



Q3 2019

# BROOKLYN

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MARKET  
REPORT

COMPASS

BROOKLYN  
SALES REPORT  
Q3 2019:

# PRESSURED STABILITY

After many quarters of growth, Brooklyn has slowed down. The rush to beat the July 1st Mansion Tax hike helped bolster sales in the second quarter, but that fuel was not available this time around. The borough's housing market continued settling in response to economic pressure, fewer properties on the market, and higher prices.

3,022 sales were seen this quarter, a modest 2% decline compared to the 11% drop seen in Q3 2018. As with Manhattan, this decrease is more appropriately deemed a stabilization, evidenced by

slowing rates of decline. High levels of inventory and many new developments in Brooklyn the last few years gave buyers excellent purchasing opportunities. Those opportunities still exist, but are getting harder to find.

Prices continue to creep upward as Brooklyn expands vertically. Median and average prices remain near their all-time highs from Q2 2019, while properties priced under \$500K reached their lowest levels this quarter and those \$500K-1M saw their highest. This change in price distribution was met with an increased

time on the market. The percentage of properties entering contract after 180 or more days was the highest since Q2 2012.

As we brace for trade agreements, and endure ongoing global political uncertainty, we anticipate the end of the year to continue trends seen this quarter. Buyers have fewer properties to consider, while sellers are deciding if now is the right time to put their home on the market, leading both sides to simply wait.

**RORY GOLOD**  
New York Regional President

**ELIZABETH ANN STRIBLING-KIVLAN**  
Senior Managing Director

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## **SOURCES**

Proprietary database,  
ACRIS (Automated City Register Information System)

## **RESEARCHED & WRITTEN BY:**

Josh Chamberlain

# METHODOLOGY

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**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 current 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-months 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 closing month of the quarter. These numbers will be updated in subsequent reports to reflect the dataset of the entire quarter.

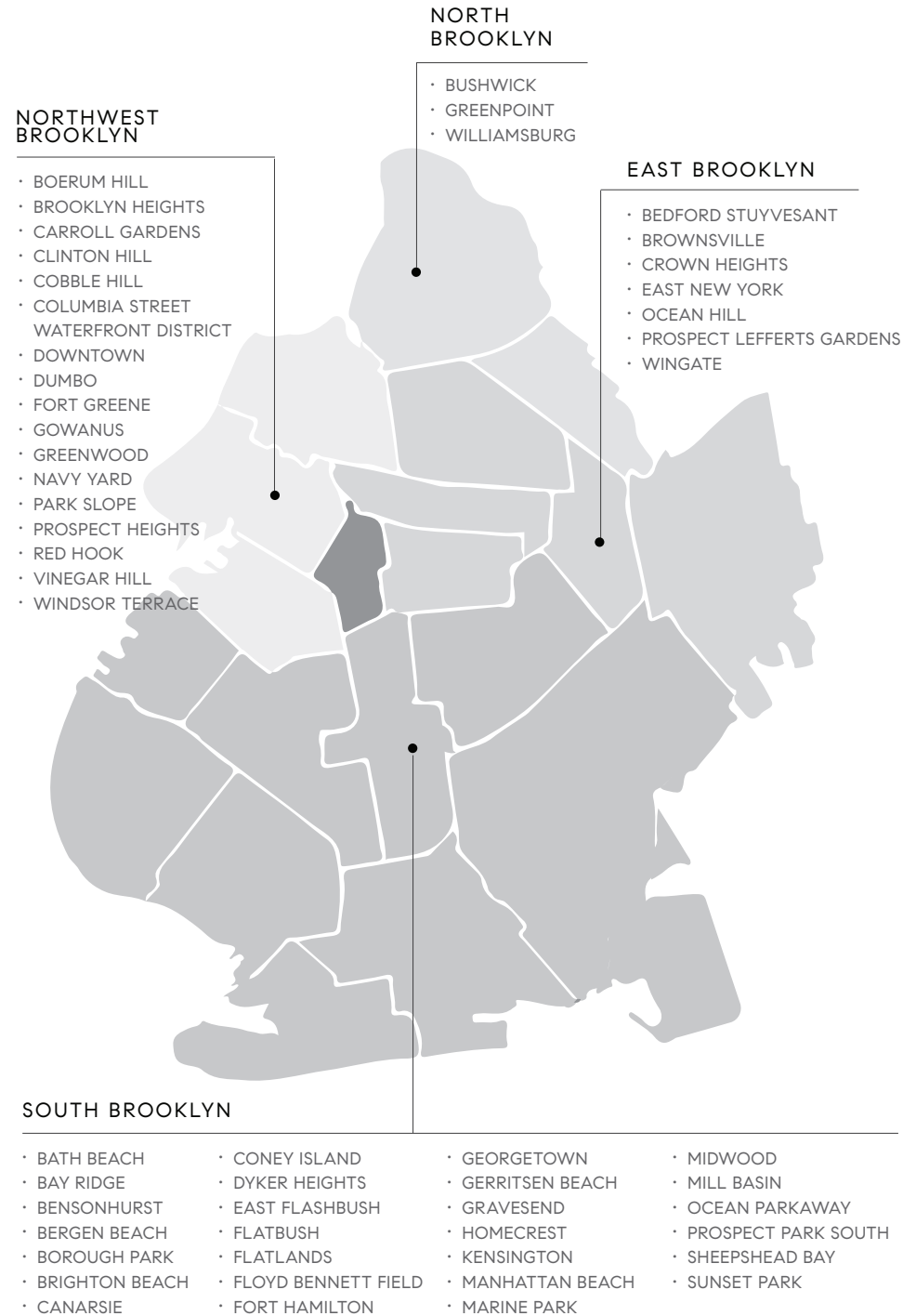
## QUARTERS

1Q: January 1 – March 31

2Q: April 1 – June 30

3Q: July 1 – September 30

4Q: October 1 – December 31



# MARKET HIGHLIGHTS

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“Economic pressures forced prior growth to stabilize, while prices continued to rise.”

**\$959,176**

AVERAGE SALES PRICE

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**148**

AVERAGE DAYS ON THE MARKET

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**6.5%**

AVERAGE DISCOUNT

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**\$780,000**

MEDIAN SALES PRICE

---

**52%**

SHARE OF  
INVENTORY  
OVER \$1M

---

**32%**

SHARE OF  
CLOSINGS  
OVER \$1M

---

**\$781**

AVERAGE PRICE PER SQUARE FOOT

# RECORDED SALES

## BY PROPERTY TYPE

There were 3,022 recorded sales to date in the third quarter, a 2% decrease from one year ago. Condos were 30% of the market, a 6% increase since Q3 2018. Houses saw an equivalent decline to 50% of the market, the lowest of any third quarter since 2008. As Brooklyn continues to build up, this change in market share is expected to continue.

On average, condos were the most expensive at \$1,023/SF, while houses were the most affordable at \$581/SF. These were 2% and 5% decreases compared to this time last year. Co-ops were also more affordable this quarter, their average PPSF dropping 4% to \$677/SF. This continues the decline observed in recent quarters, after multiple years of explosive year-over-year growth in Brooklyn. However, the rate has been slowing since it started in Q1 2018, suggesting a trend reversal.

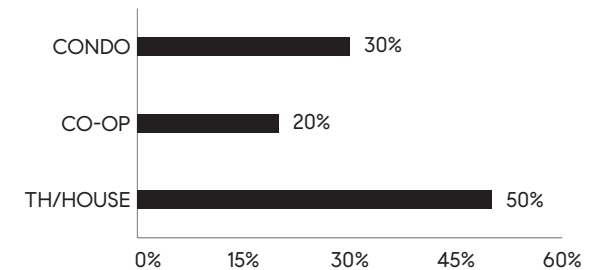
The borough-wide discount was 6.5%, a slight decrease from last quarter, but the highest Q3 discount since 2011. Houses were the primary contributor to this, with a 10% average decline compared to their list price.

