



BROOKLYN NEW DEVELOPMENT REPORT

2011 FOURTH QUARTER

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INTRODUCTION



MNS is proud to present the Fourth Quarter 2011 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 Fourth Quarter of 2011 (10/01/11 – 12/31/11). All data summarized is on a median basis. This month also includes quarterly tracking graphs over an eight quarter look back (1Q10) and will continue to track the trends going forward.



MARKET SNAPSHOT



- Year Over Year Median PPSF – up 8%
Quarter Over Quarter Median PPSF – up 7%
- Year Over Year Median Sales Price – up 15%
Quarter Over Quarter Median Sales Price – down 6%
- Brooklyn New Development sales inventory - down 36% from last quarter.
Neighborhood with the most inventory – Williamsburg (25% of all Brooklyn)
- Total New Development Sales Volume – down 35% to \$148 Million from \$230 Million in 3Q11
- Largest quarterly up-swing: Brooklyn Heights
PPSF: \$944/SF from \$724/SF
Sales Price: \$890K from \$738K
- Largest quarterly down-swing: Prospect Heights
PPSF: \$718/SF from \$938/SF
Sales Price: \$845K from \$1.17M
- Highest New Development Sale:
One Brooklyn Bridge - 360 Furman Street #205 - \$3,650,867

MARKET SUMMARY:

In Brooklyn, 2011 has fared better than 2010, with a peak median sales price in the third quarter at \$575K, and a strong finish in the fourth quarter with a high median sales price per foot of \$622/SF.

Year-over-Year Brooklyn New Development Condominium sales price per foot numbers are up 8% (\$622/SF this quarter versus \$574/SF in 4Q10), and median sales prices are up 15% (\$542K this quarter versus \$471K in 4Q10).

Compared to last quarter 3Q11, Brooklyn New Development price per square foot median numbers are up 7% but median sales prices are down 6%, to \$542K from \$575K.

MARKET UP-SWINGS:

Park Slope has remained steady during 2010 and into 2011, but the neighborhood has trended up the last three quarters, finishing the year at a median sales price of \$630K. The 15 closings at 400 5th Ave had a median price per foot of \$692/SF, boosting the neighborhood up 4% this quarter, as did sales at the lovely TBHC (The Brooklyn Home Company) at \$955/SF.

Where in Brooklyn can you sell for over \$1,000/SF? Certainly in Williamsburg! In 4Q11, Edge had the highest price per square foot closing at \$1,142/SF and also had 5 other closings over \$1,000/SF. 2 Northside Piers had one PH

MARKET SNAPSHOT



closing at \$1,073/SF. With 34% of the Williamsburg market, Edge has continued to absorb at a median of \$863/SF this quarter, versus the \$746/SF in the rest of the neighborhood.

Brooklyn Heights tends to also fetch high price per foot numbers, and this quarter closed 9 units at One Brooklyn Bridge Park at a median of \$944/SF, a jump of 30% from 3Q11.

The tributes to these large numbers for 4Q11:

Development	Location of Development	Closed Units in Condo during 4Q11	Median PPSF (4Q11 Only)	Quarter-Over-Quarter Overall Neighborhood Change
One Brooklyn Bridge	Brooklyn Heights	9	\$944	30%
500 4 th Ave	Park Slope	15	\$692	4%
EDGE	Williamsburg	20	\$863	10%

MARKET DOWN-SWINGS:

There's been a huge slump in the Prospect Heights market since On Prospect Park stalled again, but when the remaining 20% comes back online, it may be a potential decline from its peak 2Q11 pricing of \$1,000/SF. Whereas in 3Q11, there were 3 closings at a median of \$938/SF, in 4Q11 there was only one at \$822/SF.

This quarter's closings for Crown Heights below \$400/SF did not do the neighborhood justice, considering that the units on the market are asking a median price per foot of \$565/SF. There's about 5 months of inventory left, so we'll look to 2012 to push this neighborhood back to its 2Q11 peak of \$571/SF.

INVENTORY ANALYSIS:

Overall, the Borough is really suffering from condo-inventory. Brooklyn could easily absorb what is has on the market in about 3-6 months, putting serious pressure on pricing and housing options. However, of what is on the market, 50% of the inventory is one-bedrooms, and one-bedrooms have been absorbing at about half the pace of the other unit types. Two-bedrooms are the fastest to trade, about 30 a month last quarter.

The fourth quarter of 2011 brought 35% less sponsor sales to Brooklyn's city registry, compared to 3Q11, the same decrease we saw from the second to the third quarters. Williamsburg still has the highest percentage of all Brooklyn New Development Sales.

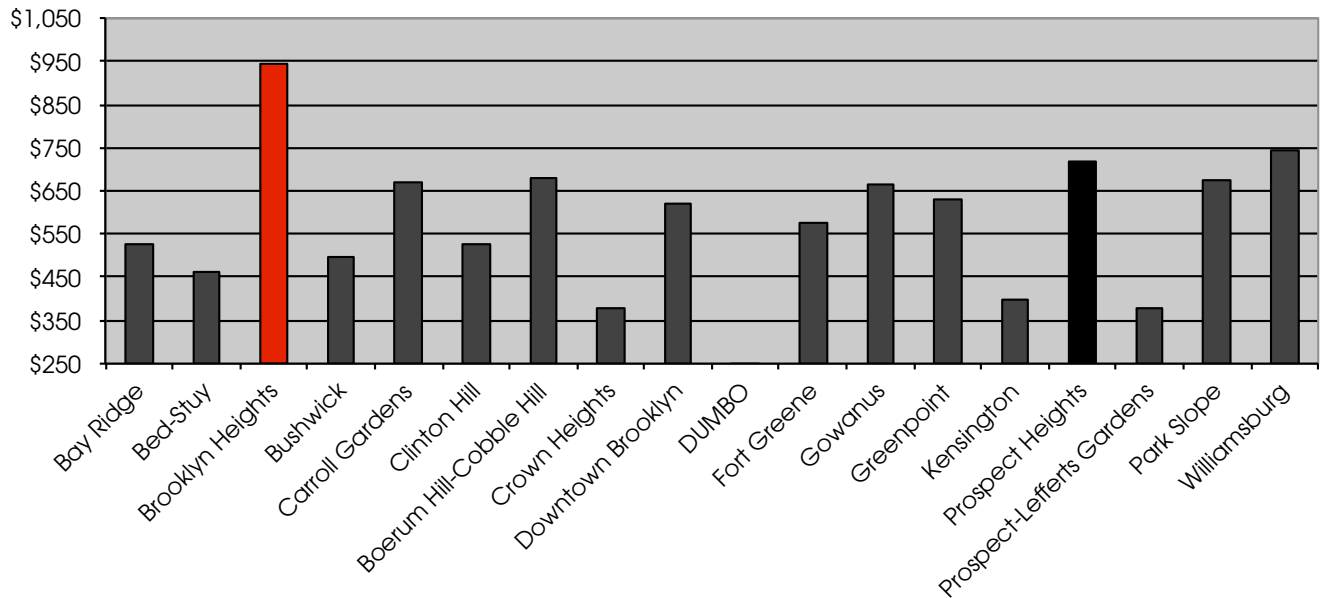
In tracking the neighborhoods that sold the most amount of 4Q11 new development inventory per unit size, Williamsburg dominates in every category:

- Studios - Williamsburg (34%)
- One Bedrooms - Williamsburg (23%)
- Two Bedrooms - Williamsburg (18%)
- Three Bedrooms (1500 +) - Williamsburg (27%)

