



BROOKLYN NEW DEVELOPMENT REPORT

2012 FIRST QUARTER

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INTRODUCTION



MNS is proud to present the First Quarter 2012 edition of our New Development Market Report™. New Development Sales data, defined as such “Arms-Length” first offering transactions where the seller is considered a “Sponsor”, was compiled from the Automated City Register Information System (ACRIS) for sponsor sales that traded during the First Quarter of 2012 (01/01/12 – 03/31/12). All data summarized is on a median basis. We also included quarterly tracking graphs over a nine quarter look back (1Q10) and will continue to track the trends going forward.



MARKET SNAPSHOT



- Year-Over-Year Median PPSF – up 14%
Quarter-Over-Quarter Median PPSF – up 2%
- Year-Over-Year Median Sales Price – up 9%
Quarter-Over-Quarter Median Sales Price – down 1%
- Brooklyn New Development Sales Inventory - down 47% from last quarter.
Neighborhood with the Highest Inventory – Williamsburg (37% of all Brooklyn)
- Total New Development Sales Volume – down 38% to \$91M from \$148M in 4Q11
- Largest Quarterly Up-Swing: Downtown Brooklyn
PPSF: \$716/SF from \$622/SF
Sales Price: \$805K from \$563K
- Largest Quarterly Down-Swing: Boerum-Cobble Hill
PPSF: \$578/SF from \$682/SF
Sales Price: \$487K from \$1.44M
- Highest New Development Sale Price:
Love Lane Mews - 9 College Place #4D - \$3,327,613
- Highest New Development Sale Price per Foot:
EDGE North PH2F = \$1,135/SF

MARKET SUMMARY:

In Brooklyn, it is not surprising that the first quarter of 2012 was straining for inventory. Even though there was a 47% drop in sales numbers from last quarter and a 75% slash from last year, we are still seeing extremely steady pricing across the borough. Some internal neighborhoods have been volatile in their median numbers, which is really a reflection on inventory and the sales analyzed, as opposed to the market overall.

Year-over-year Brooklyn new development condominium sales price per foot numbers are up 14% (\$637/SF this quarter versus \$559/SF in 1Q11), and median sales prices are up 9% (\$538K this quarter versus \$494K in 1Q11).

Compared to last quarter 4Q11, Brooklyn new development price per square foot median numbers are up a smidge to \$637 from \$622 but median sales prices are down 1%, to \$538K from \$543K.

MARKET UP-SWINGS:

Downtown Brooklyn's median sales numbers this quarter have almost doubled from a year ago and price per foot in this area has soared to over \$700/SF. One-bedrooms downtown sold for \$550,000, while two-bedrooms sold for over \$800,000. Most of the product comes from the high floor condos at the Toren where sales activity has picked up due to lack of competition.

MARKET SNAPSHOT



This quarter, DUMBO emerged from a 4 quarter new development hiatus at the same price per square foot from 1Q11, just shy of \$800/SF. A few closings at Kirkman Lofts and 192 Water Street pushed the neighborhood to a much higher median sales price of \$900K up from \$680K in 1Q11.

With the start of closings from Love Lane Mews, Brooklyn Heights finally surpassed the \$1M median sales price number after 2 years of hovering just under 7 figures. The Mews had the highest sales price of the quarter in the borough, selling the condo's largest apartment for \$3,327,613.

Williamsburg inched up another 5% this quarter to \$782/SF (from \$746/SF last quarter) and is up \$110/SF from 1Q11 where the median was \$672/SF. EDGE, which represented 50% of the number of sales in the neighborhood and \$20M of the \$32M sold this quarter, boosted the neighborhood up 17% with its median of \$890/SF.

MARKET DOWN-SWINGS:

Except for a few sales at Northpoint Towers and The Pencil Factory, the median for Greenpoint this quarter barely grazed \$400,000. Although there was steady pricing on a per foot basis at \$637/SF, 50% of the sales in the neighborhood were studio sizes with a median sales price of \$350,000. These sales brought Greenpoint's median price per foot down 11% from last quarter.

With just a sprinkling of new development closings in Fort Greene, this quarter's \$530,000 median sale price is down almost \$200,000 (27%) from a peak in 2Q11. The median price per foot however, is up 13% this quarter to \$649/SF from \$577/SF, showing signs of strength and desirability in the neighborhood. On the market now are 19 units at the boutique condo, Fino122. At \$645/SF and high-demand three-bedrooms priced at a median price of \$850,000, we will look towards those closings to boost the neighborhood well over its peak.

INVENTORY ANALYSIS:

It's the same story of emaciated condo-inventory from last quarter. But the lack of competition has helped to keep prices holding steady. On the market median prices are \$650,000 and a median asking price per foot of \$708/SF. With high demand and little supply comes minimal negotiating, so we might expect to see next quarter's sales prices to be about 15-20% higher than this quarter.

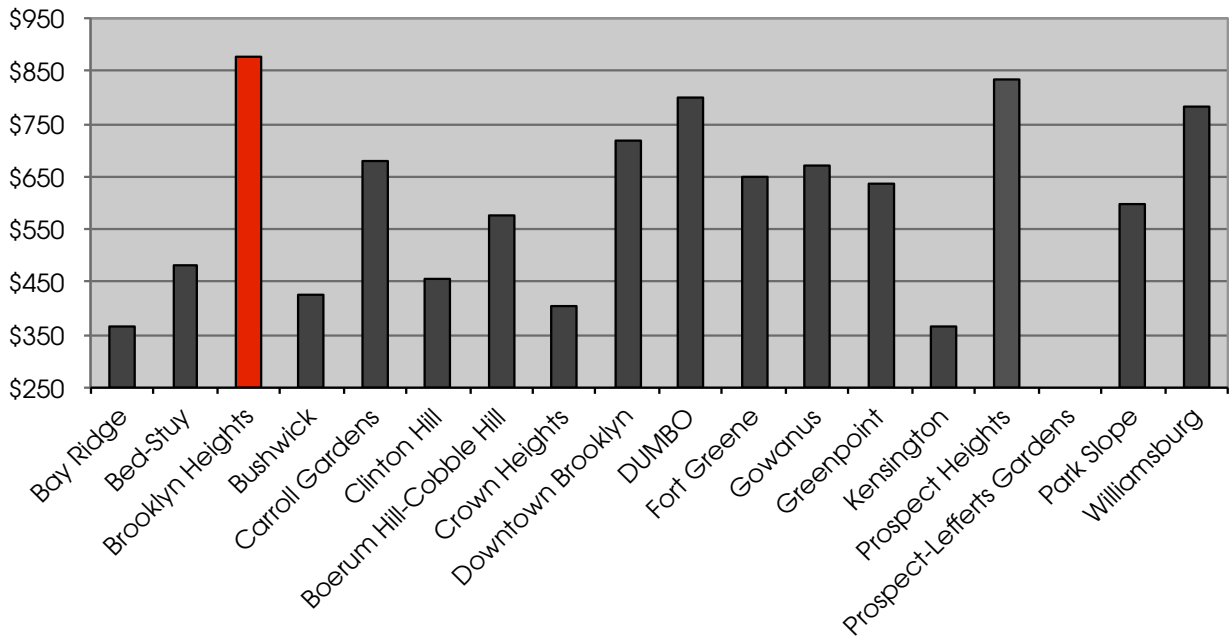
The first quarter of 2012 brought 47% less sponsor sales to Brooklyn's city registry, compared to 4Q11. Williamsburg still has the highest percentage of all Brooklyn new development sales at 37%, followed by Brooklyn Heights at 11% and Bed-Stuy at 10%. MNS exclusives alone represented \$40M of the \$90M total new development sales volume in the neighborhoods analyzed.

The neighborhoods that sold the most amount of 4Q11 new development inventory per unit size:

