

QUEENS

Market Overview

A Quarterly Survey of Queens Residential Sales

3Q 08



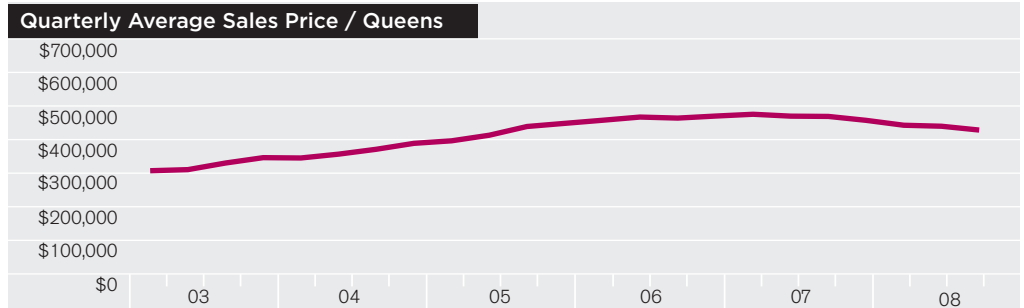
Prepared by Miller Samuel Inc.
A New York residential real estate appraisal company

Lower level of sales activity as prices declined

Price erosion continued Both price indicators have declined nearly every quarter since the first quarter of 2007. Median sales price in the current quarter is \$400,000, down 11.4% from the \$451,250 of the prior year quarter and down 20% from the \$480,000 market peak in first quarter 2007. Average sales price reached \$436,575 this quarter, down 8.8% from the prior year quarter average sales price of \$478,752 and down 11.2% from the \$485,455 average sales price for the first quarter of 2007. The market trends by quintiles showed a wide range of price trends. The entry level or first quintile was \$175,000 and showed no change in median sales price from the prior year quarter. The weakest segment was the third or middle quintile, that saw a 25.8% decline in median sales price to \$335,000 from \$451,250 in the same period last year.

Despite the decline in sales, inventory has remained stable this year There were 11,377 units listed for sale, 1.1% higher than the inventory in the prior year quarter, 11,255. Inventory has remained relatively stable in 2008 with 11,206 units and 11,783 units listed for sale in the first two quarters of the year. The stabilization of inventory is in sharp contrast to the decline in sales indicating the units are being pulled from the market as the economy weakens. There were

Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$436,575	-2.6%	\$448,397	-8.8%	\$478,752
Median Sales Price	\$400,000	-4.8%	\$420,000	-11.4%	\$451,250
Number of Sales	3,240	-16.4%	3,876	-35.2%	4,998
Days on Market (from Last List Date)	100	4.2%	96	9.9%	91
Listing Discount (from Last List Price)	6.4%		4.2%		4.8%
Listing Inventory	11,377	-3.4%	11,783	1.1%	11,255



3,240 sales this quarter, down 35.2% from 4,998 sales in the same period last year. As a result, the absorption rate – the number of months it would take the existing inventory to be sold at the current pace of sales – jumped 55.9% to 10.5 months, from 6.8 months during the same period a year ago.

Days on market and listing discount expanded The drop in the level of sales and corresponding increase in the rate of absorption is evident in the days on market and listing discount indicators. The listing discount jumped to 6.4% from 4.8% in the same period last year and the days on market

expanded by 9 days to 100 days from the 91 days on the market in the same period last year.

The constraint on credit has impacted the housing market The Queens housing market began to show price weakness prior to the credit crunch in the summer of 2007. The change in median sales price has shown five consecutive declines since the summer of 2007. The decline in price indicators has already occurred in contrast to the Brooklyn and Manhattan housing markets, perhaps because of the existence of a higher number of foreclosure properties in Queens as compared to those two other boroughs.