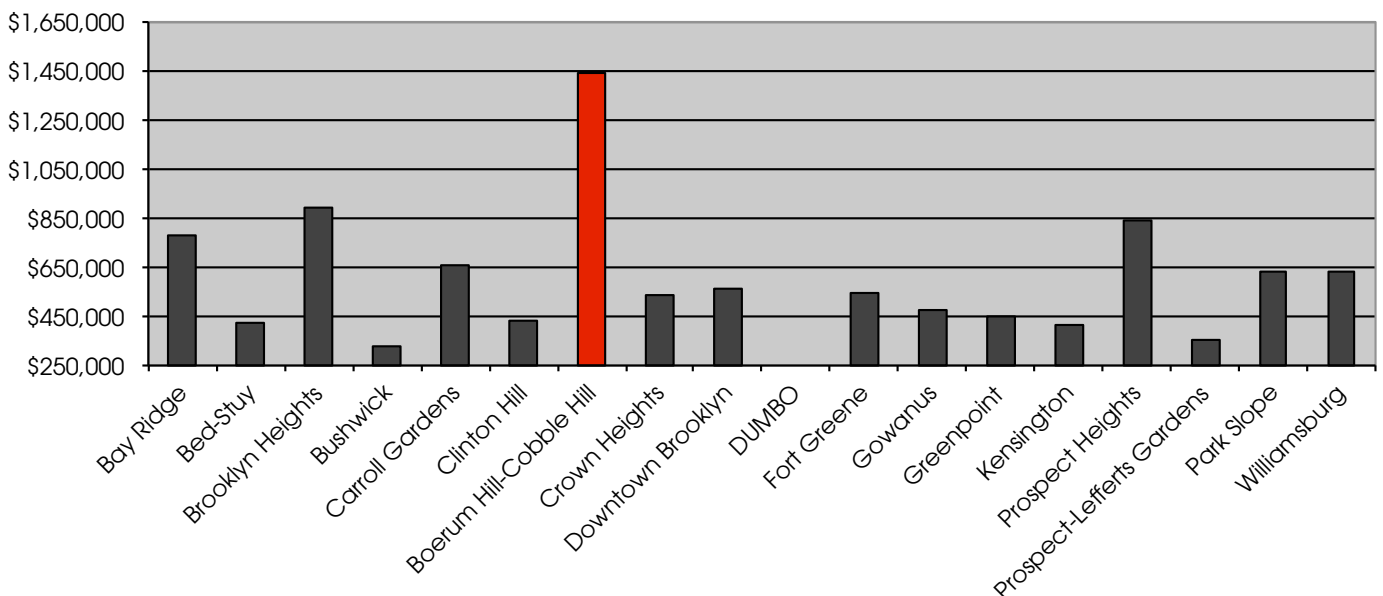
MARKET SNAPSHOT



4Q11 MEDIAN PPSF BY NEIGHBORHOOD

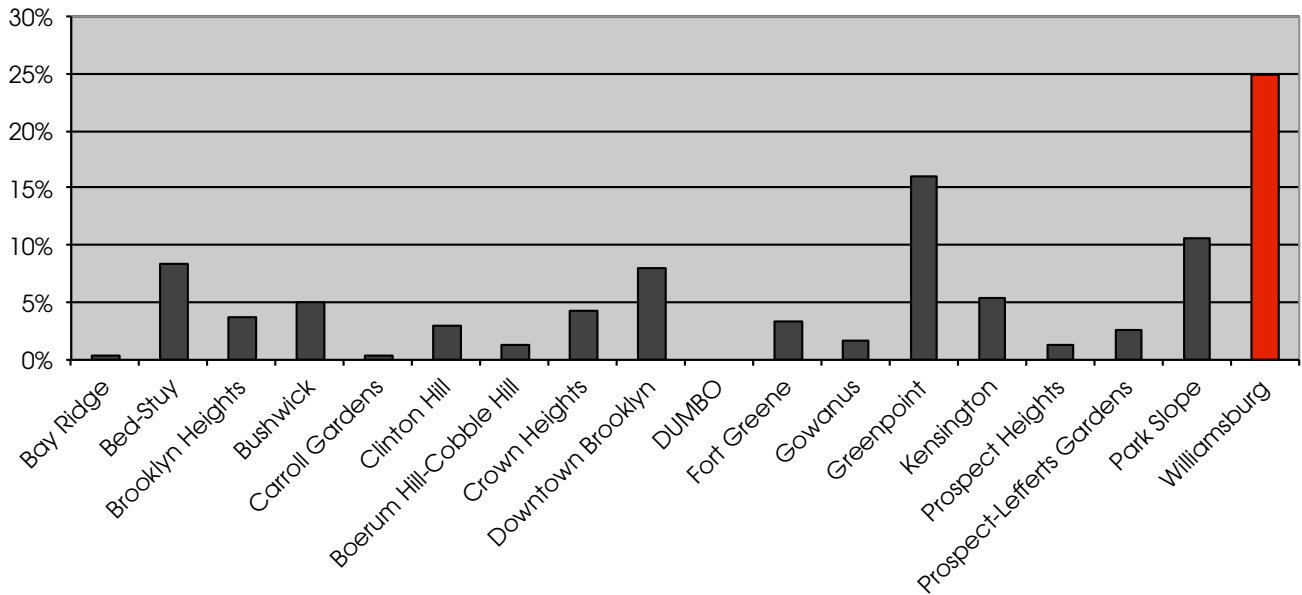


4Q11 MEDIAN SALES PRICE BY NEIGHBORHOOD

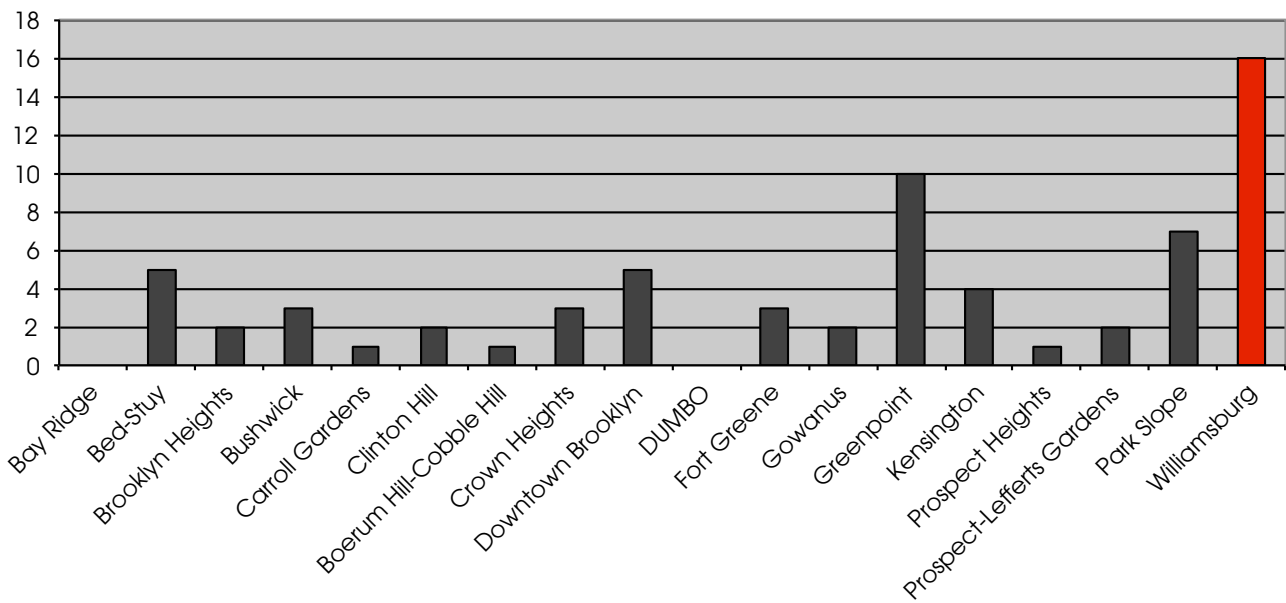


MARKET SNAPSHOT

% OF TOTAL NEW DEVELOPMENT SALES BOROUGH-WIDE



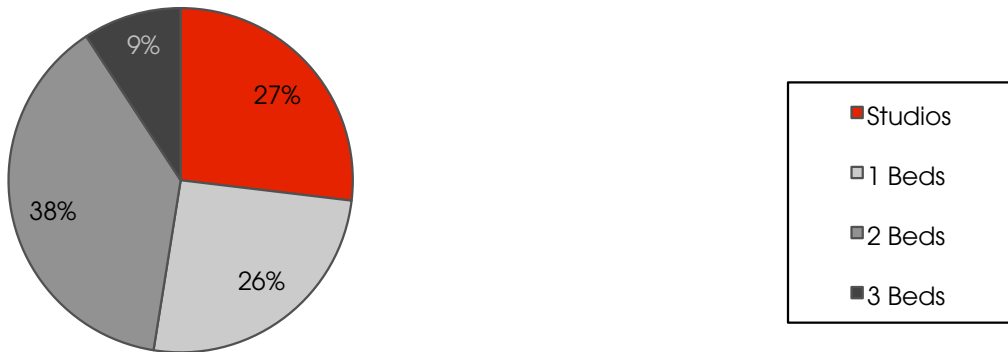
4Q11 MONTHLY ABSORPTION RATE



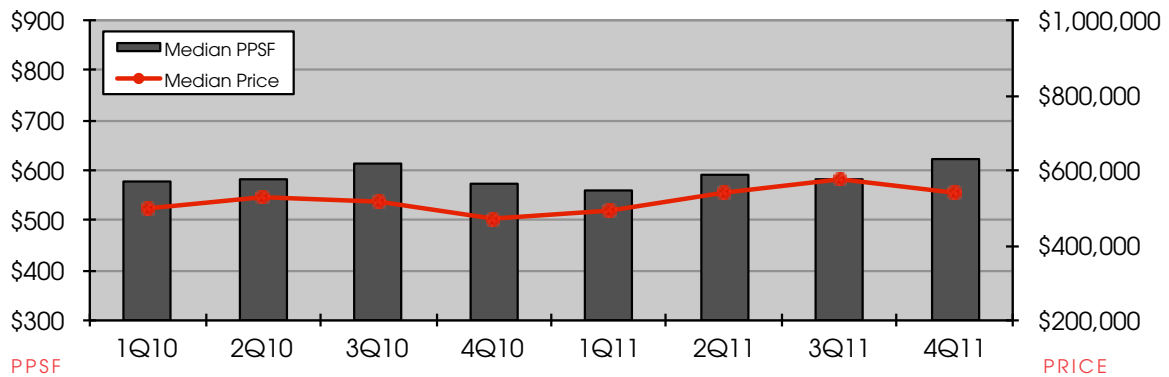
MARKET SNAPSHOT



4Q11 UNIT MIX OF NEW DEVELOPMENT SALES



BROOKLYN QUARTERLY TRACKING

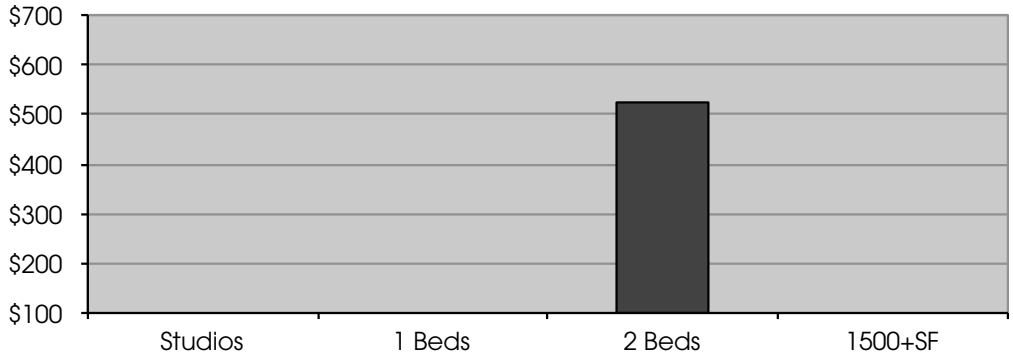


NEIGHBORHOOD PRICE TRENDS

BAY RIDGE



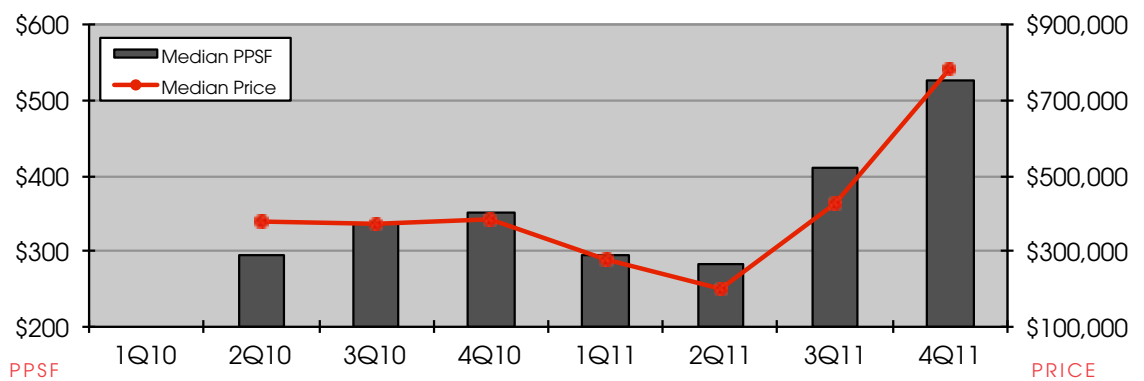
