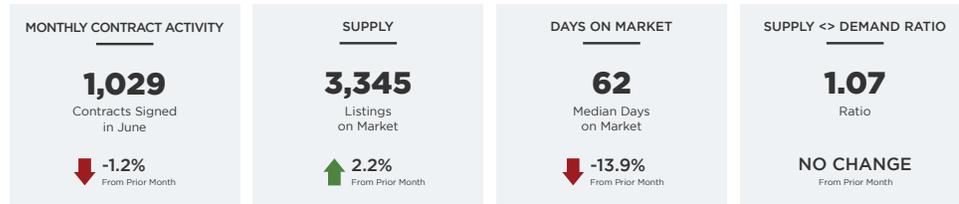


Overall Brooklyn Market Update: July 2021

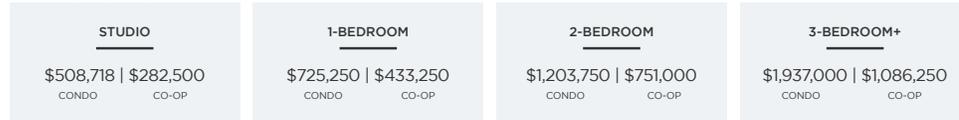
MARKET PULSE



PRICING



MEDIAN SALES PRICE



Data courtesy of ACRIS, MillerSamuel, PropertyShark, and UrbanDigs. Data reflective of Manhattan condo and co-op resale market. Current as of July 2021.

BROOKLYN MARKET UPDATE

The Brooklyn market continued its strong performance in June, with over 1,000 contracts signed, rising prices, decreased negotiability and declining days on market. The Brooklyn market continues to be incredibly competitive for buyers with limited supply and continued demand. Both the median sales price and median price per square foot increased nearly 3% in the month of June. The Market Pulse remained steady at 1.07, indicating leverage in the market sits firmly in the seller's hands. The strength of the market is illustrated by the shrinking time on market, currently 62 days (on median), down from 80 days in mid-April.

Brooklyn Supply increased by 2.2% in June and currently there are 3,345 units for sale. Compared to last year, at the COVID shutdown, total supply is 6.2% higher today.

Supply increased 10% for homes priced between \$1 and \$2M and supply decreased 4% for those priced between \$600K and \$1M. Inventory in Bed-Stuy increased 14% in June while inventory decreased 11% in Park Slope during the same period. Studio inventory increased 6% and 2-bedroom inventory increased 3% in June.

BROOKLYN INVENTORY BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
# of Listings	818	881	1,065	510	59	12
% Change from last month	+2%	-4%	+10%	-1%	+2%	+20%
% Change from last year	+33%	-3%	-1%	+2%	+20%	+20%

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Elegran Research

JASON THOMAS
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 Director of Sales

BROOKLYN INVENTORY BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
# of Listings	202	150	163	135	95
% Change from last month	+14%	-3%	+2%	-11%	-2%
% Change from last year	-16%	+34%	+13%	-20%	-12%

Brooklyn buyer activity as measured by signed contracts, decreased 1.2% from last month as 1,029 contracts were signed in the month of June.

Compared to May, contract activity increased 9% for homes priced under \$600K and increased 10% for homes priced \$5-\$10M in June.

BROOKLYN INVENTORY BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
# of Listings	154	708	867	1,334
% Change from last month	+6%	+1%	+3%	0%
% Change from last year	+25%	+22%	+8%	-3%

Brooklyn Buyer Activity as measured by signed contracts, decreased 1.2% from last month as 1,029 contracts were signed in the month of June. Compared to May, contract activity increased 9% for homes priced under \$600K and increased 10% for homes priced \$5-\$10M in June. During the same time period, contract activity decreased 12% for homes priced \$1-\$2M. Contract activity increased 8% in Park Slope and decreased 9% in Bed-Stuy. Contract activity increased 6% for studios and decreased 11% for 1-bedrooms.

