

2016

# *Brooklyn Townhouse Report*



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**2016**

# *Brooklyn Townhouse Report*

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For the purposes of this report, we define multi-family townhouses as two- to four-family townhouses. Mixed-use houses are excluded from the report. This study presents information only on arms-length transactions (a sale between two unconnected parties). We excluded certain other types of sales, including: foreclosure or short sales, changes in legal status or ownership entity, properties that required gut renovation or demolition, bulk or investment sales, as well as townhouse condominiums in new development properties. Brooklyn neighborhoods excluded are those that are south of Park Slope, south of Eastern Parkway, except for zipcode 11213, and Bushwick east of Wilson Avenue.

## Overview

The Corcoran Group is pleased to present our first ever Brooklyn Townhouse Report, covering one-to-four-family townhouses sold in 2015 and 2016. The report encompasses the neighborhoods of north and western Brooklyn, from Park Slope to Greenpoint and parts of eastern Brooklyn including Bedford-Stuyvesant, Crown Heights and Bushwick.

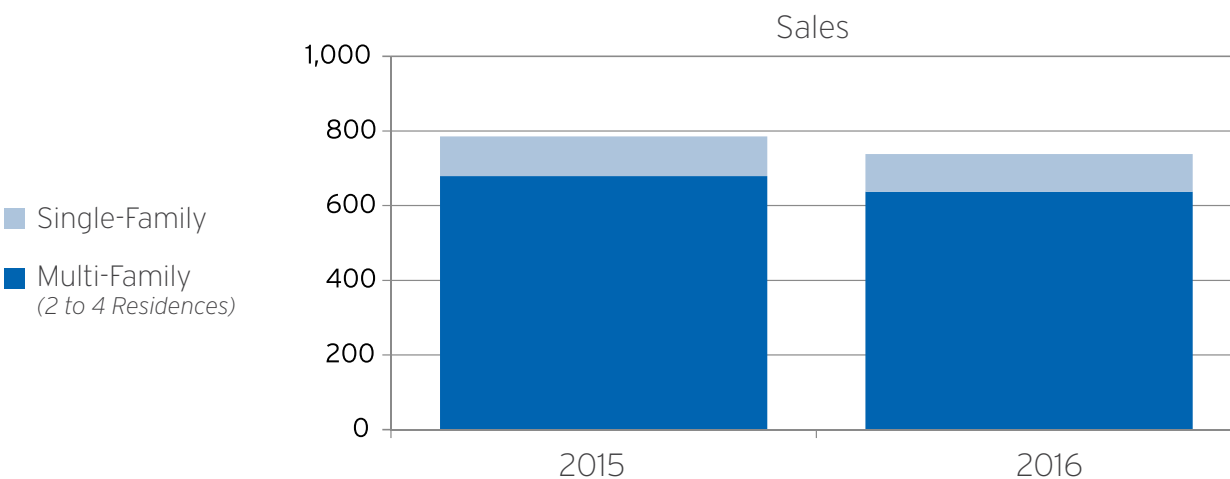
Buying a townhouse in Brooklyn can be a dream come true for many homeowners. A townhouse offers buyers the chance to own a spacious home with charm and character. Often these townhomes undergo extensive renovations, enhancing value while complementing the modern Brooklyn lifestyle. The townhouse market can also present an investment opportunity by means of rental income or even a quick flip.

Closings in 2016 moderated versus 2015. Total townhouse sales were 5% below the total in 2015, with multi-family and single-family sales both declining, by 5% and 6%, respectively. Multi-family sales are the majority of the market, comprising 86% of closings in both years.

Trends varied in each neighborhood. Most experienced a decline in multi-family sales, with a few flat. The single-family market expanded in Williamsburg and Greenpoint; Carroll Gardens, Boerum Hill and Red Hook; and Bedford-Stuyvesant, Crown Heights and Bushwick. Other areas had double-digit decreases in sales of these homes.

