

Q2 2023

Brooklyn Market Report

SERHANT.

Letter From Coury



COURY NAPIER
Director of Research

In the second quarter of 2023, the Brooklyn real estate market recorded 2,471 sales, reflecting a 32% decline compared to the historically active second quarter of 2022, yet reported a significant 24% jump from the previous quarter. The average sales price reached a new high of \$1,276,284, marking a 2.4% increase from the same period last year. Additionally, the average price per square foot for closed sales slightly dipped to \$883, remaining close to the previous year's record of \$889, but still enjoying a notable 9.6% boost from the first quarter. The 1,916 signed contracts in the second quarter reflect a 19% decline year over year but 32% increase from the first quarter. Prices in the market remained relatively stable, as the median signed contract price experienced a slight drop of 1.4% to \$985,000 while the average price per square foot ticked down 2.5% to \$908. Condos held the largest market share for signed contracts at 38%, with an average price of \$1,257,753, while houses accounted for 36% of the signed contracts, averaging \$1,750,314. Condo prices experienced a 5% decline year over year and a 6% decline quarter over quarter, while house prices witnessed a 6% decline year over year but a 7% increase quarter over quarter. Notably, there were 114 signed contracts valued at \$3 million or more, representing a substantial 46.2% increase from the first quarter, although registering a 30% decline from last year. Inventory in the borough was down 6.8% from last year while the prices that came to market increased 10% since that same time to \$1,675,776.

Market Highlights:

Average Price

\$1,276,284

Year-Over-Year

2.4%

Median Price

\$958,500

Year-Over-Year

-1.7%

Average PPSF

\$883

Year-Over-Year

-0.7%

52.9%

Share of Inventory
Over \$1M

5%

Average Discount

24.7%

Of Properties Took
Less Than 30 Days To
Enter Contract

45.1%

Share of Closings
Over \$1M

134

Average Days on
Market

21.5%

Of Properties Took
Over 180 Days To
Enter Contract

Closed Sales

There were 2,471 second quarter sales in Brooklyn, a 32.2% decline over this time last year. Sales increased 24.0% from last quarter, indicating typical seasonal market trends across the borough. Condos saw the largest drop falling 38.1% year-over-year and had the highest average price per square foot of \$1,182. Houses accounted for the most sales and saw the least decline of 27.0% from Q2 2022. These properties also commanded the highest median price of \$1.125M.

By Property Type

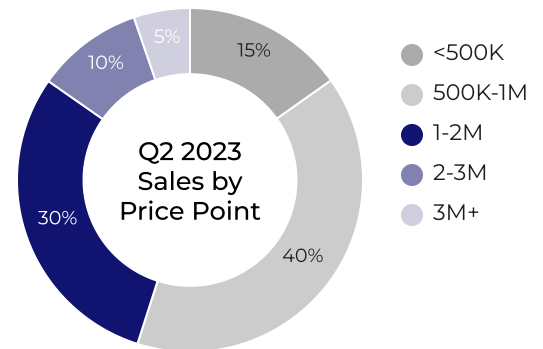
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	32.5%	3%	\$953,532	-0.5%	\$1,264,968	-0.5%	\$1,182	1.7%	1,091	-3.3%
Co-op	17.9%	4%	\$475,000	-6.9%	\$676,940	-0.9%	\$732	0.5%	918	-3.2%
1-3 Family	49.5%	9%	\$1,125,000	-3.6%	\$1,500,637	3.3%	\$672	3.2%	2,473	0.1%

