

BROOKLYN

Market Overview

A Quarterly Survey of Brooklyn Residential Sales

3Q 10



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

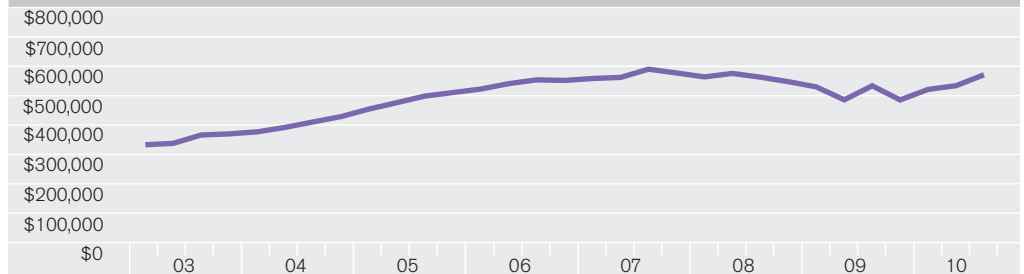
Price indicators edged higher as number of sales stabilized

Price just above prior year levels The median sales price of a Brooklyn residential property was \$485,504 in the third quarter, 2% above \$476,000 in the same period last year and 4.9% higher than \$463,000 in the prior quarter. This was consistent with the trend seen in re-sale activity, which grew 2% over the same period. The average sales price for the borough also showed the same pattern, but with larger increases caused by a higher concentration of activity at the upper end of the market. The average sales price was \$583,790 in the third quarter, up 7.2% from \$544,676 in the same period last year and up 7.1% from \$545,110 in the prior year quarter. This increase was largely caused by the rise in the average square footage of a sale, rising 13% to 1,874 square feet from 1,658 square feet in the same period last year.

Listing inventory trended higher as number of sales stabilized There were 6,630 listings in inventory at the end of the third quarter, up 18.4% from 5,600 listings in the same period last year and 5.6% above the 6,280 listings in the prior quarter. Inventory has been edging higher each quarter since the prior year quarter. This pattern is consistent with the leveling off of sales activity after rising rapidly from the recent lows of early 2009. The number of sales trended 1.7% higher to 1,879 sales in the third quarter from 1,847 sales in the prior year quarter, but

| BROOKLYN MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|---|-------------|-------|-----------|--------|----------------|
| Average Sales Price | \$583,790 | 7.1% | \$545,110 | 7.2% | \$544,676 |
| Median Sales Price | \$485,504 | 4.9% | \$463,000 | 2% | \$476,000 |
| New Developments | \$547,928 | 12.6% | \$486,720 | 6.4% | \$514,848 |
| Re-Sale | \$469,750 | 3.2% | \$455,000 | 1.7% | \$462,000 |
| Number of Sales | 1,879 | -2.7% | 1,931 | 1.7% | 1,847 |
| Days on Market (from Last List Date) | 109 | 6.2% | 103 | -33.6% | 165 |
| Listing Discount (from Last List Price) | 5% | | 2.8% | | 5.6% |
| Listing Inventory | 6,630 | 5.6% | 6,280 | 18.4% | 5,600 |

QUARTERLY AVERAGE SALES PRICE / BROOKLYN



slipped 2.7% from 1,931 sales in the prior quarter. Current sales levels remain below the average quarterly number of sales of 3,289. The monthly absorption rate—the number of months to sell existing inventory at the current pace of sales—was 10.6 months, slower than the 9.1 month absorption rate of the prior year quarter and the 9.8 month absorption rate of the prior quarter.

Properties sold more quickly than last year at this time The average days on market—the number of days between the date of last list price change, if any, to the contract date—was 109 days, nearly two months faster than the 165 days on the market of the prior year quarter,

but 6 days slower than the 103 days in the prior quarter. Listing discount—the percentage difference between the list price at time of contract and the contract price—was 5%, down slightly from 5.6% in the same period a year ago, but up from 2.8% in the second quarter.