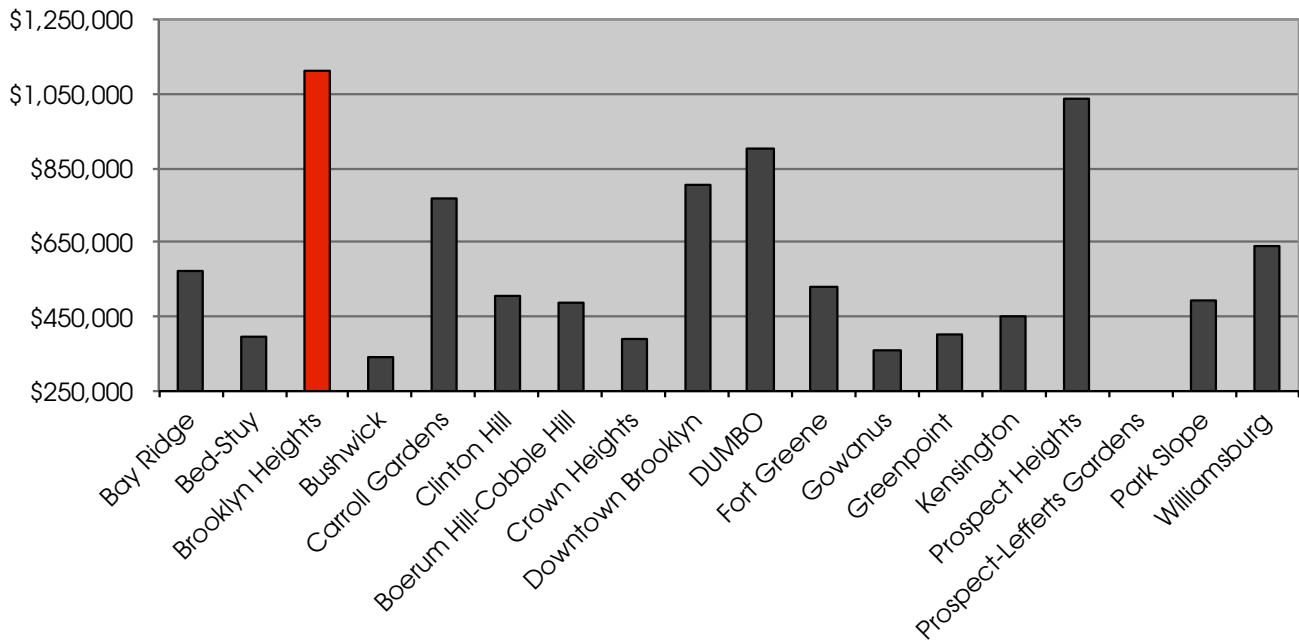
- Studios - Williamsburg (56%)
- One-Bedrooms - Williamsburg (31%)
- Two-Bedrooms - Williamsburg (35%)
- Three-Bedrooms (1500+) - Brooklyn Heights (37%)