All property types saw noticeable price increases. House and co-op median prices soared 17%, while their average price climbed 8% and 12%, respectively. This was a result of higher prices in the lower end of the market. Condos saw similar trends, though less prominent.

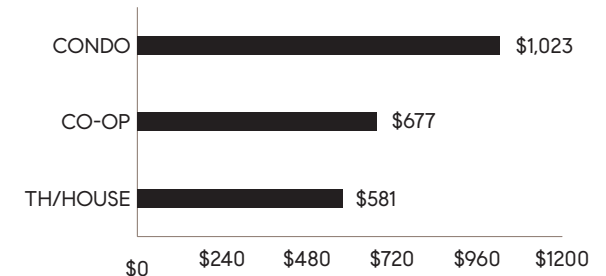
## Q3 2019 RECORDED SALES

	% UNITS	AVERAGE DISCOUNT	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
CONDO	30%	4%	\$815,000	4.5%	\$1,016,453	5%	\$1,023	-2%	1,042	-4%
CO-OP	20%	4%	\$457,000	17%	\$583,658	12%	\$677	-3.5%	880	-2%
TH/HOUSE	50%	10%	\$880,000	17%	\$1,073,492	8%	\$581	-5%	2,285	-5%

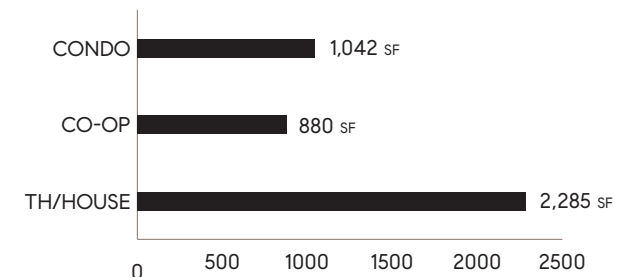
## Q3 2019 PERCENTAGE OF UNITS



## Q3 2019 AVERAGE PPSF



## Q3 2019 AVERAGE SIZE





# RECORDED SALES

## BY PRICE POINT

46% of sales were in the \$500K-1M range, the greatest of any price bracket. These properties averaged \$714/SF and 1,364 SF. The average PPSF here fell 2% despite no change in average size and increases of 3% and 2% in median and average price, respectively. While the 6% discount in this group is lower than last quarter, it is still the highest seen in the third quarter since 2010, and in general since 2012.

Properties priced \$1M-2M were 25% of sales, the highest ever seen. Prices declined modestly here, typical of this price point which has historically seen fluctuations year-over-year of 2% or less in either direction.

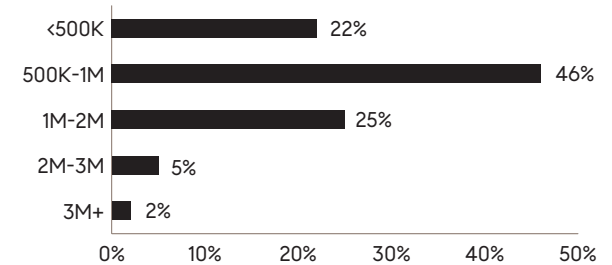
The under \$500K price point captured 22% market share, the second lowest of all time, the lowest being last quarter. Properties in this group were 14% smaller on average compared to last quarter, but even with a 7% increase in average price only saw a 2% increase in average PPSF.

Properties \$3M and above were noticeably smaller this quarter (-15%). Average price declined by 12% while average PPSF increased 3%, indicating prices followed size accordingly.

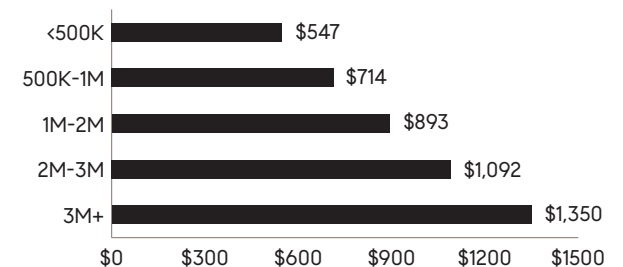
## Q3 2019 RECORDED SALES

	% UNITS	AVERAGE DISCOUNT	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
<500K	22%	7%	\$360,000	6%	\$355,750	7%	\$547	2%	821	-14%
500K-1M	46%	6%	\$730,000	3%	\$738,911	2%	\$714	-2%	1,364	0%
1M-2M	25%	7%	\$1,350,000	-3%	\$1,396,071	-2%	\$893	0%	1,918	-1%
2M-3M	5%	7%	\$2,300,000	-1%	\$2,348,311	-1%	\$1,092	4%	2,437	-7%
3M+	2%	7%	\$3,540,500	-8%	\$3,877,670	-12%	\$1,350	3%	3,073	-15%

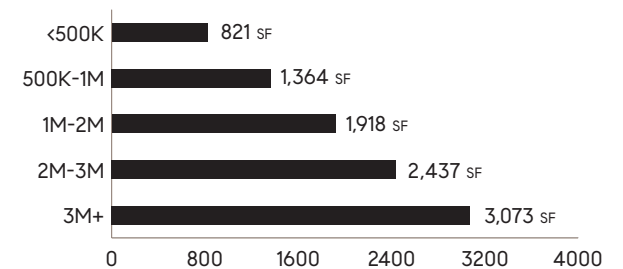
## Q3 2019 PERCENTAGE OF UNITS



## Q3 2019 AVERAGE PPSF



## Q3 2019 AVERAGE SIZE



# RECORDED SALES

## BY SUBMARKET

South Brooklyn accounted for 49% of sales this quarter, where the average price increased 2% and crossed \$800K, the highest seen in the submarket. While prices here were the lowest of any submarket, it was the only one to see increases in all price metrics, despite 5% smaller properties on average. These properties also saw the largest discount.

Northwest Brooklyn had the second most sales, with 21% market share. Properties here were noticeably smaller (-12%), but prices dropped accordingly, leading to a 3% decrease in average PPSF. Prices were the highest of any submarket despite the respective 13% and 4% declines in average and median price. The average discount of 3% was the lowest of the regions.

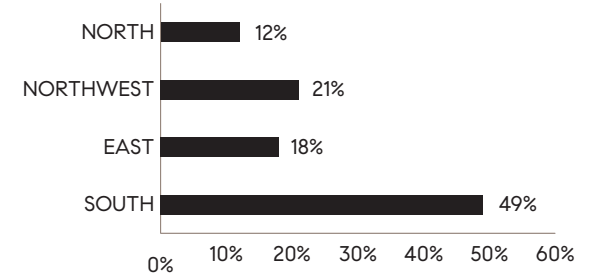
East Brooklyn saw 18% of transactions. These were the largest properties on average, despite a 10% decline in average size compared to this time last year. Prices followed this drop in size, though the 3% increase in average PPSF indicates properties were still more expensive.

North Brooklyn saw the fewest number of sales, but properties here were 8% more expensive than this time last year. The lower half of the market saw the majority of the change, evidenced by the 5% decline in median price and limited change in average price.