An improving market that still faces challenges The Brooklyn housing market quickly rebounded from the post-Lehman lows. Despite record low mortgage rates and prices well below peak levels, further improvement in the housing market is being restrained by elevated unemployment, shadow inventory and tight credit.

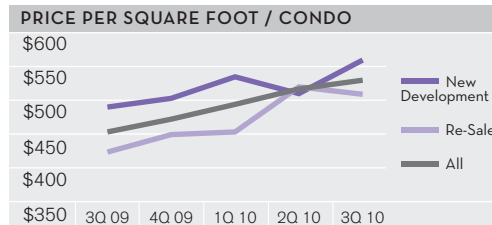
CONDO *market*

Number of sales and price indicators rose

Price indicators above prior year quarter and prior quarter Median sales price was \$515,000, 3.7% higher than \$496,860 in the same period last year and 6.2% higher than \$485,000 in the prior year quarter. Price per square foot increased 17.1% to \$530 in the third quarter from \$453 in the same period last year and up 2.6% from \$517 in the prior quarter. Average sales price followed the same pattern increasing 8.4% to \$591,015

| CONDO MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|---|-------------|--------|-----------|--------|----------------|
| Average Sales Price | \$591,015 | 4.8% | \$563,889 | 8.4% | \$545,220 |
| Average Price per Square Foot | \$530 | 2.6% | \$517 | 17.1% | \$453 |
| New Developments | \$560 | 9.8% | \$510 | 14.3% | \$490 |
| Re-Sale | \$509 | -2.3% | \$520 | 20.3% | \$423 |
| Median Sales Price | \$515,000 | 6.2% | \$485,000 | 3.7% | \$496,860 |
| Number of Sales | 549 | -17.9% | 669 | 18.6% | 463 |
| Days on Market (from Last List Date) | 127 | 0.8% | 126 | -20.1% | 159 |
| Listing Discount (from Last List Price) | 4.6% | | 4.1% | | 4.7% |

in the third quarter from \$545,220 in the prior year quarter and 4.8% above \$563,889 in the prior quarter. Over the past year, the increase in prices was attributable to more higher end properties selling. The average size of sold units fell 7.4% from 1,205 to 1,115 square feet.



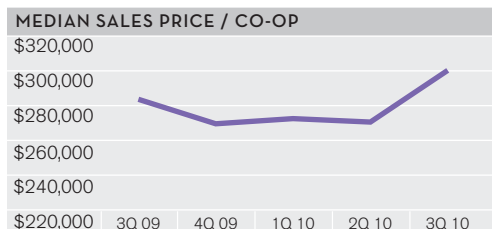
CO-OP *market*

Price indicators rose as listing discount narrowed

Number of sales slipped from prior year quarter There were 393 sales in the third quarter, 10.7% less than 440 sales in the same period last year, but 21.7% more than the 323 sales of the prior quarter. Co-op market share in the borough slipped to 20.9% from 23.8% last year at this time. Median sales price in the third quarter was \$300,000, 5.9% higher than

| CO-OP MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|---|-------------|-------|-----------|--------|----------------|
| Average Sales Price | \$404,951 | 17% | \$346,193 | 7.3% | \$377,401 |
| Median Sales Price | \$300,000 | 11.1% | \$270,000 | 5.9% | \$283,210 |
| Number of Sales | 393 | 21.7% | 323 | -10.7% | 440 |
| Days on Market (from Last List Date) | 95 | -5% | 100 | -43.5% | 168 |
| Listing Discount (from Last List Price) | 3.2% | | 3.3% | | 5.8% |

\$283,210 in the same period last year and 11.1% above \$270,000 in the prior quarter. Consistent with the rise in price indicators, listing discount fell to 3.2% from 5.8% in the prior year quarter. The time to market co-ops also fell. Days on market dropped to 145 days from 182 days in the prior year quarter.