BAY RIDGE PPSF BY UNIT SIZE (\$526/SF Median)



% OF SALES WITHIN BAY RIDGE

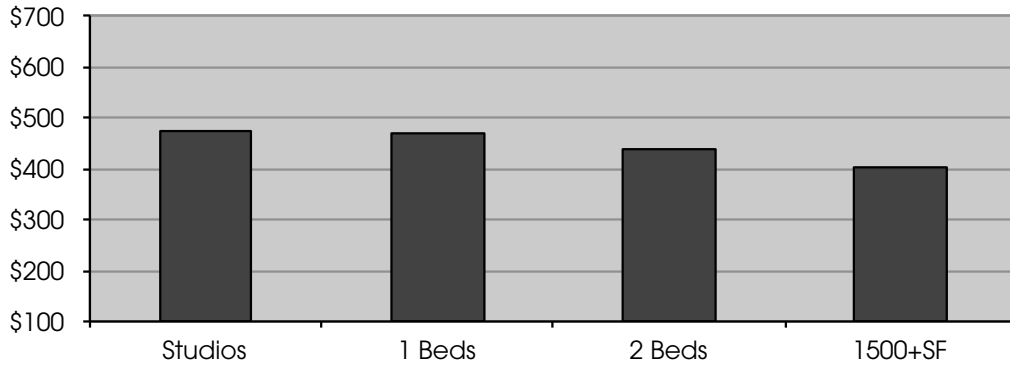


BAY RIDGE QUARTERLY TRACKING

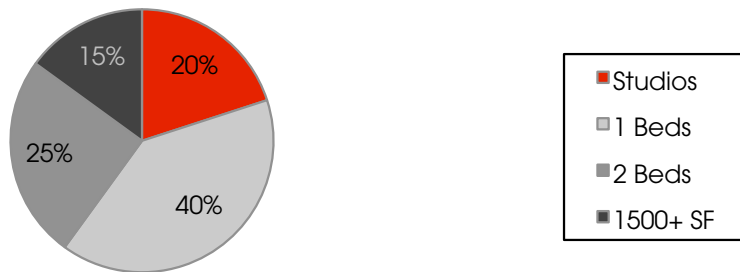


BED-STUY

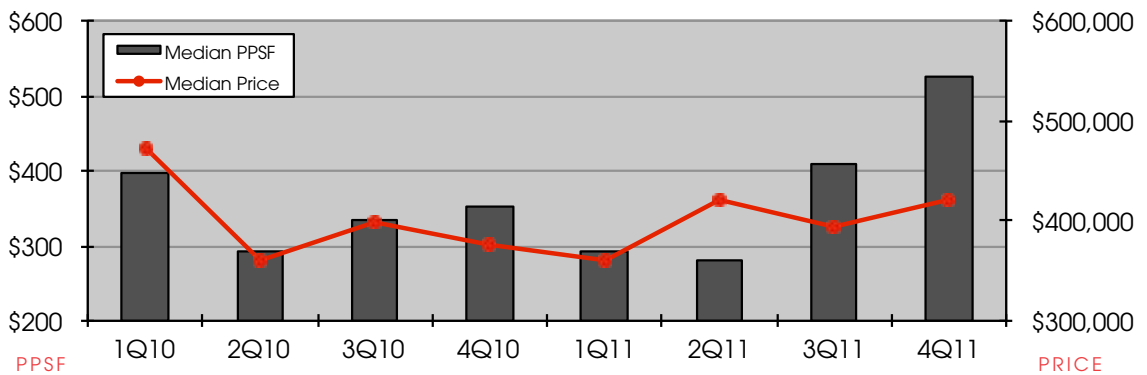
BED-STUY PPSF BY UNIT SIZE (\$463/SF Median)



% OF SALES WITHIN BED-STUY



BED-STUY QUARTERLY TRACKING

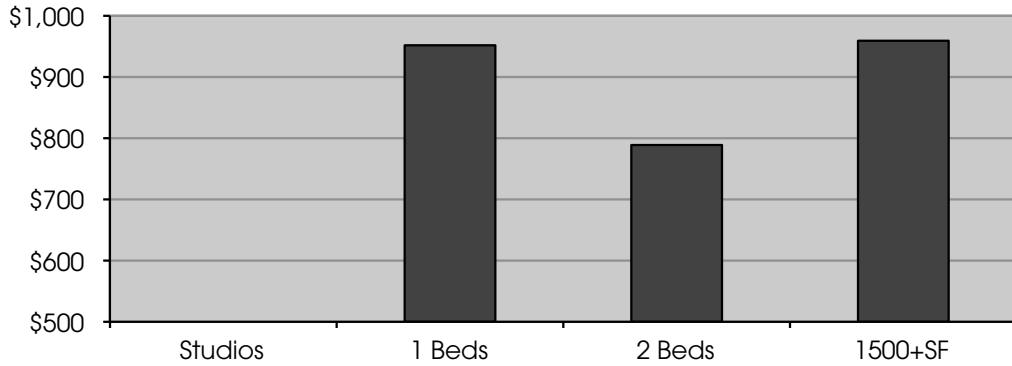


NEIGHBORHOOD PRICE TRENDS

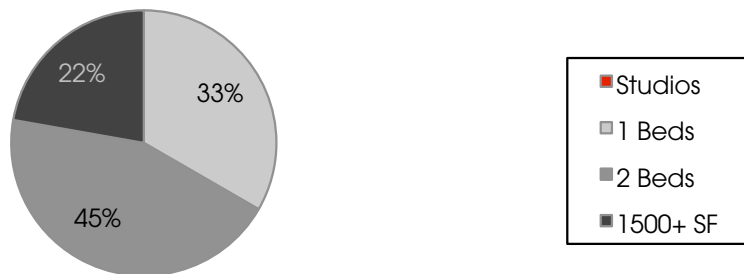


BROOKLYN HEIGHTS

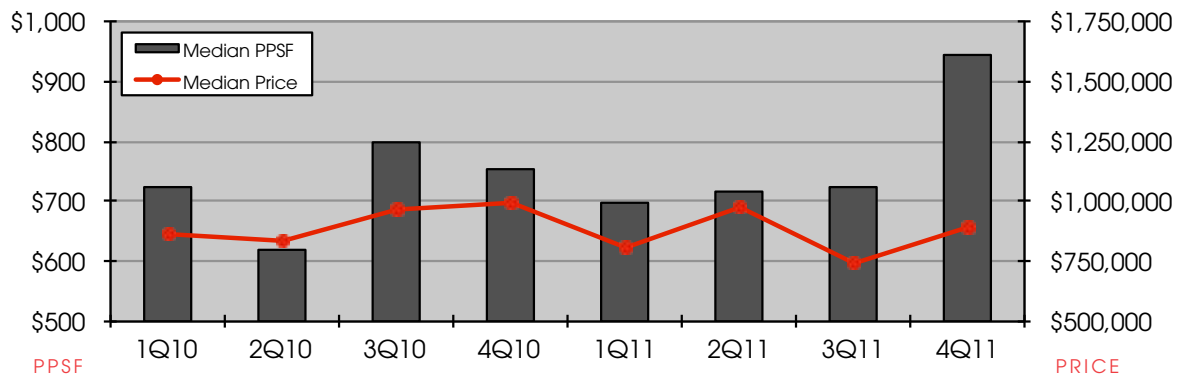
BROOKLYN HEIGHTS PPSF BY UNIT SIZE (\$944/SF Median)



