

Q3 2023

Brooklyn Market Report

SERHANT.

Letter From Coury



COURY NAPIER
Director of Research

The Brooklyn real estate market was challenged in the third quarter by mortgage rates not seen in over two decades and a decline in inventory. Listings in the borough fell 18% from this period last year and over 20% from the previous quarter. Despite the drop-off in listings, the average and median price of available units rose 6.1% and 7.6% respectively from 2022. Consequently, the combination of elevated mortgage rates and higher asking prices is posing housing cost obstacles for potential homebuyers. Signed contracts and sales during the third quarter fell 13.9% and 31.0% respectively from last year as prices remained relatively unchanged. While homebuyers at the top of the market generally exhibit greater resilience to the impact of higher mortgage rates, there was still a notable decrease in activity at \$2million+, exemplified by only 193 signed contracts - a figure not seen since Q3 2020.

Market Highlights:

Average Price

\$1,231,876

Year-Over-Year

1.1%

Median Price

\$950,000

Year-Over-Year

-

Average PPSF

\$862

Year-Over-Year

-0.2%

53.7%

Share of Inventory
Over \$1M

4%

Average Discount

19.2%

Of Properties Took
Less Than 30 Days To
Enter Contract

43.0%

Share of Closings
Over \$1M

124

Average Days on
Market

20.7%

Of Properties Took
Over 180 Days To
Enter Contract

Closed Sales

There were 2,262 sales in Brooklyn during the third quarter of 2023, a decline of 31.0% year-over-year and 6.6% quarter-over-quarter. Prices changed very little compared to the previous year, with no change in the median price and only a 1.1% increase in average price. Houses, with the most sales, saw the largest price declines with a 4.6% lower median price versus last year. Condos saw the largest decrease in year-over-year sales, but the average price of these units was 11.4% higher.

By Property Type

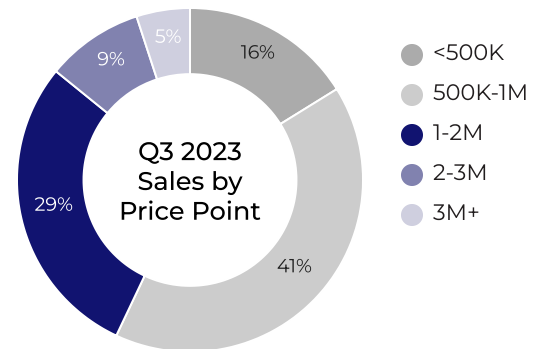
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	32.5%	3%	\$988,351	2.8%	\$1,292,274	11.4%	\$1,168	1.6%	1,073	2.1%
Co-op	22.0%	2%	\$505,000	-1.9%	\$659,872	-6.0%	\$716	-1.6%	880	-1.3%
1-3 Family	45.5%	7%	\$1,130,000	-4.6%	\$1,464,949	-2.7%	\$641	-2.7%	2,499	-0.4%

By Location

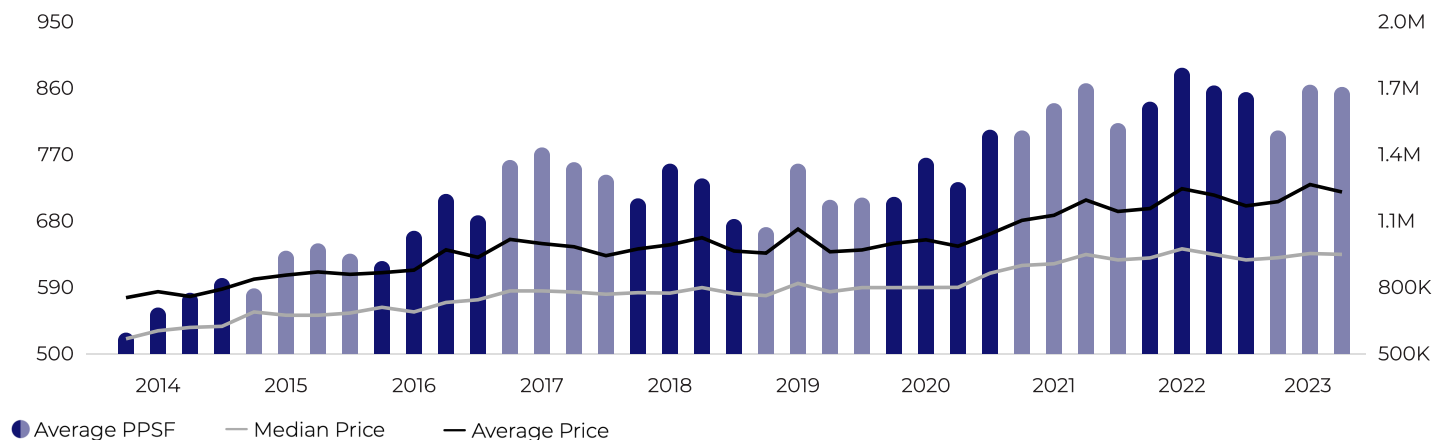
	% Units	Average Discount	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	13.0%	3%	\$1,150,000	0.4%	\$1,393,288	7.2%	\$1,157	0.3%	1,394	6.8%
Northwest Brooklyn	28.6%	2%	\$1,350,000	-3.6%	\$1,721,429	-4.6%	\$1,253	-1.7%	1,560	5.0%
East Brooklyn	13.4%	4%	\$950,000	4.6%	\$1,132,318	1.1%	\$751	2.7%	1,820	-3.2%
South Brooklyn	45.0%	7%	\$750,000	-1.8%	\$870,682	-2.3%	\$558	-	1,646	-0.2%

