

BROOKLYN

Market Overview

A Quarterly Survey of Brooklyn Residential Sales

3Q 09



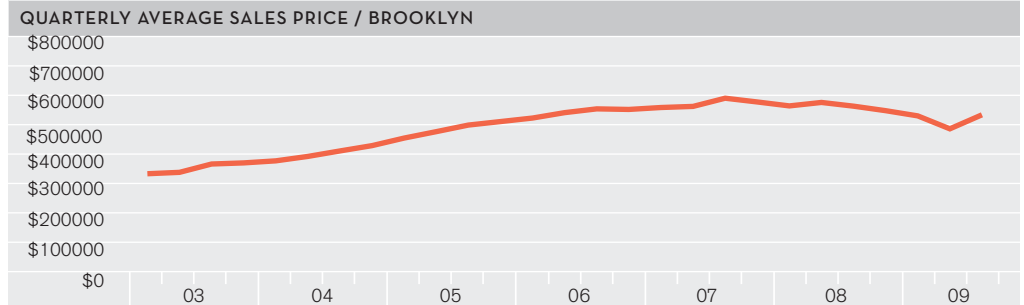
Prepared by Miller Samuel Inc.
Appraisal and consulting services covering
the New York City metropolitan area

Price indicators and number of sales rose over summer

Number of sales surged from prior quarter as inventory fell The number of sales surged for the second consecutive quarter, rising 29.3% to 1,847 units from 1,428 units in the second quarter. Despite the increase in activity, the number of sales were 19.6% below the 2,298 sales in the prior year quarter. The jump in the number of sales from the prior quarter reflects a release of pent-up demand. There was an unusually low level of sales activity seen in the early part of the year that began with the Lehman bankruptcy tipping point on September 15, 2008. As a result of the increase in activity, listing inventory has fallen sharply, but remains above typical levels. There were 5,600 properties listed for sale, down 21.2% from the prior year quarter total of 7,103 units and down 11.5% below the 6,330 listings in the prior year quarter. The decline in listings from the prior quarter reflects the surge in activity which had the effect of eroding inventory levels. The decline of inventory levels from the prior year quarter, despite the drop in the number of sales over the same period, was caused in part by individual sellers removing their listings from the market in hopes of relisting when conditions improved.

Despite increase in number of sales, listing discount and days on market expanded The typical Brooklyn property took 165 days to sell, more than a month longer than the 133 days on market of the prior year quarter and 19 days

BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$544,676	10%	\$495,120	-5.3%	\$575,287
Median Sales Price	\$476,000	7.9%	\$441,090	-6.7%	\$510,000
New Developments	\$514,848	4.7%	\$491,895	-6.4%	\$549,930
Re-Sale	\$462,000	7.4%	\$430,000	-7.6%	\$500,000
Number of Sales	1,847	29.3%	1,428	-19.6%	2,298
Days on Market (from Last List Date)	165	12.8%	146	23.9%	133
Listing Discount (from Last List Price)	5.6%		5.1%		3.2%
Listing Inventory	5,600	-11.5%	6,330	-21.2%	7,103



longer than the prior quarter. Over the same period, the listing discount continued to expand, rising to 5.6% from 3.2% in the prior year quarter and up modestly from 5.1% in the prior quarter.

Price indicators down from prior year quarter, but up from prior quarter The average sales price of a Brooklyn property was \$544,676 down 5.3% from the prior year quarter average sales price of \$575,287 in the same period year last year, but up 10% from \$495,120 in the prior year quarter. Median sales price showed a similar pattern, slipping 6.7% to \$476,000 from \$510,000 in the prior year quarter, but up 7.9% from the prior quarter. With the \$441,090 median sales price in second quarter, this price indicator

had fallen 18.3% from the third quarter 2007 peak of \$540,000. The uptick in median sales price from the prior quarter is the first increase after seven consecutive quarterly declines. The sales for the quarter were comprised of 12.7% new development, so their impact on the overall price indicators was muted even though they lag market conditions by 12 to 18 months. The median sales price for new development property slipped 6.4% from the prior year quarter while median sales price of re-sale properties slipped 7.6% from the same period.