MARKET SNAPSHOT

1Q12 MEDIAN PPSF BY NEIGHBORHOOD

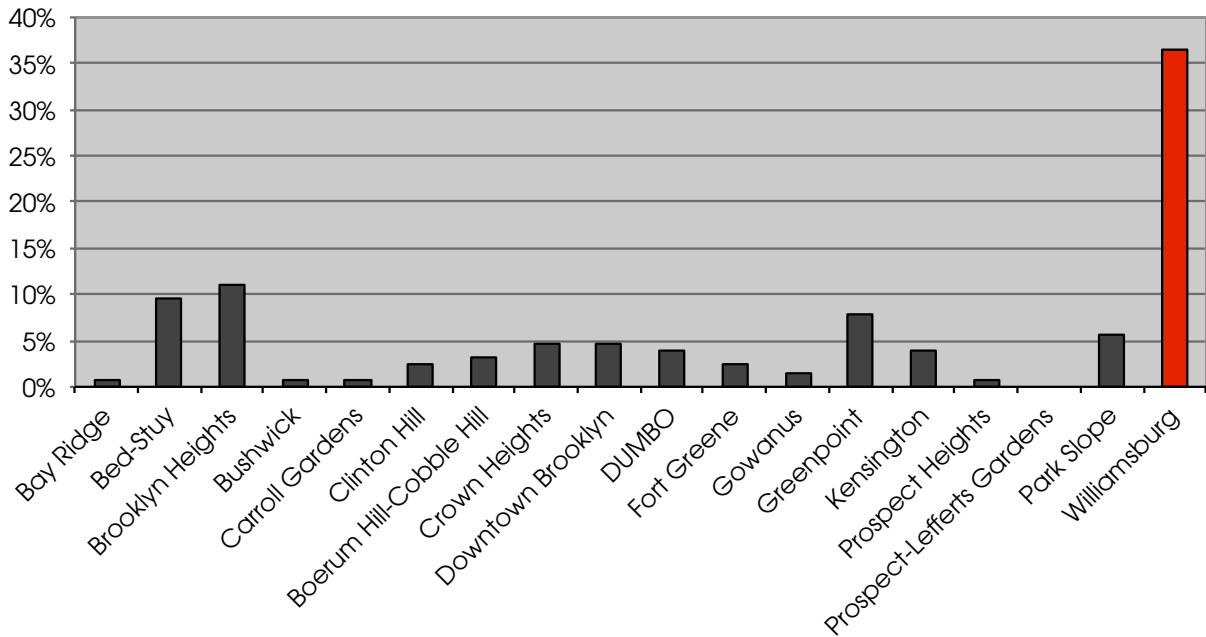


1Q12 MEDIAN SALES PRICE BY NEIGHBORHOOD

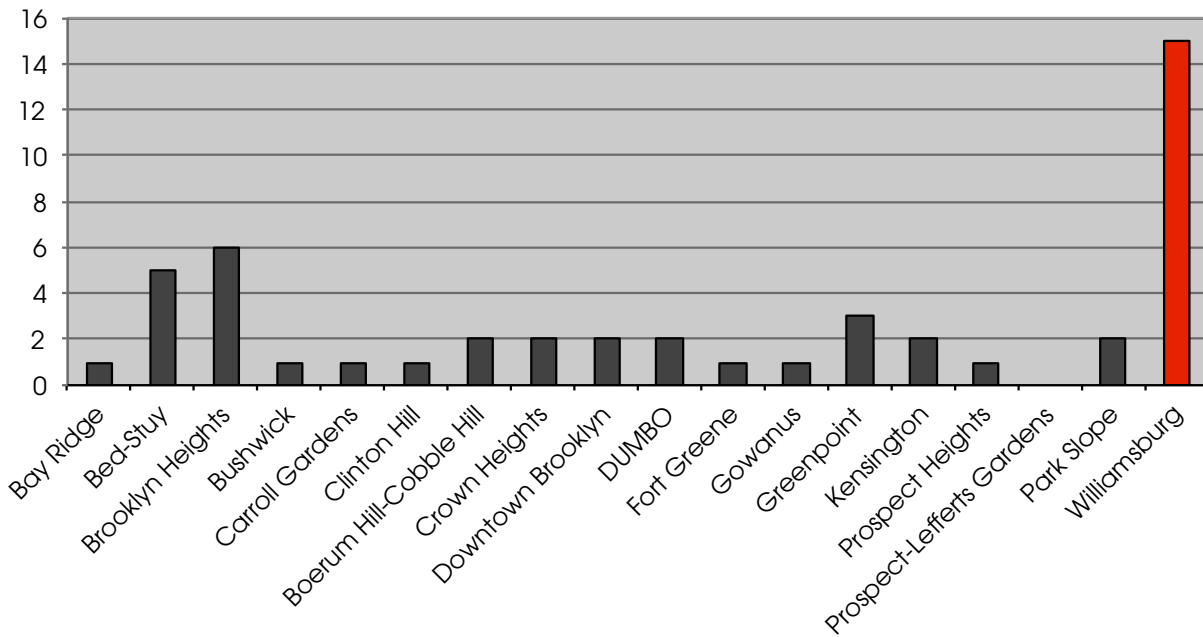


MARKET SNAPSHOT

% OF TOTAL NEW DEVELOPMENT SALES BOROUGH-WIDE



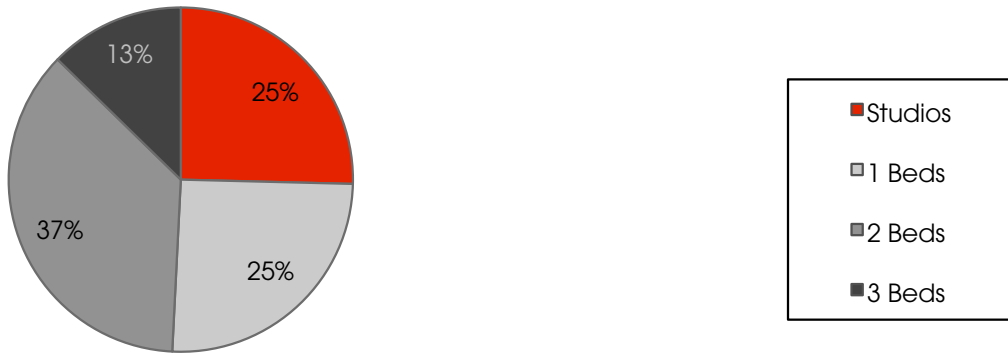
1Q12 MONTHLY ABSORPTION RATE



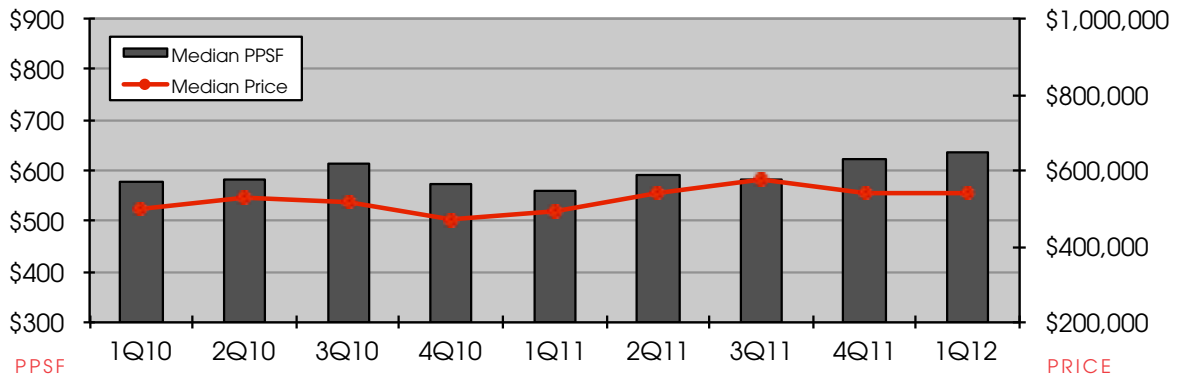
MARKET SNAPSHOT



1Q12 UNIT MIX OF NEW DEVELOPMENT SALES



BROOKLYN QUARTERLY TRACKING



BAY RIDGE

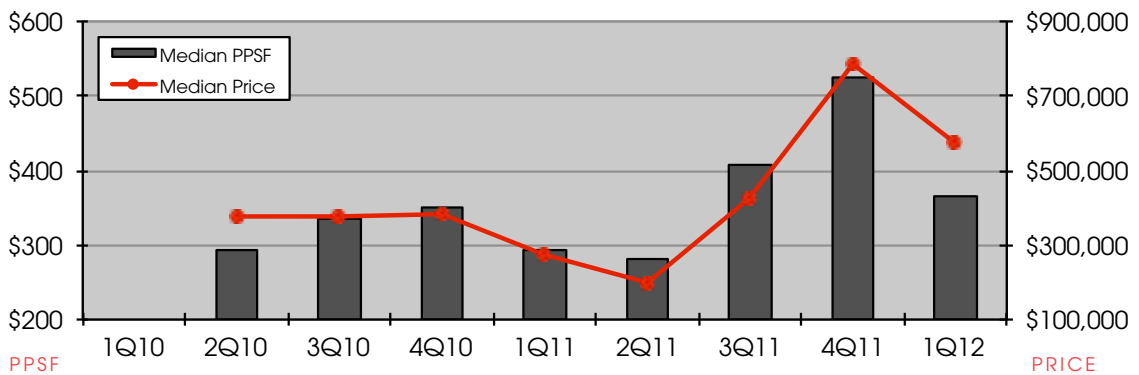
BAY RIDGE PPSF BY UNIT SIZE (\$366/SF Median)



% OF SALES WITHIN BAY RIDGE

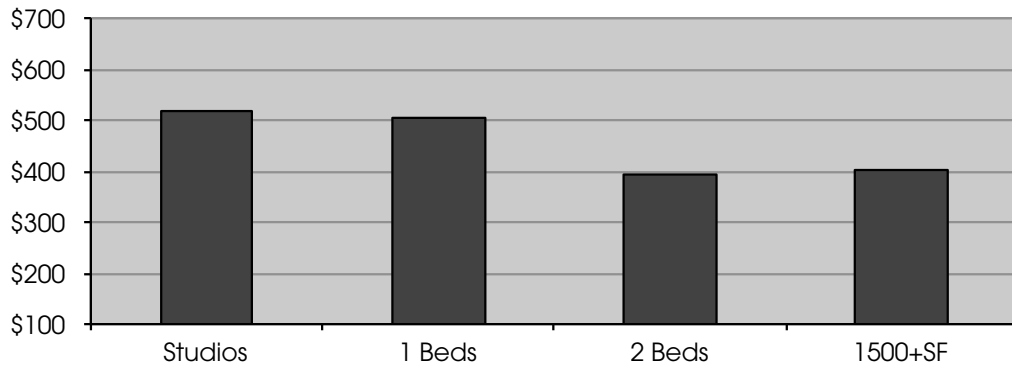


BAY RIDGE QUARTERLY TRACKING

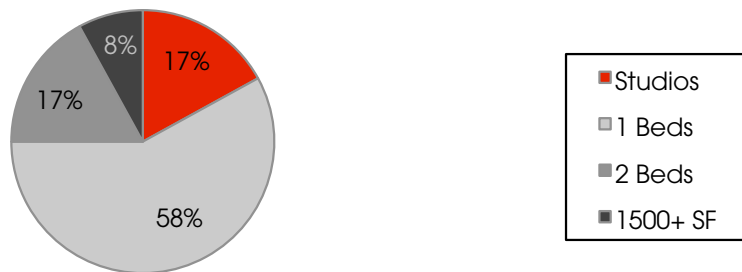


BED-STUY

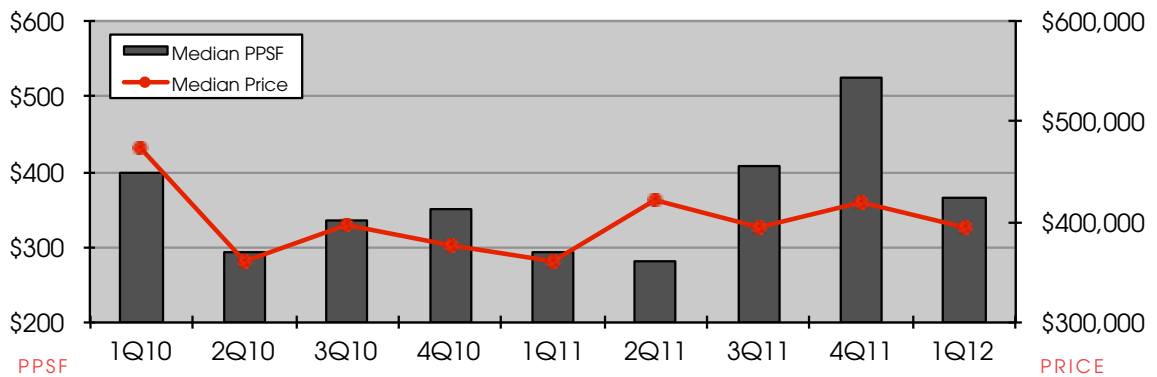
BED-STUY PPSF BY UNIT SIZE (\$484/SF Median)



% OF SALES WITHIN BED-STUY

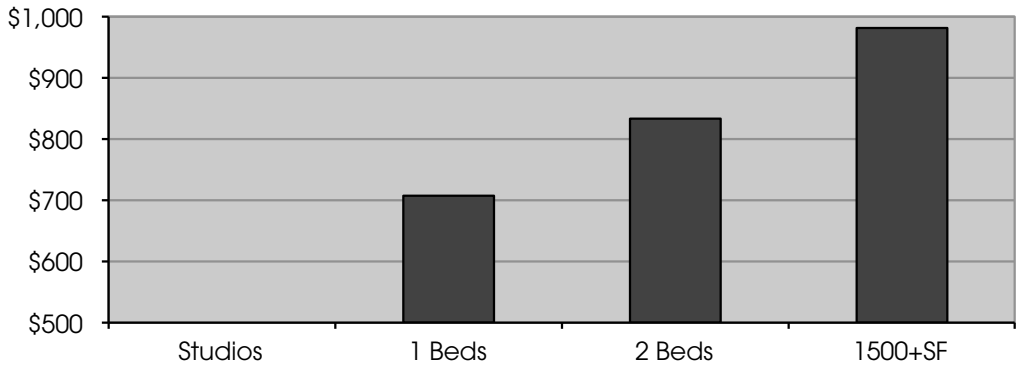


BED-STUY QUARTERLY TRACKING



BROOKLYN HEIGHTS

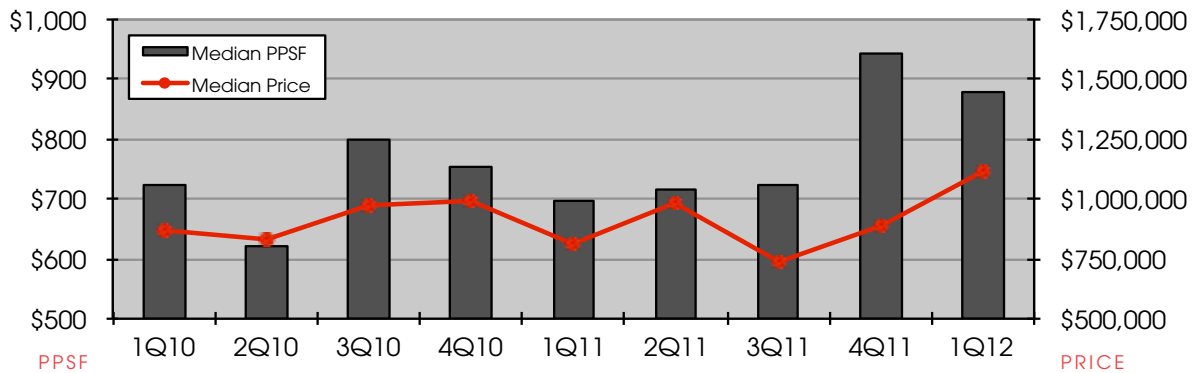
BROOKLYN HEIGHTS PPSF BY UNIT SIZE (\$877/SF Median)



