

Brooklyn Q2 Report

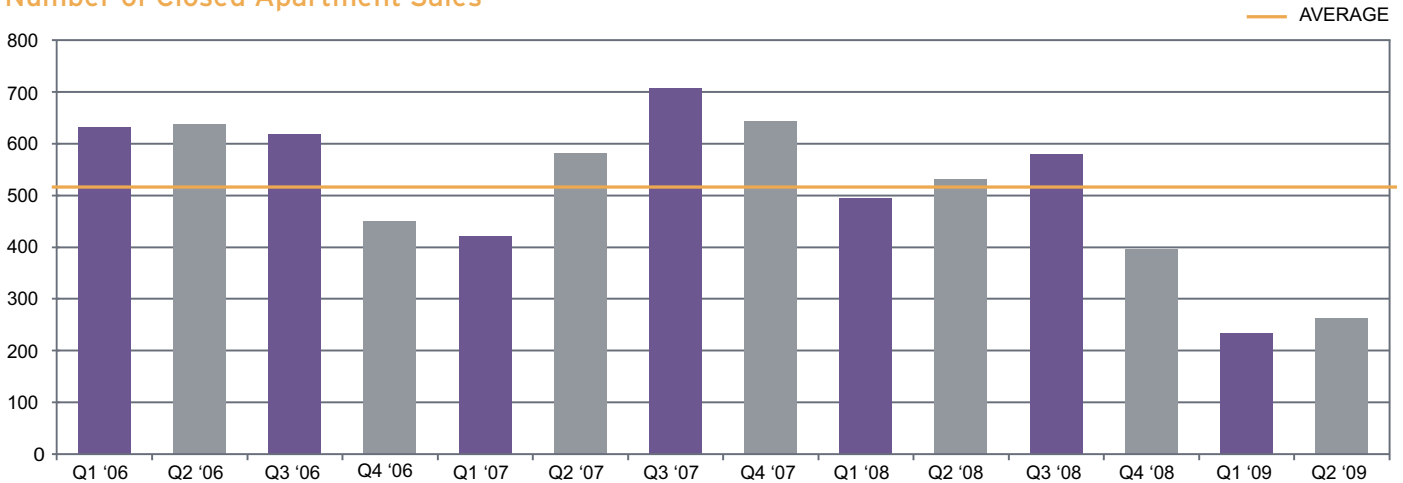
Market conditions in Brooklyn continued to decline this quarter. The number of sales was down over 50% from Second Quarter 2008. Co-op sales decreased a smaller percentage than condo sales, falling 42% versus 57% for condos. One bedroom residences experienced the largest decline in sales, falling 63% compared to a year ago. However, there has recently been an uptick in sales activity resulting in an 11% increase over First Quarter 2009. This increase is largely due to decreased pricing and historical seasonality. Overall, both median price and average price per square foot fell 11% from Second Quarter 2008 to \$510,000 and \$599 per square foot, respectively. All bedroom types recorded a price decrease, which was most pronounced in studio residences with a 31% drop.

Co-op median price fell 11% from \$450,000 to \$399,500 and average price per square foot decreased 7% from \$605 to \$561 per square foot. The median price of two bedroom residences fell 22% year-over-year as the percentage of sales in prime neighborhoods declined from a year ago. One bedroom median price went unchanged since last year, albeit suffering an almost 50% decline in sales volume. One bedroom median price did not decline due to an increase of sales in more expensive neighborhoods.

Condominiums experienced declines of 7% in median price and 11% in average price per square foot. Two- and three-plus bedroom residences experienced the largest decline in median price, falling 14% and 10%, respectively. With larger condos now more affordable due to price declines, two bedroom and larger residences continued to gain market share versus smaller condos, representing 68% of sales compared to 54% in Second Quarter 2008. New development condominium sales continue to impact the Brooklyn residential real estate market, as developers added a significant amount of supply before the onslaught of the recession. New developments accounted for approximately 41% of the marketwide sales activity this quarter.

Second Quarter 2009 witnessed a very small number of townhouse sales. The results are somewhat mixed, as individual sales skewed the statistics. Overall, the median price for a single-family townhouse increased 38% over last year, buoyed by a small number of transactions in prime neighborhoods including Brooklyn Heights and Park Slope. Multifamily townhouse sales declined by two-thirds compared to last year. The median price for a multifamily townhouse decreased 15%.

Number of Closed Apartment Sales



Market Wide	Average Sale Price	Median Price	Avg Price per sf	Median Price			
				Studio	1 BR	2 BR	3+ BR
	2009	561K	510K	599	235K	421K	599K
Change	-14%	-11%	-11%	-31%	-7%	-17%	-7%
2008	650K	573K	672	343K	451K	676K	1.030M

Co-ops	Median Price	Avg Price per sf	Median Price			
			Studio	1 BR	2 BR	3+ BR
	2009	400K	561	220K	349K	490K
Change	-11%	-7%	-12%	0%	-22%	-14%
2008	450K	605	249K	350K	625K	995K

Condos	Median Price	Avg Price per sf	Median Price			
			Studio	1 BR	2 BR	3+ BR
	2009	567K	613	N/A	472K	600K
Change	-7%	-11%	N/A	-3%	-14%	-10%
2008	610K	691	400K	488K	699K	1.090M

Townhouses	1 Family		2-4 Family	
	Average Price	Median	Average Price	Median
	2009	1.585M	1.495M	1.254M
Change	+34%	+38%	-14%	-15%
2008	1.185M	1.080M	1.465M	1.183M