

Q4 2021

Brooklyn Market Report

COMPASS



27 7th Ave
Courtesy of: Shii Ann Huang
Photographer: Russ Ross

At \$3.2 billion, Brooklyn reached the highest sales volume of any Q4 on record.

Home to the Notorious B.I.G. and Ruth Bader Ginsburg, the borough continued to attract homebuyers at all price points at a time when interest rates have remained low, the desirability of Brooklyn as a cultural hub has remained high, and consumer confidence has stabilized.

Overall, there were 2,810 sales this quarter, an 11.9 percent increase year-over-year with significant gains in the luxury sector, and with first-time home buyers representing the most extensive buyer demographic.

Inventory remained tight, declining 12.7 percent, elevating the average sales price to \$1,130,852, while the average price per square stood firm at \$832. The latter was the highest of any Q4 on record, and the third-highest of all time, behind only Q3 and Q2 of 2020.

Continued pent-up demand for units with outdoor space, a pandemic accelerated phenomenon, played a role behind the high average price P.S.F. Private outdoor space is not counted in a unit's square footage.

The market remained hyperactive in the luxury sector, with condos over \$3 million seeing significant increases year-over-year. These units are considered investment deals for buyers as similar offerings in Manhattan would cost two-to-three times as much. As a whole, luxury units priced at \$2M had the most significant increase in activity of any price bracket. The rejuvenated luxury market comes at a time when high-net-worth individuals took profits from their stock and crypto portfolios and invested in real estate, understanding that Brooklyn real estate historically appreciates.

The average and median sales prices in North Brooklyn increased more than any other

submarket, climbing 18.2 percent and 25.6 percent. These jumps were due to new developments sales, particularly in Williamsburg, where 60 percent of sales in North Brooklyn took place.

On the lower end of the market, South Brooklyn (Sheepshead Bay, Flatbush, Bay Ridge, Midwood, and Bensonhurst) accounted for the most sales with 46.4 percent market share and the lowest price per square foot. These numbers indicate that first-time homebuyers took advantage of low-interest rates and looked for attainable prices in the south.

Overall, there is hope in New York that the city is equipped to handle the challenges from the pandemic, reassuring buyers that the city is vibrant and that the crown jewel, Brooklyn, will continue to keep its strong appeal for the time to come.