% OF SALES WITHIN BROOKLYN HEIGHTS

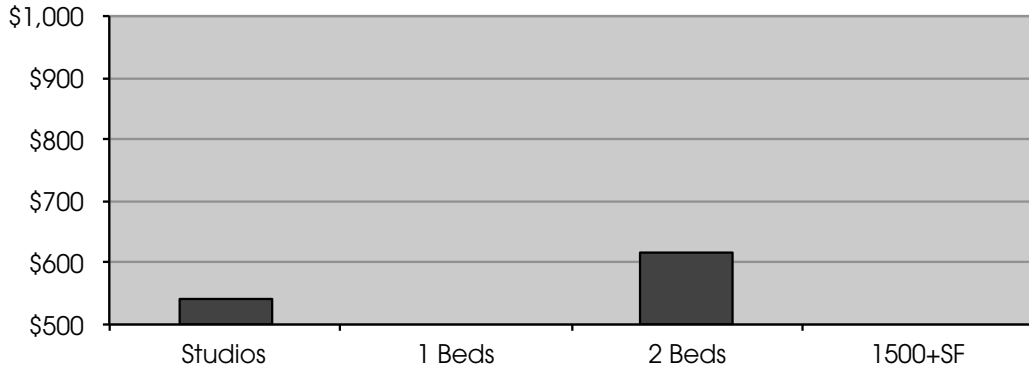


BROOKLYN HEIGHTS QUARTERLY TRACKING

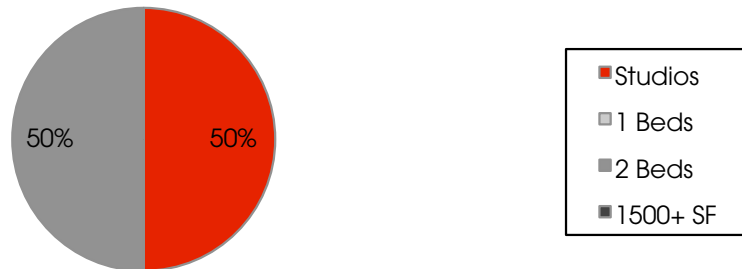


BOERUM-COBBLE HILL

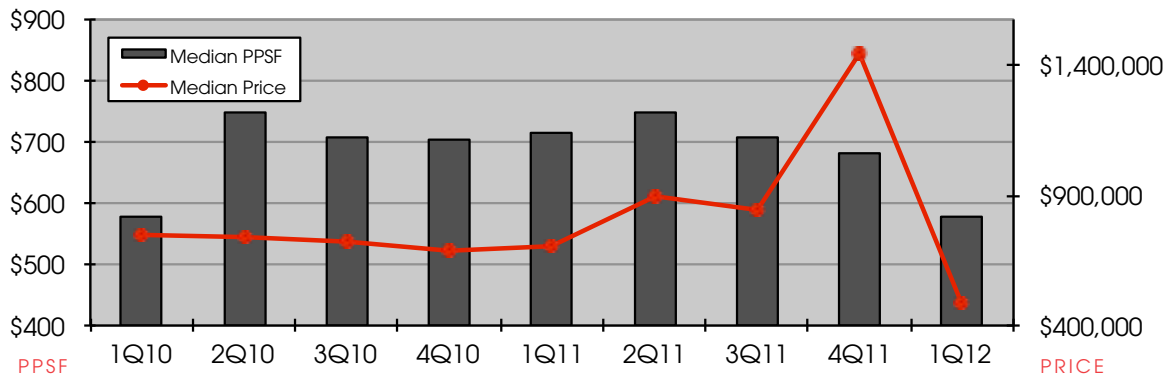
BOERUM-COBBLE HILL PPSF BY UNIT SIZE (\$578/SF Median)



% OF SALES WITHIN BOERUM-COBBLE HILL

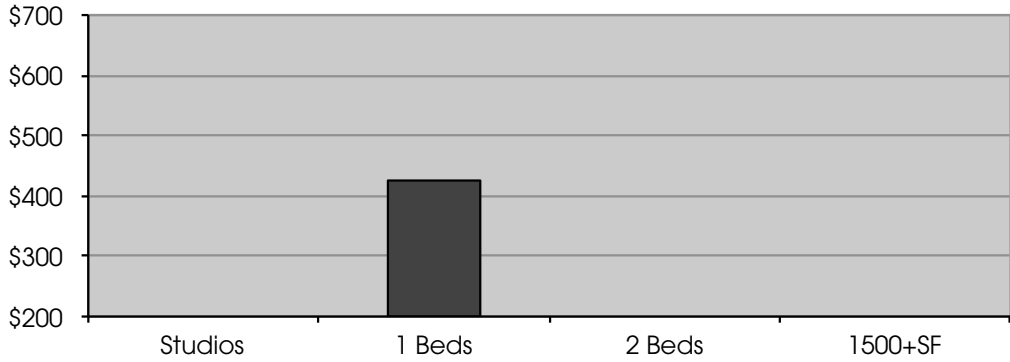


BOERUM-COBBLE HILL QUARTERLY TRACKING



BUSHWICK

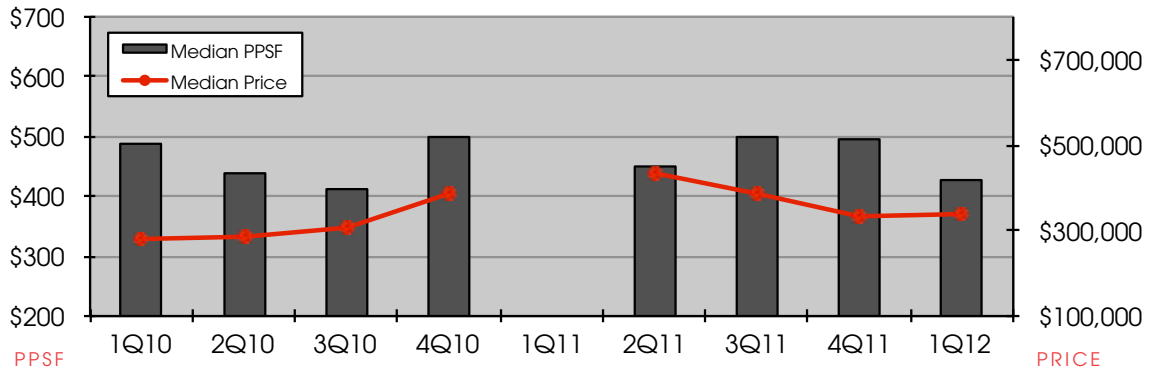
BUSHWICK PPSF BY UNIT SIZE (\$426/SF Median)



% OF SALES WITHIN BUSHWICK

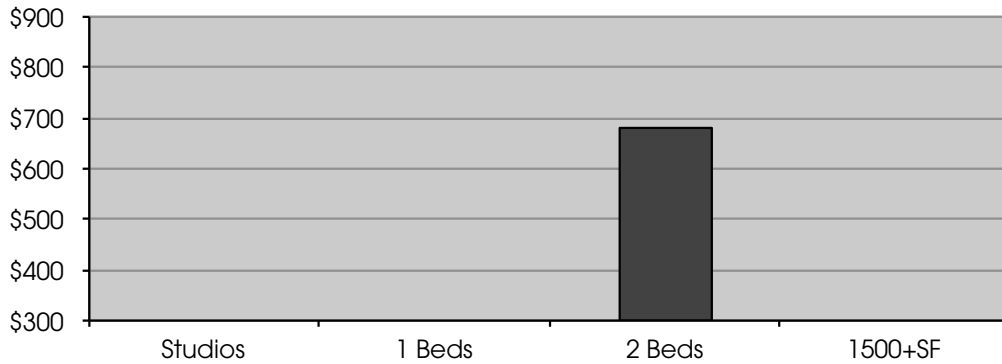


BUSHWICK QUARTERLY TRACKING



CARROLL GARDENS

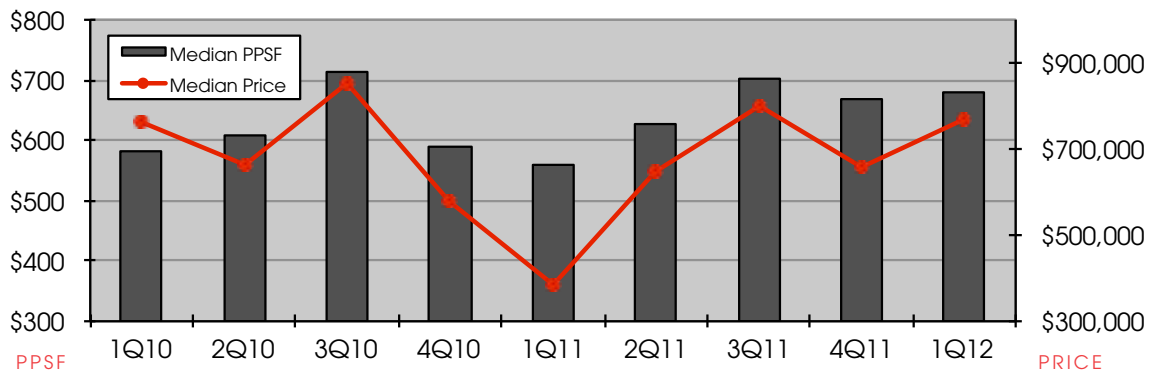
CARROLL GARDENS PPSF BY UNIT SIZE (\$680/SF Median)



