

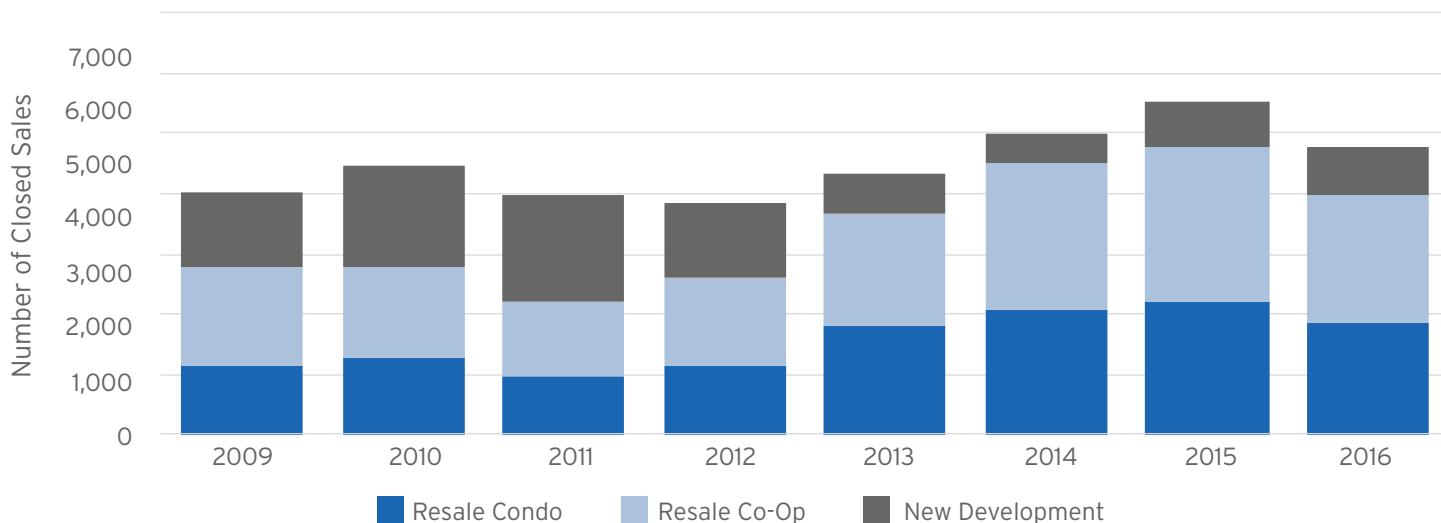
Brooklyn Overview

Brooklyn's performance this year was solid despite lower sales and constricted inventory in lower price points. Record prices were set this year, mainly due to a surge in sales over \$2MM and growth in new development sales. While apartment sales overall were down 14% versus last year, closings over \$2MM were up 39%. Average price was 16% higher than a year ago and average price per square foot grew 10% to \$884 per square foot. This year, median price finally surpassed its previous high set in 2008.

Overall	2016	2015	Y/Y
Closings	4,773	5,519	-14%
Avg. PPSF	\$884	\$806	10%
Average	\$797,000	\$688,292	16%
Median	\$625,000	\$556,000	12%

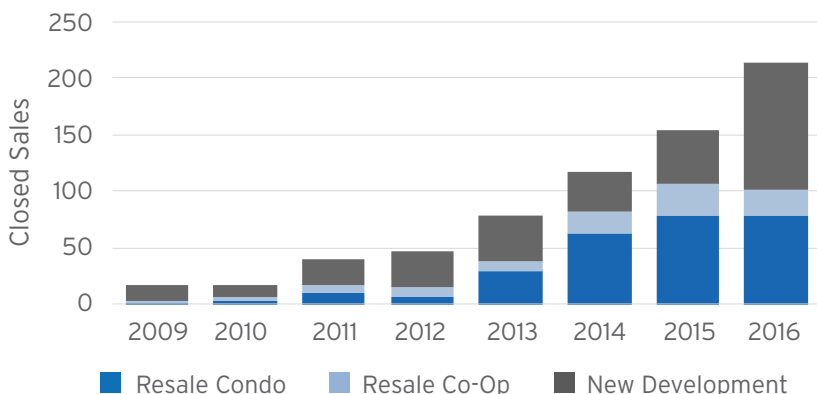
Sales

Nearly 4,800 condo and co-op sales closed during 2016, which was 14% below sales in 2015, but higher than the annual number of sales in 2009 through 2013. With low inventory under \$1MM, resale activity dropped and drove the overall market down. New development closings actually rose 8% versus last year to their highest level since 2012.