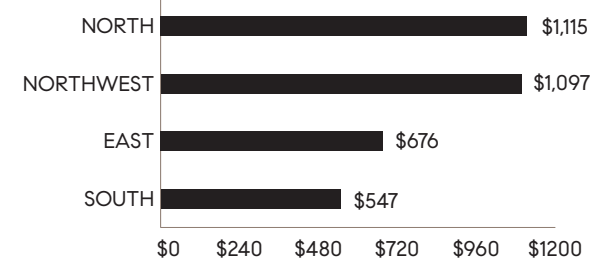
### Q3 2019 RECORDED SALES

	% UNITS	AVERAGE DISCOUNT	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
NORTH	12%	6%	\$995,000	-5%	\$1,181,900	-1%	\$1,115	8%	1,288	-8%
NORTHWEST	21%	3%	\$1,205,000	-4%	\$1,375,984	-13%	\$1,097	-3%	1,358	-12%
EAST	18%	7%	\$725,000	-7%	\$858,877	-9%	\$676	3%	1,902	-10%
SOUTH	49%	8%	\$685,000	1%	\$800,973	2%	\$547	1%	1,568	-5%

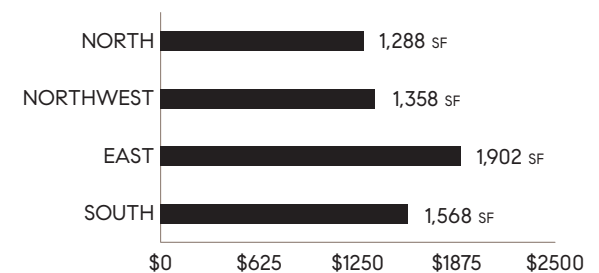
### Q3 2019 PERCENTAGE OF UNITS



### Q3 2019 AVERAGE PPSF

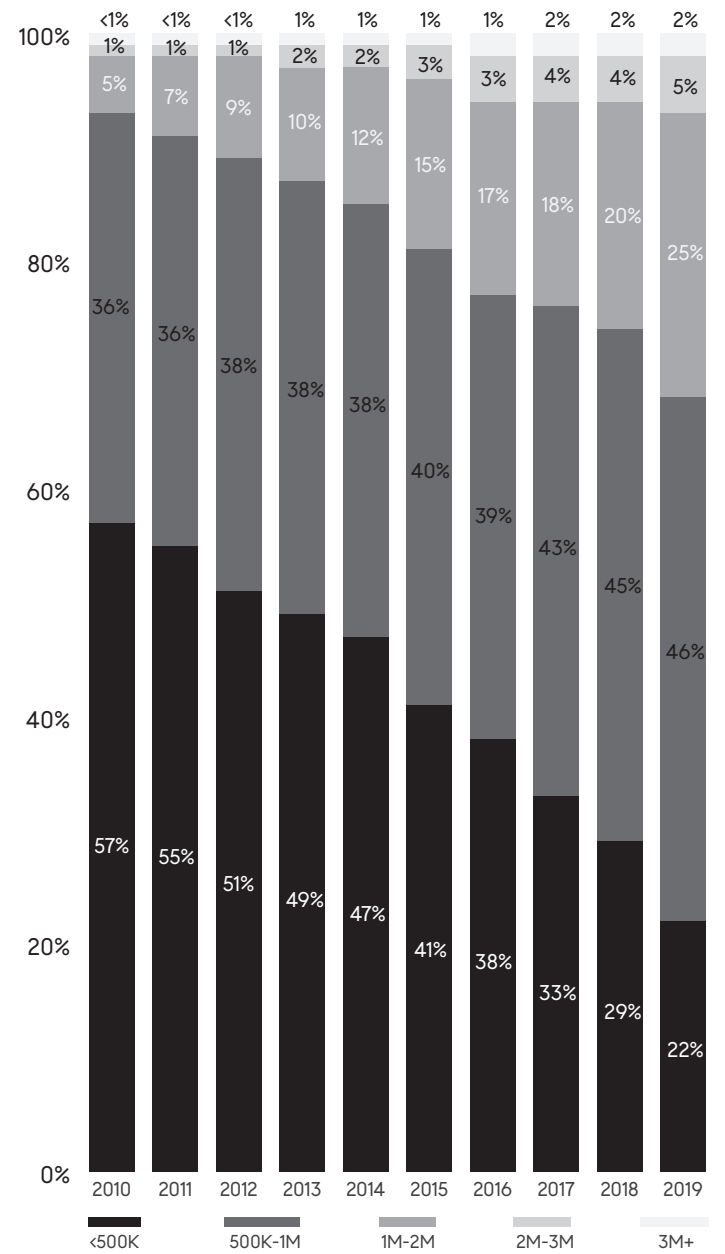


### Q3 2019 AVERAGE SIZE





### HISTORICAL TRENDS IN RECORDED SALES

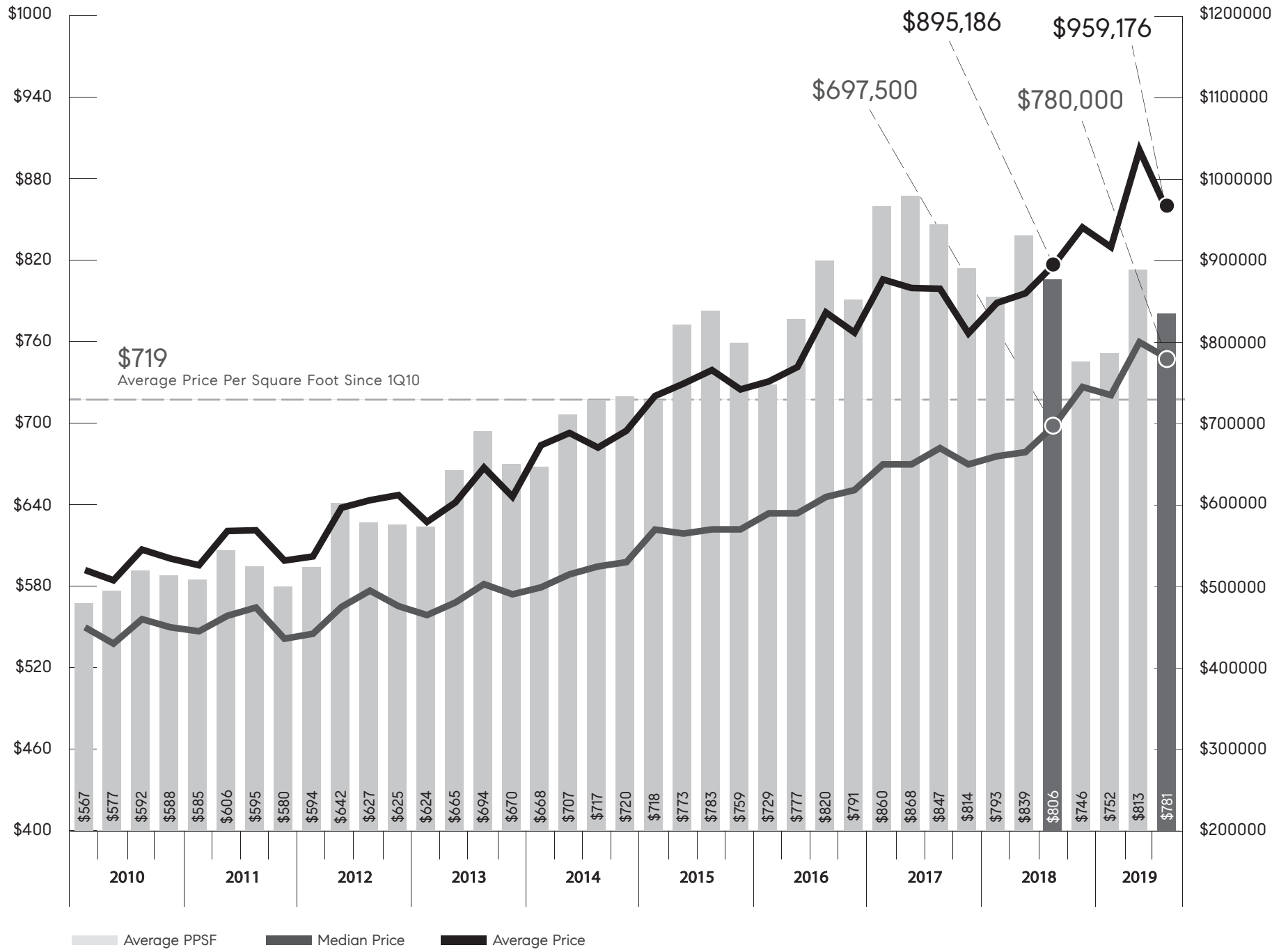


# PRICE PER SQUARE FOOT

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# PRICE TRENDS



# CONTRACTS SIGNED

## BY PROPERTY TYPE

There were 1,694 contracts signed across Brooklyn in the third quarter, a 6% increase from this time last year. Co-ops moved the fastest with 36% signed in the first 59 days and 19% taking longer than 180 days. Condos saw 30% signed in the first 59 days and 29% signed after 180 days. Houses saw 31% signed within 59 days and 24% after 180 days. The average days on market was 143 days, a 29% increase compared to this time last year.