Overall price metrics were higher than a year ago, a likely factor in the decline in sales. Median price increased 9% year-over-year, driven by an increase in sales in the \$2M to \$4M range. Average price and average price per square foot increased more modestly, up 1% and 4%, respectively. Some neighborhoods, particularly Bedford-Stuyvesant experienced significant investment purchases throughout all of 2015 in their multi-family market. In rapid succession, hundreds of all-cash deals priced under \$500K occurred. A few months later, many of them resold for slightly higher prices to other investors coming later to the game, then sold again for well over \$1M after upgrades were made.

Overall	2016	2015	Y/Y
Closings	742	785	-5%
Average Price	\$2,064,243	\$2,041,876	1%
Median Price	\$1,750,000	\$1,600,000	9%
PPSF	\$774	\$740	5%



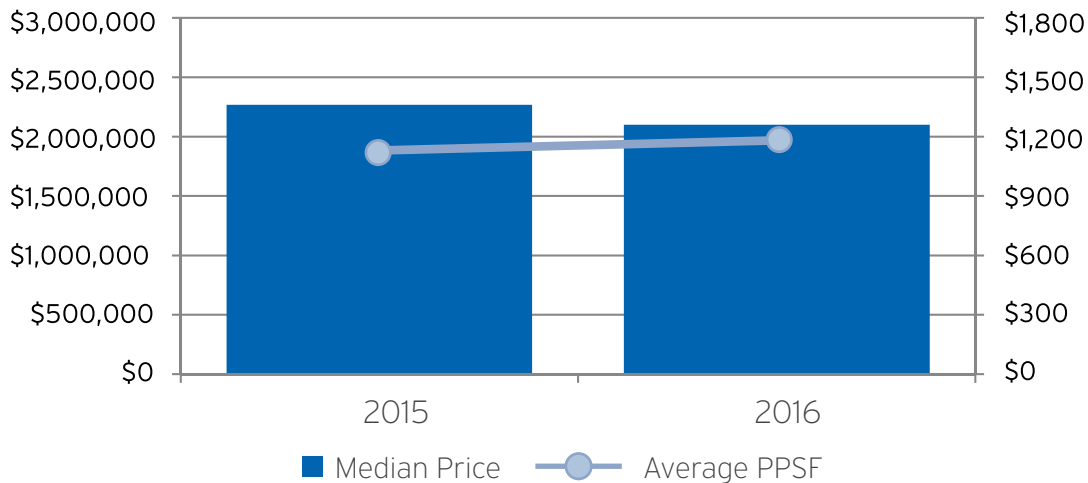
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# Brooklyn Townhouse Report

## Single-Family

Both median and average price in the single-family townhouse market were lower than 2015. Buyers paid an average of \$2.64M for a single-family townhouse, 11% less year-over-year. This was largely due to fewer sales of large homes in prime locations, which also drove median price down 7%. Average price per square foot actually increased 5% year-over-year to \$1,181 per square foot.