% OF SALES WITHIN BROOKLYN HEIGHTS

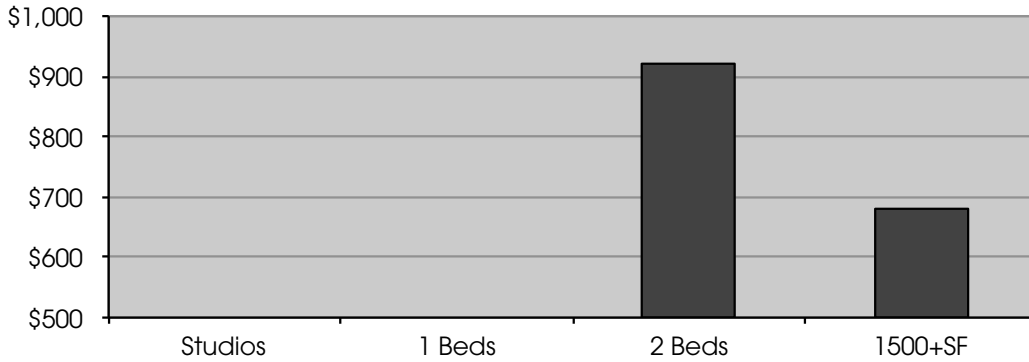


BROOKLYN HEIGHTS QUARTERLY TRACKING



BOERUM-COBBLE HILL

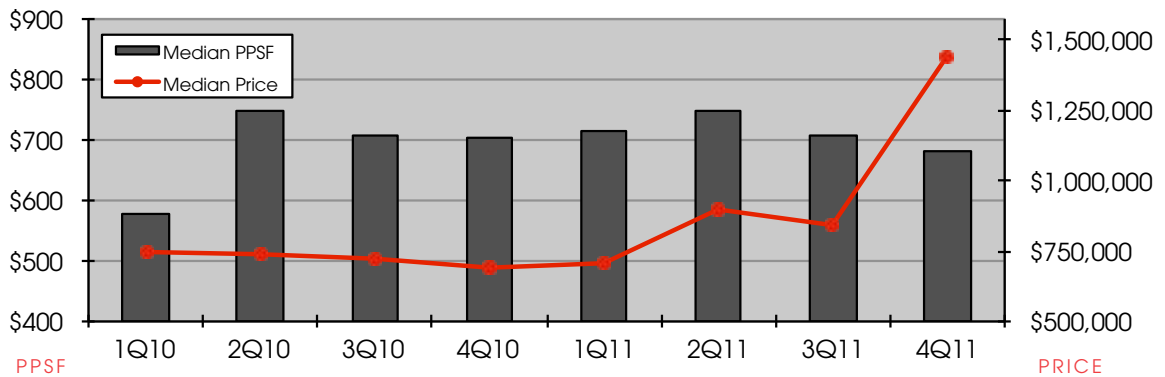
BOERUM-COBBLE HILL PPSF BY UNIT SIZE (\$682/SF Median)



% OF SALES WITHIN BOERUM-COBBLE HILL



BOERUM-COBBLE HILL QUARTERLY TRACKING

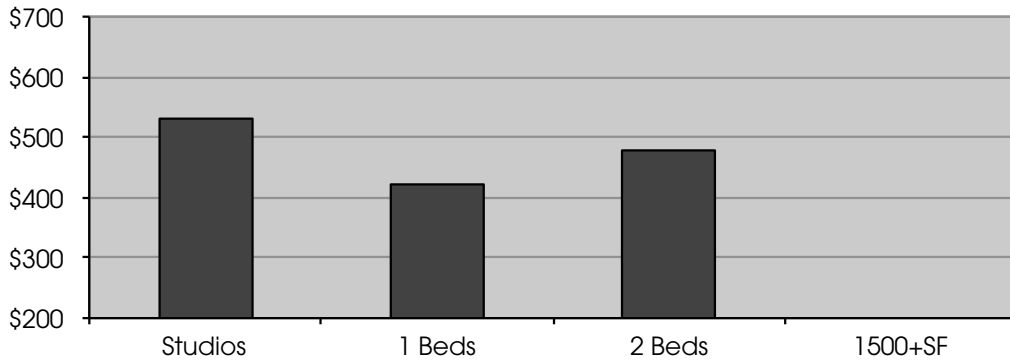


NEIGHBORHOOD PRICE TRENDS

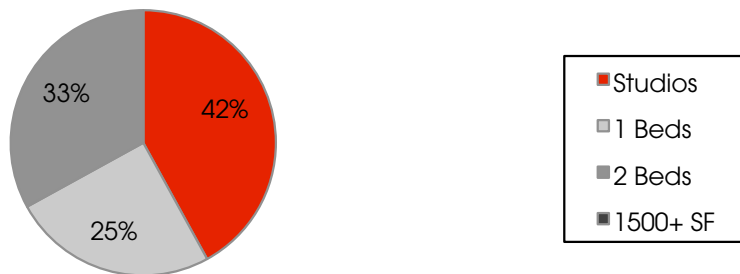


BUSHWICK

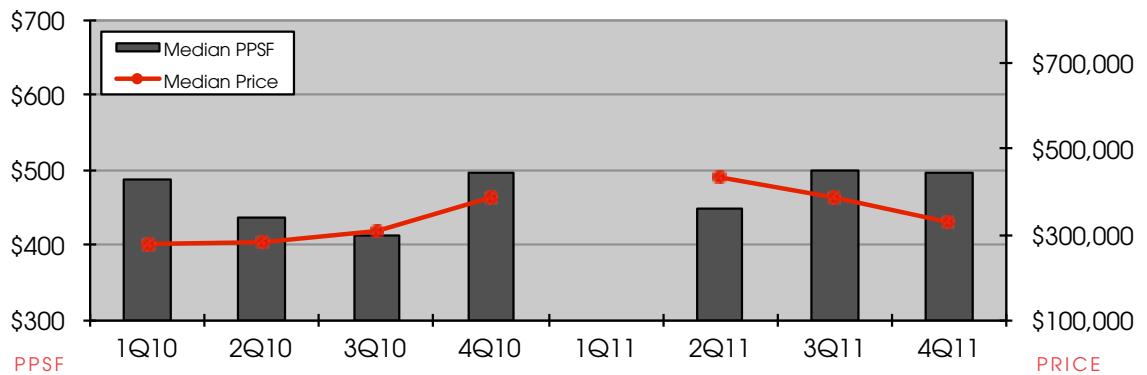
BUSHWICK PPSF BY UNIT SIZE (\$497/SF Median)



% OF SALES WITHIN BUSHWICK



BUSHWICK QUARTERLY TRACKING



CAROLL GARDENS

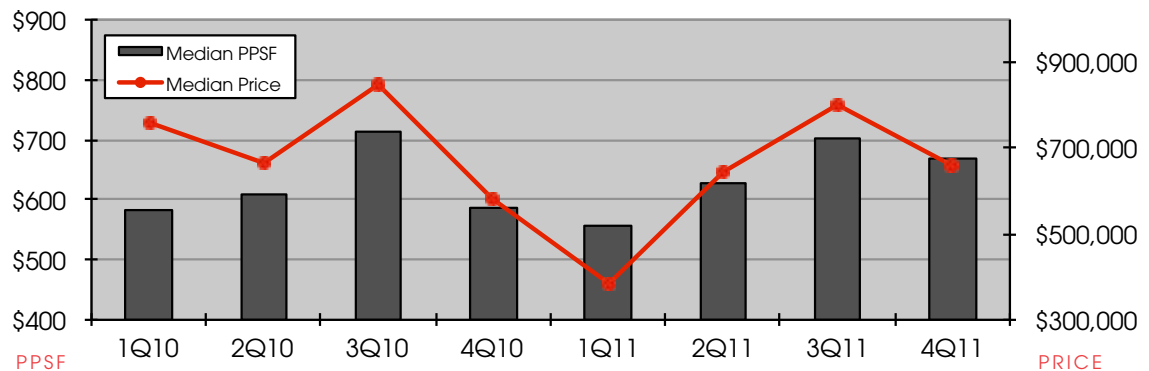
CAROLL GARDENS PPSF BY UNIT SIZE (\$670/SF Median)