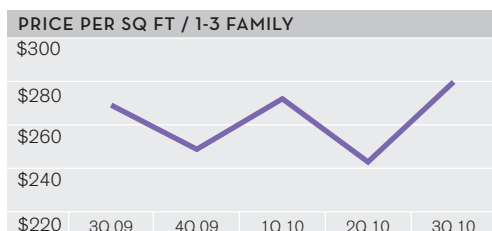
1-3 FAMILY *market*

Days on market dropped as price indicators remain mixed

Number of sales stabilized over the past year There were 937 sales in the third quarter, nominally less than the prior year quarter and prior quarter results. The median sales price of a Brooklyn 1-3 family property was \$520,000, 3% less than \$536,300 in the same period last year, but 4% higher than \$500,000 in the prior quarter. Average sales price and price per

| 1-3 FAMILY MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|---|-------------|-------|-----------|--------|----------------|
| Average Sales Price | \$654,567 | 9.1% | \$600,156 | 5.2% | \$622,376 |
| Average Price per Square Foot | \$279 | 15.5% | \$241 | 4.1% | \$268 |
| Median Sales Price | \$520,000 | 4% | \$500,000 | -3.0% | \$536,300 |
| Number of Sales | 937 | -0.2% | 939 | -0.7% | 944 |
| Days on Market (from Last List Date) | 105 | 19.3% | 88 | -36.7% | 166 |
| Listing Discount (from Last List Price) | 6% | | 1.7% | | 6% |

square foot were above levels seen during the same period last year and the prior quarter. The number of days to market a property fell sharply. The average days on market fell by 2 months to 105 days from 166 days at this time last year, while listing discount remained at 6% over the same period.



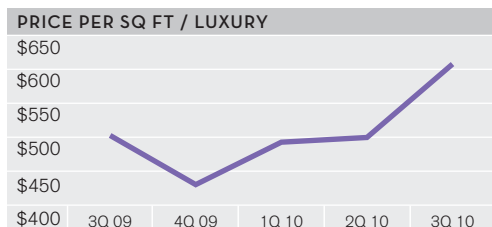
LUXURY *market*

Price indicators rose with higher mix of high-end sales

Average square footage of sales increased Like last quarter, all price indicators showed double digit year over year increases in their results for the third quarter. Median sales price increased 24.9% to \$1,305,000 from \$1,044,500 in the same period last year and 14.5% from \$1,140,000 in the prior quarter. The jump reflects the limited number of high-end property sales during the

| LUXURY MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|---|-------------|-------|-------------|--------|----------------|
| Average Sales Price | \$1,642,007 | 16.4% | \$1,410,823 | 18.9% | \$1,380,603 |
| Median Sales Price | \$1,305,000 | 14.5% | \$1,140,000 | 24.9% | \$1,044,500 |
| Number of Sales | 187 | -3.1% | 193 | 1.6% | 184 |
| Days on Market (from Last List Date) | 125 | 4.2% | 120 | -37.8% | 201 |
| Listing Discount (from Last List Price) | 3.3% | | 4.5% | | 9.3% |

year ago period and does not represent price appreciation. Luxury properties—the top 10% of all sales—had a bottom threshold of \$980,000 in the third quarter versus \$857,500 during the same period last year.



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.

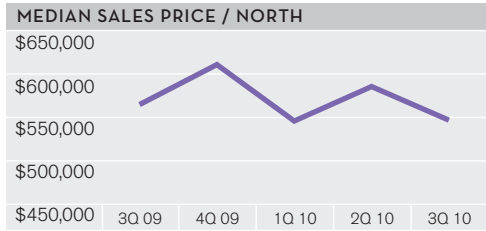
NORTH

Number of sales up sharply

Price indicators showed mixed results The North Brooklyn market represented 9.7% of all borough sales up from 6.1% in the prior year quarter. Condo market share in the region increased to 84.2% from 77% over the same period. There were 183 sales during the third quarter, up 61.9% from 113 sales in the prior year quarter and 3.4% more than 177 sales in the prior quarter. Median sales price slipped 3.2% to \$546,000 from \$564,110 in the prior year quarter and fell 6.7% from \$585,000 in the prior quarter. The condo median sales price subset followed the same pattern with a 2.8% decline to \$539,500 from \$555,000 in the same period a year ago and a 3.7% decline from \$560,037 in the prior quarter. Condos in this region had an average