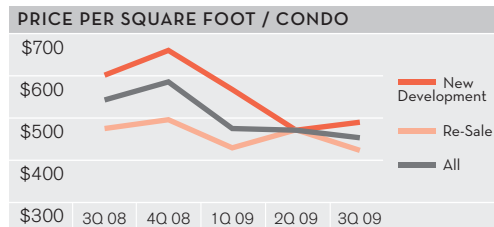
CONDO *market*

Number of sales surged

Price indicators down from prior year quarter, but sideways over summer The median sales price of a condo was \$496,860, down 1.7% from the same period last year, but rose 4.5% from \$475,283 in the prior quarter. Price per square foot fell 16.6% to \$453 from \$543 in the prior year quarter and down 4% from \$471 in the prior quarter. The price indicator patterns were consistent with sales activity. There were

CONDO MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$545,220	5.1%	\$518,847	-5.1%	\$574,559
Average Price per Square Foot	\$453	-4%	\$471	-16.6%	\$543
New Developments	\$490	4%	\$471	-18.7%	\$602
Re-Sale	\$423	-10.4%	\$472	-11%	\$475
Median Sales Price	\$496,860	4.5%	\$475,283	-1.7%	\$505,493
Number of Sales	463	24.5%	372	-29.8%	660
Days on Market (from Last List Date)	159	-1.9%	162	0%	159
Listing Discount (from Last List Price)	4.7%		7%		3.8%

463 sales in the third quarter, down 29.8% from the prior year quarter, but surged 24.5% from the prior quarter. More sales activity resulted in stabilization of marketing time as evidenced by 159 days in the third quarter, unchanged from the prior year quarter.



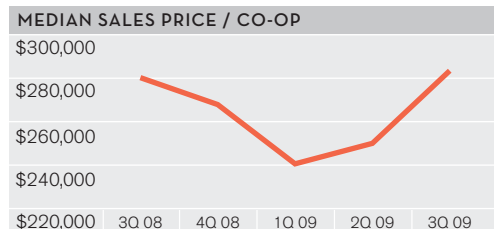
CO-OP *market*

Price indicators and number of sales jumped from prior quarter

Price indicators moved sideways from prior year quarter Median sales price was \$283,210 in the third quarter, up 1.1% from \$280,000 during the same period last year, but jumped 13.5% from the prior quarter median sales price of \$249,500. There were 440 sales in the current quarter, down 26.2% from the prior year quarter

CO-OP MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$377,401	20.4%	\$313,432	-1.7%	\$383,831
Median Sales Price	\$283,210	13.5%	\$249,500	1.1%	\$280,000
Number of Sales	440	29.4%	340	-26.2%	596
Days on Market (from Last List Date)	168	21.7%	138	23.5%	136
Listing Discount (from Last List Price)	5.8%		4.8%		2.6%

total of 596 sales, but surged 29.4% from 340 sales in the prior quarter. However, both listing discount and days on market expanded from the same period a year ago. Days on market was 168 days, a month longer than the 136 days in the prior year quarter. Listing discount was 5.8%, up from 2.6% over the same period.



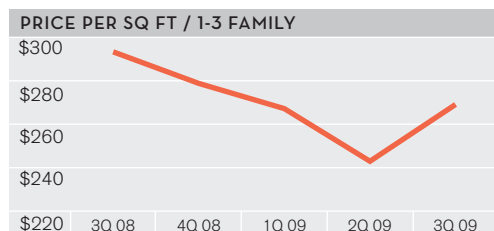
1-3 FAMILY *market*

Number of sales rose over the summer

Price indicators down from prior year quarter, up from prior quarter. The median sales price of was down 10.6% to \$536,300 from \$600,000 in the prior year quarter, but up 3.1% from \$520,000 in the prior quarter. Number of sales showed the same pattern falling 9.4% to 944

1-3 FAMILY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$622,376	9.4%	\$569,068	-9.2%	\$685,257
Average Price per Square Foot	\$268	11.3%	\$241	-8.6%	\$293
Median Sales Price	\$536,300	3.1%	\$520,000	-10.6%	\$600,000
Number of Sales	944	31.8%	716	-9.4%	1,042
Days on Market (from Last List Date)	166	17.7%	141	44.3%	115
Listing Discount (from Last List Price)	6%		4.3%		3.2%

units from 1,042 units in the prior year quarter, but surged 31.8% above the 716 units in the prior quarter. Despite the recent surge in sales, there were 51.6% fewer 1-3 family properties sold in the third quarter than the same period in 2007. This property type comprises 51.1% of all Brooklyn sales.