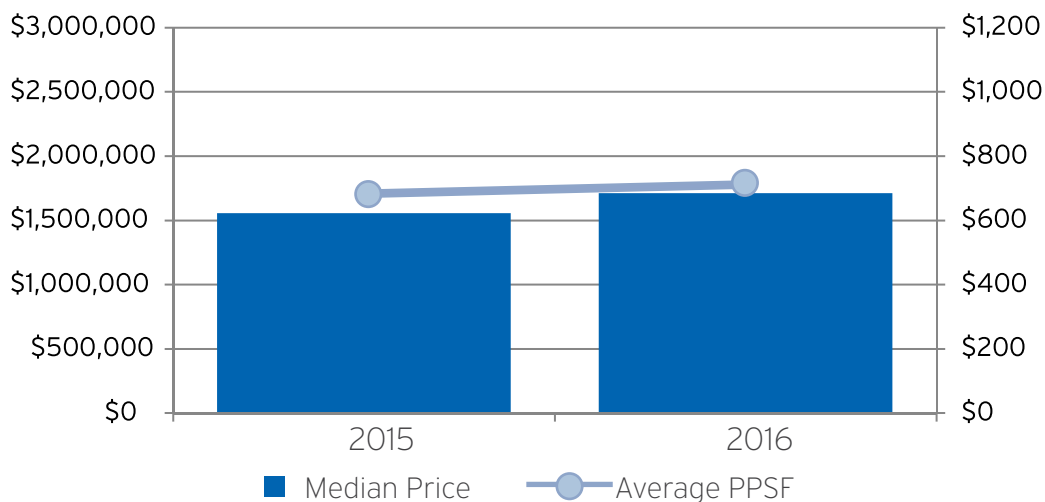
Overall	2016	2015	Y/Y
Closings	101	106	-5%
Average Price	\$2,640,901	\$2,978,720	-11%
Median Price	\$2,099,000	\$2,268,750	-7%
PPSF	\$1,181	\$1,130	5%



## Multi-Family

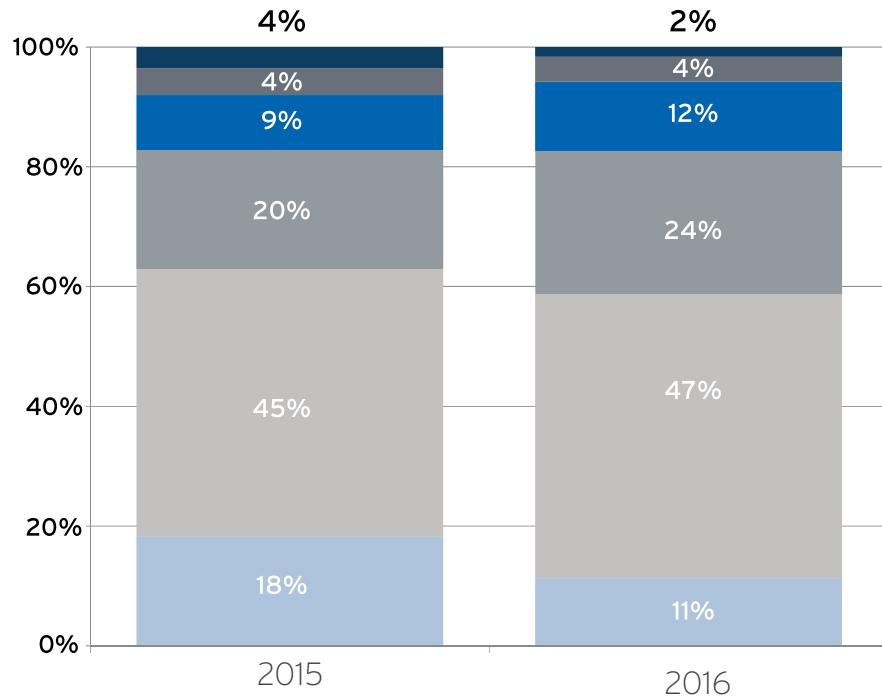
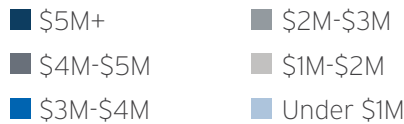
Median price for multi-family townhouses increased by double-digits versus 2015 to reach \$1.71M, a 10% gain. Nearly all neighborhoods in Brooklyn saw median price gains in the multi-family market. Multi-family townhouse sales activity declined by 6% compared to sales in 2015 when prices were lower.