Condos were 41% of contracts signed and were smaller than this time last year by 8% on average. The average price followed, declining 5%, leading to an increase in average PPSF of 4%. 30% of condos were signed in the first 59 days, while 29% were signed after 180 days.

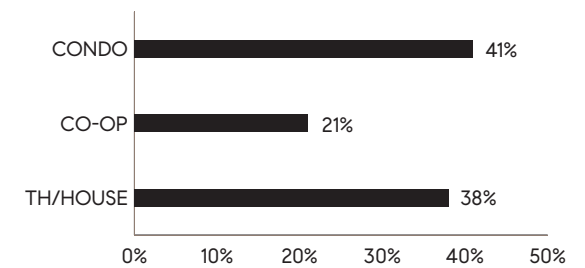
Co-ops were 21% of contracts and were also smaller than this time last year by 9% on average. Price drops in this category exceeded the change in size, leading to a 3% decrease in average SF. 36% of co-ops were signed within 59 days, and 29% after 180 days, the fastest of the three property types.

Houses and townhomes were 38% of contracts signed. Prices in the lower half of the market were reduced, as evidenced by the decreased median price and limited change in average size. 31% entered contract in the first 59 days, compared to 38% one year ago.

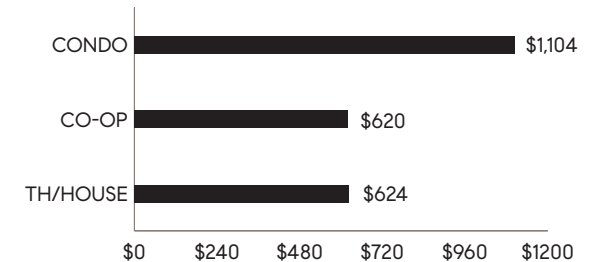
## Q3 2019 CONTRACTS SIGNED

	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
CONDO	41%	\$899,000	0%	\$1,079,820	-5%	\$1,104	4%	988	-8%
CO-OP	21%	\$459,500	-6%	\$569,907	-10%	\$620	-3%	872	-9%
TOWNHOME/ HOUSE	38%	\$1,249,500	-4%	\$1,475,377	-2%	\$624	-3%	2,482	-1%

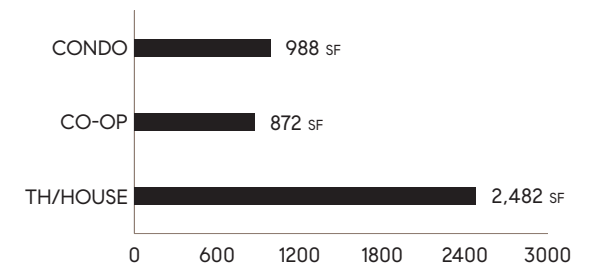
## Q3 2019 PERCENTAGE OF UNITS



## Q3 2019 AVERAGE PPSF



## Q3 2019 AVERAGE SIZE



# CONTRACTS SIGNED

## BY PRICE POINT

Contracts between \$500K-1M climbed to 42% of all deals, the largest share in any third quarter since 2009. These properties were slightly smaller on average (-2%), but prices remained steady, leading to an increase in average PPSF of 3% compared to this time last year. This bracket also moved the fastest, with 34% of contracts happening in the first 59 days.

The \$1M-2M price range saw the second highest market share at 31%, down 1% compared to last quarter, but still the second highest historically. These properties also saw limited change, getting 2% smaller on average and 1% more expensive.

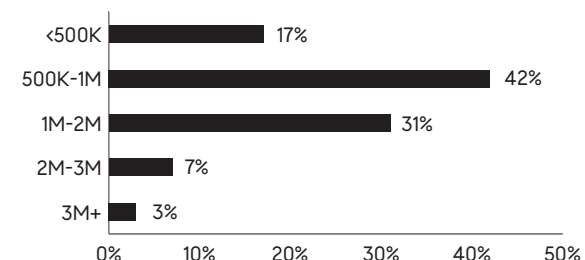
The \$3M+ bracket had the most change, but only accounted for 3% of all contracts. Average price in this market fell 6%, dropping under \$4M for the first time since Q3 2014. Larger properties were signed on average, and time on the market was longer than this time last year, but saw an improvement over last quarter.

Contracts under \$500K saw noticeably less interest this quarter. Only 8% entered contract in the first 29 days, compared to 14% a year ago.

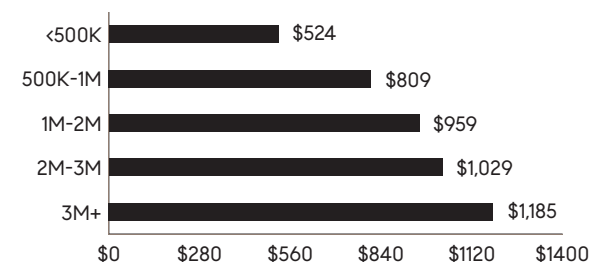
## Q3 2019 CONTRACTS SIGNED

	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
<500K	17%	\$379,000	2%	\$369,008	3%	\$524	0%	806	-6%
500K-1M	42%	\$735,000	1%	\$745,634	0%	\$809	3%	1,178	-2%
1M-2M	31%	\$1,395,000	0%	\$1,429,957	-1%	\$959	1%	1,833	-2%
2M-3M	7%	\$2,395,000	0%	\$2,410,408	-2%	\$1,029	1%	2,720	-7%
3M+	3%	\$3,795,000	-1%	\$3,957,873	-6%	\$1,185	-3%	3,869	3%

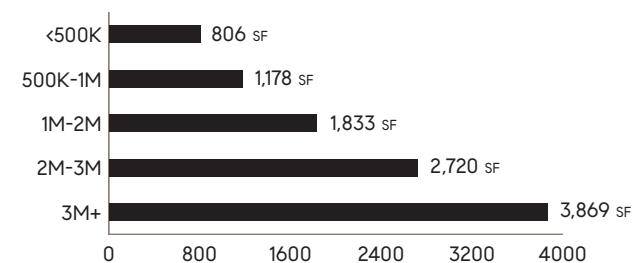
## Q3 2019 PERCENTAGE OF UNITS



## Q3 2019 AVERAGE PPSF



## Q3 2019 AVERAGE SIZE



# CONTRACTS SIGNED

## BY SUBMARKET

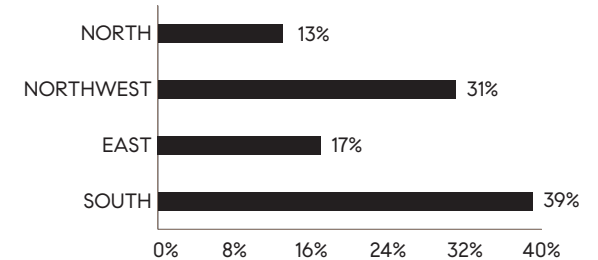
North Brooklyn accounted for 13% of contracts. Properties here were smaller on average and had higher median and average prices compared to this time last year. This led to an increased average PPSF, which climbed 3% year-over-year.

