

Q1 2023

Brooklyn New Development Market Report

SERHANT.

Letter From Coury



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Director of Research

The Brooklyn New Development market reported 259 closings and 263 signed contracts in the first quarter of 2023. The number of closed units reflects a steep 51.7% decline year-over-year and a 38.3% decrease from the last quarter. In addition to rising interest rates, financial market volatility and the recent bank closings that prospective buyers navigated through, we also witnessed a significant drop in signed activity at the end of 2022 which contributed to the lack of closings. The average price for closed units rose 5.6% to \$1,345,581 but the median price fell 6.2% to \$880,000. The price per square foot also rose 4.4% to \$1,242psf. North Brooklyn saw the biggest increase in average and median price as they rose 19.2% and 15% respectively to \$1,257,852 and \$994,247. The average price per square foot also jumped nearly 25% to \$1,306. Northwest Brooklyn, which accounted for 32.9% of the market share, commanded the highest price per square foot average at \$1,625 while the average closed price was \$2,075,465. The median price per bedroom count was down across the board for contracts signed, except for 3-bedroom units which witnessed an 8.7% increase to \$2,499,000. Signed contract activity rose 16.4% quarter over quarter and the beginning to 2023 saw month over month increase as well.

Market Highlights:

Average Price

\$1,345,581

Year-Over-Year

5.6%

Median Price

\$880,000

Year-Over-Year

-6.2%

Average PPSF

\$1,242

Year-Over-Year

4.4%

21%

Share of Inventory
Over \$2M

19%

Share of Closings
Over \$2M

174

Average Days On
Market






2%

Average
Discount

Closed Sales

There were 259 new development closings in the first quarter, a 51.7% decrease from this time last year, as anticipated by the number of contracts signed last quarter. Two-bedroom units made up 41.2% of sales, and were the only unit type to see declines in both median and average price. One-bedroom units followed with 36.5% of transactions. Studios in the lower half of the market saw significant price jumps, with the median price climbing nearly 27% year-over-year. Northwest Brooklyn accounted for just under 33% of sales this quarter, and also commanded the highest price of any submarket at over \$2M. New development units sold in North Brooklyn had the greatest increases in price, with the median and average climbing 15.0% and 19.2% year-over-year, respectively.

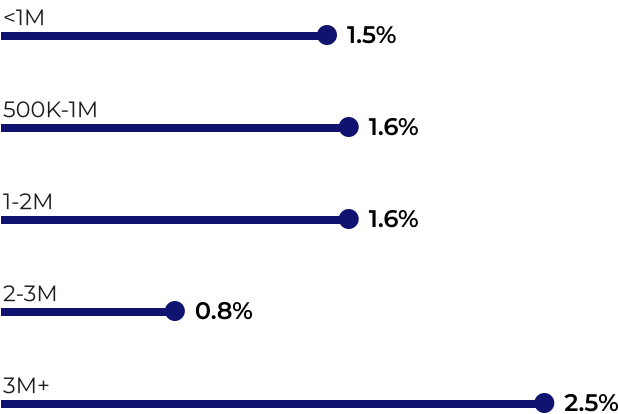
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	4.7%	36.5%	41.2%	16.1%	1.4%
Average Discount	1%	2%	1%	0%	8%
Median Price	\$475,000	\$638,271	\$1,103,000	\$2,412,500	\$4,390,000
YoY	26.8%	0.4%	-9.4%	12.2%	-3.4%
Average Price	\$487,658	\$732,504	\$1,260,188	\$2,454,349	\$5,296,667
YoY	3.2%	3.6%	-5.9%	3.4%	22.5%
Average PPSF	\$992	\$1,108	\$1,231	\$1,573	\$2,007
YoY	-4.8%	8.2%	2.5%	11.2%	9.4%
Average SF	504	669	1,011	1,459	2,601
YoY	6.3%	-2.2%	-7.9%	-11.6%	10.9%

