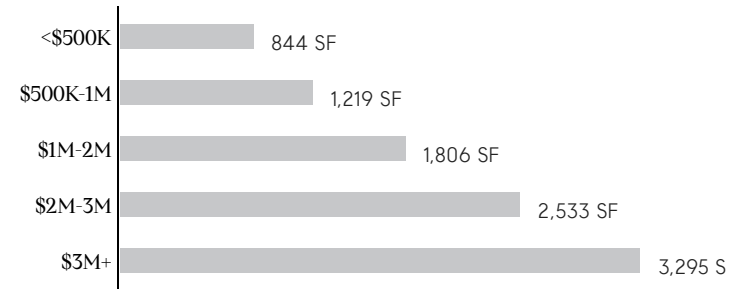
Q3 2021 Percentage of Units



Q3 2021 Average PPSF



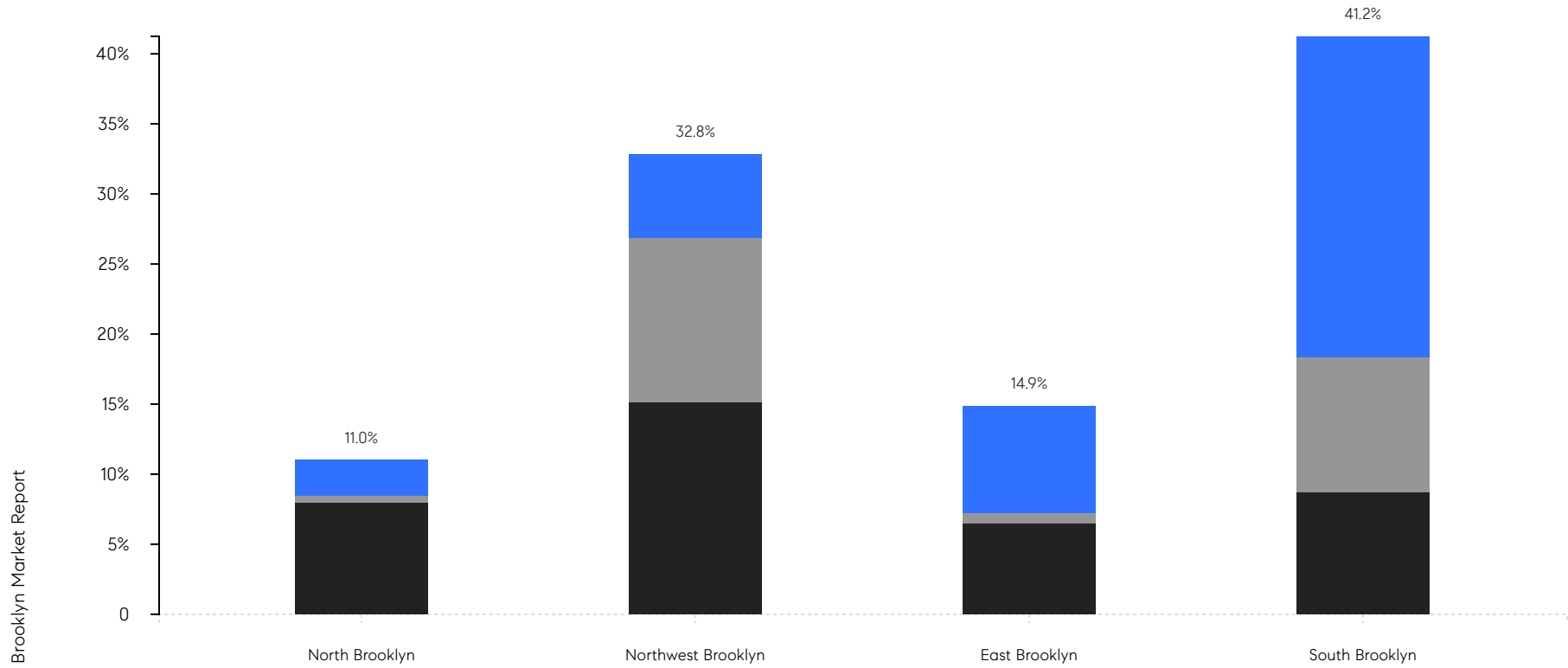
Q3 2021 Average Size

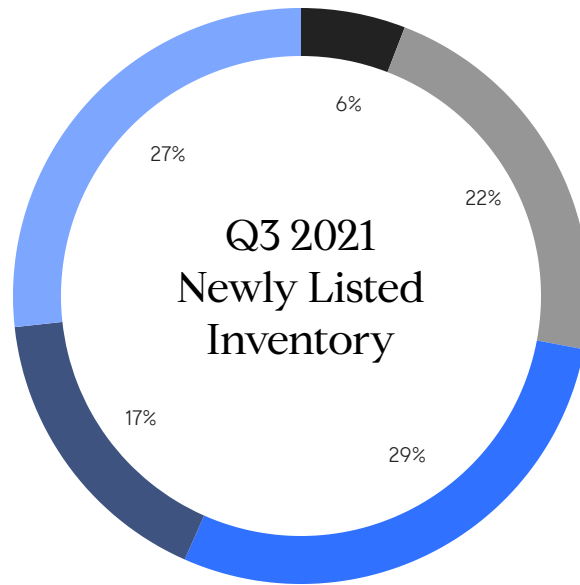
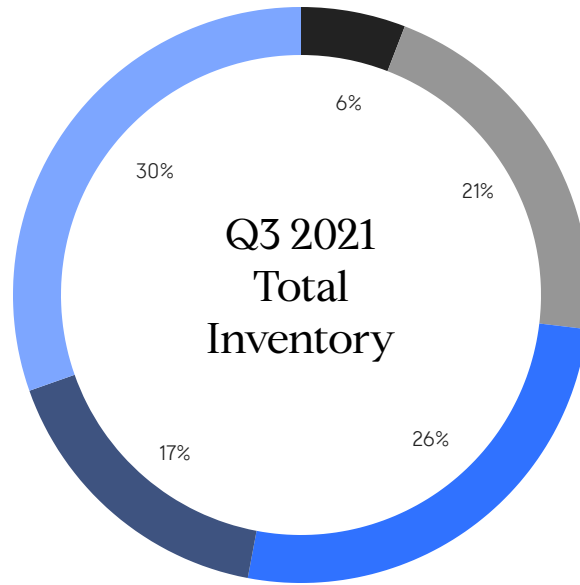


Recorded Sales

BY SUBMARKET

CONDO CO-OP HOUSE





Q3 2021 Condo Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	9%	47%	29%	8%	6%
Median Price	\$449,000	\$738,737	\$1,349,000	\$2,500,000	\$3,925,000
YoY	5%	-5%	-5%	4%	2%
2020	\$429,000	\$775,000	\$1,425,000	\$2,399,000	\$3,850,000
Average Price	\$430,560	\$746,696	\$1,418,539	\$2,489,706	\$4,231,463
YoY	5%	-3%	-2%	1%	-8%
2020	\$410,235	\$771,629	\$1,446,468	\$2,454,944	\$4,606,797
Average PPSF	\$735	\$894	\$1,278	\$1,599	\$1,760
YoY	11%	-5%	4%	5%	-4%
2020	\$665	\$940	\$1,233	\$1,516	\$1,832
Average SF	618	903	1,173	1,603	2,441
YoY	-13%	0%	-3%	-4%	-7%
2020	710	900	1,213	1,665	2,638

Q3 2021 Co-op Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	60%	30%	8%	1%	1%
Median Price	\$345,000	\$655,000	\$1,350,000	\$2,600,000	\$4,250,000
YoY	-1%	-5%	-3%	18%	19%