Northwest Brooklyn saw 31% of contracts signed, where prices in the lower end of the market increased, and properties got slightly more expensive, climbing 3% in average PPSF. Only 12% of contracts were signed in the first 29 days, compared to 19% last quarter, and 20% in Q3 of 2018.

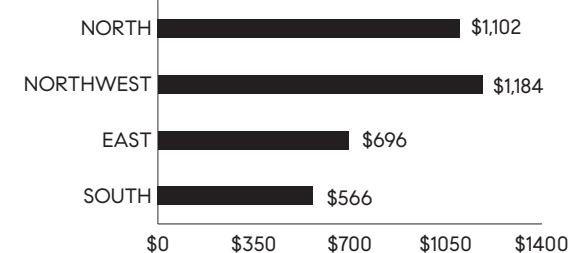
East Brooklyn captured 17% of the market and experienced the most change. Median and average prices fell here by 9% and 5%, respectively, while average size dropped 10%. This led to a modest increase in average PPSF of 4%. Properties here were generally on the market the same duration as they were last year, but many that did not sell within 90 days sat on the market 180 days or more.

South Brooklyn saw 39% of contracts, once again the highest of any submarket, though this was down 4% from the same time last year. Properties were slightly more affordable here, but have continued to see limited growth in price since 2017.

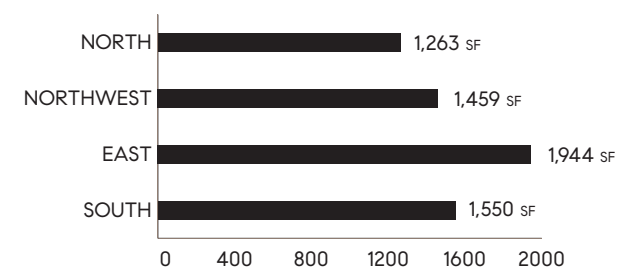
Q3 2019 PERCENTAGE OF UNITS



Q3 2019 AVERAGE PPSF



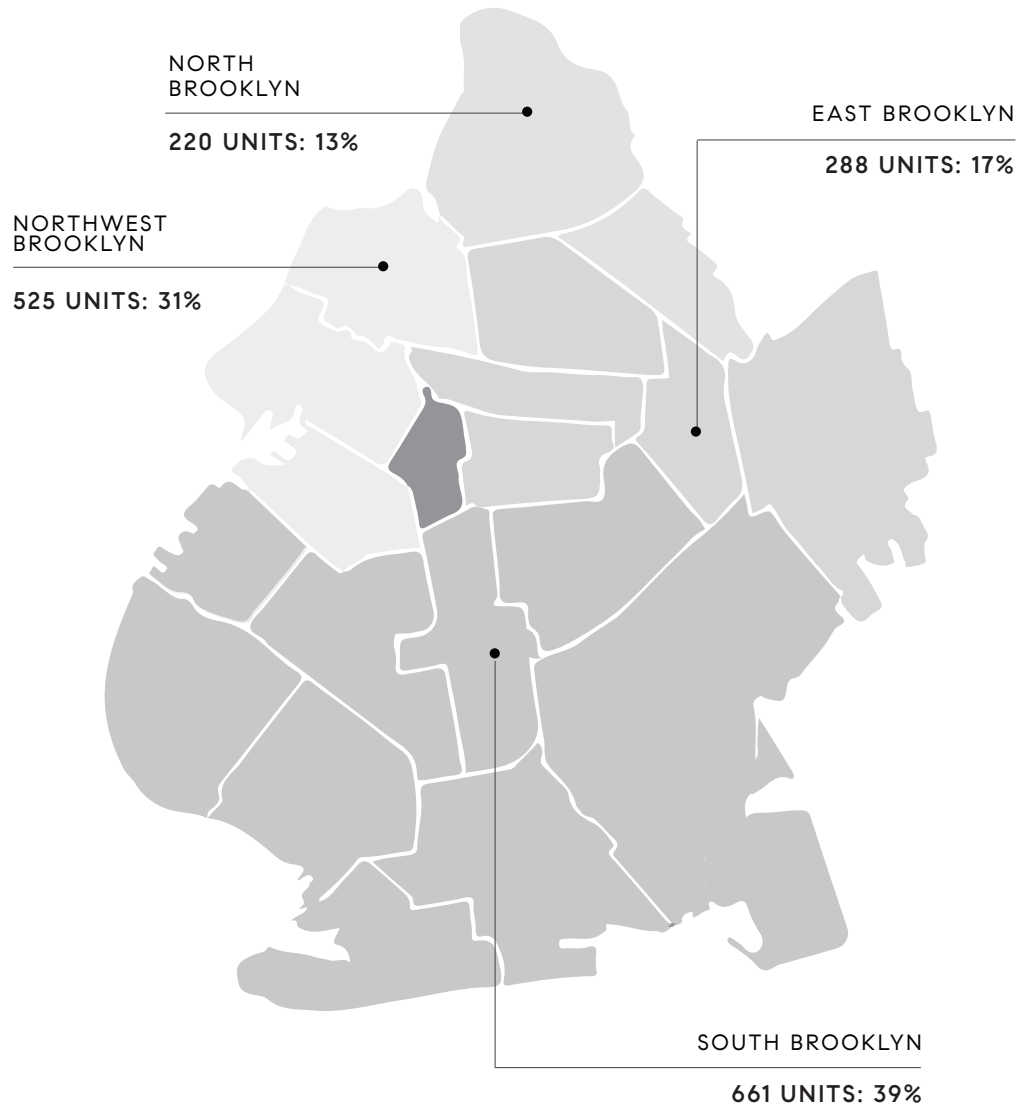
Q3 2019 AVERAGE SIZE



## Q3 2019 CONTRACTS SIGNED

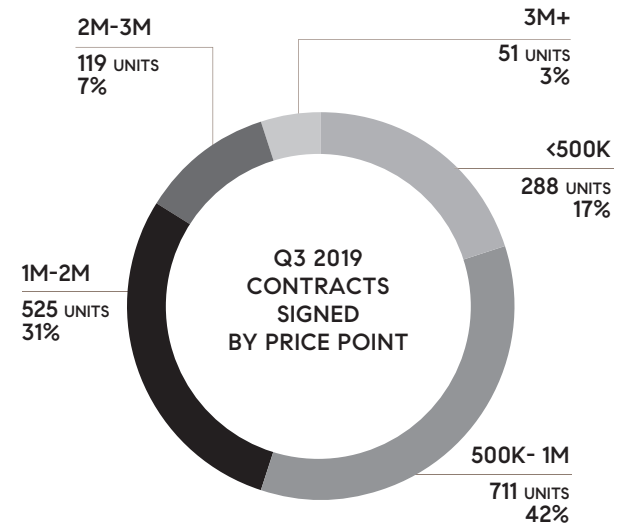
	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
NORTH	13%	\$1,105,889	5%	\$1,274,442	3%	\$1,102	3%	1,263	-4%
NORTHWEST	31%	\$1,250,000	5%	\$1,514,294	-5%	\$1,184	3%	1,459	-5%
EAST	17%	\$899,000	-9%	\$1,111,247	-5%	\$696	4%	1,944	-10%
SOUTH	39%	\$689,500	-1%	\$782,175	-7%	\$566	-1%	1,550	-4%