BROOKLYN CONTRACT ACTIVITY BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
# of Contracts Signed	224	351	303	140	11	2
% Change from last month	+9%	+2%	-12%	+1%	+10%	+100%
% Change from last year	+446%	+562%	+432%	+483%	+1,000%	

BROOKLYN CONTRACT ACTIVITY BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
# of Contracts Signed	50	40	44	93	43
% Change from last month	-9%	-7%	-8%	+8%	-2%
% Change from last year	+163%	+400%	+2,100%	+365%	+514%

BROOKLYN CONTRACT ACTIVITY BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
# of Contracts Signed	36	210	298	412
% Change from last month	+6%	-11%	-3%	+1%
% Change from last year	+177%	+377%	+442%	+610%

Brooklyn is a strong seller's market, with a market pulse of 1.07 (virtually unchanged from last month) indicating there are more apartments in contract [pending sales] than are currently available for sale [supply]. A market pulse greater than 1.0 is indicative of an incredibly strong market and provides sellers with the advantage as buyers compete amongst themselves for the [relatively] small amount of inventory.

The Market Pulse [a ratio between pending sales and supply] is an indicator of leverage between buyers and sellers. A Market Pulse below 0.4 is considered a buyer's market, a Market Pulse between 0.4 and 0.6 is considered a neutral market and a Market Pulse above 0.6 is considered a seller's market.

BROOKLYN MARKET PULSE

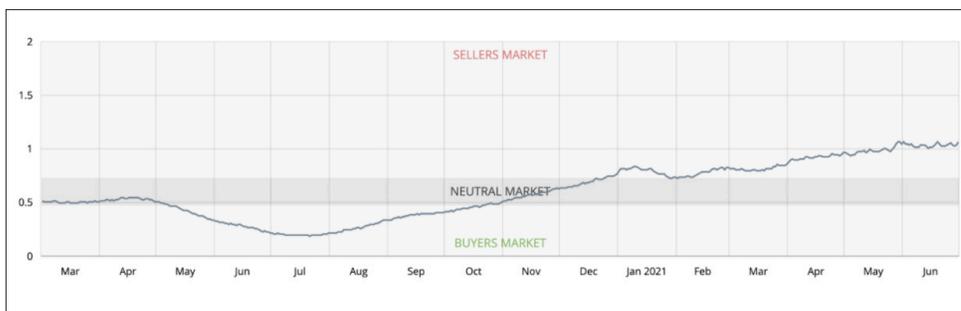


Chart courtesy of UrbanDigs.

Most of the Brooklyn market, with the exception of apartments priced above \$5M, remain firmly in seller's market territory. The Market Pulse in Brooklyn is highest for those homes priced under \$2M and lowest for those priced over \$5M. The Market Pulse is a resounding 1.36 for homes priced between \$600K and \$1M, an increase from last month. The Market Pulse also increased in the last month for homes priced \$2-\$5M and \$5-\$10M and is currently 0.84 and 0.56 respectively.

By neighborhood, the Market Pulse is highest in Park Slope at 2.24, a 20% increase in the last month, followed by Williamsburg at 1.52, a 7% increase in the last month. The Market Pulse is lower in Brooklyn Heights at 0.9 (no change from last month) and Downtown Brooklyn at 0.85 (an increase of 5% from last month).

Similar to Manhattan, the Market Pulse is the highest for 1 and 2-bedroom apartments in Brooklyn at 1.12 and 1.21 respectively, both down slightly from last month.

Brooklyn remains a strong seller's market, with a market pulse of 1.07 (virtually unchanged from last month) indicating there are more apartments in contract [pending sales] than are currently available for sale [supply].

The Market Pulse [a ratio between pending sales and supply] is an indicator of leverage between buyers and sellers. A Market Pulse below 0.4 is considered a buyer's market, a Market Pulse between 0.4 and 0.6 is considered a neutral market and a Market Pulse above 0.6 is considered a seller's market.