2020	\$350,000	\$689,500	\$1,395,000	\$2,197,500	\$3,575,000
Average Price	\$348,661	\$693,543	\$1,412,160	\$2,542,857	\$5,199,286
YoY	-2%	-2%	-1%	14%	39%
2020	\$356,526	\$710,282	\$1,424,665	\$2,240,000	\$3,737,000
Average PPSF	\$453	\$730	\$1,108	\$1,125	\$1,691
YoY	-2%	-7%	-3%	-4%	-15%
2020	\$464	\$784	\$1,143	\$1,171	\$1,993
Average SF	805	960	1,410	2,256	3,123
YoY	-1%	-6%	8%	13%	23%
2020	810	1,021	1,301	1,998	2,532

Q3 2021 House Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	2%	25%	46%	15%	13%
Median Price	\$400,000	\$830,000	\$1,450,000	\$2,495,000	\$3,995,000
YoY	-1%	1%	-3%	1%	-
2020	\$402,500	\$825,000	\$1,495,000	\$2,480,000	\$3,995,000
Average Price	\$400,231	\$813,446	\$1,474,704	\$2,487,633	\$4,980,113
YoY	0%	1%	-1%	1%	3%
2020	\$399,118	\$806,618	\$1,495,842	\$2,470,827	\$4,851,467
Average PPSF	\$482	\$534	\$672	\$902	\$1,264
YoY	-2%	11%	4%	3%	6%
2020	\$493	\$481	\$647	\$875	\$1,191
Average SF	905	1,713	2,572	3,217	4,573
YoY	-10%	-8%	-1%	0%	2%
2020	1,011	1,867	2,600	3,202	4,496

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