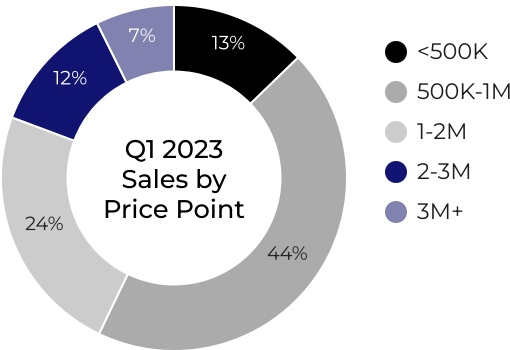
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	15.0%	32.9%	25.0%	27.1%
Average Discount	3%	2%	2%	-1%
Median Price	\$994,247	\$1,945,000	\$690,280	\$636,406
YoY	15.0%	4.3%	-4.3%	14.4%
Average Price	\$1,257,852	\$2,075,465	\$810,729	\$631,400
YoY	19.2%	0.8%	3.5%	-1.9%
Average PPSF	\$1,306	\$1,645	\$1,004	\$864
YoY	24.7%	9.7%	5.1%	10.1%
Average SF	885	1,256	767	801
YoY	-0.3%	-8.4%	-2.8%	10.2%

Discount Rate



By Price



Closed Sales

North Brooklyn



Northwest Brooklyn



East Brooklyn








South Brooklyn



Contracts Signed

There were 263 new development contracts signed in the first quarter, a 56.2% decline from this time last year, but a 16.4% increase from Q4 2022. One-bedroom units accounted for the most transactions, with 43.0% of the market. These units had double-digit price declines year-over-year. Two-bedroom units had the second most signings, at 32.7%. Three-bedroom units were the only group to see year-over-year increases in both median and average price. Northwest Brooklyn saw 32.3% contracts signed and also had the highest prices of any submarket, seeing a 24.5% year-over-year increase. North Brooklyn followed with 25.7% of contracts and the second highest prices.

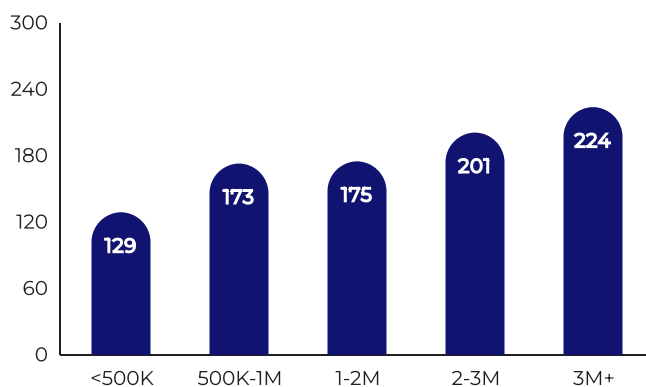
By Bed

					
	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	6.8%	43.0%	32.7%	14.1%	3.4%
Median Price	\$562,500	\$660,000	\$1,256,000	\$2,499,000	\$4,295,000
YoY	-17.6%	-14.2%	-17.5%	8.7%	-13.1%
Average Price	\$557,389	\$750,836	\$1,377,100	\$2,526,661	\$7,432,778
YoY	-8.7%	-10.8%	-5.6%	2.5%	31.4%
Average PPSF	\$1,173	\$1,111	\$1,251	\$1,565	\$2,217
YoY	-10.7%	-7.2%	-4.1%	3.6%	14.1%
Average SF	477	684	1,129	1,609	2,941
YoY	-3.0%	-4.3%	0.2%	-1.1%	2.9%

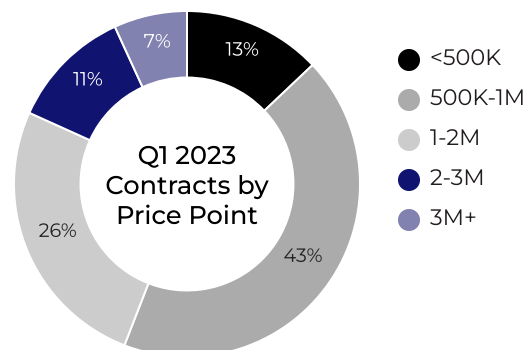
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	25.7%	32.3%	21.4%	20.6%
Median Price	\$952,000	\$1,995,000	\$675,000	\$620,000
YoY	25.7%	14.0%	-15.9%	2.6%
Average Price	\$1,171,923	\$2,593,471	\$781,055	\$608,896
YoY	-1.9%	24.5%	-14.0%	-8.4%
Average PPSF	\$1,340	\$1,643	\$1,001	\$844
YoY	7.6%	5.3%	0.9%	1.8%
Average SF	879	1,473	799	729
YoY	-7.4%	13.2%	-14.4%	-11.0%