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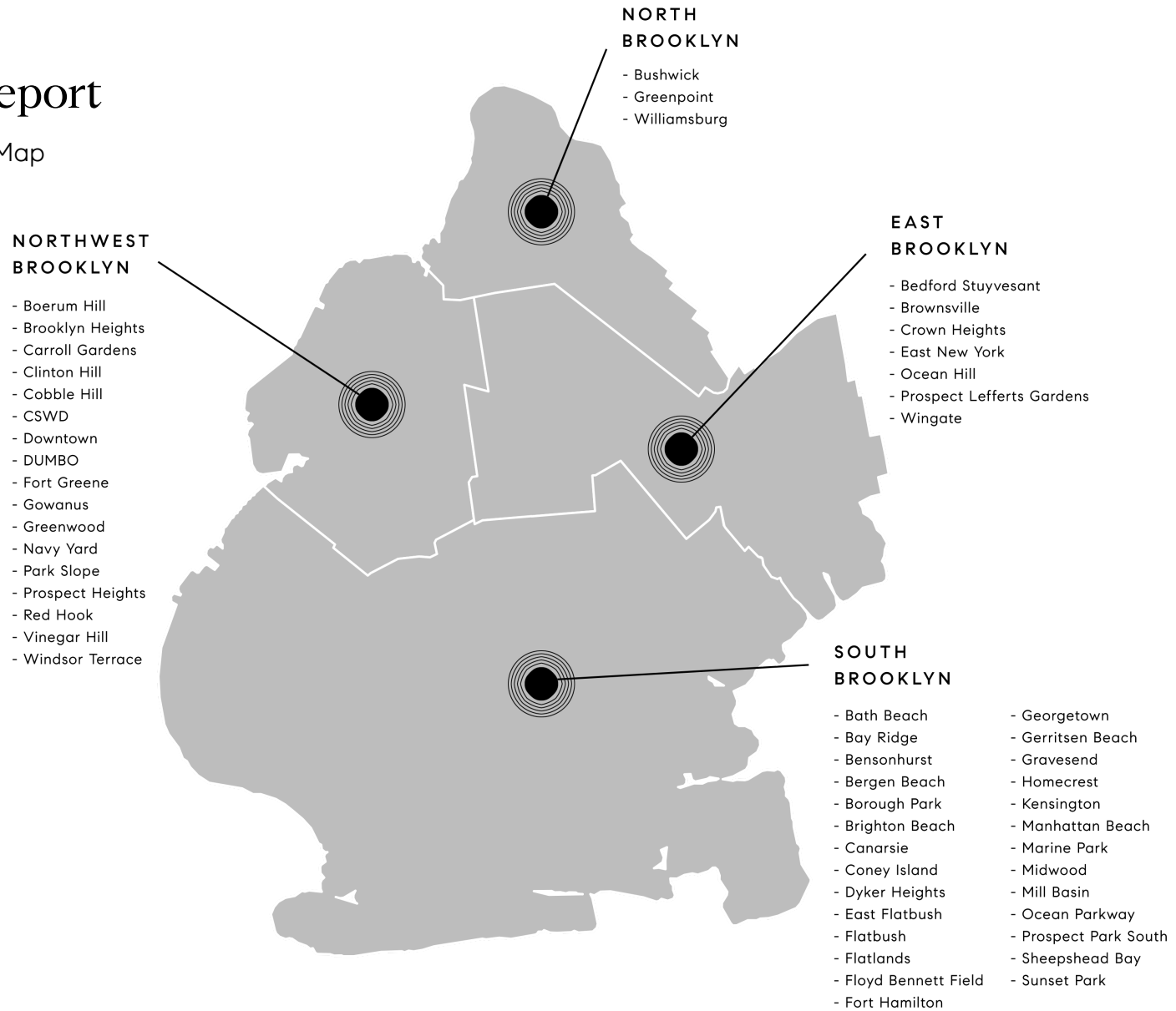
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SOURCES

REBNY RLS,
ACRIS (Automated City Register Information System)

Brooklyn Market Report

Neighborhood Map



Continued quarter-over-quarter inventory decline kept discounts low and pushed prices higher, leading to a fourth quarter sales volume record.

\$1,131,670

Average
Sales Price

\$1,188,376

Average
Condo Price

\$835

Average Price
Per Square Foot

4%

Average
Discount

\$904,600

Median
Sales Price

\$673,941

Average
Co-op Price

128

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

- There were 2,810 sales this quarter, an 11.9% increase from last year
- Condos saw the most growth in the borough, up 23.4%, compared to just 2.1% for houses, which had 43.3% market share
- Sales volume was the highest of any Q4 on record, at nearly \$3.2B, surpassing the previous high from 2017
- The average price per square foot climbed 4.6% to \$835/SF, also the highest of any Q4, and the 3rd highest of all time, preceded by Q3 and Q2 of this year
- Discounts stayed low at just 4% on average as demand remained high with inventory lower than usual
- Condo prices experience the largest increases, up 16.6% in average price year-over-year
- Co-op prices fell notably, down 7.9% in median price year-over-year, and were generally more affordable at a lower-than-usual average price per square foot
- Houses saw a 10.5% increase in median price compared to last year, the most of any property type

