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Despite Slight Snag, B'klyn Real Estate Market Stabilizes



Of Brooklyn Heights, CORE noted on its web site: "Because it's protected by three historic districts, this affluent and peaceful neighborhood really hasn't changed much over the last 200 years.

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Novelist Thomas Wolfe famously said that "only the dead know Brooklyn."

He didn't say they knew so much about Brooklyn's real estate market.

Sales were down, but that didn't prevent the borough's real estate market from stabilizing in the year's third quarter. Contract activity reported rose strongly, said a report by brokerage firm CORE.

"Brooklyn recorded a total of 2,517 sales in the third quarter—a decrease of 3% from this time last year," said Crain's New York Business.

"All things considered, Brooklyn had a healthy third quarter" Garrett Derderian, managing director of market analysis at CORE, said in a prepared statement. "There was a surge in contract activity, suggesting the market has stabilized and was not seriously impacted by the changes to the tax laws.

Tax-law changes, "in particular the mansion tax, affected Brooklyn much less than Manhattan, Derderian said. The mansion tax, which applies only to properties starting at \$2

million, impacted 19% of inventory in Brooklyn, and made up 7% of all closings,” said Crain’s. “Still, home sale prices were down across all property types, while discounts in the third quarter increased. The median sales price was \$787,500, down 3% year over year. The average sales price was \$961,817, down 9%.”

CORE’s research found that houses and townhouses were snapped up at an average discounted price of about 10% compared to first listing price. Condominiums and co-ops apartments averaged a 4% discount, the report noted. Home sales above \$3 million averaged a 10% discount.

Northwest Brooklyn, the most expensive submarket in the borough, had the greatest sales price declines—often drawing the closest parallels to Manhattan, Crain’s said.

“Like Manhattan, the growing supply level remains a concern and has put downward pressure on prices, although not as extreme as in Manhattan,” Derderian said in his statement. “Although we have yet to see any substantial incentives like those in Manhattan, it remains to be seen if the supply can be absorbed without the added offerings, especially in a soft market.”

In all, 1,692 contracts were signed, an increase of approximately 16% compared to the same period in 2018. Most of the contracts were for condominiums, and 11% of signed contracts were for properties priced at \$2 million or more.

Of Brooklyn Heights, CORE noted on its web site: “Because it’s protected by three historic districts, this affluent and peaceful neighborhood really hasn’t changed much over the last 200 years. “America’s First Suburb” boasts a remarkable range of architecture from really old wood-frame houses to the some of the most beautiful pre-Civil War brownstone townhouses in the city.”