% OF SALES WITHIN CAROLL GARDENS



CAROLL GARDENS QUARTERLY TRACKING

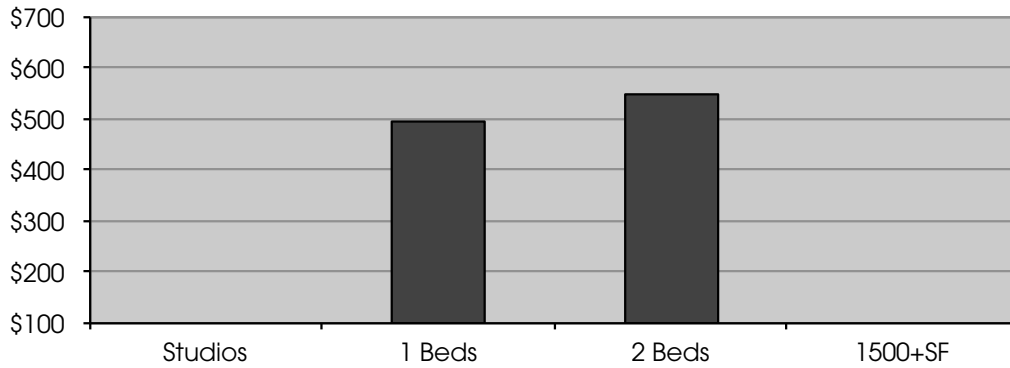


NEIGHBORHOOD PRICE TRENDS



CLINTON HILL

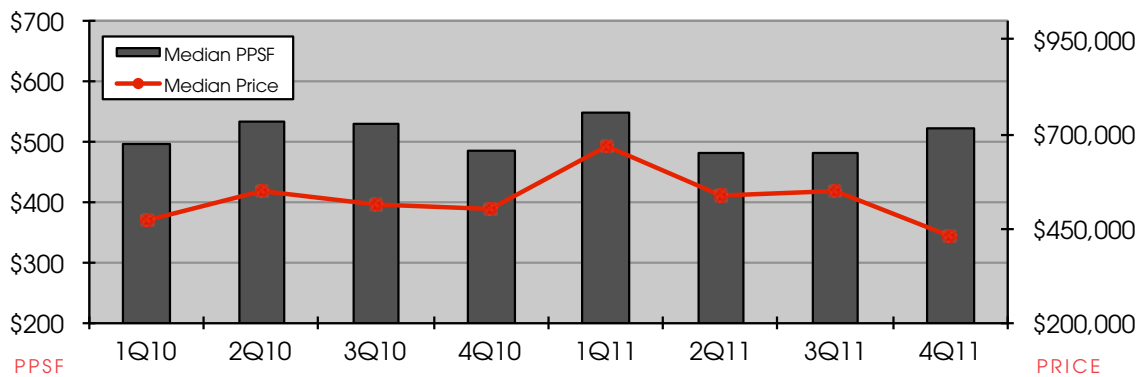
CLINTON HILL PPSF BY UNIT SIZE (\$524/SF Median)



% OF SALES WITHIN CLINTON HILL

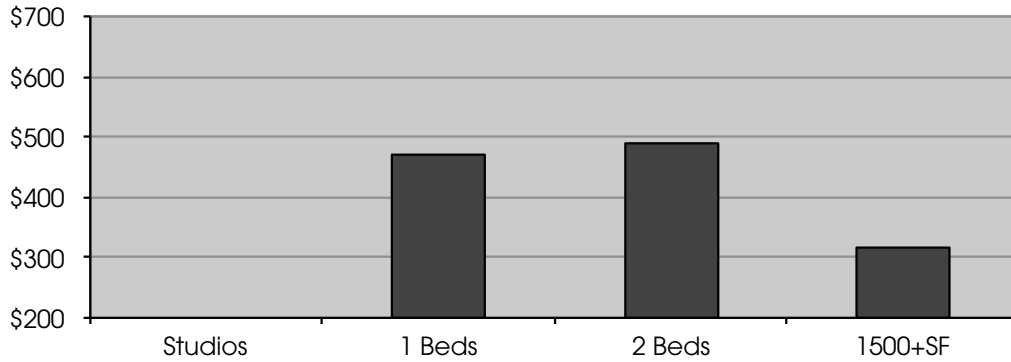


CLINTON HILL QUARTERLY TRACKING



CROWN HEIGHTS

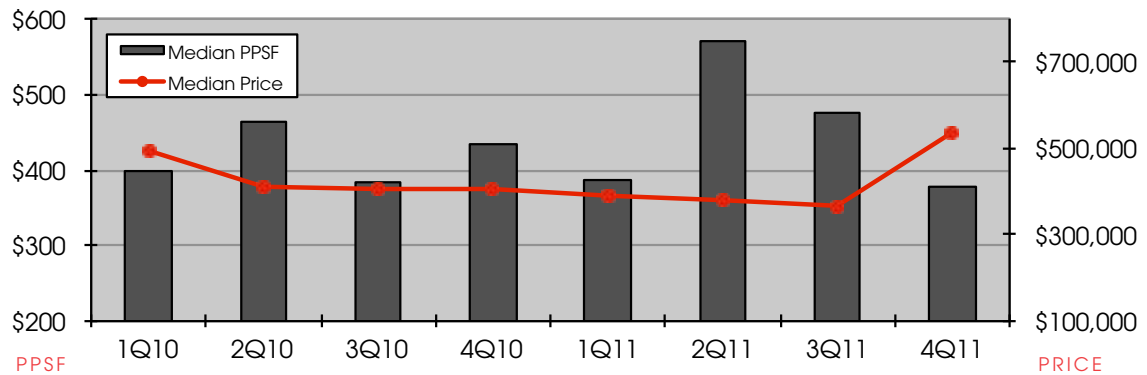
CROWN HEIGHTS PPSF BY UNIT SIZE (\$379/SF Median)



% OF SALES WITHIN CROWN HEIGHTS



CROWN HEIGHTS QUARTERLY TRACKING

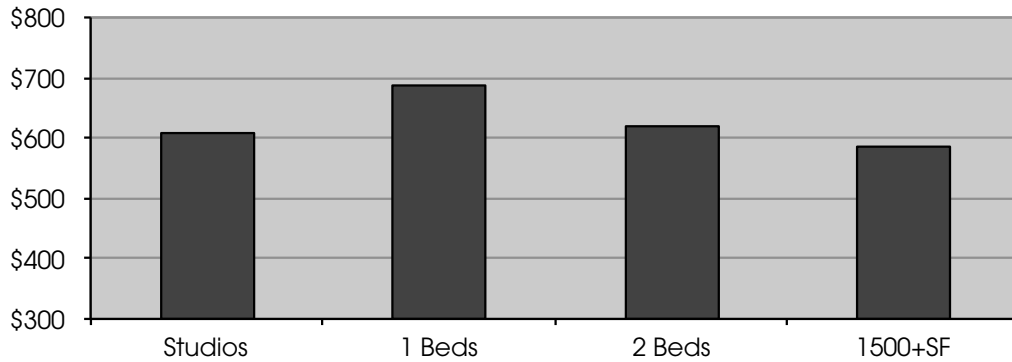


NEIGHBORHOOD PRICE TRENDS

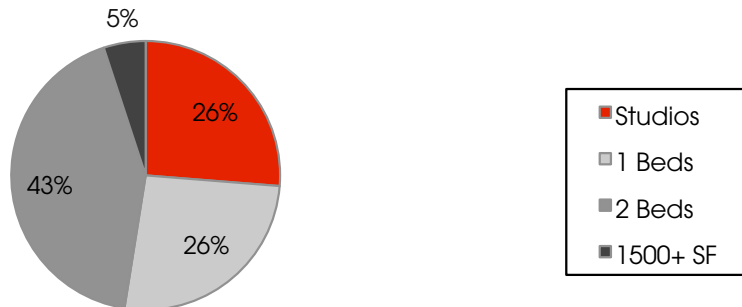


DOWNTOWN BROOKLYN

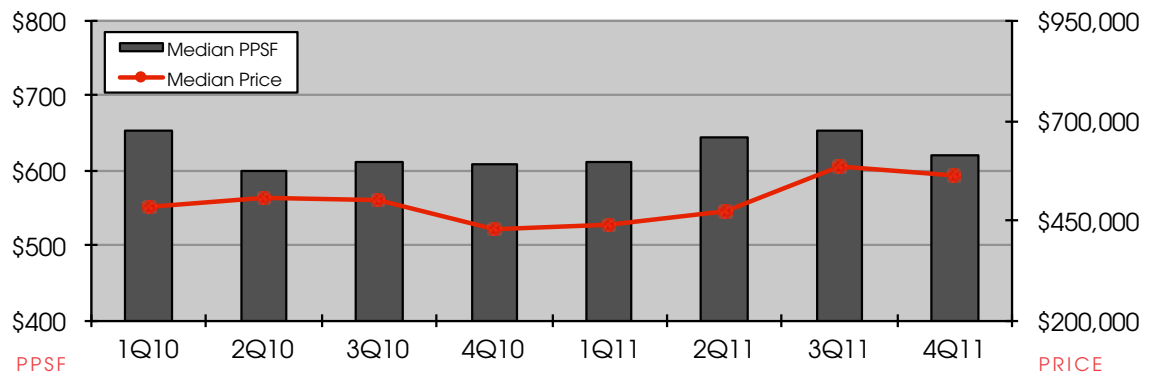
DOWNTOWN BROOKLYN PPSF BY UNIT SIZE (\$622/SF Median)