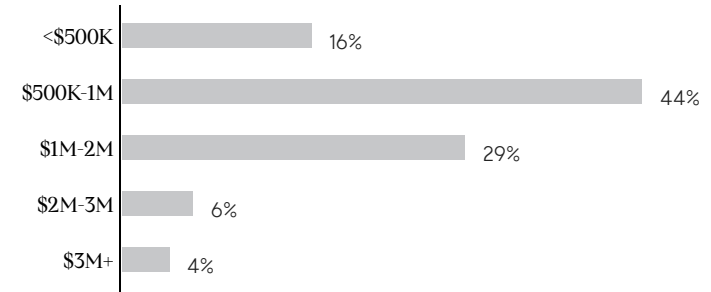
	SUMMARY	CONDO	CO-OP	HOUSE
Market Share	100%	34.1%	22.6%	43.3%
Average Discount	4%	2%	2%	6%
Median Price	\$904,600	\$935,000	\$495,000	\$1,050,000
Q3 2021	\$936,250	\$950,000	\$560,000	\$1,100,000
QoQ	-3.4%	-1.6%	-11.6%	-4.5%
Q4 2020	\$870,000	\$899,000	\$537,500	\$950,250
YoY	4.0%	4.0%	-7.9%	10.5%
Average Price	\$1,131,670	\$1,188,376	\$673,941	\$1,325,440
Q3 2021	\$1,192,776	\$1,149,267	\$742,328	\$1,427,005
QoQ	-5.1%	3.4%	-9.2%	-7.1%
Q4 2020	\$1,031,685	\$1,018,843	\$711,729	\$1,185,540
YoY	9.7%	16.6%	-5.3%	11.8%
Average PPSF	\$835	\$1,118	\$700	\$602
Q3 2021	\$866	\$1,104	\$762	\$645
QoQ	-3.6%	1.3%	-8.1%	-6.7%
Q4 2020	\$798	\$1,075	\$769	\$558
YoY	4.6%	4.0%	-9.0%	7.9%
Average SF	1,560	1,124	920	2,452
Q3 2021	1,603	1,132	947	2,461
QoQ	-2.7%	-0.7%	-2.9%	-0.4%
Q4 2020	1,576	1,015	922	2,383
YoY	-1.0%	10.7%	-0.2%	2.9%

Recorded Sales

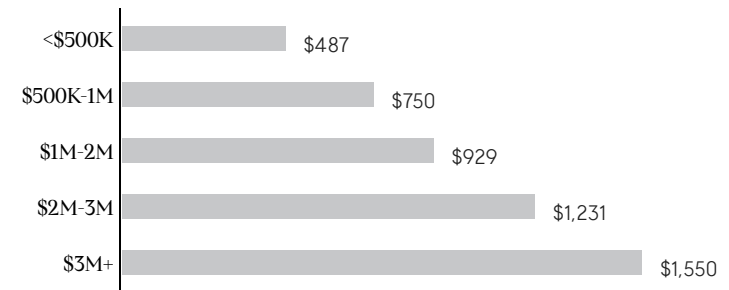
BY PRICE POINT

- Overall, the luxury sector of \$2M and up saw the largest increase in activity of any price bracket
- The median price of properties sold for less than \$500,000 declined 4.8%, due to the high end of the bracket moving into the next group due to price increases throughout the borough
- The \$500,000 to \$1M bracket accounted for 44.4% of sales, the most of any group, and saw mild increases in price
- With 29.3% market share, the \$1M-2M price point was the next highest bracket, and saw the largest increase in median price, up 3.7%
- The most sales occurred in South Brooklyn, with 46.4% market share, but properties in this submarket also had the lowest average price
- Northwest Brooklyn had the highest average price at nearly \$1.6M, and the second highest number of sales

