



## **BROOKLYN HOME SALE PRICES INCH UP 3 PERCENT IN THE FIRST QUARTER OF 2008, NEW STUDY FINDS**

### **Prices Rose Despite Decrease in Total Sales Volume; Results Vary Neighborhood By Neighborhood**

New York, April 7, 2008 – The average Brooklyn home price inched up 3 percent to \$627,324 in the first quarter of 2008, despite a 15 percent decline in sales volume, according to a study by Brooklyn-based real estate consulting and appraisal firm HMS Associates.

While the overall average home price rose from \$609,368 for the same period last year to \$627,324 in the first quarter of 2008, neighborhood by neighborhood the report showed a mixed bag of price increases and reductions. Average home prices rose in Williamsburg, Brooklyn Heights, Carroll Gardens, Fort Greene and Bay Ridge but fell in Park Slope, Boerum Hill, Greenpoint and Clinton Hill. The price gains or losses also varied for condos and coops versus single- and multi-family homes.

The report includes sales of single- and multi-family homes, condos and coops in 16 representative neighborhoods of Brooklyn. The figure reported for the first quarter of 2007 varies slightly from what HMS had reported last year because the firm began to incorporate coop prices into the report after the first quarter of 2007, said Sam Heskell, HMS's executive vice president. HMS is an independent appraisal company and is not affiliated with any brokerage firms.

The report does not include neighborhoods where high turnover and a large volume of subprime mortgages are suspected – including Bedford-Stuyvesant, Bushwick and Brownsville – because the data are likely to skew results dramatically, Heskell said.

**Last month HMS produced a study focusing on those neighborhoods in particular, reporting that home prices in Bedford Stuyvesant, East New York, Brownsville and Ocean Hill came down 4 percent and sales volume dropped a staggering 64 percent.**

This month's quarterly report includes 16 neighborhoods that show both increases and decreases, and are deemed together a fair reflection of what is happening in Brooklyn, according to Heskell. **The reports are available online at [www.hmsassociates.net](http://www.hmsassociates.net).**

Boroughwide, the average price of single-family homes rose from \$668,000 to \$743,000, four-family homes from \$1.2 million to \$1.6 million, condos from \$551,000 to \$591,000, and co-ops from \$409,000 to \$434,000, the report showed.

**Strong Prices, But Less Sales Volume**

Heskel noted several reasons for the rise in prices coupled with the drop in sales volume for the first quarter. Sellers hoping for top dollar were still reluctant to lower prices while buyers, spurred by news reports of an economic slowdown, waited longer to see if prices would fall, Heskel said.

“Even more important, the subprime crisis has caused lenders to tighten standards for granting loans, making it more difficult to get home financing,” Heskel said. “Buyers and sellers may agree on a sale price, but the buyer fails to qualify for a loan under the tightened standards. Because of this, brokers are seeing many contracts fall through.

“Given the strength of sale prices and continued volume, it may be a while before home prices come down to realistic levels,” he said. “It’s only in the neighborhoods with a high percentage of subprime loans that we’ve seen a significant decline in home prices.”

### **Neighborhood Highlights**

Overall sales in upper echelon neighborhoods like Park Slope and Brooklyn Heights remained strong in the first quarter of 2008, the report shows. Prices rose for Park Slope single- and multi-family homes, as well as for coops, but Park Slope condo prices fell 32 percent, dragging down the neighborhood average home price. In Brooklyn Heights, prices increased across the board, although total sales volume was down 38 percent. Brooklyn Heights coop prices rose by 16 percent and the neighborhood’s total average home price rose 23 percent.

Fort Greene saw a 170 percent increase in sales volume, the largest of all the neighborhoods, with 62 homes sold in the first quarter of 2008 compared to 23 for the same period last year. Overall prices also rose from \$675,870 to \$760,484, a 13 percent increase.

Boerum Hill saw the most significant drop in prices, with the average home price falling 36 percent from \$1.25 million last year to \$804,250 in the first quarter of 2008. But sales volume increased by 167 percent, from 15 homes to 40 homes sold in the neighborhood in the first quarter of 2008.

### **About HMS Associates**

HMS Associates is a Brooklyn-based residential and commercial real estate consulting and appraisal firm. Founded by Sam Heskel in 1998, the firm serves all of New York City and its surrounding areas. Heskel, an associate member of The Appraisal Institute, is state certified in New York and New Jersey and is a member of The National Association of REALTORS®. He is also a member of Multiple Listing Services for Brooklyn and Long Island (includes Queens), Putnam and Westchester counties, and the Greater Hudson Valley.