By Location

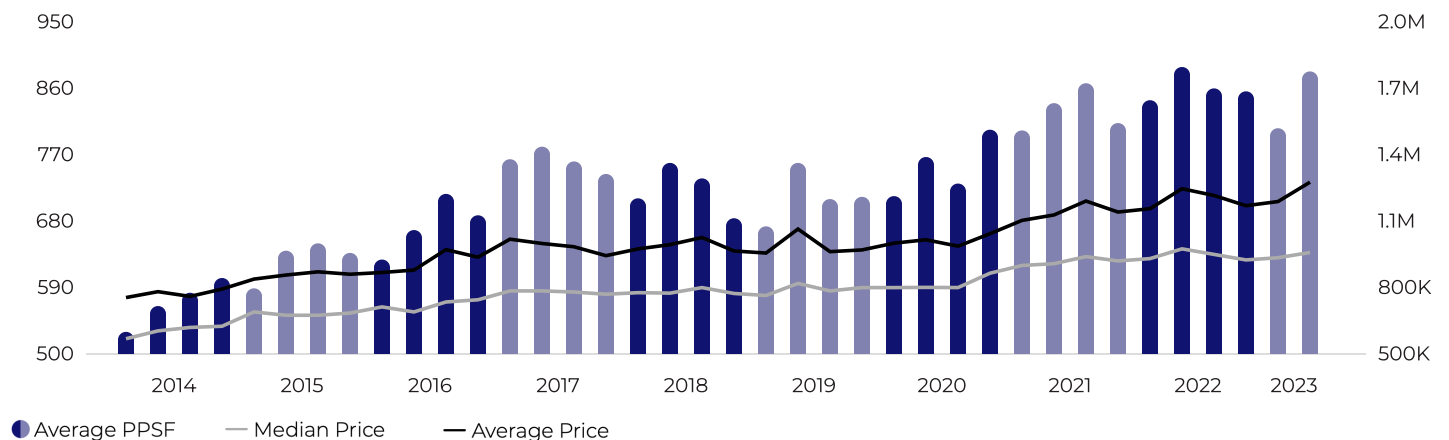
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	11.0%	4%	\$1,160,805	-7.5%	\$1,434,224	-0.7%	\$1,194	6.2%	1,378	-10.6%
Northwest Brooklyn	29.0%	3%	\$1,538,688	9.9%	\$1,907,347	6.3%	\$1,280	-0.4%	1,626	7.1%
East Brooklyn	16.2%	6%	\$945,986	7.5%	\$1,142,871	6.8%	\$712	-6.9%	1,936	9.7%
South Brooklyn	43.8%	7%	\$749,000	-0.1%	\$875,841	-1.6%	\$556	-	1,642	0.2%

By Price

Most sales occurred between \$500,000 and \$1M this quarter. These properties had flat prices compared to both Q2 2022 and last quarter. Transactions at, or above \$3M were only 5.2% of the market, but experienced the largest year-over-year price changes. The \$2M-3M price bracket, consisting primarily of houses and condos, accounted for 10.0% of sales this quarter. This was the highest the price point has seen on record, implying the luxury sector has not been deterred by rising interest rates.



Historic Price Trends



Contracts Signed

There were 1,916 contracts signed this quarter, a 19.1% year-over-year decline, but a 32.2% increase from last quarter. Prices were generally down, with the average price falling 5.0% compared to Q2 2022, as well as a decline of 1.4% in median price. Most contract activity was for condos with 38.5% market share, followed closely by houses with 36.3%. Houses again went under contract at the highest average and median prices. Co-ops were the lowest market share, and saw the largest declines in price compared to the other property types.

By Property Type

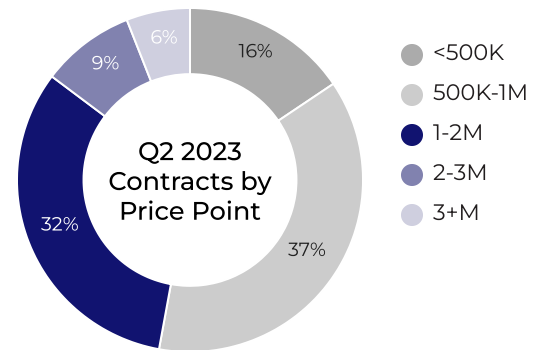
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	38.5%	\$975,000	-2.4%	\$1,257,753	-5.0%	\$1,177	0.6%	1,049	-4.4%
Co-op	25.3%	\$549,000	-7.7%	\$689,756	-9.4%	\$721	-4.2%	891	-3.0%
1-3 Family	36.3%	\$1,399,000	-2.2%	\$1,750,314	-6.1%	\$706	-4.7%	2,463	-3.6%