# 1,694

TOTAL UNITS



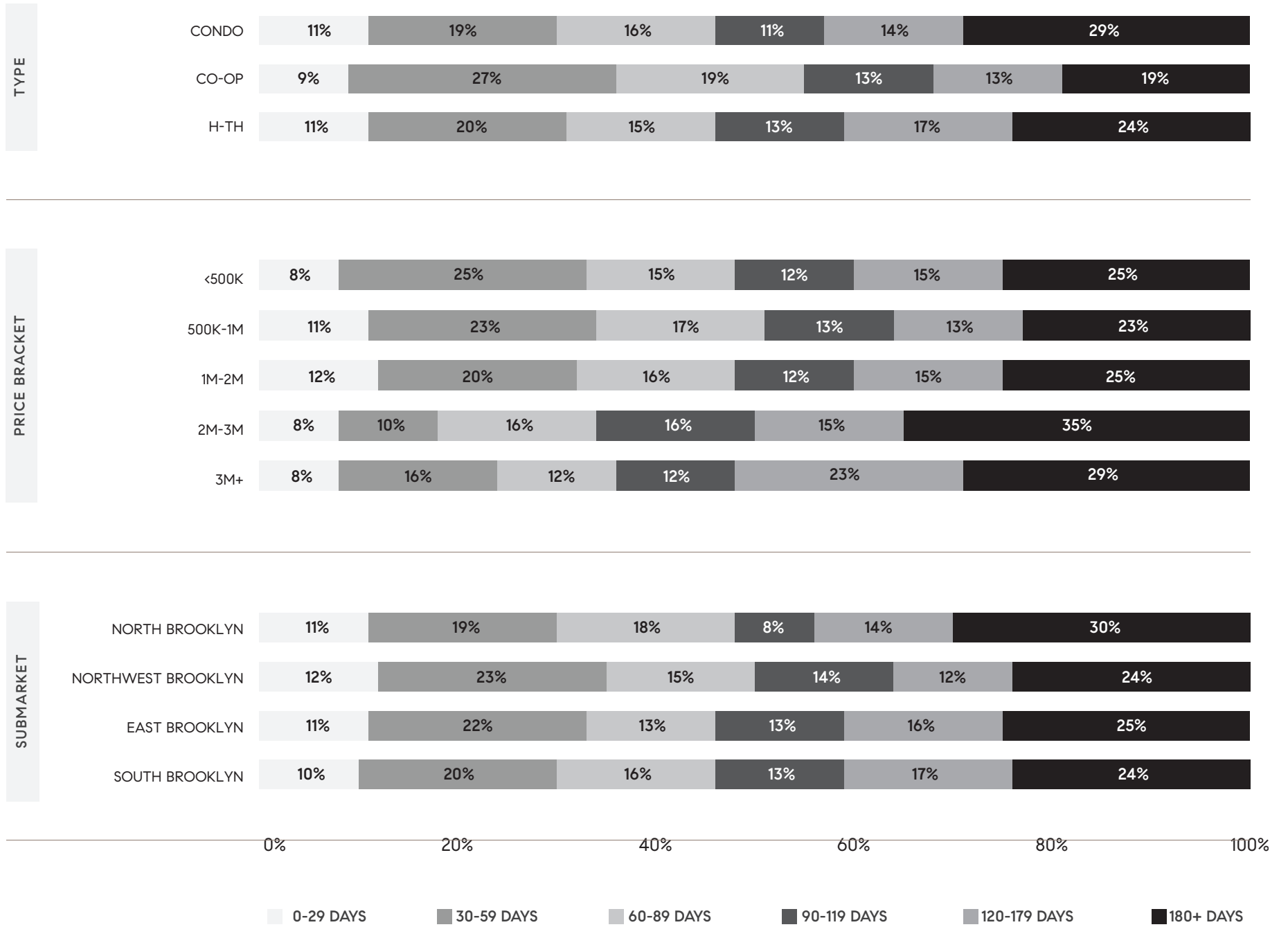
# 10%

OF CONTRACTS SIGNED WERE ABOVE \$2M

# TIME ON THE MARKET

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# TOTAL INVENTORY

## BY PROPERTY TYPE

There were 4,824 actively listed properties on the market at the end of Q3 2019. Houses and townhomes comprised the largest share of inventory, with 48% of all active units, 1% fewer than this time last year. These properties also commanded the highest price of any property type, with a median price of \$1,488,000 (6% increase) and an average price of \$1,958,422 (4% increase).

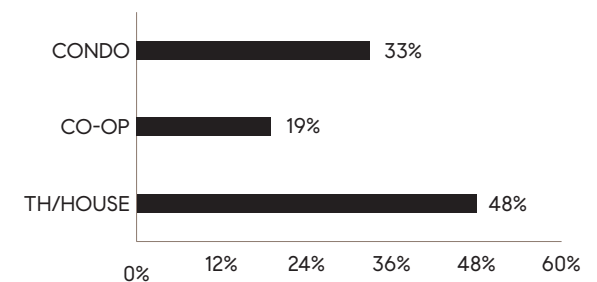
Condos were the second highest, accounting for 33% of active inventory. They saw an 8% increase in average PPSF, a result of their average size decreasing to 1,193 SF (-4%) and average price increasing to \$1,346,902 (+6%). These properties were the most expensive on the market with an average PPSF of \$1,113/SF.

Co-ops made up only 19% of active inventory, a 2% decline from this time last year. These properties saw a 12% drop in average size and a 6% decrease in average price. Despite this, the average PPSF did not change year-over-year. Co-ops were the most affordable property type at \$633/SF on average.

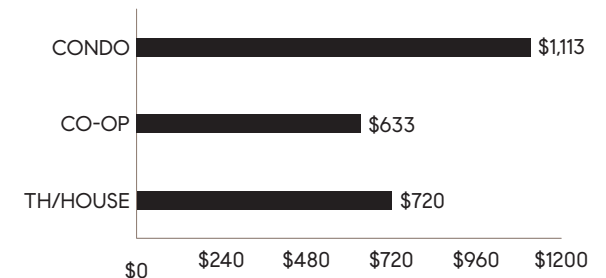
### Q3 2019 INVENTORY

	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
CONDO	33%	\$969,000	2%	\$1,346,902	6%	\$1,113	8%	1,193	-4%
CO-OP	19%	\$499,000	0%	\$690,614	-6%	\$633	0%	1,111	-12%
TOWNHOME/ HOUSE	48%	\$1,488,000	6%	\$1,958,422	4%	\$720	0%	2,700	0%

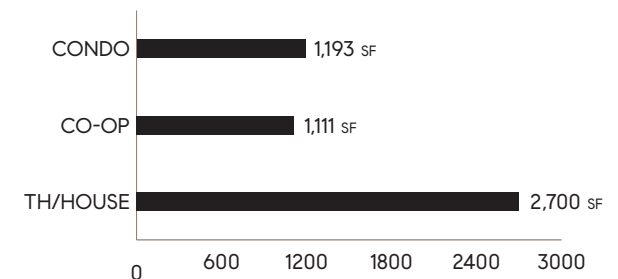
### Q3 2019 PERCENTAGE OF UNITS



### Q3 2019 AVERAGE PPSF



### Q3 2019 AVERAGE SIZE



# TOTAL INVENTORY

## BY PRICE POINT

The \$500K-1M price bracket accounted for 36% of all active listings, the highest of any category. Their average PPSF climbed 3% to \$756/SF, a result of their average size decreasing by 3% on average compared to this time last year. Prices in this group were steady.

Properties priced \$1M-2M followed closely with 32% of inventory. Properties at this price range were 8% more expensive than last year, despite only a 2% decrease in their average size. No significant price changes were observed.

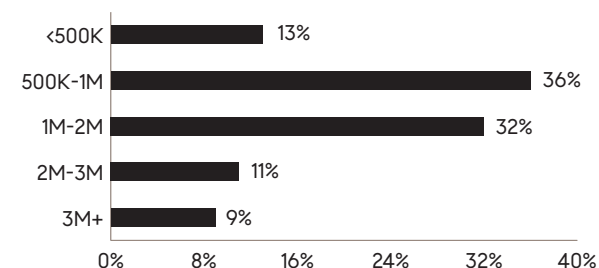
Inventory under \$500K took 13% of the market share and saw the most change of any price bracket. The median price and average price both rose 6% to \$369,000 and \$365,619, respectively. The average PPSF was up 5% year-over-year, accompanying a 6% decrease in average size.