| NORTH BROOKLYN MARKET MATRIX | | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|-------------------------------|--|-------------|-------|-----------|-------|----------------|
| Average Sales Price | | \$594,268 | -5.4% | \$628,059 | 1.1% | \$587,972 |
| Average Price per Square Foot | | \$492 | -6.5% | \$526 | 47% | \$334 |
| Median Sales Price | | \$546,000 | -6.7% | \$585,000 | -3.2% | \$564,110 |
| Number of Sales | | 183 | 3.4% | 177 | 61.9% | 113 |

| CONDO SUBMARKET MATRIX / NORTH | | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|--------------------------------|--|-------------|-------|-----------|-------|----------------|
| Average Sales Price | | \$579,180 | -6.6% | \$620,371 | 3.1% | \$561,836 |
| Average Price per Square Foot | | \$560 | -6.6% | \$600 | 22.8% | \$456 |
| Median Sales Price | | \$539,500 | -3.7% | \$560,037 | -2.8% | \$555,000 |



| Quintiles / Median Sales Price by No. of Sales / NORTH | Current Qtr | % Chg Prior Year Qtr |
|--|-------------|----------------------|
| 5/5 | \$924,250 | 5.6% |
| 4/5 | \$690,373 | -4.2% |
| 3/5 | \$554,250 | -3.5% |
| 2/5 | \$439,900 | -10.6% |
| 1/5 | \$320,000 | 6.7% |

price per square foot of \$560, 22.8% higher than \$456 in the prior year quarter, but 6.6% less than \$600 in the prior quarter. Condos in North Brooklyn are generally larger than other areas of

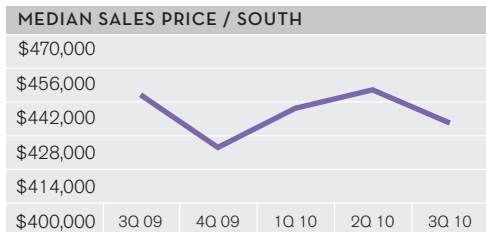
the borough and this quarter was no exception, with 1,209 square feet in the third quarter, 16.9% larger than the entire borough average of 1,034 square feet.

SOUTH

Number of sales declined

Price indicators slipped The average sales price of a South Brooklyn property was \$481,334, 2% below \$491,318 in the prior year quarter and a 2.9% decline from \$495,884 in the prior quarter. Median sales price showed a similar trend declining 2.6% to \$434,000, from \$445,479 in the same period last year and falling 3% from \$447,500 in the prior quarter. By property type, co-ops showed the weakest median sales price trend, falling 9.5% to \$190,000 from \$210,000 over the year and 1-3 family properties showed a smaller 0.9% decline to \$545,000 from \$550,000 over the same period. Condos were the only type to show an increase in median sales price over the period, rising 4.2% to \$438,555 from

| SOUTH BROOKLYN MARKET MATRIX | | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|------------------------------|------------|-------------|-------|-----------|--------|----------------|
| Average Sales Price | | \$481,334 | -2.9% | \$495,884 | -2% | \$491,318 |
| Median Sales Price | All | \$434,000 | -3% | \$447,500 | -2.6% | \$445,479 |
| | Condo | \$438,555 | 5.6% | \$415,370 | 4.2% | \$420,810 |
| | Co-op | \$190,000 | -7.3% | \$205,000 | -9.5% | \$210,000 |
| | 1-3 Family | \$545,000 | -0.1% | \$545,461 | -0.9% | \$550,000 |
| Number of Sales | | 832 | -5.9% | 884 | -21.5% | 1,060 |