% OF SALES WITHIN CARROLL GARDENS



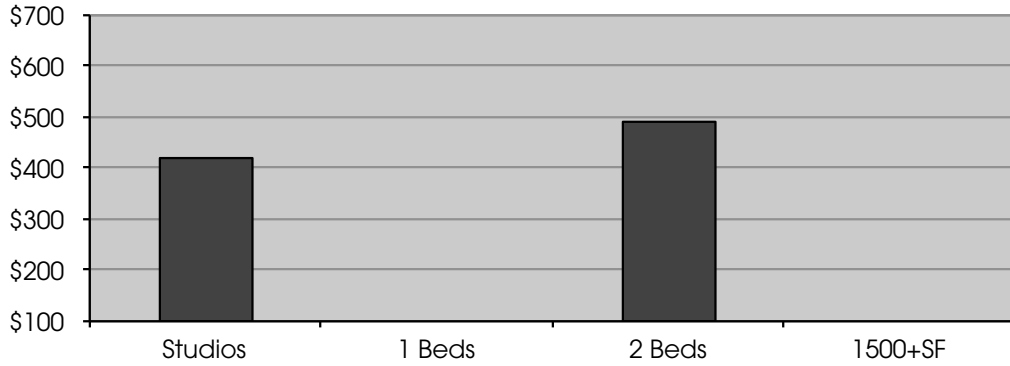
CARROLL GARDENS QUARTERLY TRACKING





CLINTON HILL

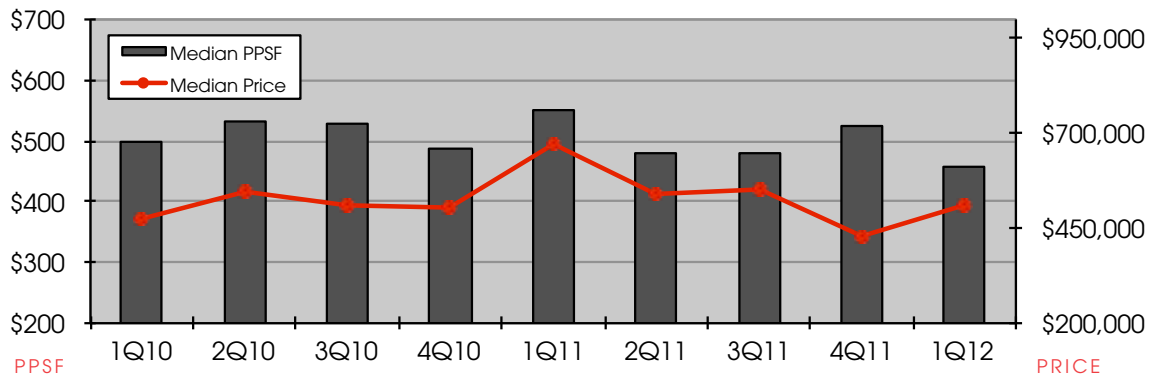
CLINTON HILL PPSF BY UNIT SIZE (\$456/SF Median)



% OF SALES WITHIN CLINTON HILL

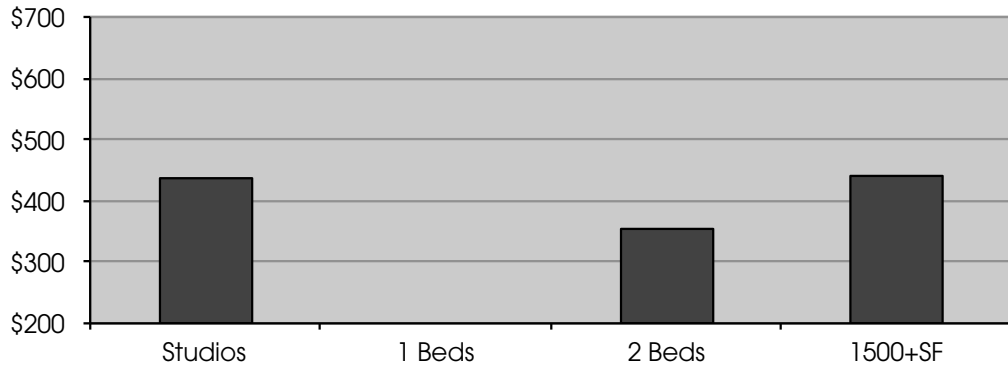


CLINTON HILL QUARTERLY TRACKING

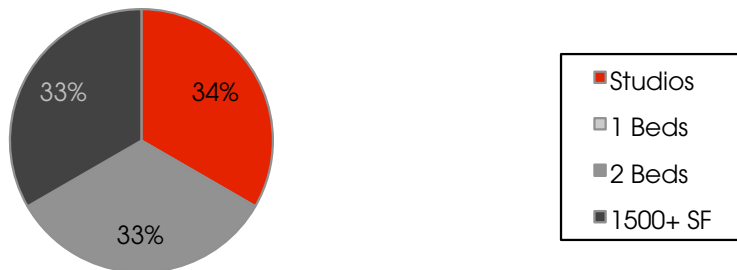


CROWN HEIGHTS

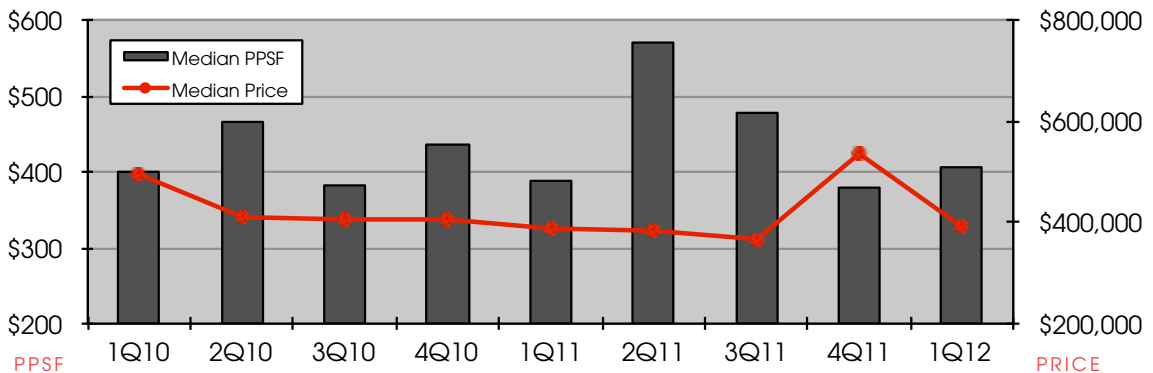
CROWN HEIGHTS PPSF BY UNIT SIZE (\$406/SF Median)



% OF SALES WITHIN CROWN HEIGHTS



CROWN HEIGHTS QUARTERLY TRACKING

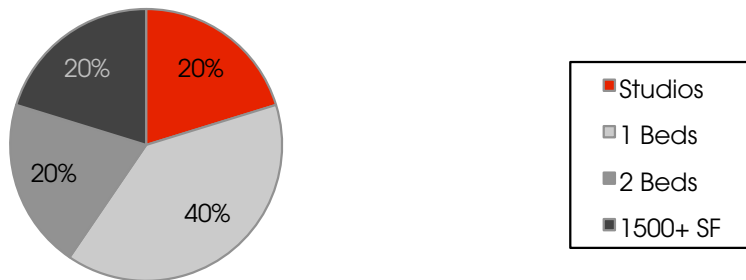


DOWNTOWN BROOKLYN

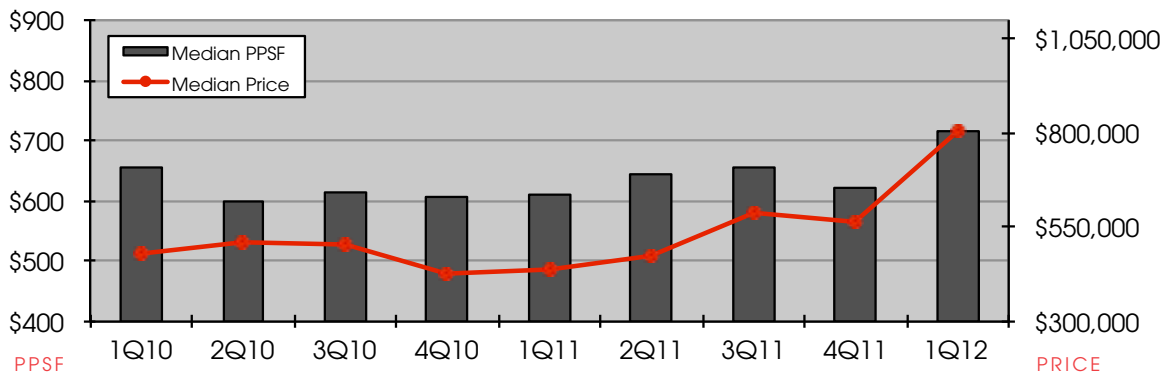
DOWNTOWN BROOKLYN PPSF BY UNIT SIZE (\$716/SF Median)