Overall	2016	2015	Y/Y
Closings	641	679	-6%
Average Price	\$1,974,280	\$1,895,624	4%
Median Price	\$1,710,000	\$1,553,500	10%
PPSF	\$722	\$683	6%



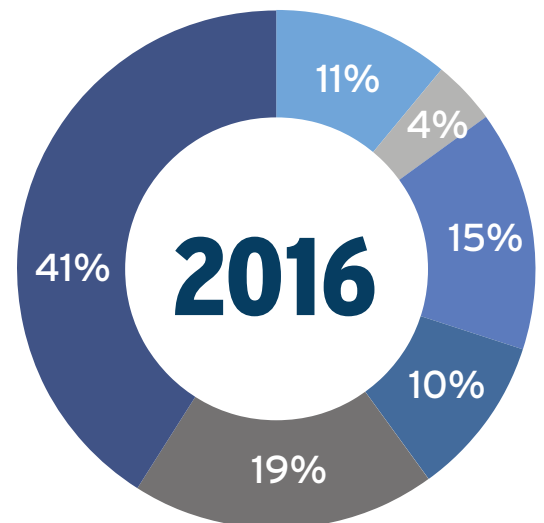
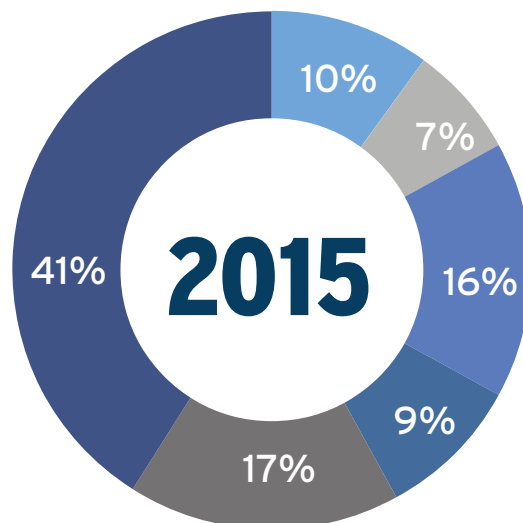
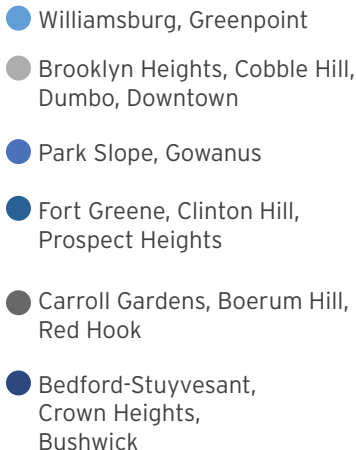
## Townhouse Sales by Price

Both this year and last, the largest market share of townhouse sales were in the \$1M to \$2M range: just under half of all sales. The \$2M to \$3M range expanded to nearly one-quarter of all sales, while \$3M-\$4M townhouses also captured more buyers. The extreme high-end and low-end price categories both lost market share versus 2015. Sales under \$1M and sales over \$5M were both lower.



## Townhouse Sales by Region

Sales in Bedford-Stuyvesant, Crown Heights and Bushwick far outpaced sales in other neighborhoods in Brooklyn during the last two years. At over a 40% market share, this neighborhood was the most active multi-family townhouse market in the borough. The second-highest area for townhouse sales was Carroll Gardens, Boerum Hill and Red Hook, which gained 2% market share in 2016 versus the year prior. Sales activity shrank in Brooklyn Heights, Cobble Hill, Dumbo and Downtown, which claimed the smallest market share.



The following members of the The Corcoran Group made significant contributions to this report:

Michele Beaulieu | Bill Begert | Frank Castelluccio | Jim Cornell | Shannon Insana | Tom Le | Leslie Marshall | Cheryl Nielsen-Saaf | Steve Pak | Maggie Ross | Cara Sadowick | Ryan Schleis | Brie Train | Anthony Wyant

## Luxury

Brooklyn's luxury townhouse market is defined as the highest 10% of all transactions in terms of price. All price metrics in the luxury category declined year-over-year because fewer sales occurred over \$4M, particularly in the multi-family segment. The average price was \$4.3M this year compared to \$4.7M last year, a decline of 9%. Further, the highest recorded sale in 2015 was \$15.5M, while in 2016 it was \$9.4M, both sales were on the Brooklyn Heights / Cobble Hill border.