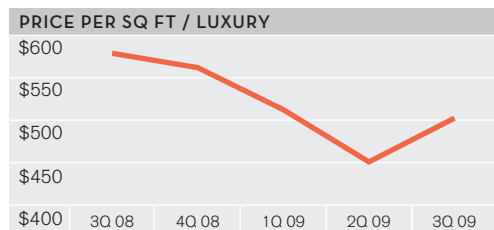
LUXURY *market*

Largest decline in price indicators of all property types

Price indicators decline from prior year quarter, increase from prior quarter The median sales price of a luxury property was \$1,044,500 in the third quarter, 13.7% below the \$1,210,000 of the prior year quarter, but up 6.2% from the prior quarter. Average sales price and price per square foot saw declines of 2.4% and 13.2% from

LUXURY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,380,603	16.1%	\$1,189,499	-2.4%	\$1,414,429
Average Price per Square Foot	\$503	11.6%	\$451	-13.2%	\$580
Median Sales Price	\$1,044,500	6.2%	\$983,622	-13.7%	\$1,210,000
Number of Sales	184	29.6%	142	-20%	230
Days on Market (from Last List Date)	201	29.7%	155	41.5%	142
Listing Discount (from Last List Price)	9.3%		7.6%		1.7%

the same period last year, but increases of 16.1% and 11.6% from the prior quarter, respectively. Days on market expanded by nearly 2 months to 201 days from 142 days in the prior year quarter. Listing discount jumped to 9.3% from 1.7% in the prior year quarter.



Note: This sub-category is the analysis of the top ten percent of all co-op, condo and 1-3 family sales. The data is also contained within the co-op, condo and 1-3 family markets presented.

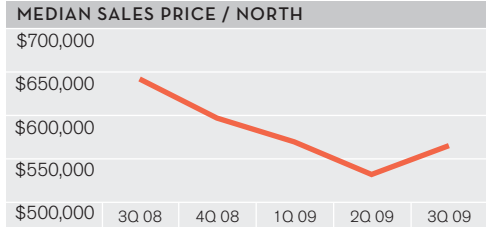
NORTH

Price indicators declined from prior year quarter

Region showed largest decline in number of sales There were 113 sales in North Brooklyn, down 40.8% from 191 sales in the prior year quarter, but up 20.2% from 94 units in the prior quarter. The decline from the same period last year was attributable to condo sales, which comprise 77% of all sales in the region. However, the region accounts for 6.1% of all sales in the borough down from 8.3% in the same period last year. The median sales price was \$564,110 in the third quarter, down 12.1% from \$641,497 in the prior year quarter, but up 6.3% from \$530,658 in the prior quarter. The median sales price for condos showed a similar trend given their significant market share, falling 10.1% to

NORTH BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$587,972	4.7%	\$561,596	-14.6%	\$688,529
Average Price per Square Foot		\$334	-20.9%	\$423	-34.7%	\$512
Median Sales Price		\$564,110	6.3%	\$530,658	-12.1%	\$641,497
Number of Sales		113	20.2%	94	-40.8%	191

CONDO SUBMARKET MATRIX / NORTH		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$561,836	5.3%	\$533,371	-17.2%	\$678,853
Average Price per Square Foot		\$456	-11.6%	\$516	-26.5%	\$620
Median Sales Price		\$555,000	10.8%	\$501,027	-10.1%	\$617,049



QUINTILES / Median Sales Price by No. of Sales / NORTH	Current Qtr	% Chg Prior Year Qtr
5/5	\$875,250	-21.1%
4/5	\$720,411	-8.4%
3/5	\$574,099	-10.5%
2/5	\$491,790	-1.6%
1/5	\$300,000	-21.1%

\$555,000 in the third quarter from \$617,049 in the prior year quarter, but up 10.8% from \$501,027 in the prior quarter. The change in median sales price by quintile showed declines

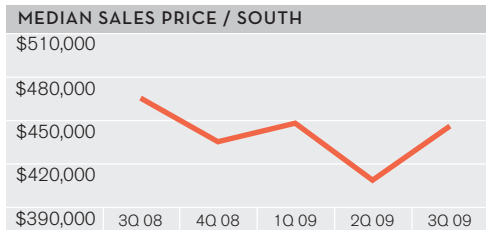
in all categories compared to the prior year quarter yet showed increases in four of the five categories from the prior quarter.