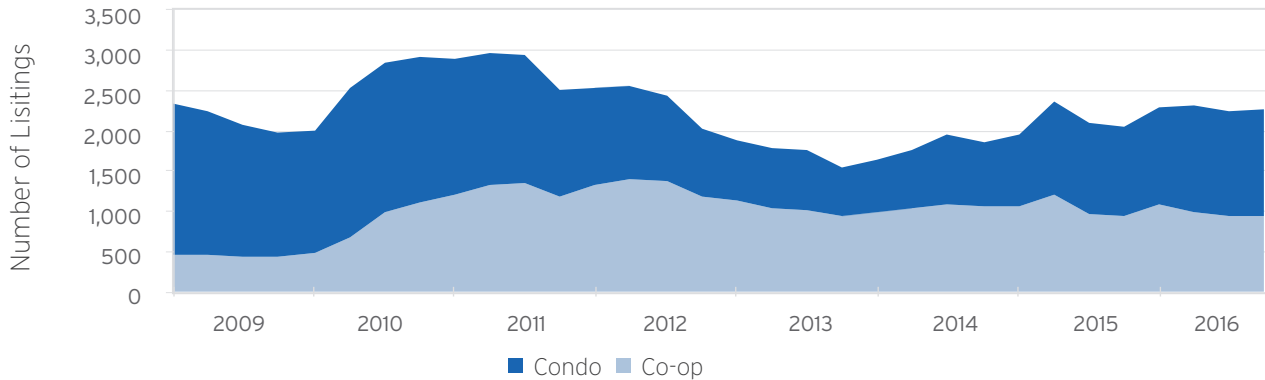
Sales Over \$2M

The \$2M+ market had a surge in apartment sales this year, up 39% year-over-year. At 214 sales, this represented 4% of all Brooklyn sales, the largest market share on record. New development sales more than doubled from last year and captured over half the buyers in the \$2MM+ category. Dumbo and Brooklyn Heights claimed 60% of all sales over \$2MM, ranking them first among all Brooklyn neighborhoods in this price range.

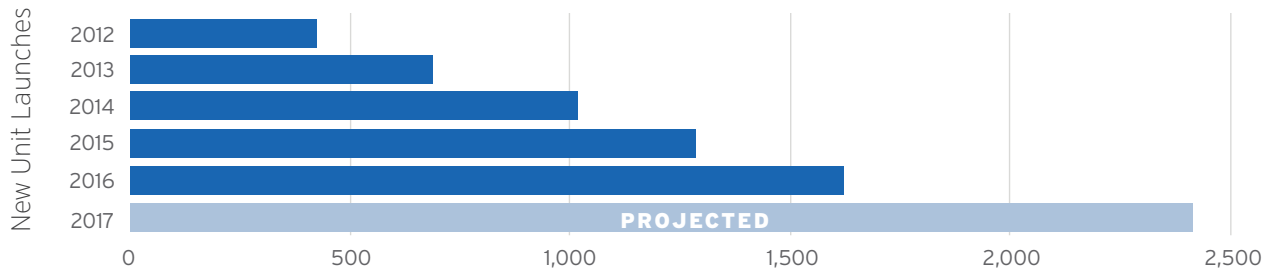


Inventory

Available listings rose year-over-year during three of the last four quarters, but throughout all of 2016 remained relatively flat. The double-digit annual increase in condo inventory this year replenished the low co-op inventory. At the end of 2016 Brooklyn had 23% more condo inventory compared to the end of 2015, while co-op inventory was up just 2% from last year's level. The pipeline of new developments expected to come to market in 2017 is approximately 2,400 units, 50% more than the number of units brought to market during 2016.