Luxury	2016	2015	Y/Y
Average Price	\$4,299,694	\$4,717,916	-9%
Median Price	\$3,950,000	\$4,100,000	-4%
PPSF	\$982	\$1,044	-6%
Average Size	4,377	4,520	-3%



## Notable Luxury Sale

353 State Street

Closing Price: \$4.2M | Date Closed: 1.4.16

Brand new development in Brooklyn has transformed multiple neighborhoods, infusing them with new energy, architecture and residents in a variety of homes ranging from condominiums to single-family houses. One such development was the creation of seven adjoining houses on State Street in Boerum Hill. The houses had been listed with another firm for two years of pre-development and six months of sales before the developer decided to list with agents from Corcoran who previously had sold 25 homes on the adjoining blocks. Our agents showed 353 State Street - a fifteen-foot wide, modern townhouse with a private mews and indoor parking - to a European family that had come to Brooklyn looking for rentals. They fell in love with the house's cozy atmosphere. That, combined with the advantages of moving in to a brand new home that needed no work, persuaded them to change their game plan from renting to buying.

# 2016

# Brooklyn Townhouse Report

## Williamsburg & Greenpoint

### SINGLE-FAMILY

Single-family townhouse sales more than doubled versus 2015, mainly due to an increase in South Williamsburg closings. All six new construction townhouses at Wythe Lane closed during 2016, skewing prices higher as well. Average price was up 39%, but with the average size growing by 45% this increase was not enough to raise average price per square foot, which dipped 4% year-over-year.

### MULTI-FAMILY

With fewer transactions in Greenpoint, overall multi-family townhouse sales decreased by a slight 4% versus 2015. All price metrics grew by double-digits compared the year prior. This is the only area in Brooklyn where all multi-family price metrics rose by double-digits year-over-year. Median price rose 13% to \$2M and average price grew 10% to \$2.11M.

Single-Family	2016	2015	Y/Y
Closings	15	7	114%
Average Price	\$2,397,486	\$1,725,286	39%
Median Price	\$2,269,450	\$1,650,000	38%
PPSF	\$991	\$1,033	-4%
Average Size	2,419	1,670	45%

Multi-Family	2016	2015	Y/Y
Closings	70	73	-4%
Average Price	\$2,112,286	\$1,922,190	10%
Median Price	\$2,000,000	\$1,775,000	13%
PPSF	\$818	\$745	10%
Average Size	2,583	2,580	0%



## Notable Williamsburg Sale

150 Powers Street

Closing Price: \$1.194M | Date Closed: 11.2.16

The homes in this part of Williamsburg - an enclave formerly considered part of Greenpoint - were built in the late 1800s and early 1900s for ship-builders working at the Brooklyn Navy Yard. The sellers of 150 Powers Street fell in love in the East Village but their life together brought them to Brooklyn, first to Cobble Hill and then to this house in Williamsburg. They loved that the house possessed the edginess of the East Village and that it offered them an entire townhouse for the price of a condominium. They bought it in 2012 and married soon after. When they decided to move to the West Coast, they asked a Corcoran agent and friend from their days in the East Village to help them stage the home to highlight its spacious interior and early 20th century details; eventually, they listed with us. Multiple offers poured in after just one open house.

## Brooklyn Heights, Cobble Hill, Dumbo, & Downtown

### SINGLE-FAMILY

Single-family townhouse sales drastically dropped compared to 2015, which was a robust year for Cobble Hill sales. Price metrics were mixed; median price rose 5% yet average price fell by 5%. Average price fell due to fewer “high ticket” sales in Brooklyn Heights yet the area still claimed the highest average single-family sale price in Brooklyn.