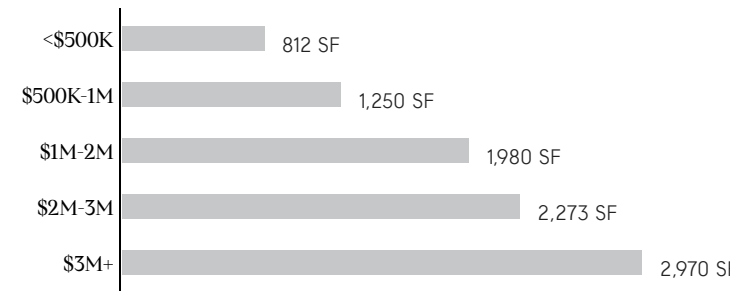
Q4 2021 Percentage of Units



Q4 2021 Average PPSF



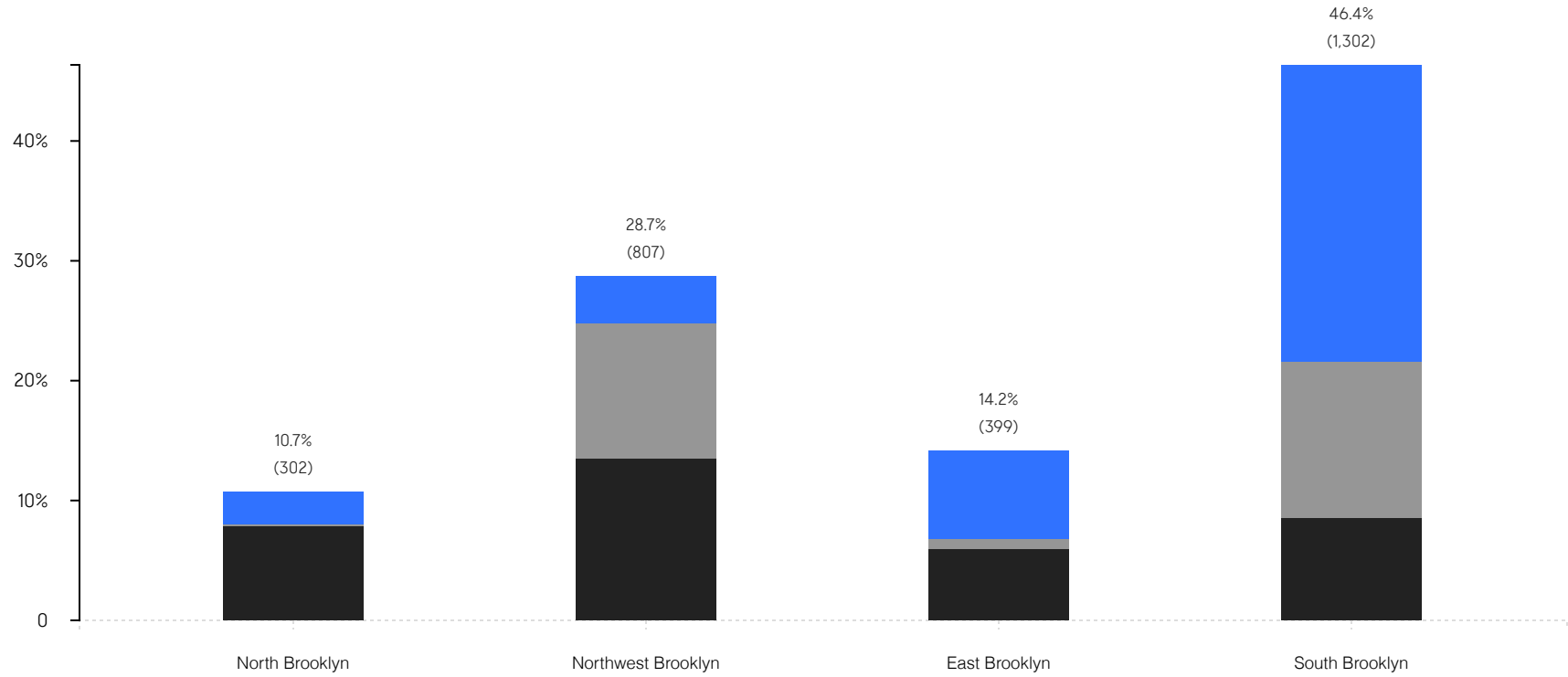
Q4 2021 Average Size

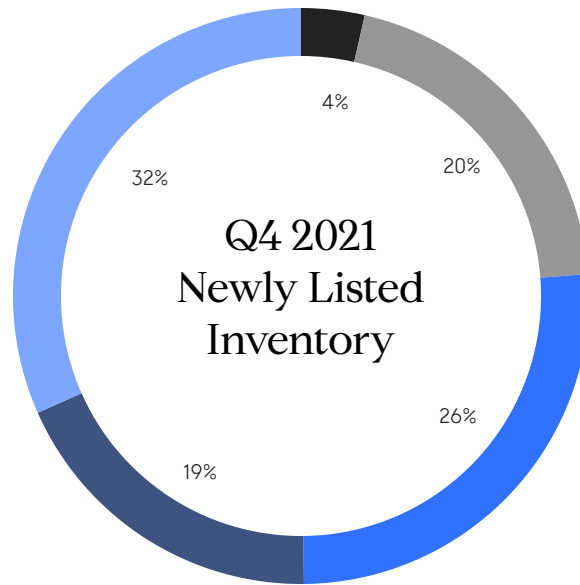
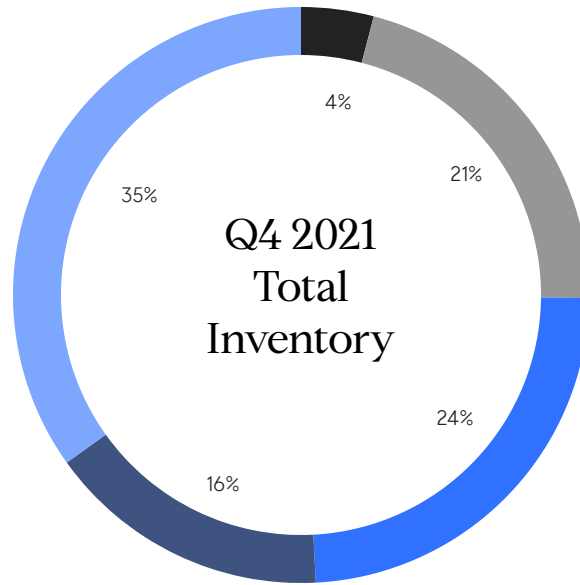


Recorded Sales

BY SUBMARKET

CONDO CO-OP HOUSE





Q4 2021 Condo Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	9.3%	48.1%	26.3%	8.7%	7.6%
Median Price	\$449,888	\$719,000	\$1,350,000	\$2,490,000	\$3,995,000
Q3 2021	\$447,000	\$736,869	\$1,349,000	\$2,500,000	\$3,995,000
QoQ	0.6%	-2.4%	0.1%	-0.4%	-
Q4 2020	\$449,000	\$759,500	\$1,398,000	\$2,475,000	\$4,050,000
YoY	0.2%	-5.3%	-3.4%	0.6%	-1.4%
Average Price	\$438,484	\$737,845	\$1,422,782	\$2,505,180	\$5,683,769
Q3 2021	\$425,931	\$744,614	\$1,417,671	\$2,469,143	\$4,709,325
QoQ	2.9%	-0.9%	0.4%	1.5%	20.7%
Q4 2020	\$423,624	\$765,244	\$1,432,157	\$2,496,966	\$4,621,353
YoY	3.5%	-3.6%	-0.7%	0.3%	23.0%
Average PPSF	\$732	\$894	\$1,279	\$1,569	\$2,959
Q3 2021	\$701	\$888	\$1,269	\$1,612	\$1,839
QoQ	4.4%	0.7%	0.8%	-2.7%	60.9%
Q4 2020	\$703	\$926	\$1,225	\$1,519	\$1,838
YoY	4.1%	-3.5%	4.4%	3.3%	61.0%
Average SF	691	895	1,182	1,677	2,444
Q3 2021	658	926	1,183	1,577	2,680
QoQ	5.0%	-3.3%	-0.1%	6.3%	-8.8%
Q4 2020	678	901	1,208	1,689	2,521
YoY	1.9%	-0.7%	-2.2%	-0.7%	-3.1%