Properties above \$2M were 20% of the market. Those priced \$2M-3M were 6% smaller, but did not see any price reductions, leading to the observed 5% increase in average PPSF. Those priced \$3M and up were 4% smaller with a 5% increase in average PPSF.

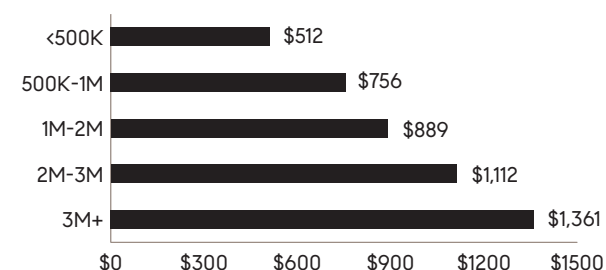
### Q3 2019 INVENTORY

	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
<500K	13%	\$369,000	6%	\$365,619	6%	\$512	5%	825	-6%
500K-1M	36%	\$750,000	0%	\$756,764	0%	\$756	3%	1,271	-3%
1M-2M	32%	\$1,450,000	0%	\$1,472,097	0%	\$889	8%	2,040	-2%
2M-3M	11%	\$2,400,000	0%	\$2,459,353	0%	\$1,112	5%	2,648	-6%
3M+	9%	\$3,999,000	0%	\$5,318,954	2%	\$1,361	5%	4,017	-4%

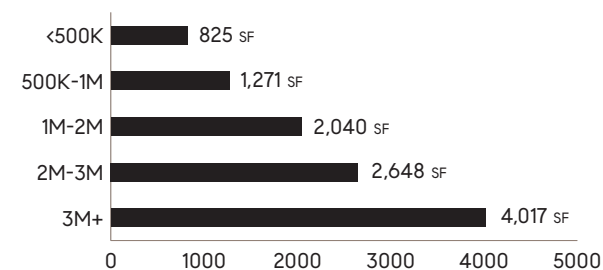
### Q3 2019 PERCENTAGE OF UNITS



### Q3 2019 AVERAGE PPSF



### Q3 2019 AVERAGE SIZE



# TOTAL INVENTORY

## BY SUBMARKET

North Brooklyn held 13% of active inventory. The average PPSF rose just 1% despite no change in average size, a 5% increase in average price, and a 2% increase in median price. The average size of 1,831 SF was the smallest, yet properties in this area commanded the second highest average PPSF of \$1,077/SF.

Northwest Brooklyn accounted for 25% of inventory and was the highest-priced region with a median price of \$1,549,500 (2% decline) and an average price of \$2,087,959 (1% increase). The average PPSF here increased 3% due to a 3% decline in average size. Properties here barely trailed North Brooklyn for smallest on average at 1,834 SF.

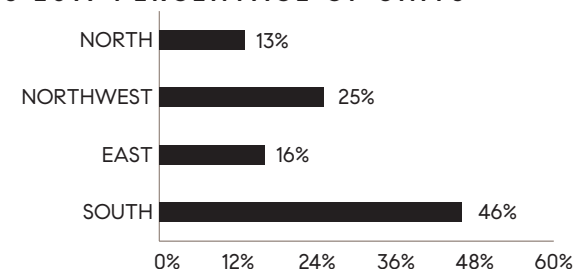
East Brooklyn was 16% of listings. Properties here were 5% smaller on average, causing the average PPSF to increase 3%. No median or average price changes were observed compared to this time last year.

South Brooklyn commanded 46% of listings. Increases in all metrics were seen, with average price climbing 5% and median price climbing 3%. Properties here were the most affordable at \$630/SF on average, and average price of \$1,185,757.

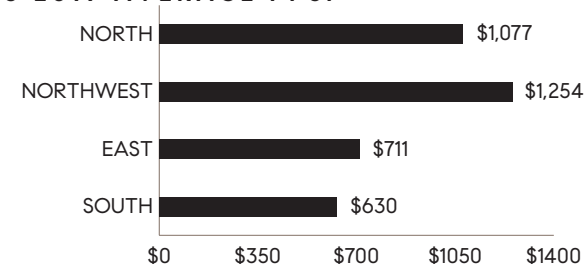
## Q3 2019 INVENTORY

	% UNITS	MEDIAN PRICE	YOY	AVERAGE PRICE	YOY	AVERAGE PPSF	YOY	AVERAGE SF	YOY
NORTH	13%	\$1,375,000	2%	\$1,910,930	5%	\$1,077	1%	1,831	0%
NORTHWEST	25%	\$1,549,500	-2%	\$2,087,959	1%	\$1,254	3%	1,834	-3%
EAST	16%	\$999,999	0%	\$1,331,580	0%	\$711	3%	2,198	-5%
SOUTH	46%	\$868,000	3%	\$1,185,757	5%	\$630	1%	1,842	1%