Average Days on Market








By Price



Active Listings

There were 377 active new development properties on the market at the end of the first quarter, a 7.8% decline from this time last year, and a 10.0% drop from last quarter. Studios, with just under 7% of inventory market share, saw significant price increases compared to last year, while all other unit types saw price declines. Inventory in North Brooklyn and East Brooklyn saw notable price increases, while South Brooklyn saw a double-digit decline in average price, year-over-year. Northwest Brooklyn again had the highest number of active listings and the highest prices, but saw limited price change in either direction.

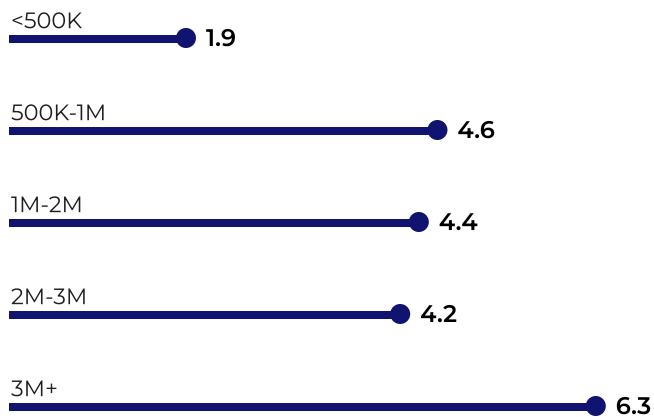
By Bed

					
	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	6.9%	31.5%	37.3%	19.5%	4.8%
Median Price	\$725,000	\$649,500	\$1,115,000	\$2,395,000	\$4,200,000
YoY	45.3%	-2.9%	-8.4%	-9.6%	-6.7%
Average Price	\$736,206	\$769,292	\$1,321,047	\$2,567,481	\$4,740,222
YoY	34.3%	-3.0%	-7.3%	-6.5%	-8.9%
Average PPSF	\$1,407	\$1,128	\$1,265	\$1,509	\$1,742
YoY	24.3%	-0.4%	-1.2%	-5.5%	-0.9%
Average SF	537	710	1,052	1,599	2,985
YoY	7.4%	-0.4%	-6.4%	-6.2%	-3.2%

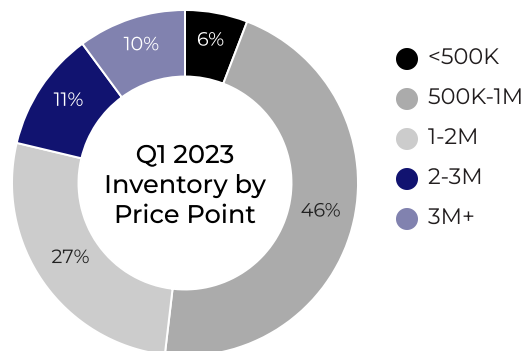
By Location

	North Brooklyn	Northwest Brooklyn	East Brooklyn	South Brooklyn
% Units	24.9%	32.5%	17.8%	24.9%
Median Price	\$1,122,500	\$2,125,000	\$738,500	\$650,000
YoY	24.9%	1.4%	5.5%	-2.5%
Average Price	\$1,299,827	\$2,609,829	\$819,500	\$698,843
YoY	3.6%	-4.2%	2.4%	-27.0%
Average PPSF	\$1,268	\$1,753	\$933	\$858
YoY	-0.9%	2.3%	-1.7%	-8.2%
Average SF	1,053	1,456	919	866
YoY	2.9%	-4.3%	2.8%	-10.8%