Most of the Brooklyn market, with the exception of apartments priced above \$5M, remain firmly in seller's market territory.

The Market Pulse also increased in the last month for homes priced \$2-\$5M and \$5-\$10M and is currently 0.84 and 0.56 respectively.

Similar to Manhattan, the Market Pulse is the highest for 1 and 2-bedroom apartments in Brooklyn at 1.12 and 1.21 respectively, both down slightly from last month.

BROOKLYN MARKET PULSE BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
Market Pulse	0.97	1.36	1.05	0.84	0.56	0.25
% Change from last month	-3%	+10%	-10%	+14%	+17%	-38%
% Change from last year	+304%	+444%	+400%	+367%	+300%	+150%

The Median Sales Price across Brooklyn was \$935,500 in June, an increase of 2.9% from last month and an increase of 12.6% from last year.

The median sales price rose 11% in Williamsburg to \$1,288,750 and rose 7% in Bed-Stuy to \$1,011,250 in the last month. The Median Sales Price is highest in Downtown Brooklyn at \$1,262,084, a decrease of 2% from last month.

The median price per square foot was highest in Downtown Brooklyn at \$1,334, unchanged from last month and lowest in Bed-Stuy at \$878, 2% less than last month.

BROOKLYN MARKET PULSE BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
Market Pulse	1.08	0.9	0.85	2.24	1.52
% Change from last month	-16%	0%	+5%	+20%	+7%
% Change from last year	+207%	+200%	+81%	+833%	+660%

BROOKLYN MARKET PULSE BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
Market Pulse	0.79	1.12	1.21	1.04
% Change from last month	-3%	4%	3%	+5%
% Change from last year	+147%	+195%	+332%	+643%

PRICING & DISCOUNTS

The Median Sales Price across Brooklyn was \$935,500 in June, an increase of 2.9% from last month and an increase of 12.6% from last year.

A better measure of price appreciation is the Median Price per Square Foot [PPSF], which was \$992 in June, a 2.7% increase from last month and virtually unchanged from the same period last year.

The median sales price rose 11% in Williamsburg to \$1,288,750 and rose 7% in Bed-Stuy to \$1,011,250 in the last month. The Median Sales Price is highest in Downtown Brooklyn at \$1,262,084, a decrease of 2% from last month. The median sales price increased 5% for 3+ bedroom homes and increased 2% for 2-bedroom homes while the median sales price decreased 1% for 1-bedrooms and 6% for studios in the last month.

The median price per square foot was highest in Downtown Brooklyn at \$1,334, unchanged from last month and lowest in Bed-Stuy at \$878, 2% less than last month. The median price per square foot rose 8% in Park Slope to \$1,220 and decreased 13% to \$1,328 in Brooklyn Heights in the last month.

BROOKLYN MEDIAN SALES PRICE BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
Median Sales Price	\$1,011,250	\$1,057,500	\$1,262,084	\$1,421,250	\$1,288,750
% Change from last month	+7%	-29%	-2%	+6%	+11%
% Change from last year	+12%	-11%	+62%	+33%	-8%

The Median listing discount in Brooklyn decreased to 3.4% in June, which is a decrease of 23% from last month and 8% from last year.

BROOKLYN MEDIAN SALES PRICE BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
Median Sales Price	\$427,500	\$592,500	\$1,025,750	\$1,135,000
% Change from last month	-6%	-1%	+2%	+5%
% Change from last year	+3%	-7%	+4%	-18%

BROOKLYN MEDIAN PRICE / SQUARE FOOT BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
Median PPSF	\$878	\$1,328	\$1,334	\$1,220	\$1,309
% Change from last month	-2%	-13%	0%	+8%	+4%
% Change from last year	+6%	+26%	+19%	-1%	+6%

BROOKLYN MEDIAN PRICE / SQUARE FOOT BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
Median PPSF	\$749	\$863	\$1,078	\$1,220
% Change from last month	-10%	-1%	+4%	+7%
% Change from last year	-31%	-12%	+2%	+23%

Median listing discounts in Brooklyn decreased to 3.4% in June, which is a decrease of 23% from last month and 8% from last year.