SOUTH

Price indicators increased over the summer

Price indicators and number of sales showed gains from prior quarter Median sales price was \$445,479 for the quarter, down 4.2% from \$465,000 during the same period last year, yet jumped 9.2% from \$407,810 in the prior quarter. Average sales price showed a similar pattern, falling 3.4% from the same period last year and rising 7.2% from the prior quarter. An exception to this trend was the co-op submarket, which showed gains over the same period last year. The median sales price was \$210,000 in the third quarter, up 5% from \$200,000 in the prior year quarter and up 2.5% from \$204,900 in the prior

SOUTH BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$491,318	7.2%	\$458,394	-3.4%	\$508,362
Median Sales Price	All	\$445,479	9.2%	\$407,810	-4.2%	\$465,000
	Condo	\$420,810	-4.6%	\$441,090	-1.4%	\$426,887
	Co-op	\$210,000	2.5%	\$204,900	5%	\$200,000
	1-3 Family	\$550,000	5.8%	\$520,000	-11.3%	\$620,000
Number of Sales		1,060	25.3%	846	-14.4%	1,238



QUINTILES / Median Sales Price by No. of Sales / SOUTH	Current Qtr	% Chg Prior Year Qtr
5/5	\$800,000	-4.7%
4/5	\$580,000	-5.4%
3/5	\$450,000	-3.2%
2/5	\$330,000	6.5%
1/5	\$178,725	5.5%

quarter. Median sales price by quintile showed positive gains from the prior year quarter of 5.5% and 6.5% respective to the first and second quintile median sales price. There was a 14.4% decline in the number of sales this quarter to

1,060 units from 1,238 units in the prior year quarter, yet surged 25.3% from the prior quarter total of 846 units.

EAST

A decline in the number of sales from prior year quarter

Price indicators showed lower rate of decline Median sales price was \$425,962, down 3.5% from \$441,400 in the same period a year ago, but up 4.3% from \$408,213 in the prior quarter. This represents a significant easing in the pace of decline, which has seen year over year declines in the prior year quarter of -20.3%, followed by subsequent declines of -15.1%, -25.2%, -18.3% and -3.5%. There was a modest year over year decline in median sales price for each quintile indicating the these easing of the rate of price decline was not skewed by a change in the mix

EAST BROOKLYN MARKET MATRIX		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$421,285	1.1%	\$416,847	-4.3%	\$440,442
Median Sales Price	All	\$425,962	4.3%	\$408,213	-3.5%	\$441,400
	Condo	\$402,000	1.9%	\$394,446	19.4%	\$336,648
	1-3 Family	\$435,000	1.3%	\$429,500	-10.9%	\$488,436
Number of Sales		259	6.6%	243	-26.6%	353



QUINTILES / Median Sales Price by No. of Sales / EAST	Current Qtr	% Chg Prior Year Qtr
5/5	\$628,300	-5.9%
4/5	\$520,000	-5.5%
3/5	\$431,254	-2.3%
2/5	\$319,410	-5.4%
1/5	\$200,000	-0.5%

of sales. Average sales price followed the same pattern, down 4.3% to \$421,285 from \$440,442 in the same period a year ago, but up 1.1% from \$416,847 in the prior quarter. There were 259

sales in the third quarter, down 26.6% from 353 sales in the prior year quarter, but up 6.6% from 243 sales in the prior quarter.

NORTHWEST

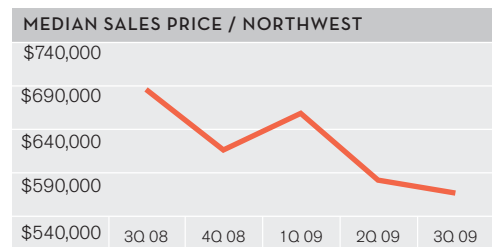
Number of sales surged from prior quarter

Price indicators showed declines The median sales price for a Northwest Brooklyn property was \$565,000, down 14.2% from the prior year quarter median sales price of \$658,250 and down 2.6% from the prior quarter median sales price of \$580,000. Average sales price was \$764,184, down 5.1% from the prior year quarter average sales price of \$786,189, but jumped 10.7% from the prior quarter average sales price of \$674,063. The surge in the number of sales over the summer caused the price indicators to show mixed results after trending lower for the past two years.