| Quintiles / Median Sales Price by No. of Sales / SOUTH | Current Qtr | % Chg Prior Year Qtr |
|--|-------------|----------------------|
| 5/5 | \$839,038 | 4.9% |
| 4/5 | \$570,000 | -1.7% |
| 3/5 | \$436,020 | -3.1% |
| 2/5 | \$301,925 | -8.5% |
| 1/5 | \$164,750 | -7.8% |

\$420,810. The South Brooklyn market was the only region to post a decline in the number of sales over the year. There were 832 sales, 21.5% less than 1,060 in the same period last year and

5.9% fewer than 884 sales in the prior quarter. South Brooklyn is the largest region with a 44.3% market share of the entire borough, but it is at its lowest share in at least four years.

EAST

Number of sales rose over same period last year

Price indicators declined There were 353 sales in the East Brooklyn region in the third quarter, 36.3% more than 259 sales in the same period last year, but decline 11.5% from 399 in prior year quarter. Despite the near term decline in sales, market share for the entire borough was 18.8%, up sharply from 14% in the prior year quarter. The largest type to sell in the third quarter in East Brooklyn was 1-3 family properties that comprised 78.2% of transactions. Condo sales made up most of the remainder of sales with 21% of sales. Average sales price was \$391,616

| EAST BROOKLYN MARKET MATRIX | | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|-----------------------------|------------|-------------|--------|-----------|--------|----------------|
| Average Sales Price | | \$391,616 | 6.6% | \$367,275 | -7% | \$421,285 |
| Median Sales Price | All | \$340,000 | 0% | \$340,000 | -20.2% | \$425,962 |
| | Condo | \$360,915 | 4.7% | \$344,760 | -10.2% | \$402,000 |
| | 1-3 Family | \$340,000 | 3% | \$330,000 | -21.8% | \$435,000 |
| Number of Sales | | 353 | -11.5% | 399 | 36.3% | 259 |



| Quintiles / Median Sales Price by No. of Sales / EAST | Current Qtr | % Chg Prior Year Qtr |
|---|-------------|----------------------|
| 5/5 | \$620,000 | -1.3% |
| 4/5 | \$450,000 | -13.5% |
| 3/5 | \$342,000 | -20.7% |
| 2/5 | \$260,000 | -18.6% |
| 1/5 | \$190,000 | -5% |

in the third quarter, 7% below \$421,285 in the prior year quarter, but 6.6% above \$367,275 in the prior quarter. The median sales price fell 20.2% to \$340,000 from \$425,962 in the prior

year quarter, the largest year over year quarterly decline of the four major regions in the borough. Median sales price was unchanged from the prior quarter.

NORTHWEST

Number of sales rose

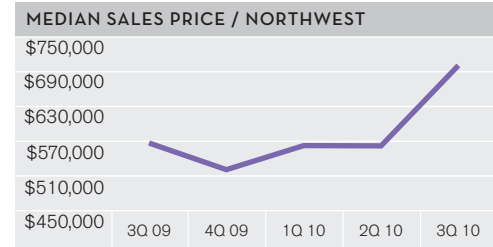
Price indicators jumped The median sales price of a property in Northwest Brooklyn was \$700,000, 23.9% higher than \$565,000 in the same period last year and 25% higher than \$560,037 in the prior quarter. Average sales price followed a similar pattern, rising 17.9% to \$879,611 in the third quarter from \$746,184 in the prior year quarter and increasing 16.2% from \$756,980 in the prior quarter. The significant increase was attributable to a surge in the number of properties that sold at or above \$1,000,000. There were 121 sales in this category representing 23.7% of all sales in the region. In the same period last year there were 70 sales comprising 16.9% of the regional sales and the

prior quarter saw 76 sales comprising 16.1% of regional sales.

