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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 faired 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 $1,000SF? 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:

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

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
**BAY RIDGE**

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

- **Studios**
- **1 Beds**
- **2 Beds**
- **1500+ SF**

**% OF SALES WITHIN BAY RIDGE**

- Studios
- 1 Beds
- 2 Beds
- 1500+ SF

**BAY RIDGE QUARTERLY TRACKING**

- **Median PPSF**
- **Median Price**
**NEIGHBORHOOD PRICE TRENDS**

**BED-STUY**

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

- Studios
- 1 Beds
- 2 Beds
- 1500+SF

**% OF SALES WITHIN BED-STUY**

- Studios: 15%
- 1 Beds: 20%
- 2 Beds: 25%
- 1500+SF: 40%

**BED-STUY QUARTERLY TRACKING**

- Median PPSF
- Median Price

**PPSF**
- $100
- $200
- $300
- $400
- $500
- $600

**PRICE**
- $300,000
- $400,000
- $500,000
- $600,000
NEIGHBORHOOD PRICE TRENDS

BROOKLYN HEIGHS

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

% OF SALES WITHIN BROOKLYN HEIGHTS

BROOKLYN HEIGHTS QUARTERLY TRACKING

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NEIGHBORHOOD PRICE TRENDS

BOERUM-COBBLE HILL

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

% OF SALES WITHIN BOERUM-COBBLE HILL

BOERUM-COBBLE HILL QUARTERLY TRACKING

Median PPSF
Median Price
CAROLL GARDENS

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

PPSF

1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11

Median PPSF

Median Price

% OF SALES WITHIN CAROLL GARDENS

CAROLL GARDENS QUARTERLY TRACKING

100%
NEIGHBORHOOD PRICE TRENDS

CLINTON HILL

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

% OF SALES WITHIN CLINTON HILL

CLINTON HILL 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
FORT GREENE PRICE TRENDS

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
NEIGHBORHOOD PRICE TRENDS

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

33% 67%

PROSPECT HEIGHTS QUARTERLY TRACKING

PROSPECT HEIGHTS

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NEIGHBORHOOD PRICE TRENDS

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

$1,000
$900
$800
$700
$600
$500
$400

Studios 1 Beds 2 Beds 1500+ SF

$400
$500
$600
$700
$800
$900
$1,000

1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11

PPSF

Median PPSF

Median Price

$200,000
$400,000
$600,000
$800,000
$1,000,000

$300
$400
$500
$600
$700
$800
$900

Median PPSF

Median Price

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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.


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).