The median listing discount in June was 2.1% for condos (down 38% from last month), 2.5% for co-ops (down 31%) and 6.1% for townhouses (down 3%).

Listing discounts were highest for properties priced between under \$600K (4.4%) and lower for properties priced \$600K-\$1M (2.9%) and \$2-5M (3.2%).

In Brooklyn, the median listing discount was lowest in Bed-Stuy and Park Slope, both at 1% and highest in Brooklyn Heights at 4%.

In June, 1-bedrooms had the lowest listing discount at 2.0% followed by 2-bedrooms and studios at 2.7% and 3+ bedrooms at 5.3%.

BROOKLYN MEDIAN LISTING DISCOUNT BY TYPE

	Condo	Co-op	Townhouse
% Discount	2.1%	2.5%	6.1%
% Change from last month	-38%	-31%	-3%
% Change from last year	-30%	+4%	-6%

Listing discounts were highest for properties priced between under \$600K (4.4%) and lower for properties priced \$600K-\$1M (2.9%) and \$2-5M (3.2%).

In Brooklyn, the median listing discount was lowest in Bed-Stuy and Park Slope, both at 1% and highest in Brooklyn Heights at 4%.

In June, 1-bedrooms had the lowest listing discount at 2.0% followed by 2-bedrooms and studios at 2.7% and 3+ bedrooms at 5.3%.

BROOKLYN MEDIAN LISTING DISCOUNT BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
% Discount	4.4%	2.9%	3.7%	3.2%	8.1%	-
% Change from last month	-21%	-19%	-21%	-37%	+113%	
% Change from last year	+47%	+26%	-16%	-44%	-486%	

BROOKLYN MEDIAN LISTING DISCOUNT BY NEIGHBORHOOD

	Bed-Stuy	Brooklyn Heights	Downtown Brooklyn	Park Slope	Williamsburg
% Discount	1.0%	4.0%	2.0%	1.0%	1.0%
% Change from last month	-50%	0%	-50%	-67%	-67%
% Change from last year	-86%	0%	+100%	0%	-80%

BROOKLYN MEDIAN LISTING DISCOUNT BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
% Discount	2.7%	2.0%	2.7%	5.3%
% Change from last month	-31%	-43%	-18%	-9%
% Change from last year	-18%	-17%	+13%	+4%

WHAT THIS MEANS FOR...

Buyers / First Time Home Buyers:

- Median sales price and median price per square foot are increasing across Brooklyn.
- Buyer's negotiability continues to decrease.
- Buyers keen on negotiating should focus on listings that have been on the market for 60-90 + days.
- Bidding wars are common for accurately priced apartments within 2-weeks of coming on the market.

Sellers:

- While supply increased slightly in June, leverage remains firmly with sellers in Brooklyn based on the Market Pulse.
- Median days on market are decreasing and are currently 62 days. Sellers who have been on the market longer than that without an accepted offer should consider either decreasing the asking price or being more negotiable.
- While prices are starting to increase, sellers still need to be realistic and price appropriately to be competitive in the market today.

Renters:

- Rental demand has increased sharply in the second quarter of 2021, leading landlords to decrease concessions and increase prices.
- Leverage is shifting quickly from tenants back towards landlords.
- Vacancy rates are declining.
- Renters may experience a rent increase upon renewal.

Investors:

- With both the rental and sales market improving and prices increasing, investors are exploring the Brooklyn market.
- Cap rates are stabilizing and can increase in the coming months and years as the rental and sales market continue to rebound.
- With equities at elevated levels and concerns about inflation, real estate is a compelling alternative asset class.

ABOUT US

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