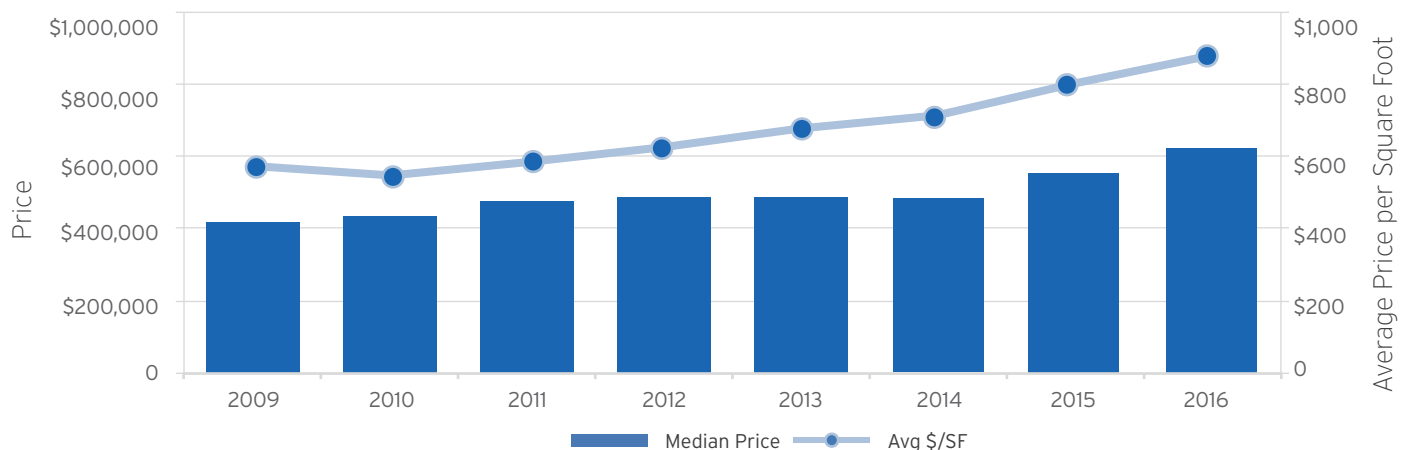


New Development Launches



Prices

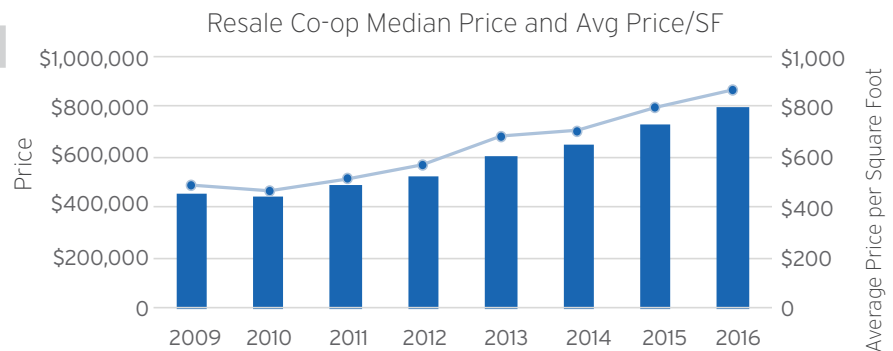
During the past three years, there was a large run up in median price, following level median price figure from 2011 through 2014. Both 2015 and 2016 had double-digit median price increases, with 2016 setting a new record high. Average price per square foot rose 10% above last year's record high figure to \$884 per square foot. The gain in market share of new development sales fueled higher prices across the market



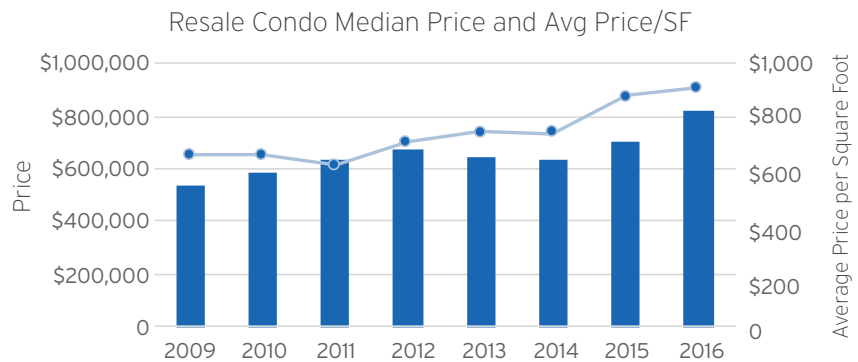
Statistics by Type

Across the resale market in Brooklyn, sales were lower by double-digits versus last year. On the other hand, many new development properties were ready for occupancy this year, which drove new development sales up 8%. Sales under \$1M struggled the most due to constricted inventory at this price level throughout the year. Average and median price in all segments rose compared to 2015 to reach record high figures. New development had the largest year-over-year gain in average price per square foot, up 15%, while median price for resale co-ops increased the most versus the same period, up 17%.

Resale Co-op	2016	2015	% Chg
Sales	2,107	2,597	-19%
Avg. PPSF	\$725	\$704	3%
Average Price	\$533,514	\$476,115	12%
Median Price	\$410,000	\$349,000	17%
Sales under \$1M	1,890	2,379	-21%
Sales \$1M to \$2M	195	193	1%
Sales over \$2M	22	35	-11%



Resale Condo	2016	2015	% Chg
Sales	1,870	2,184	-14%
Avg. PPSF	\$861	\$801	7%
Average Price	\$912,377	\$842,233	8%
Median Price	\$799,000	\$721,625	11%
Sales under \$1M	1,284	1,622	-21%
Sales \$1M to \$2M	507	485	4%
Sales over \$2M	79	77	3%



New Development	2016	2015	% Chg
Sales	796	738	8%
Avg. PPSF	\$1,040	\$904	15%
Average Price	\$1,232,435	\$979,375	26%
Median Price	\$849,000	\$799,000	6%
Sales under \$1M	504	498	1%
Sales \$1M to \$2M	179	193	-7%
Sales over \$2M	113	47	140%