By Price

Most properties sold this quarter were between \$500,000 and \$1M, accounting for 40.9% of transactions. The under \$500,000 price point had the highest increase of average price per square foot, climbing 5.1% year-over-year. The \$1M-2M price point saw the largest decline in number of sales with 38.0% fewer than Q3 2022.



Historic Price Trends



Contracts Signed

The third quarter of 2023 saw 1,382 contracts signed, a decline of 13.9% from last year and 28.0% from last quarter. As with sales, price movement was limited, though the average price per square foot of properties transacting were 2.5% lower year-over-year. South Brooklyn had the most contract activity, with 45.8% market share, but had the least-expensive properties. Northwest Brooklyn followed with 27.3% of contracts, but had the most-expensive properties.

By Property Type

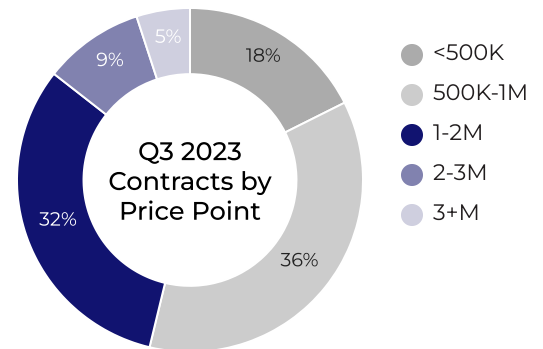
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	35.1%	\$995,000	-	\$1,256,070	0.3%	\$1,173	0.4%	1,061	2.2%
Co-op	25.4%	\$467,000	-0.4%	\$700,149	8.2%	\$705	1.3%	927	5.3%
1-3 Family	39.6%	\$1,299,000	-0.1%	\$1,583,763	-4.0%	\$643	-4.2%	2,530	2.2%

By Location

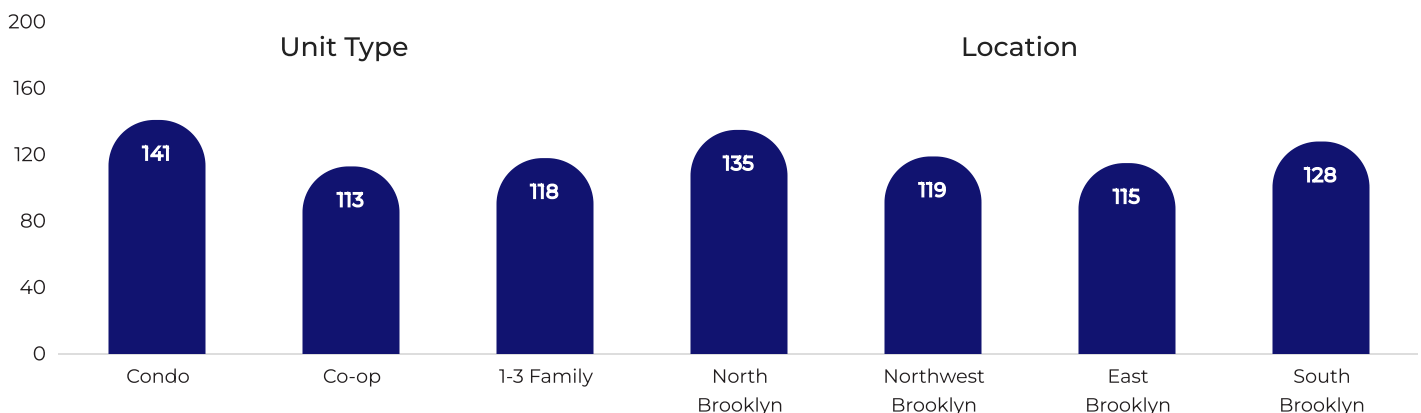
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	12.8%	\$1,157,500	-8.7%	\$1,382,236	-0.4%	\$1,202	0.6%	1,290	-6.3%
Northwest Brooklyn	27.3%	\$1,399,500	-3.3%	\$1,739,310	-3.0%	\$1,297	0.2%	1,528	1.7%
East Brooklyn	14.1%	\$999,000	8.0%	\$1,208,359	12.2%	\$754	-1.3%	1,872	13.9%
South Brooklyn	45.8%	\$795,000	6.3%	\$890,268	4.8%	\$572	-1.0%	1,696	7.3%

By Price

Most activity took place between \$500,000 and \$1M, and 68.5% of contracts signed were between \$500,000 and \$2M. These properties were similar in price to what they were last year, but slight declines were observed, primarily in average price per square foot. The luxury sector at \$3M and above saw the largest increase in average price per square foot of 5.1% year-over-year.