### MULTI-FAMILY

Similar to the single-family market, there were fewer multi-family sales in these neighborhoods compared to 2015. All price metrics declined year-over-year, as there was a decrease in sales over \$4M. Median price was 21% lower than 2015, the only area in Brooklyn where multi-family median price declined. There was a noticeable shift in activity towards areas outside of Brooklyn Heights proper, historically the highest-end of the townhouse market.

Single-Family	2016	2015	Y/Y
Closings	12	32	-63%
Average Price	\$4,451,907	\$4,668,763	-5%
Median Price	\$4,250,000	\$4,033,955	5%
PPSF	\$1,552	\$1,346	15%
Average Size	2,869	3,469	-17%

Multi-Family	2016	2015	Y/Y
Closings	17	21	-19%
Average Price	\$3,633,824	\$4,528,048	-20%
Median Price	\$3,250,000	\$4,100,000	-21%
PPSF	\$1,126	\$1,221	-8%
Average Size	3,226	3,709	-13%



## Notable Brooklyn Heights Sale

31 Garden Place

Closing Price: \$8M | Date Closed: 7.14.16

Everybody on Garden Place seems to know each other. It's easy for them; Garden Place is a short, one-block-long street of mostly single-family homes in Brooklyn Heights' southwest corner. It's one of those locations where people tend to stick around, popular with families and trick-or-treaters, and buying there can be a challenge. So when we listed 31 Garden Place last year, we anticipated a frenzy of interested buyers. The house - a 25-foot wide Federal style home - had been owned by the same family for more than a decade, and is replete with period details and modern conveniences. The first prospective buyer through the door proved especially motivated: they offered nearly the full asking price and made a deal happen in no time at all. It turns out they'd been waiting for a house on Garden Place to come on the market for years. When the chance for a house as fine as this one came along, they pounced.



*Park Slope & Gowanus***SINGLE-FAMILY**

A sales decline in Gowanus and South Slope drove the overall single-family sales figure down. This trend, however, contributed to the increase in average and median price. Median price rose 36% year-over-year to \$2.16M. With the increase in overall size, average price per square foot dipped by a slight 1%.

**MULTI-FAMILY**

Similar to single-family townhouse sales, closings for multi-family townhouses in Park Slope and Gowanus were lower than 2015, down 12%. Median price and average price per square foot increased year-over-year but average price declined by a slight 2% due to a decline in the number of sales over \$4M.

Single-Family	2016	2015	Y/Y
Closings	22	25	-12%
Average Price	\$2,894,116	\$2,550,611	13%
Median Price	\$2,160,000	\$1,590,000	36%
PPSF	\$1,179	\$1,195	-1%
Average Size	2,456	2,134	15%

Multi-Family	2016	2015	Y/Y
Closings	87	99	-12%
Average Price	\$2,326,817	\$2,376,527	-2%
Median Price	\$2,241,500	\$2,067,500	8%
PPSF	\$924	\$900	3%
Average Size	2,518	2,640	-5%

*Notable Park Slope Sale*

64 Prospect Park West

Closing Price: \$3.95M | Date Closed: 1.7.16

It's said that a public park is a city dweller's front lawn. Nowhere is that more true than for the houses lucky enough to be situated directly on the park. With such prominent placement, especially aesthetic park-front homes naturally will capture the imagination of passers-by. The trio of superb masonry townhouses built in 1901 on Prospect Park West have excited the community for a century, and in 2016 Corcoran represented the middle house - #64 - when it changed hands. The property got a lot of press - it had a starring role in *The Wolf of Wall Street* as the London home of Aunt Emma - and its open houses were mobbed with neighbors curious to see the insides of the house whose exterior had enchanted them for so long. When it sold, it fetched more than \$1,600 per square foot, an outstanding number for an un-renovated home.

## Clinton Hill, Fort Greene, & Prospect Heights

### SINGLE-FAMILY

Single-family townhouse sales in Fort Greene, Clinton Hill and Prospect Heights are relatively infrequent, and 2015 and 2016 were no exception. Price metrics declined year-over-year, partially due to the low number of closings, but also due to fewer sales in close proximity to Prospect Park.