% OF SALES WITHIN DOWNTOWN BROOKLYN

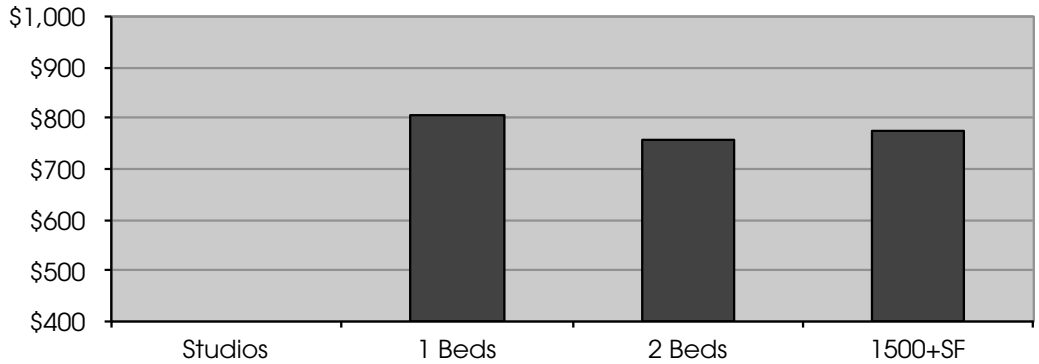


DOWNTOWN BROOKLYN QUARTERLY TRACKING

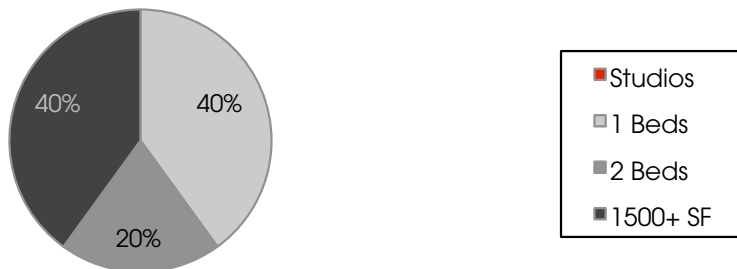


DUMBO

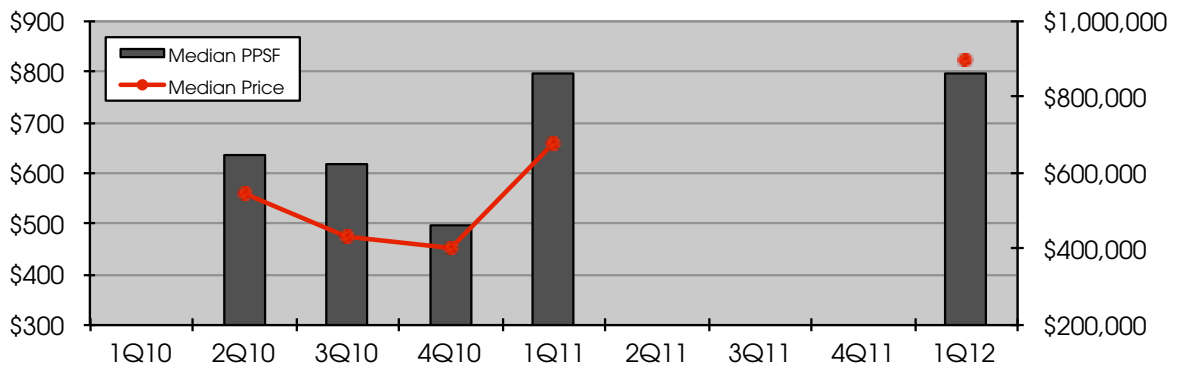
DUMBO PPSF BY UNIT SIZE (\$798/SF Median)



% OF SALES WITHIN DUMBO

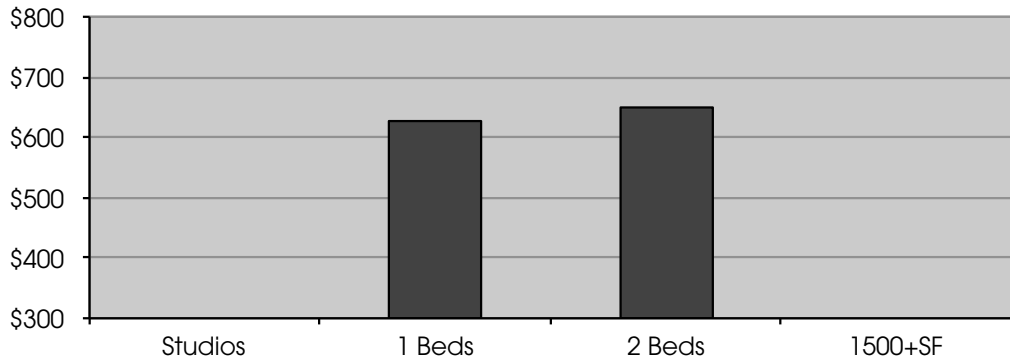


DUMBO QUARTERLY TRACKING



FORT GREENE

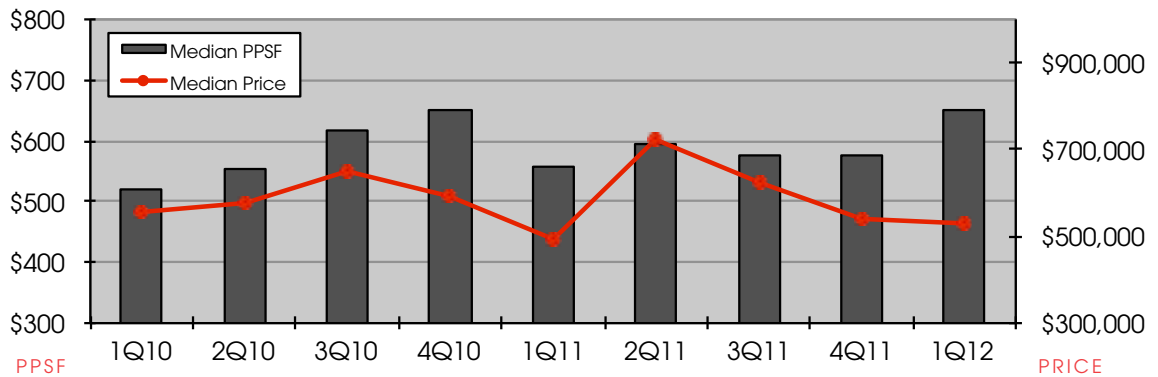
FORT GREENE PPSF BY UNIT SIZE (\$649/SF Median)



% OF SALES WITHIN FORT GREENE

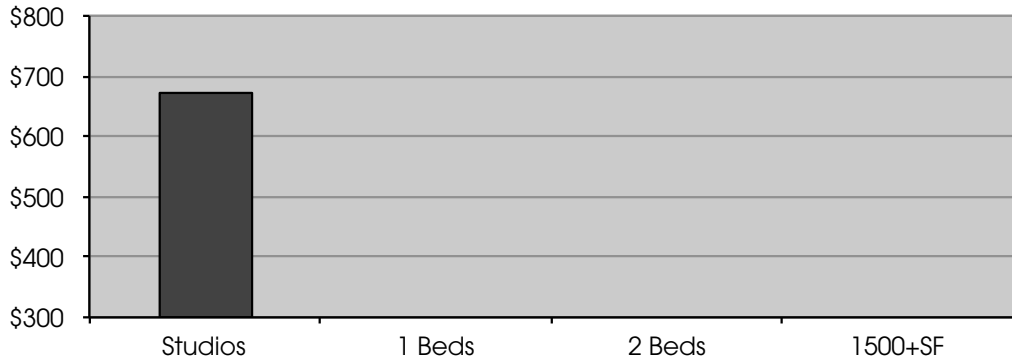


FORT GREENE QUARTERLY TRACKING



GOWANUS

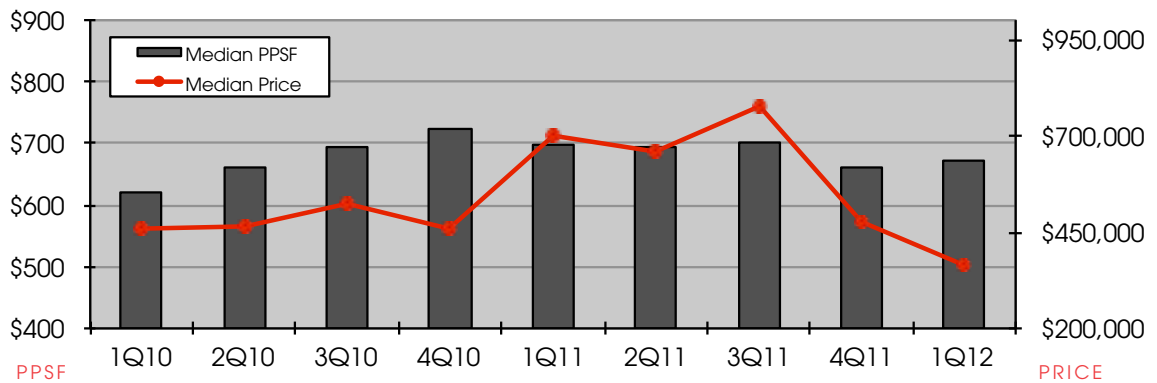
GOWANUS PPSF BY UNIT SIZE (\$672/SF Median)