% OF SALES WITHIN DOWNTOWN BROOKLYN



DOWNTOWN BROOKLYN QUARTERLY TRACKING

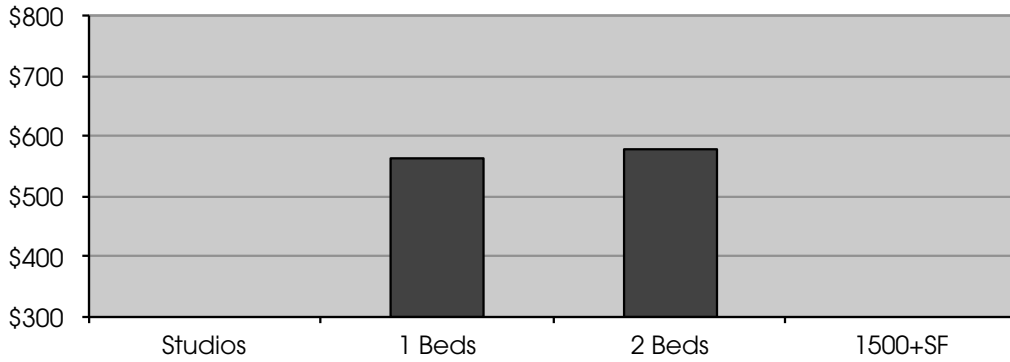


NEIGHBORHOOD PRICE TRENDS

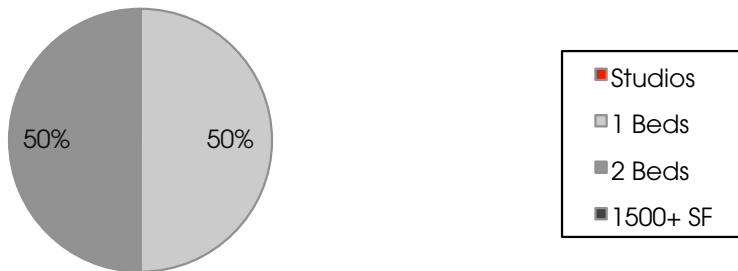
FORT GREENE



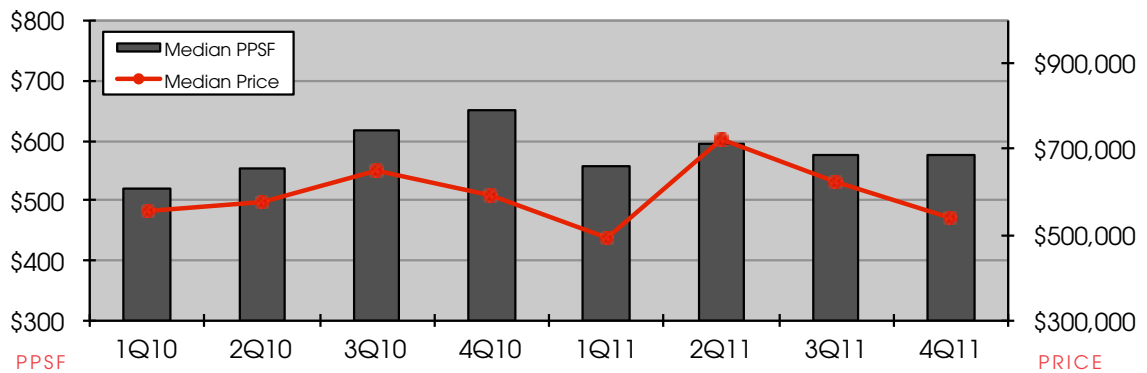
FORT GREENE PPSF BY UNIT SIZE (\$577/SF Median)



% OF SALES WITHIN FORT GREENE



FORT GREENE QUARTERLY TRACKING



NEIGHBORHOOD PRICE TRENDS

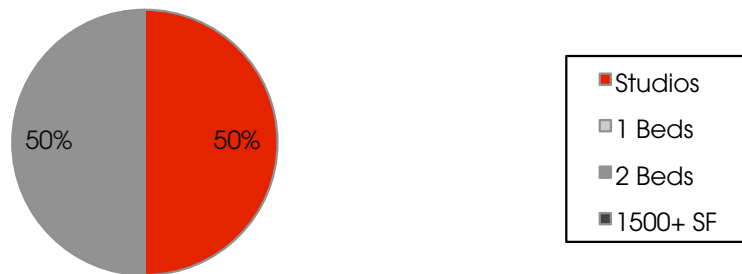


GOWANUS

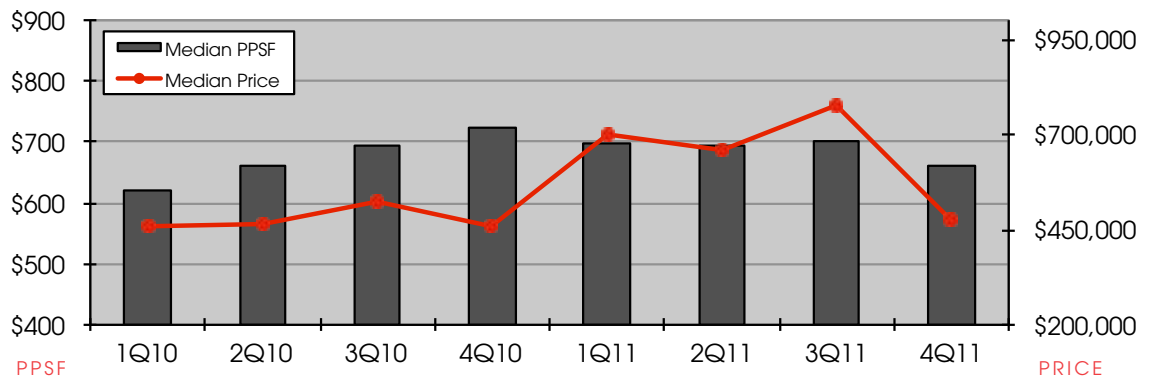
GOWANUS PPSF BY UNIT SIZE (\$663/SF Median)



% OF SALES WITHIN GOWANUS

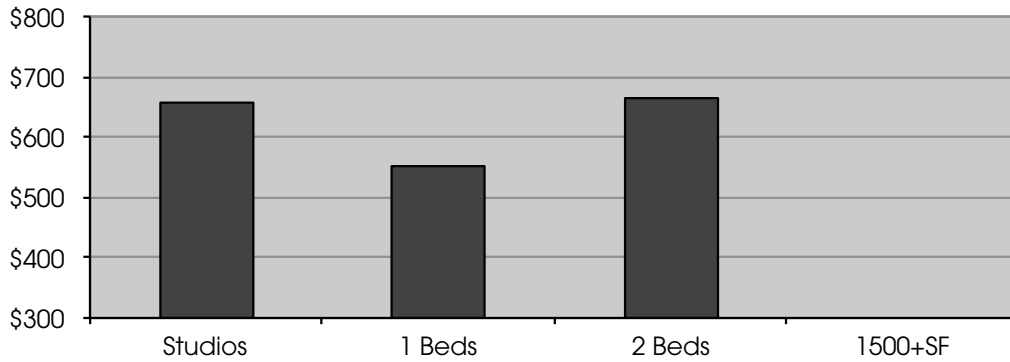


GOWANUS QUARTERLY TRACKING

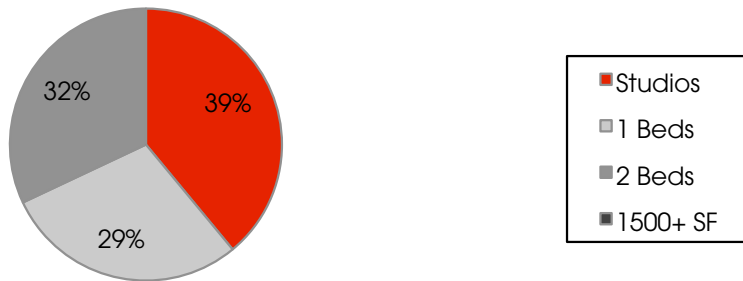


GREENPOINT

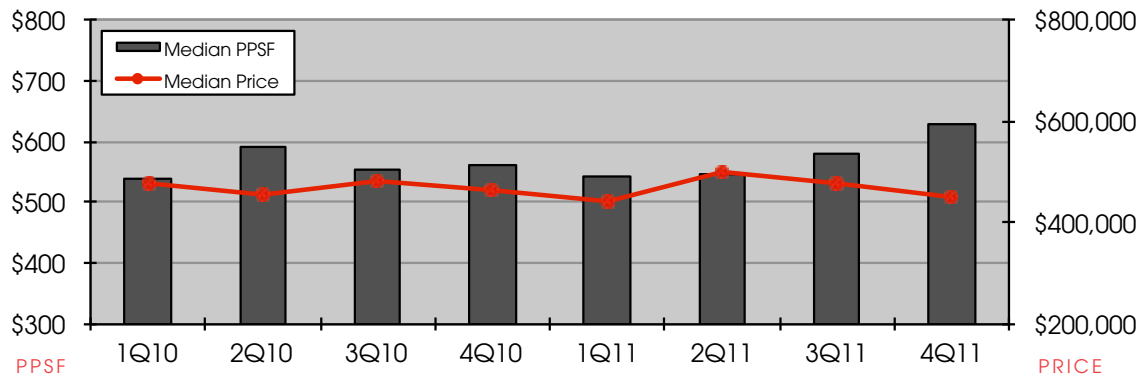
GREENPOINT PPSF BY UNIT SIZE (\$630/SF Median)