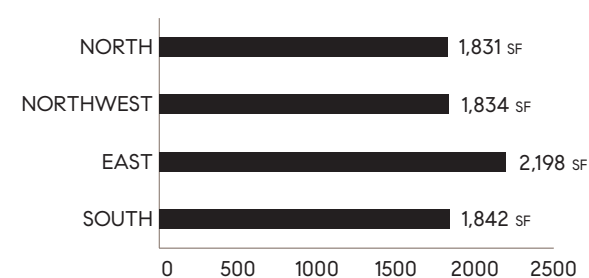
## Q3 2019 PERCENTAGE OF UNITS

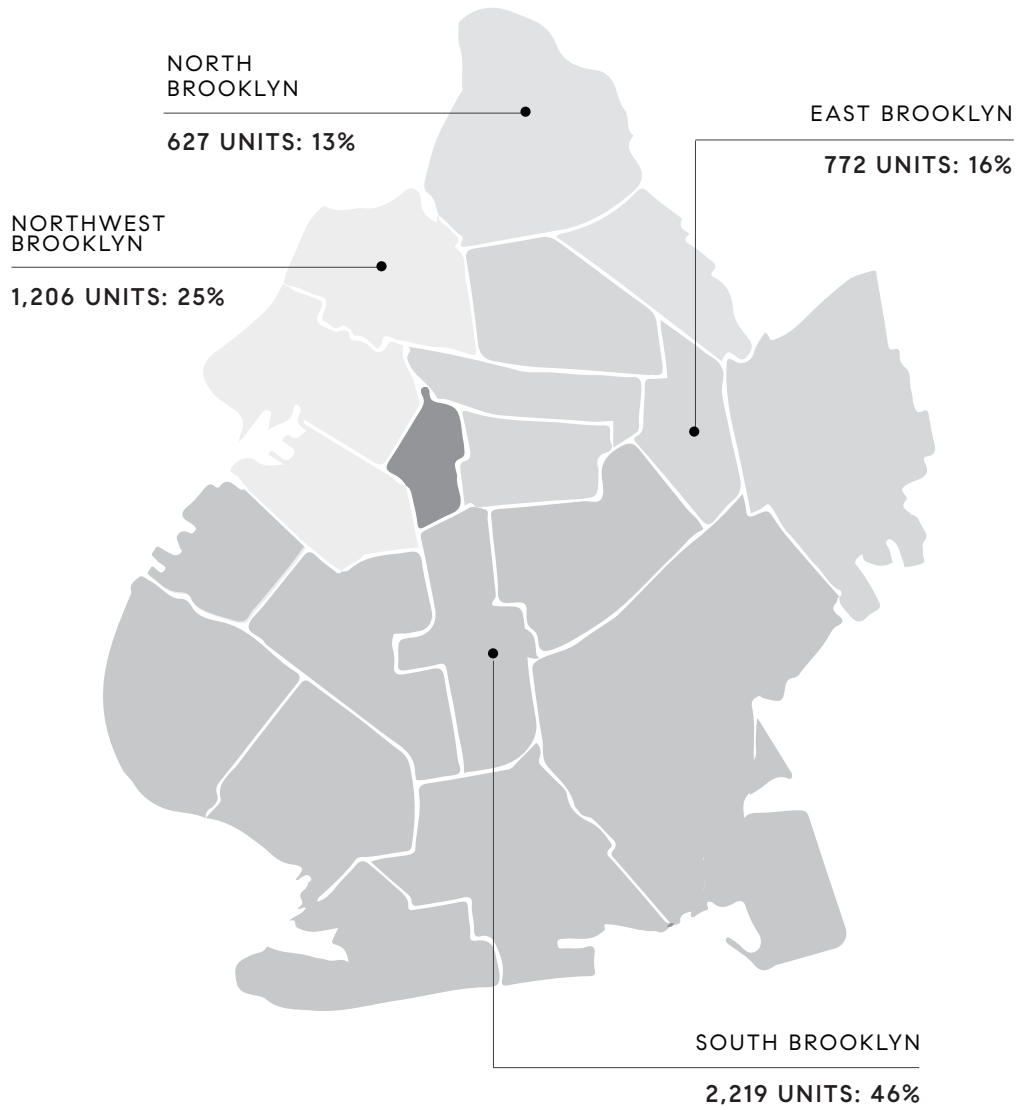


## Q3 2019 AVERAGE PPSF

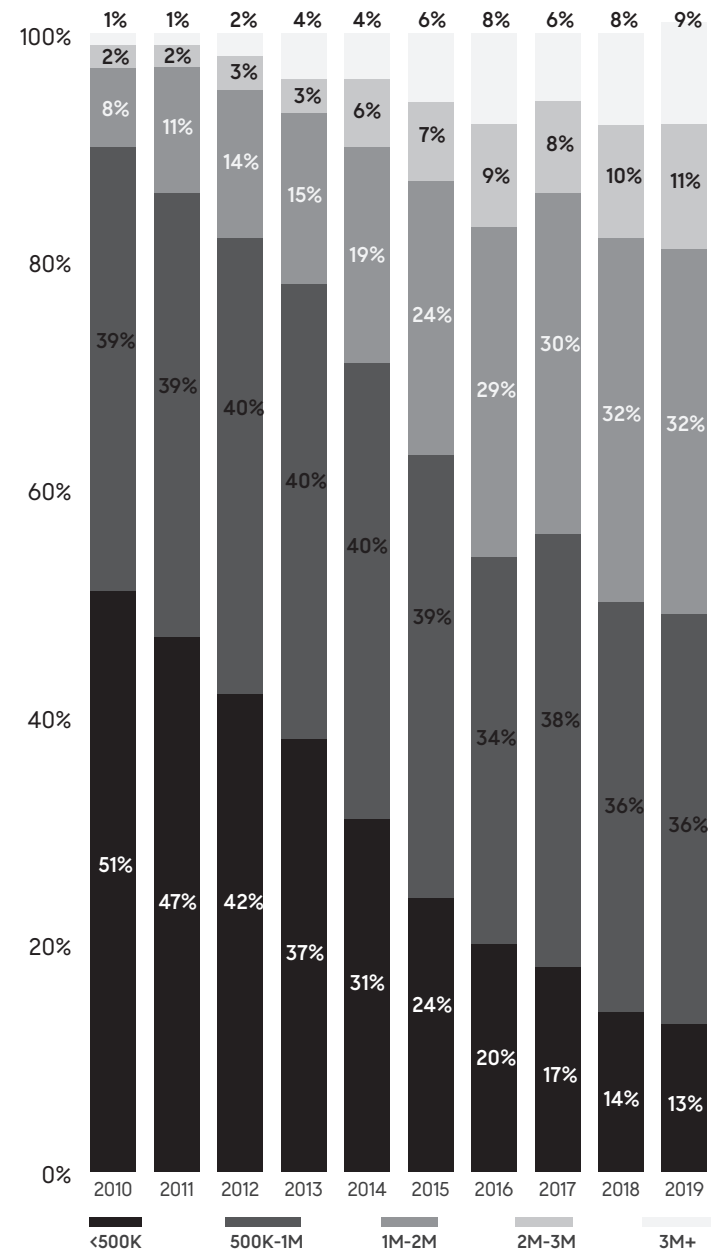


## Q3 2019 AVERAGE SIZE





### Q3 HISTORICAL INVENTORY



# MONTHS OF SUPPLY

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Q3 2019

Q3 2018

4,824

ACTIVE  
INVENTORY

665

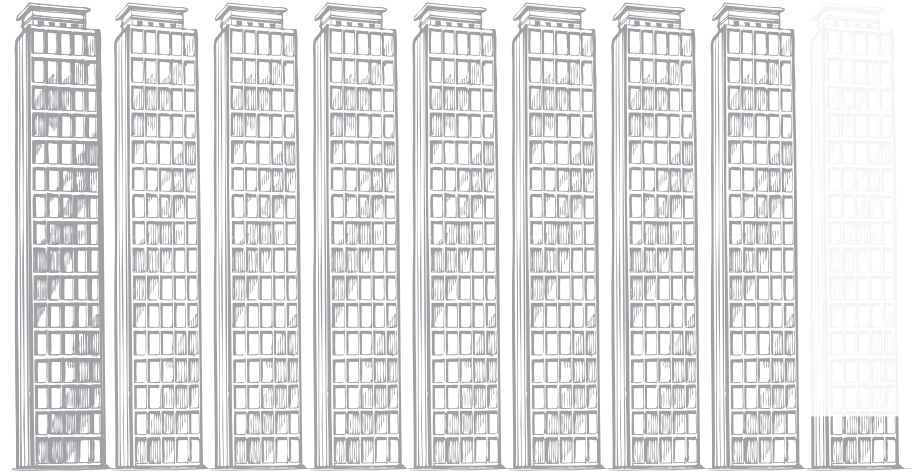
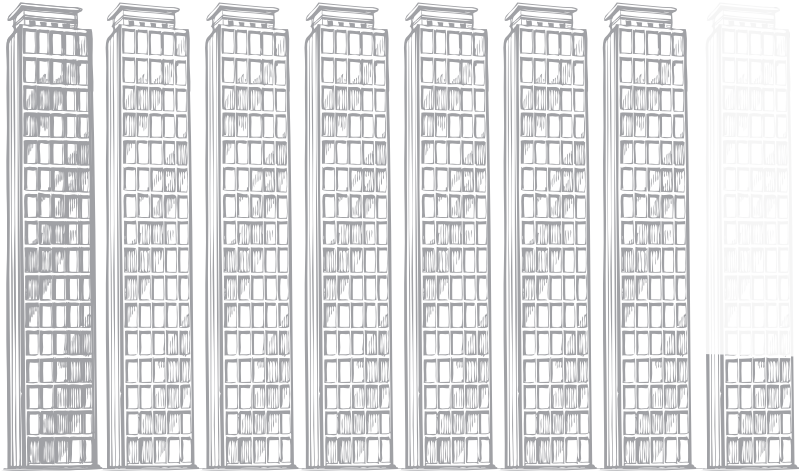
CONTRACTS SIGNED  
PER MONTH

4,991

ACTIVE  
INVENTORY

614

CONTRACTS SIGNED  
PER MONTH



7.3

MONTHS OF SUPPLY

8.1

MONTHS OF SUPPLY

# COMPASS

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