% OF SALES WITHIN GOWANUS

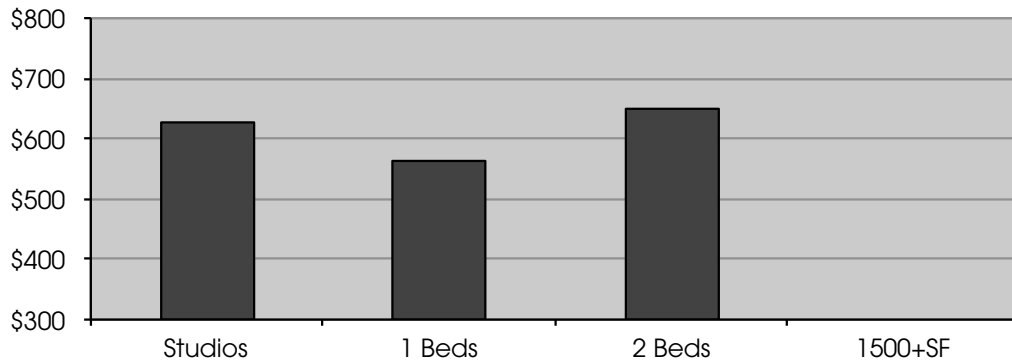


GOWANUS QUARTERLY TRACKING

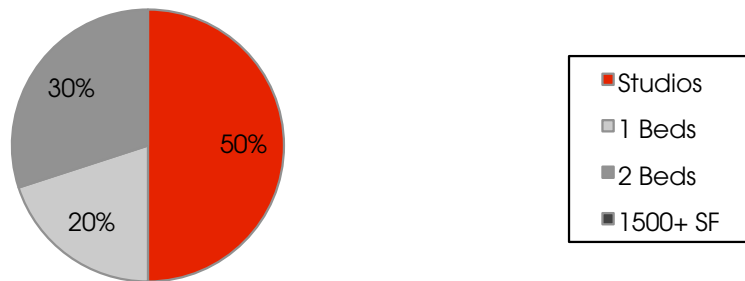


GREENPOINT

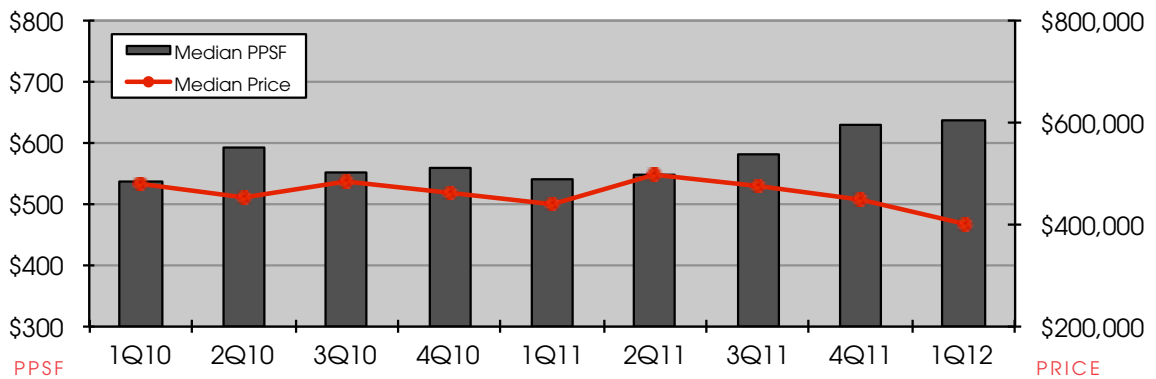
GREENPOINT PPSF BY UNIT SIZE (\$637/SF Median)



% OF SALES WITHIN GREENPOINT

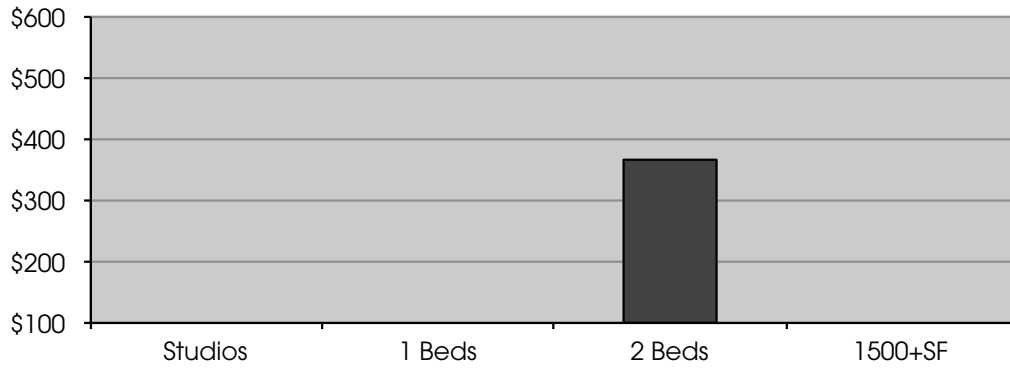


GREENPOINT QUARTERLY TRACKING



KENSINGTON

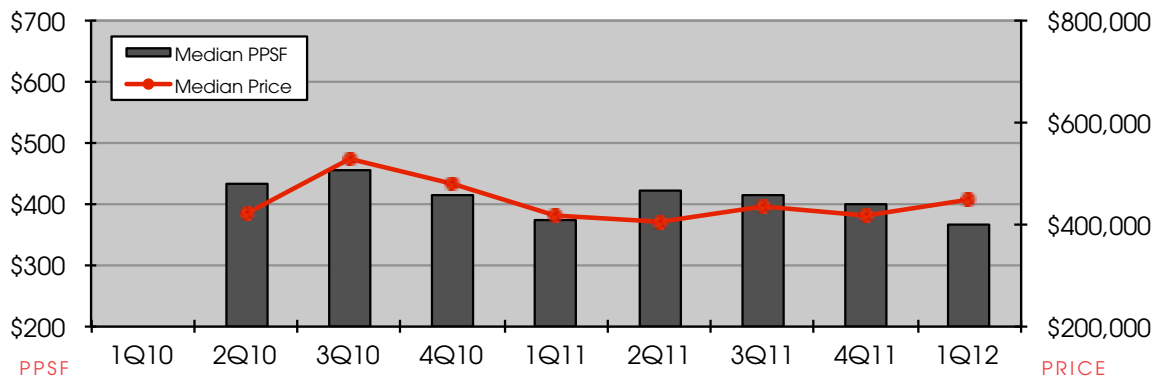
KENSINGTON PPSF BY UNIT SIZE (\$365/SF Median)



% OF SALES WITHIN KENSINGTON

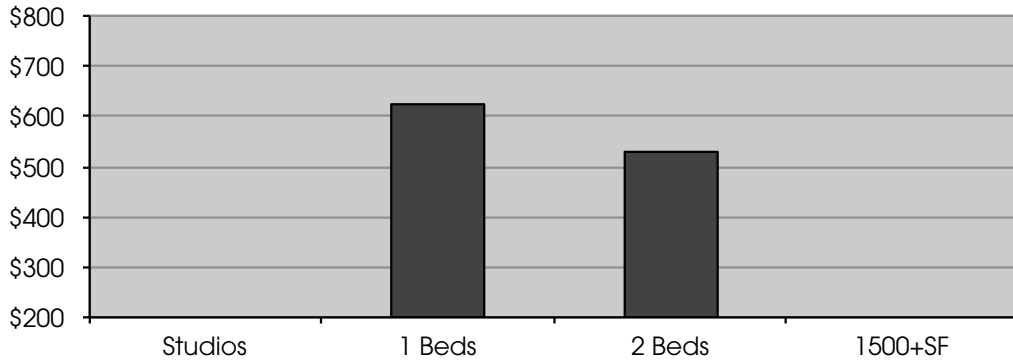


KENSINGTON QUARTERLY TRACKING

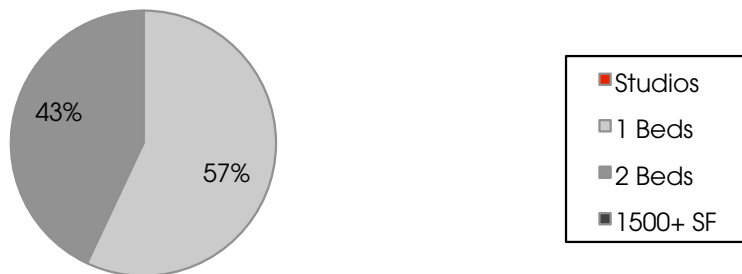


PARK SLOPE

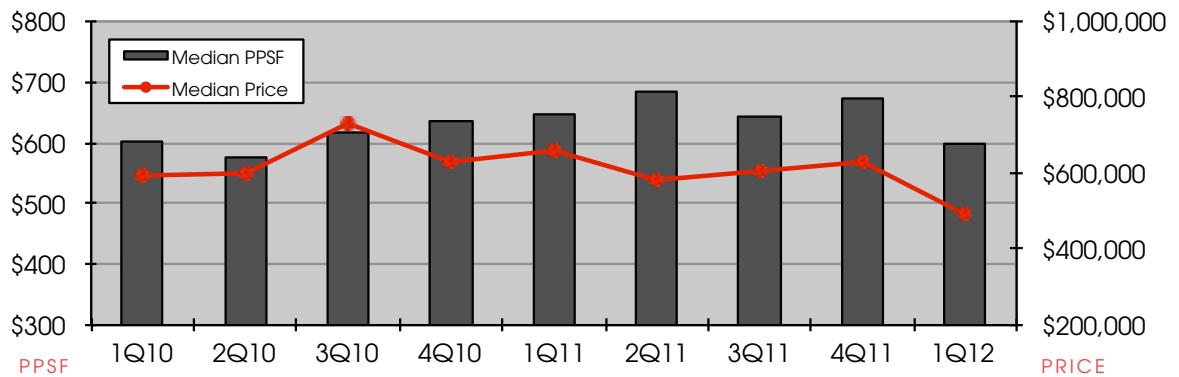
PARK SLOPE PPSF BY UNIT SIZE (\$597/SF Median)