Single-Family	2016	2015	Y/Y
Closings	7	9	-22%
Average Price	\$2,495,438	\$2,671,222	-7%
Median Price	\$2,165,000	\$2,563,000	-16%
PPSF	\$847	\$1,195	-29%
Average Size	2,945	2,236	32%

### MULTI-FAMILY

Sales in the multi-family townhouse market remained level in 2016 versus 2015 in Fort Greene, Clinton Hill and Prospect Heights. Average price rose 6% year-over-year to \$2.238M, along with a median price increase of 2%. The average size of a multi-family townhouse that sold was 2,908 square feet, up slightly from 2015.

Multi-Family	2016	2015	Y/Y
Closings	65	65	0%
Average Price	\$2,238,237	\$2,103,597	6%
Median Price	\$2,060,000	\$2,025,000	2%
PPSF	\$770	\$738	4%
Average Size	2,908	2,851	2%



## Notable Clinton Hill Sale

45 Madison Street

Closing Price: \$2.8M | Date Closed: 12.1.16

This fantastic, semi-detached, multi-residence structure in Clinton Hill enjoys exposures on three sides, making it a genuine rarity in the Brooklyn townhouse market. When Corcoran listed it for sale, the property had been gut-renovated to create an owner's triplex on the lower three floors and two individual apartments on the upper floors, each with the latest technology and modern amenities. Numerous prospective buyers were interested, but most of them were contingent on their own sales before they could seal the deal. After a few months, a lucky buyer already in contract on his current home approached the seller with a nearly full-ask offer.

## Boerum Hill, Carroll Gardens, & Red Hook

### SINGLE-FAMILY

Single-family townhouse sales increased in Carroll Gardens, Boerum Hill and Red Hook. The year-over-year increase was 57%, a change skewed high by the low number of sales. Both average price and median price dipped, by 6% and 7%, respectively. Both figures were still over \$3M, the second highest price in the borough.

### MULTI-FAMILY

This year had steady sales in the multi-family townhouse market compared to 2015. Activity remained nearly level as did average price. Despite 2016 lacking sales over \$5M, median price grew 3% year-over-year to \$2.669M, as there was a slight decrease in market share of sales at the low-end.

Single-Family	2016	2015	Y/Y
Closings	22	14	57%
Average Price	\$3,179,743	\$3,373,201	-6%
Median Price	\$3,272,500	\$3,500,000	-7%
PPSF	\$1,190	\$1,078	10%
Average Size	2,673	3,131	-15%

Multi-Family	2016	2015	Y/Y
Closings	120	119	1%
Average Price	\$2,646,290	\$2,634,277	0%
Median Price	\$2,669,000	\$2,600,000	3%
PPSF	\$967	\$903	7%
Average Size	2,736	2,918	-6%



## Notable Boerum Hill Sale

125 Butler Street

Closing Price: \$3.95M | Date Closed: 1.14.16

If you work in real estate for any amount of time, you learn that everyday friendships can lead to business in the most unexpected ways. Our agents got to know the owners of 125 Butler Street at yoga class, and were delighted when the fitness discussion turned professional one day. Representing the multi-residence home was a pleasure - it had been well-maintained and is conveniently located near such Brooklyn highlights as Smith Street's restaurant row, Court Street's shopping district, the Brooklyn Heights Promenade, and the Brooklyn Academy of Music. The sellers arranged staging while the house was on the market so that they could escape to their new single-family home a few blocks away. Meanwhile, the house attracted multiple offers and went into contract in less than a month.