By Location

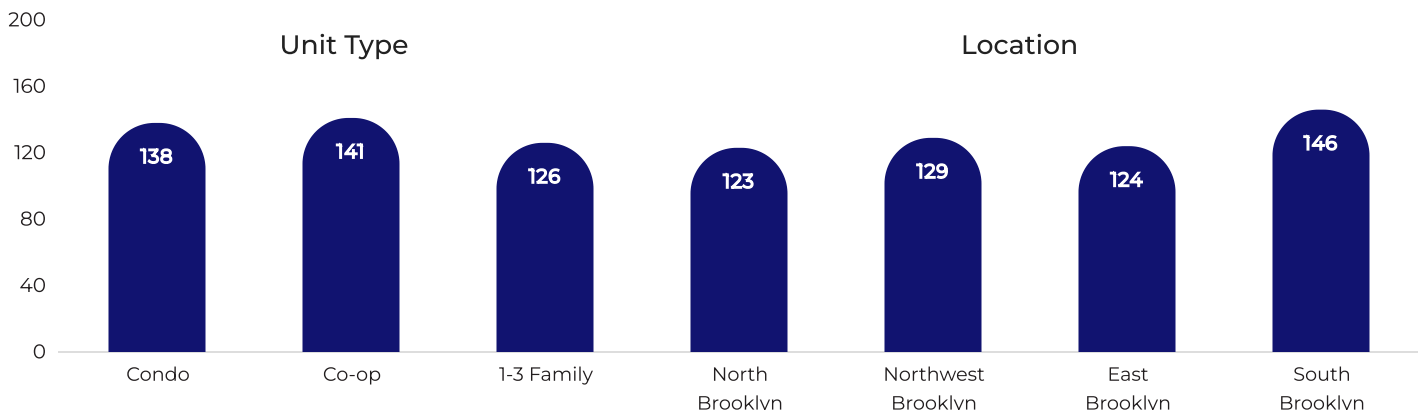
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	12.2%	\$1,195,000	1.7%	\$1,431,336	0.4%	\$1,219	2.0%	1,341	-2.5%
Northwest Brooklyn	33.6%	\$1,425,000	1.2%	\$1,828,959	-1.7%	\$1,273	0.1%	1,589	1.1%
East Brooklyn	13.3%	\$992,000	4.4%	\$1,187,280	0.6%	\$762	-2.4%	1,773	2.6%
South Brooklyn	40.9%	\$699,000	-6.8%	\$843,118	-3.8%	\$593	-0.5%	1,515	-3.1%

By Price

Properties priced \$500,000 to \$1M accounted for the most activity this quarter with 37.3% of contracts. These were followed closely by the \$1M-2M range with 32.4%. Prices in the former declined overall, while the latter saw slight increases. The \$3M+ luxury range had a 6.7% higher median price year-over-year, though the bracket had fewer sales than usual.



Average Days on Market



Active Listings

Inventory sank to 3,553 active listings, a 6.8% year-over-year decline and an 21.2% quarter-over-quarter increase. The mean price of active properties was higher than usual, increasing 10.7% and 7.4% from Q2 2022 and Q1 2023, respectively. Houses were the most common property type, with 50.2% of active listings, and had an 11.5% higher average price this year. Condos followed with 29.0% market share, and an 8.2% higher average price per square foot compared to last year. Co-ops made up the remaining inventory and saw limited price activity versus Q2 2022.