Average Days on Market



Active Listings

There were 3,355 properties listed for sale in Brooklyn at the end of the third quarter of 2023, representing a decline of 9.5% from last year, and 11.2% quarter-over-quarter. The affordability of these active properties improved, despite increases in median and average price since last year. Most inventory was in South Brooklyn, followed by Northwest Brooklyn. New listings were down 18.0% year-over-year and 22.6% quarter-over-quarter.

By Property Type

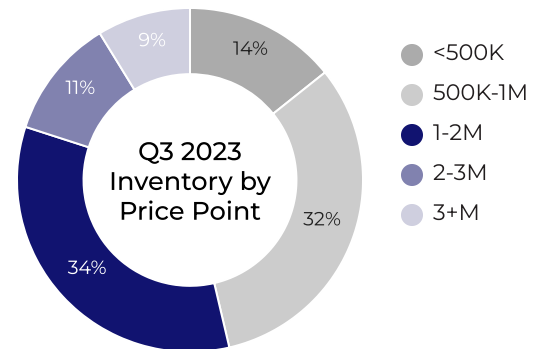
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
Condo	29.0%	\$962,500	-3.7%	\$1,357,182	-4.8%	\$1,146	-4.3%	1,162	-
Co-op	20.4%	\$449,000	-	\$625,211	-3.0%	\$612	-3.0%	914	1.1%
1-3 Family	50.5%	\$1,500,000	0.0%	\$2,097,933	9.4%	\$714	1.6%	2,784	1.5%

By Location

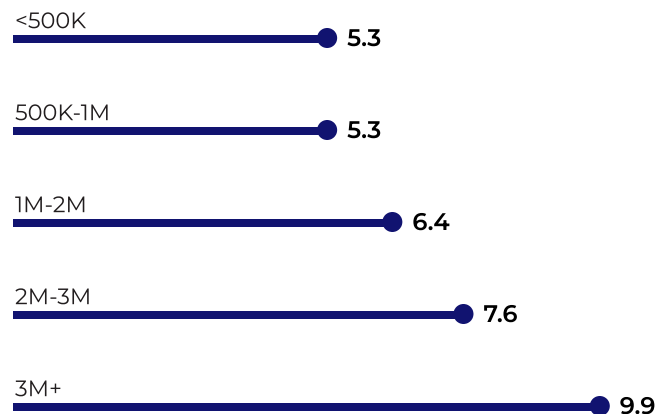
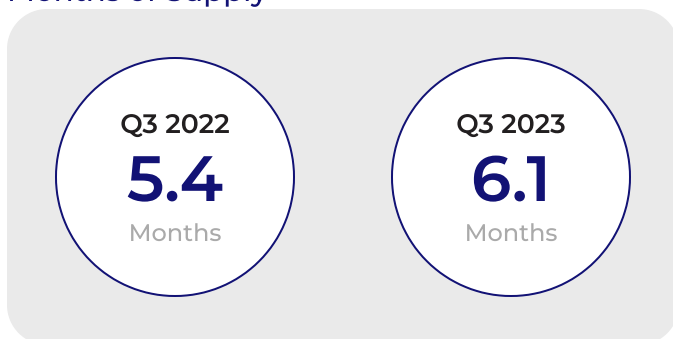
	% Units	Median Price	YoY	Average Price	YoY	Average PPSF	YoY	Average SF	YoY
North Brooklyn	9.1%	\$1,499,000	7.3%	\$1,843,456	6.1%	\$1,157	-1.4%	1,886	7.0%
Northwest Brooklyn	21.3%	\$1,845,000	10.1%	\$2,567,826	18.2%	\$1,363	1.8%	2,000	11.1%
East Brooklyn	15.6%	\$1,110,000	-5.1%	\$1,528,876	11.1%	\$714	-2.5%	2,206	3.0%
South Brooklyn	54.0%	\$850,000	3.0%	\$1,095,318	3.4%	\$624	1.1%	1,818	1.5%

By Price

33.7% of inventory was listed at \$1M-2M, the highest of any price bracket. These properties were less expensive this quarter with a 4.3% lower quarter-over-quarter. The \$500K to \$1M range was close behind with 32.1%. The \$3M+ price was the only group to see an average and median price, year-over-year.



Months of Supply



Research

Coury Napier

Director of Research

coury@serhant.com

929.992.6879

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