Number of sales declined There were 415 sales in the quarter, down 19.6% from the prior year quarter total of 516 sales, but surged 69.4% from 245 sales in the prior quarter. Market share of the region was 22.5% of all borough sales, the highest level in the past year, equaling the third

quarter of 2008. Co-op market share of sales activity continues to rise at the expense of condo and 1-3 family activity. Market share for co-ops reached 48.9%, the third consecutive quarterly gain in market share since 35.9% in the fourth quarter of 2008.

NORTHWEST BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$746,184	10.7%	\$674,063	-5.1%	\$786,189
Median Sales Price	\$565,000	-2.6%	\$580,000	-14.2%	\$658,250
Number of Sales	415	69.4%	245	-19.6%	516



QUINTILES / Median Sales Price by No. of Sales / NORTHWEST	Current Qtr	% Chg Prior Year Qtr
5/5	\$1,250,000	-3.8%
4/5	\$765,362	-13.6%
3/5	\$569,500	-13.5%
2/5	\$443,045	-10.5%
1/5	\$319,000	-8.9%

BROWNSTONE

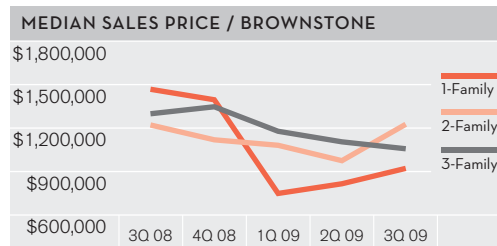
Number of sales and price indicators jumped from prior quarter

Price indicators showed year over year declines, with exception of 2-family properties Overall median sales price was \$1,130,000, down 13.9% from \$1,312,500 in the prior year quarter, but up 15.3% from \$980,000 in the second quarter. Average sales price showed a similar pattern with a 2.7% decline to \$1,484,909 in the third quarter from \$1,525,799 in the prior year quarter, but jumped 34.9% from \$1,100,792. Price per square foot fell 9% to \$547 in the third quarter from \$601 in the prior year quarter, but jumped 34.1% from \$408. Two-family properties represent nearly 70% of all brownstone sales

and were the only brownstone segment to see a modest increase in median sales price compared to the same period last year. The median sales price was \$1,225,000, up 0.4% from \$1,220,000 in the prior year quarter and up 26.9% from \$965,000 in the second quarter.

but 44.2% higher than the prior quarter total of 43 units. The jump in activity was the second consecutive sharp quarterly increase.

Number of sales jumped from prior quarter There were 62 sales in the third quarter, 11.4% below the 70 sales in the prior year quarter,



Note: This sub-category is the analysis of 1-3 family sales that are already included within the Northwest Brooklyn market section.

BROWNSTONE BROOKLYN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr	
Average Sales Price	\$1,484,909	34.9%	\$1,100,792	-2.7%	\$1,525,799	
Average Price per Square Foot	\$547	34.1%	\$408	-9.0%	\$601	
Median Sales Price	All	\$1,130,000	15.3%	\$980,000	-13.9%	\$1,312,500
	1-Family	\$910,000	13.8%	\$800,000	-38.3%	\$1,475,000
	2-Family	\$1,225,000	26.9%	\$965,000	0.4%	\$1,220,000
	3-Family	\$1,050,000	-4.5%	\$1,099,500	-19.2%	\$1,300,000
Number of Sales	62	44.2%	43	-11.4%	70	

NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN

Greenpoint
Navy Yard
Williamsburg-Central
Williamsburg-East
Williamsburg-North
Williamsburg-South

NORTHWEST BROOKLYN

Northwest Brooklyn
"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Cobble Hill-West
Downtown-Fulton Ferry
Downtown-Fulton Mall

SOUTH BROOKLYN

Downtown-Metrotech
Fort Greene
Gowanus
Park Slope
Park Slope South
Prospect Heights
Red Hook
Windsor Terrace
Bath Beach
Bay Ridge
Bensonhurst
Bergen Beach
Borough Park
Brighton Beach
Bush Terminal
Canarsie
Coney Island
Dyker Heights
Flatbush-Central
Flatbush-East
Flatbush-Lefferts
Garden
Flatbush-North
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison
Manhattan Beach

EAST BROOKLYN

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