Market share and number of sales rose There were 511 sales in Northwest Brooklyn in the third quarter, 23.1% more than 415 sales during the same period last year and 8.5% more than 471

sales in the prior quarter. The weighting of the additional sales was concentrated at the upper end of the price spectrum. The region accounted for 27.2% of all borough sales up from 22.5% in the prior year quarter.

| NORTHWEST BROOKLYN MARKET MATRIX | Current Qtr | % Chg | Prior Qtr | % Chg | Prior Year Qtr |
|----------------------------------|-------------|-------|-----------|-------|----------------|
| Average Sales Price | \$879,611 | 16.2% | \$756,980 | 17.9% | \$746,184 |
| Median Sales Price | \$700,000 | 25% | \$560,037 | 23.9% | \$565,000 |
| Number of Sales | 511 | 8.5% | 471 | 23.1% | 415 |



| QUINTILES / Median Sales Price by No. of Sales / NORTHWEST | Current Qtr | % Chg Prior Year Qtr |
|--|-------------|----------------------|
| 5/5 | \$1,587,600 | 27% |
| 4/5 | \$900,000 | 17.6% |
| 3/5 | \$702,500 | 23.4% |
| 2/5 | \$515,000 | 16.2% |
| 1/5 | \$338,282 | 6% |

BROWNSTONE

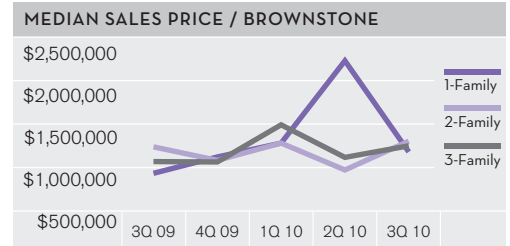
Market share nearly doubled year-over-year

Price indicators showed gains over prior year quarter and prior quarter The median sales price of a Brownstone property was \$1,265,000 in the third quarter, 11.9% above the \$1,130,000 in the same period last year and 15% above \$1,100,000 in the prior quarter. Price per square foot was \$549 in the third quarter up nominally from \$547 in the prior year quarter and 18.8% above \$462 in the prior quarter. The average size of a Brownstone property that sold during the third quarter was 2,746, up 1.1% from 2,715 in the same period last year.

levels seen several years ago. There were 121 sales in the third quarter, 95.2% more than 62 sales in the prior year quarter and 44% more than 84 sales in the prior quarter. The 100 unit threshold has not been reached since the third quarter of 2007 with a total of 174 sales and a peak year that averaged 129 sales per quarter. Brownstone market share represented 6.4% of all Brooklyn sales, up from 3.4% in the same period a year ago and the highest market share tracked

in more than three years of properties sold over the past year within this smallest submarket of the Brooklyn analysis.

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 | \$1,507,393 | 8.2% | \$1,393,216 | 1.5% | \$1,484,909 | |
| Average Price per Square Foot | \$549 | 18.8% | \$462 | 0.4% | \$547 | |
| Median Sales Price | All | | | | | |
| | 1-Family | \$1,165,000 | -48.2% | \$2,250,000 | 28% | \$910,000 |
| | 2-Family | \$1,292,500 | 36.1% | \$950,000 | 5.5% | \$1,225,000 |
| | 3-Family | \$1,237,500 | 12.5% | \$1,100,000 | 17.9% | \$1,050,000 |
| Number of Sales | 121 | 44% | 84 | 95.2% | 62 | |

NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN

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

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

EAST BROOKLYN

Flatbush-Central
Flatbush-East
Flatbush-Lefferts Garden
Flatbush-North
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison
Manhattan Beach
Marine Park
Midwood
Mill Basin
Ocean Parkway-North
Ocean Parkway-South
Old Mill Basin
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