% OF SALES WITHIN GREENPOINT



GREENPOINT QUARTERLY TRACKING

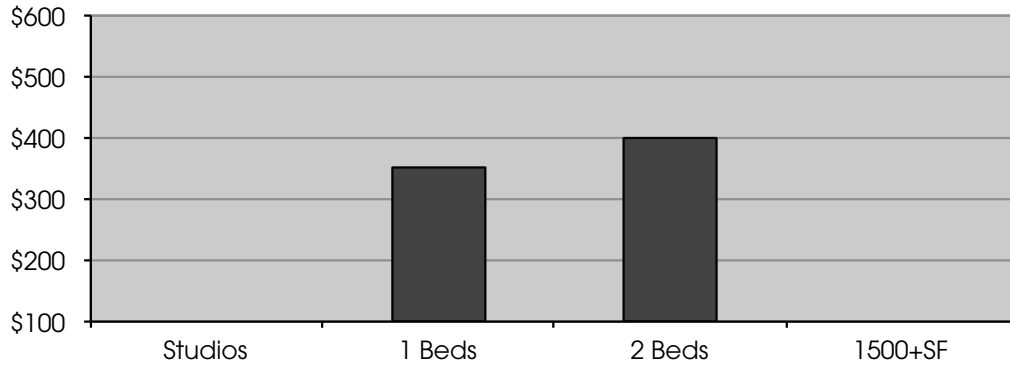


NEIGHBORHOOD PRICE TRENDS

KENSINGTON



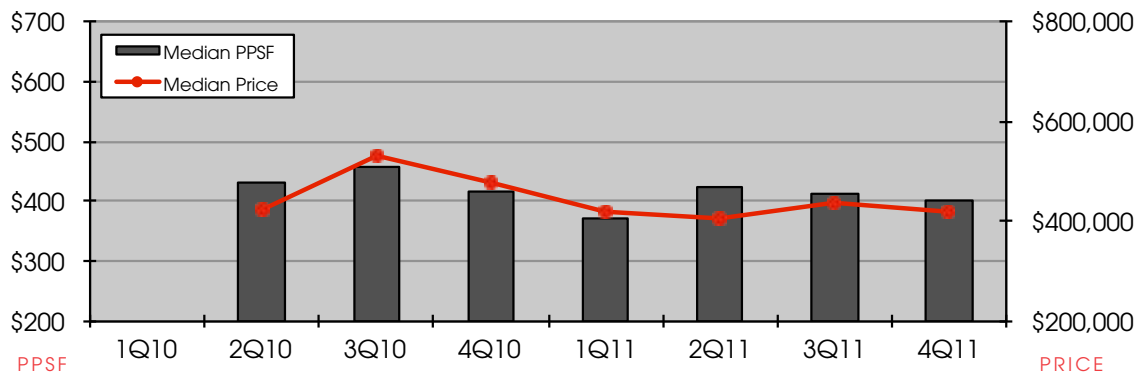
KENSINGTON PPSF BY UNIT SIZE (\$400/SF Median)



% OF SALES WITHIN KENSINGTON

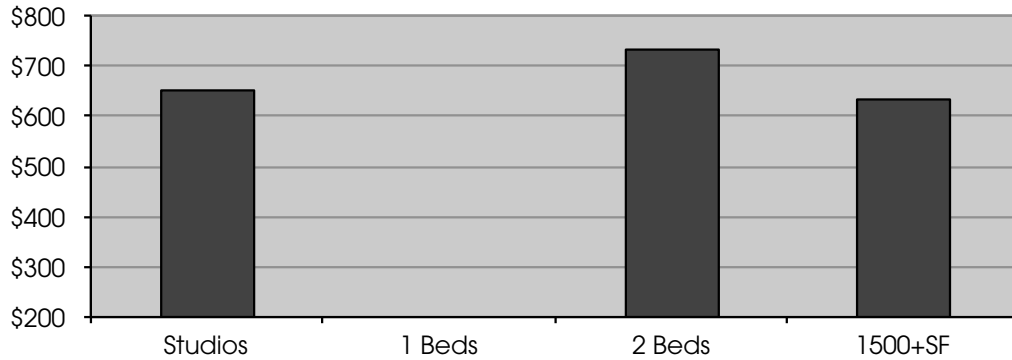


KENSINGTON QUARTERLY TRACKING

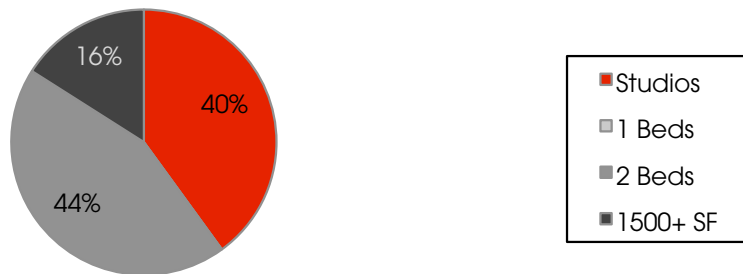


PARK SLOPE

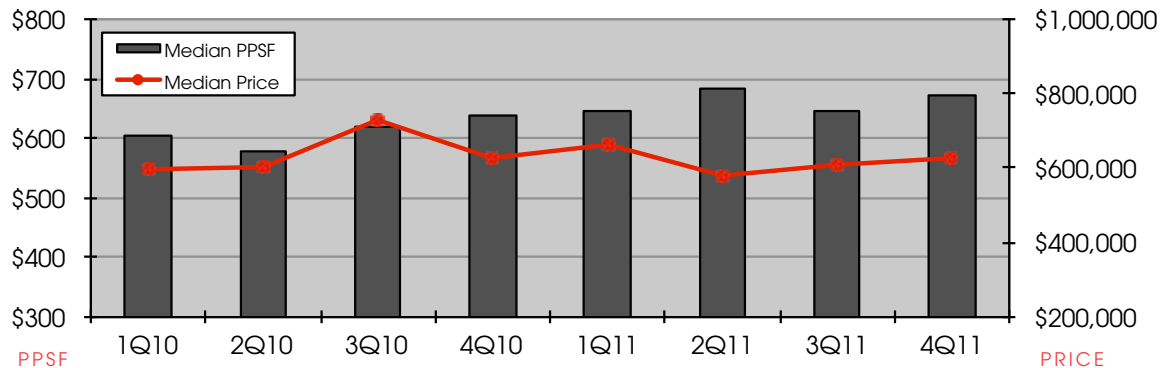
PARK SLOPE PPSF BY UNIT SIZE (\$673/SF Median)