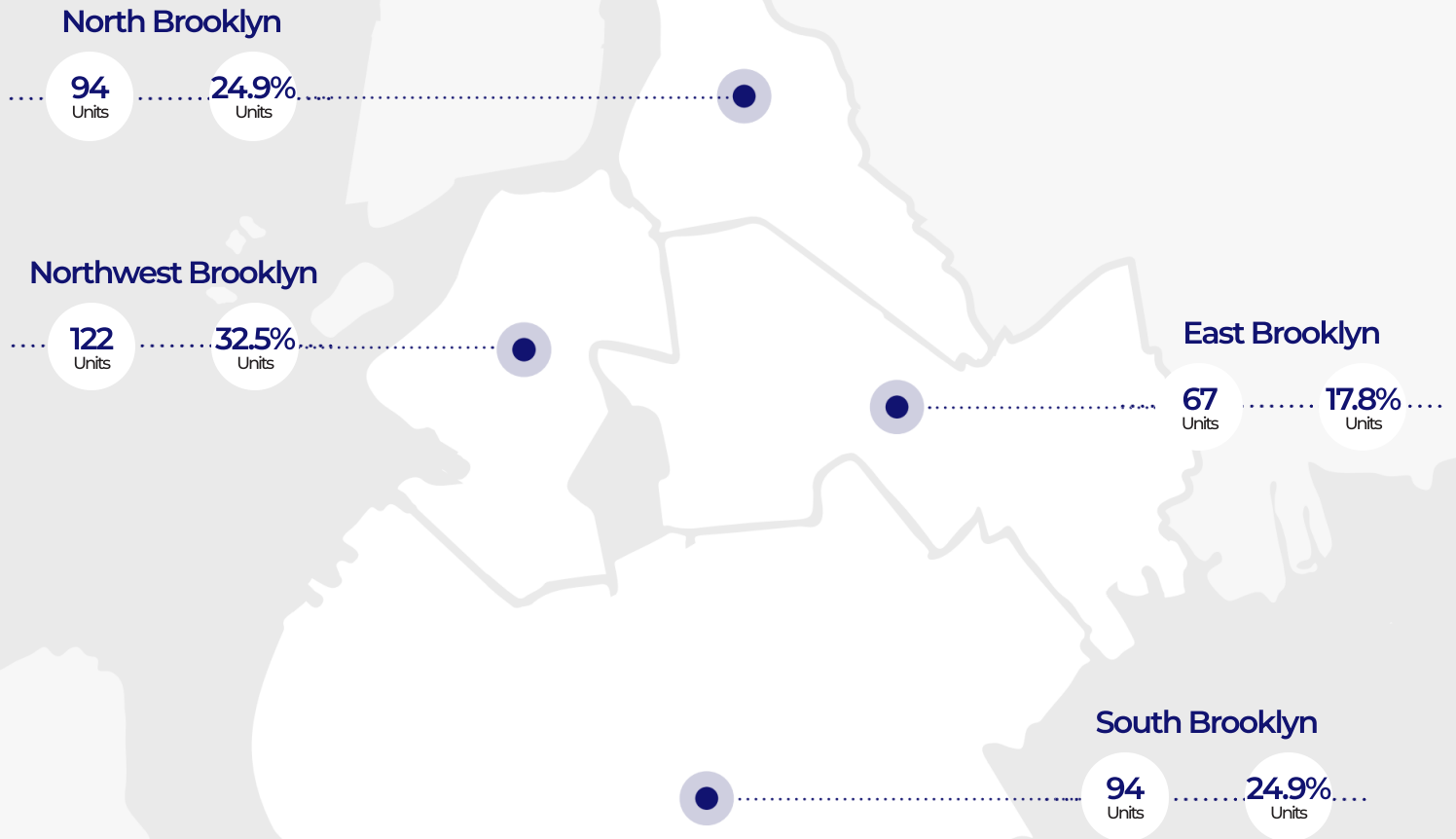
Months of Supply



By Price



Active Listings



Research

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