Q4 2021 Co-op Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	65.8%	29.1%	3.4%	1.2%	0.5%
Median Price	\$348,500	\$639,000	\$1,490,000	\$2,500,000	\$3,950,000
Q3 2021	\$349,000	\$650,000	\$1,375,000	\$2,550,000	\$4,072,500
QoQ	-0.1%	-1.7%	8.4%	-2.0%	-3.0%
Q4 2020	\$345,000	\$669,500	\$1,375,000	\$2,224,500	\$3,747,500
YoY	1.0%	-4.6%	8.4%	12.4%	5.4%
Average Price	\$348,578	\$662,772	\$1,493,720	\$2,547,778	\$5,475,000
Q3 2021	\$350,821	\$688,989	\$1,410,261	\$2,493,750	\$5,036,250
QoQ	-0.6%	-3.8%	5.9%	2.2%	8.7%
Q4 2020	\$351,947	\$692,914	\$1,418,160	\$2,280,900	\$3,807,900
YoY	-1.0%	-4.4%	5.3%	11.7%	43.8%
Average PPSF	\$452	\$716	\$1,048	\$1,167	\$1,733
Q3 2021	\$456	\$726	\$1,110	\$1,100	\$1,691
QoQ	-0.9%	-1.4%	-5.6%	6.1%	2.5%
Q4 2020	\$457	\$758	\$1,098	\$1,337	\$1,651
YoY	-1.1%	-5.5%	-4.6%	-12.7%	5.0%
Average SF	809	960	1,478	2,183	3,360
Q3 2021	804	962	1,383	2,217	3,123
QoQ	0.6%	-0.2%	6.9%	-1.5%	7.6%
Q4 2020	810	965	1,412	1,705	2,319
YoY	-0.1%	-0.5%	4.7%	28.0%	44.9%

Q4 2021 House Inventory

	<\$500K	\$500K-1M	\$1M-2M	\$2M-3M	\$3M+
% Units	0.9%	26.0%	47.7%	13.7%	11.7%
Median Price	\$410,000	\$818,500	\$1,450,000	\$2,499,000	\$3,889,500
Q3 2021	\$419,000	\$839,000	\$1,488,000	\$2,499,000	\$3,995,000
QoQ	-2.1%	-2.4%	-2.6%	-	-2.6%
Q4 2020	\$407,500	\$827,000	\$1,495,000	\$2,450,000	\$3,999,500
YoY	0.6%	-1.0%	-3.0%	2.0%	-2.8%
Average Price	\$402,923	\$808,084	\$1,478,622	\$2,488,319	\$4,954,528
Q3 2021	\$408,360	\$813,660	\$1,483,221	\$2,490,760	\$5,540,672
QoQ	-1.3%	-0.7%	-0.3%	-0.1%	-10.6%
Q4 2020	\$404,192	\$806,411	\$1,493,811	\$2,460,860	\$5,134,650
YoY	-0.3%	0.2%	-1.0%	1.1%	-3.5%
Average PPSF	\$605	\$508	\$624	\$815	\$1,131
Q3 2021	\$534	\$515	\$618	\$829	\$1,334
QoQ	13.3%	-1.4%	1.0%	-1.7%	-15.2%
Q4 2020	\$534	\$496	\$621	\$811	\$1,122
YoY	13.3%	2.4%	0.5%	0.5%	0.8%
Average SF	719	1,764	2,624	3,329	4,724
Q3 2021	962	1,759	2,685	3,339	4,875
QoQ	-25.3%	0.3%	-2.3%	-0.3%	-3.1%
Q4 2020	931	1,837	2,662	3,334	4,801
YoY	-22.8%	-4.0%	-1.4%	-0.1%	-1.6%

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