% OF SALES WITHIN PARK SLOPE

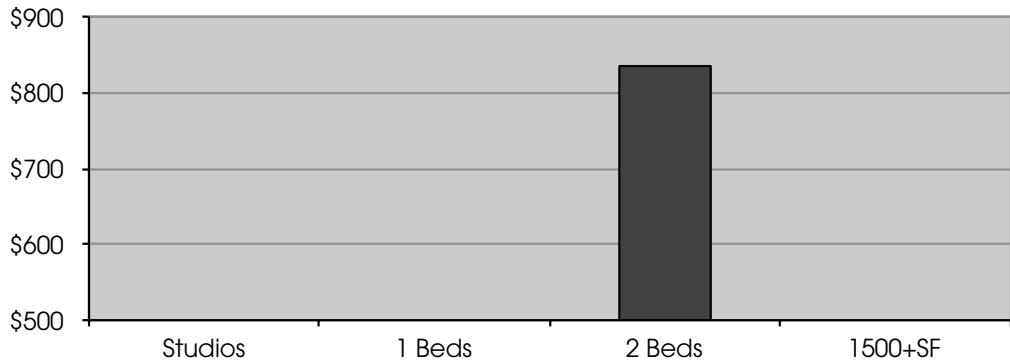


PARK SLOPE QUARTERLY TRACKING



PROSPECT HEIGHTS

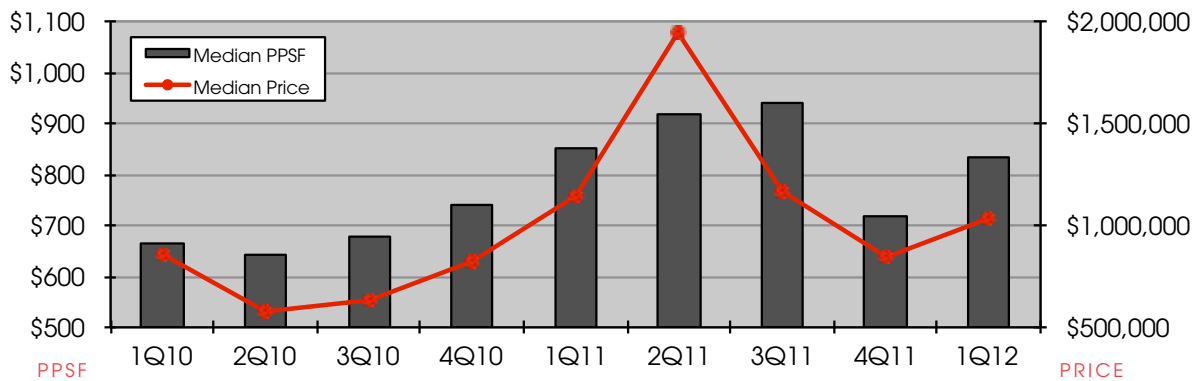
PROSPECT HEIGHTS PPSF BY UNIT SIZE (\$834/SF Median)



% OF SALES WITHIN PROSPECT HEIGHTS



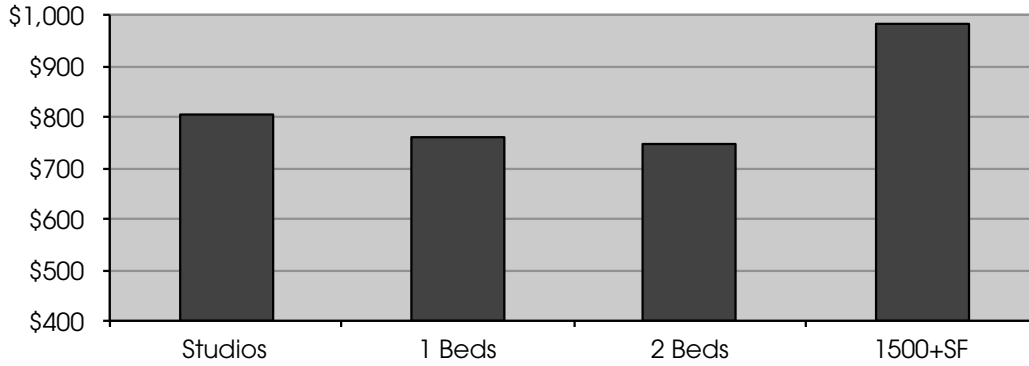
PROSPECT HEIGHTS QUARTERLY TRACKING



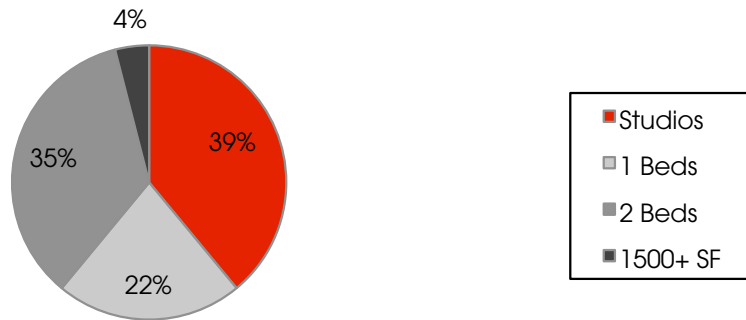


WILLIAMSBURG

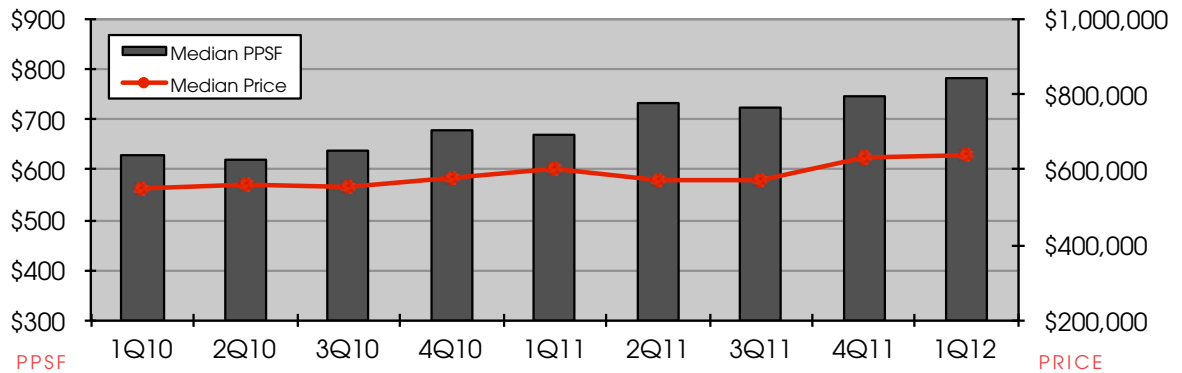
WILLIAMSBURG PPSF BY UNIT SIZE (\$782/SF Median)



% OF SALES WITHIN WILLIAMSBURG



WILLIAMSBURG QUARTERLY TRACKING



THE REPORT EXPLAINED

Included in this research are walk-up and elevator new development condominium buildings, as well as new conversion condominiums if the sales were applicable sponsor transactions. Excluded from the report are all cooperative sales. Unit types such as studios, one-bedrooms, and two-bedroom units are grouped by square footage ranges. Studios are under 700 square feet, one-bedrooms are under 900 square feet, and two-bedrooms are under 1,450 square feet. Added to the report is the over-sized unit type that ranges from 1,500 square feet to 5,500 square feet.

Presented with a quarter-over-quarter and year-over-year comparison, both city-wide and by neighborhood, MNS New Development Report™ tracks the market trends throughout Manhattan and Brooklyn. MNS offers a unique insight into the new development market by tracking stalled construction sites on a quarterly basis, a great indicator of where development in general is moving. MNS is your source to find neighborhood price per square foot analysis, average sale prices, unit type sales trends, overall price movement, neighborhood inventory comparisons, and absorption rates.

Can't find what you're looking for? Ask MNS for more information at www.mns.com.

CONTACT US NOW: 212.475.9000

Note: All market data is collected and compiled by MNS marketing department. The information presented here is intended for instructive purposes only and has been gathered from sources deemed reliable, though it may be subject to errors, omissions, changes or withdrawal without notice. If you would like to republish this report on the web, please be sure to source it as the "Brooklyn New Development Report" with a link back to its original location (http://www.mns.com/brooklyn_new_dev_report).