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## Bedford-Stuyvesant, Crown Heights, & Bushwick

### SINGLE-FAMILY

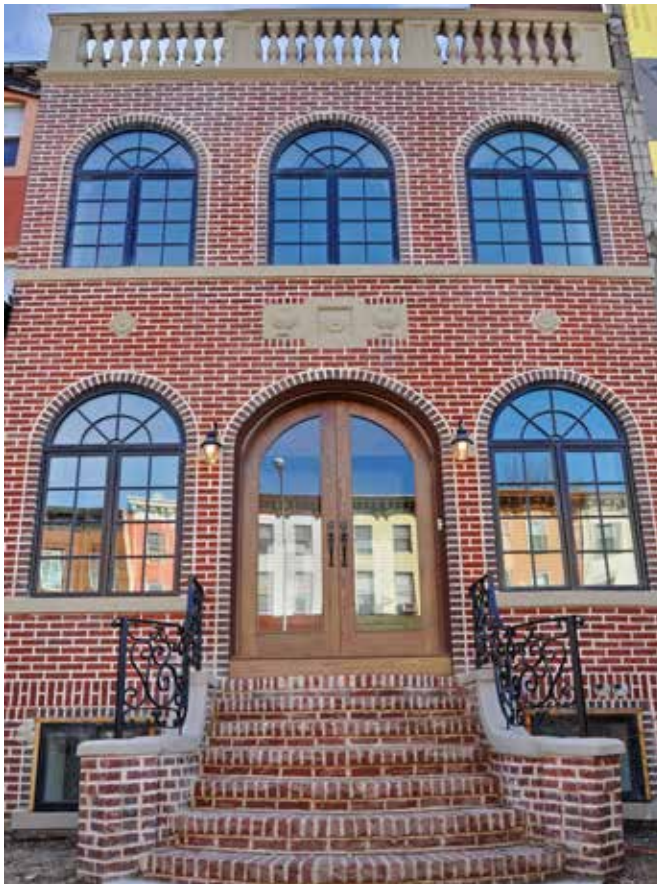
Single-family townhouse sales improved from 2015, rising 21% year-over-year and all price metrics appreciated by double-digits. This is the only area in Brooklyn where all single-family price metrics rose by double-digits year-over-year. Buyers paid an average price of \$1.13M for a single-family townhouse, 12% more than a year ago. Median price was up 23% year-over-year and average price per square foot grew 14%.

### MULTI-FAMILY

Multi-family townhouse sales declined by 7% versus 2015. Sales in 2015 were extremely robust, driven by aggressive buyers, many of whom were all-cash investors and not end-users themselves. Some of these buyers conducted a quick renovation and resale for a profit. In some cases, improvements were not performed at all and the properties were re-listed for a higher price regardless. Average price and average price per square foot increased by double-digits and median price was 9% higher versus a year ago.

Single-Family	2016	2015	Y/Y
Closings	23	19	21%
Average Price	\$1,130,848	\$1,012,411	12%
Median Price	\$1,165,000	\$950,000	23%
PPSF	\$556	\$489	14%
Average Size	2,035	2,072	-2%

Multi-Family	2016	2015	Y/Y
Closings	282	302	-7%
Average Price	\$1,384,416	\$1,212,684	14%
Median Price	\$1,300,000	\$1,187,500	9%
PPSF	\$495	\$444	12%
Average Size	2,795	2,732	2%



## Notable Bedford-Stuyvesant Sale

164 Monroe Street

Closing Price: \$2.15M | Date Closed: 3.7.16

Over the last several years, the phenomenon of restoring New York townhouses has been taken up with stylish fervor by property developers in diverse neighborhoods all over the city. On the outside, 164 Monroe Street is a stately turn-of-the-century townhouse. But before Corcoran listed it, our agent worked with the owner for many months to plan and execute a complete gut restoration that would restore the home to its original grandeur while introducing modern amenities and exquisite finishes. It was no small task; there were tons of material to remove and three stories to remake, including a duplex owner's apartment and a separate rental unit on the top floor. The hard work and creativity paid off when, just one month after it went on the market, a couple relocating with their family from out-of-state fell in love with the house and bought it.