By Property Type

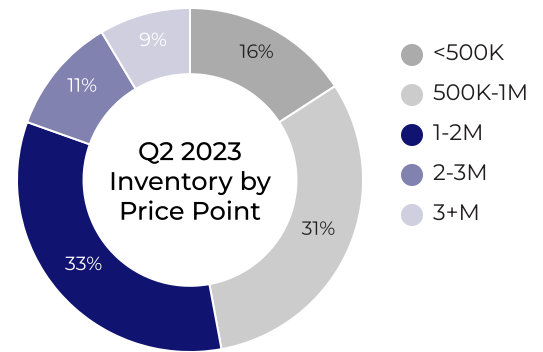
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	29.0%	\$939,000	-5.6%	\$1,593,625	5.2%	\$1,364	8.2%	1,137	-1.6%
Co-op	20.8%	\$425,000	-0.9%	\$622,208	0.9%	\$614	-0.3%	931	2.6%
1-3 Family	50.2%	\$1,499,999	0.1%	\$2,160,815	11.5%	\$733	5.3%	2,810	-0.3%

By Location

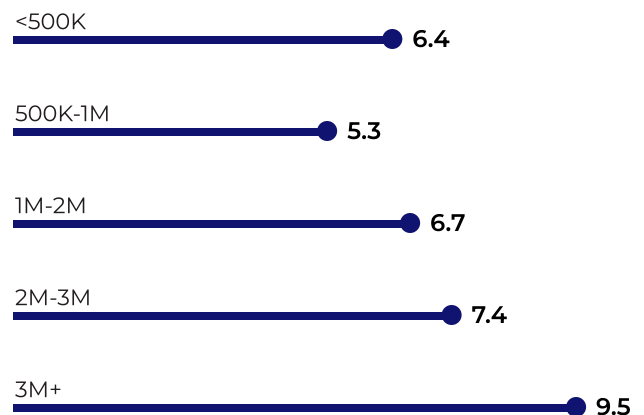
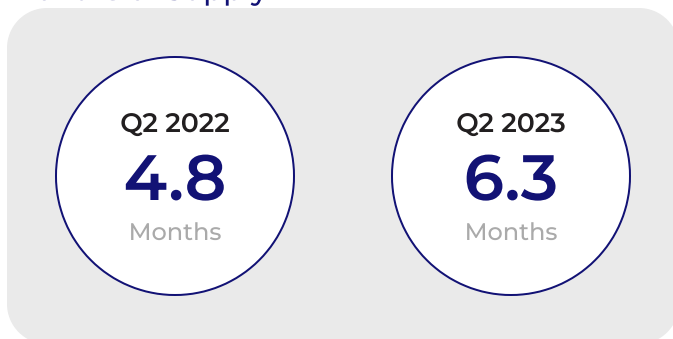
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	9.4%	\$1,462,500	4.5%	\$1,799,419	7.2%	\$1,126	-3.1%	1,859	5.7%
Northwest Brooklyn	19.8%	\$1,895,000	6.2%	\$2,792,569	19.5%	\$1,586	19.6%	2,014	6.0%
East Brooklyn	13.9%	\$1,050,000	-4.4%	\$1,486,503	14.8%	\$703	-1.3%	2,104	-0.9%
South Brooklyn	57.0%	\$850,000	6.4%	\$1,242,919	13.7%	\$701	4.0%	1,838	4.4%

By Price

Most properties were on the market between \$1M and \$2M. This bracket saw limited price movement this quarter. The \$3M+ luxury price point saw significant increases in price across active listings, with a number of new development condos and high-end townhouses on the market. Co-ops in the \$2M-3M range saw a 23.5% increase in inventory year-over-year, the only group of apartments to see an increase, though they have limited market share. Houses, on the other hand, saw more active listings compared to last year in every price bracket.



Months of Supply



Research

Coury Napier

Director of Research

coury@serhant.com

929.992.6879

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