% OF SALES WITHIN PARK SLOPE



PARK SLOPE QUARTERLY TRACKING

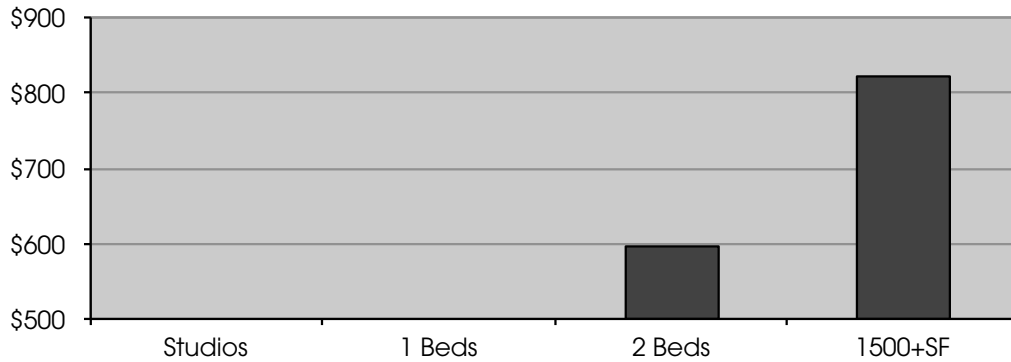


NEIGHBORHOOD PRICE TRENDS



PROSPECT HEIGHTS

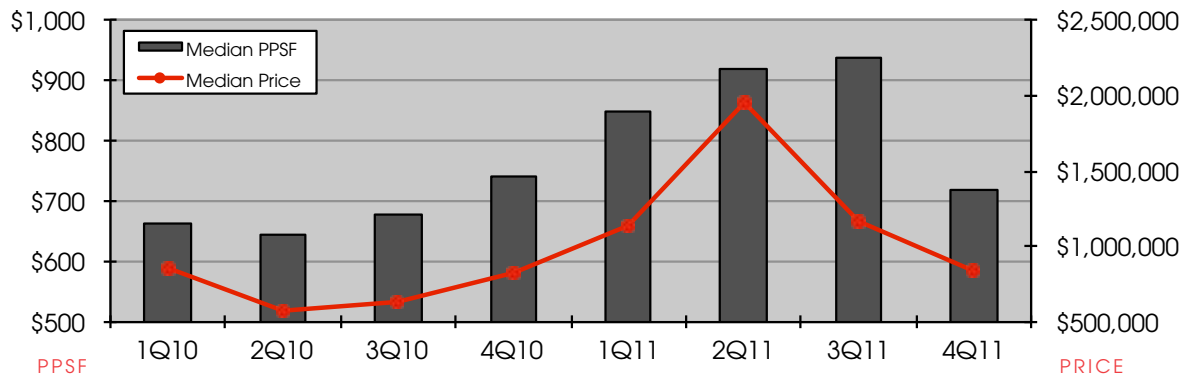
PROSPECT HEIGHTS PPSF BY UNIT SIZE (\$718/SF Median)



% OF SALES WITHIN PROSPECT HEIGHTS

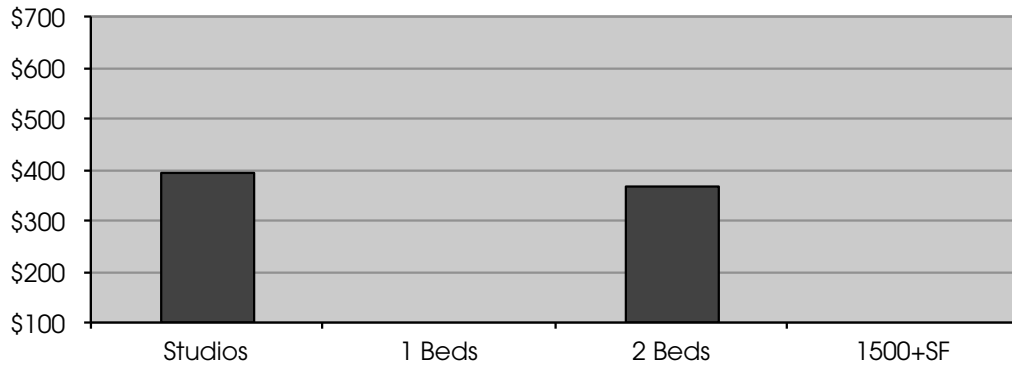


PROSPECT HEIGHTS QUARTERLY TRACKING

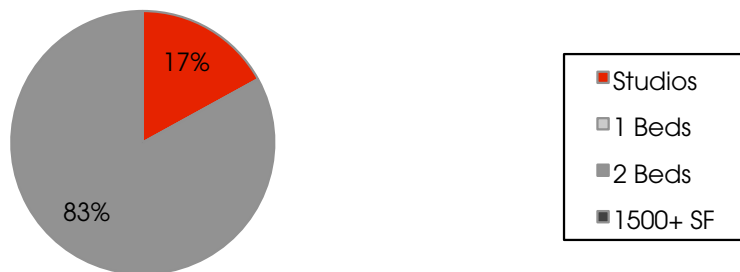


PROSPECT-LEFFERTS GARDENS

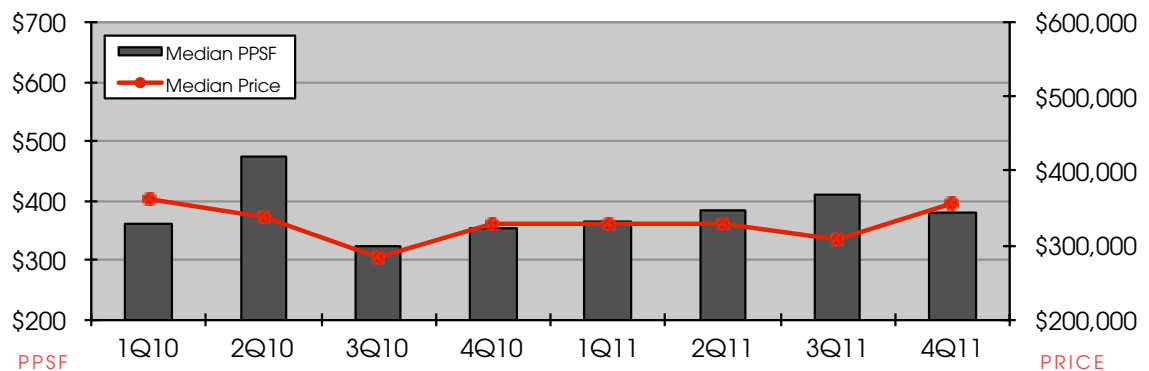
PROSPECT-LEFFERTS GARDENS PPSF BY UNIT SIZE (\$380/SF Median)



% OF SALES WITHIN PROSPECT-LEFFERTS GARDENS



PROSPECT-LEFFERTS GARDENS QUARTERLY TRACKING

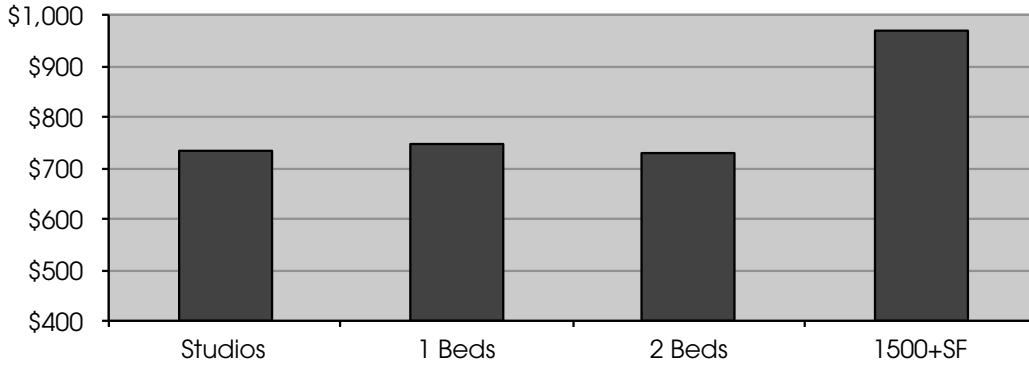


NEIGHBORHOOD PRICE TRENDS

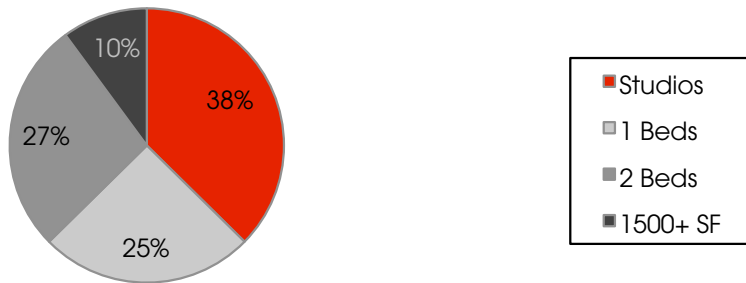
WILLIAMSBURG



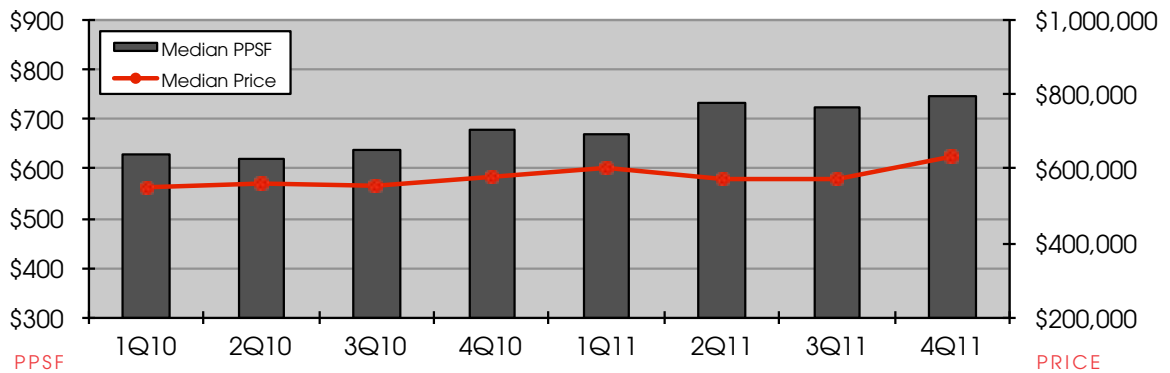
WILLIAMSBURG PPSF BY UNIT SIZE (\$749/SF Median)



% 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, 1-bedrooms, and 2-bedroom units are grouped by square footage ranges. Studios are under 700 square feet, 1-bedrooms are under 900 square feet, and 2-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 to 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).