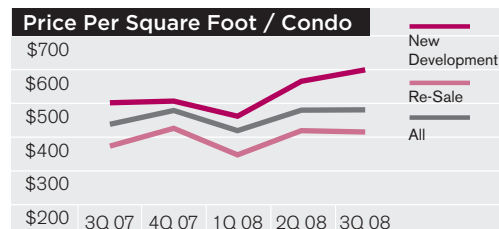
CONDO Market

Price indicators rose, led by new development

Prices indicators rose as number of sales dropped Median sales price increased 4.1% to \$415,000 over the \$398,750 prior year quarter median sales price. Average sales showed a similar pattern, rising 2.6% to \$465,504 from \$453,846 in the same period last year. The price per square foot for a new development averaged \$600, up 19.6% over \$502 in the same period last year. There were 311 sales during the quarter, down 42% from 536 sales in the prior

Condo Market Matrix		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	All	\$465,504	5.4%	\$441,787	2.6%	\$453,846
	New Development	\$575,021	12.5%	\$511,003	13%	\$508,762
Price per Square Foot	All	\$481	0.1%	\$480	9.7%	\$438
	New Development	\$600	6.1%	\$566	19.6%	\$502
Median Sales Price	All	\$415,000	6.8%	\$388,674	4.1%	\$398,750
	New Development	\$504,263	19%	\$423,852	13.7%	\$443,575
Number of Sales		311	-17.3%	376	-42%	536

year quarter. The large drop in the number of sales was due to the decline in new development sales, falling 59.7% from the prior year quarter. As a result, the market share of new development sales fell to 36% of all condo sales, compared to 51.9% in the same period last year.



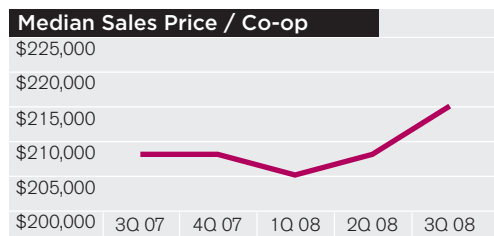
CO-OP Market

Market share gained as number of sales fell

Price indicators increased Median sales price was \$215,000, up 3.4% from the \$208,000 median sales price of the same period last year. Average sales price also moved higher, reaching \$236,245, 3.9% above the \$227,456 average sales price in the same period last year. All market quintiles showed similar increases

Co-op Market Matrix		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$236,245	4%	\$227,229	3.9%	\$227,456
Median Sales Price		\$215,000	3.4%	\$208,000	3.4%	\$208,000
Number of Sales		1,107	-2.9%	1,140	-22.9%	1,436

in median sales price compared to the same period last year. There were 1,107 sales in the quarter, down 22.9% from the same period last year. Despite the decline in activity, co-op market share increased to 34.2% from 28.7% of all sales in Queens in the prior year quarter.



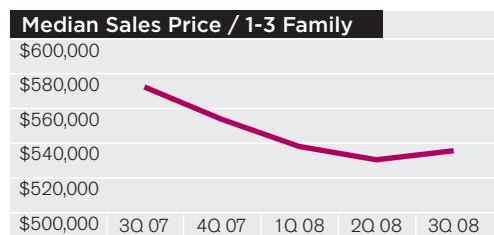
1-3 FAMILY Market

Prices and number of sales declined

Number of sales and market share declined There were 1,822 sales this quarter, 39.8% below the 3,026 sales in the prior year quarter. Market share of 1-3 family properties fell to 56.2% of all sales in Queens, down from 60.5% in the same period last year. Median sales price was \$535,000 this quarter, down 6.5% from \$572,000 in the same period last year. Price

1-3 Family Market Matrix		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$553,353	-0.5%	\$556,285	-8.1%	\$602,418
Price per Square Foot		\$297	0.1%	\$297	-9%	\$326
Median Sales Price		\$535,000	1%	\$529,745	-6.5%	\$572,000
Number of Sales		1,822	-22.8%	2,360	-39.8%	3,026

per square foot of a 1-3 family house was \$297, a 9% decline from the prior year quarter. The average square footage of a 1-3 family house was 1,863 this quarter, up nominally from 1,846 in the prior year quarter, which reveals that the decline in the price indicators was not subject to a skew in size.



LUXURY Market

Price indicators declined

Market quintiles showed consistent decline The median sales price of a luxury property was \$865,000 this quarter, down 5.8% from the \$918,000 median sales price of the same quarter last year. Median sales price by market quintile fell in all segments, ranging from 2.6% to 6.6%, as compared to the prior year quarter.

Luxury Market Matrix		Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price		\$920,890	-3.4%	\$953,300	-9.4%	\$1,016,037
Median Sales Price		\$865,000	-1.7%	\$880,000	-5.8%	\$918,000
Number of Sales		322	-17%	388	-35.5%	499

Average sales price was \$920,890 for the quarter falling 9.4% from \$1,016,037, the third consecutive quarter under \$1,000,000. The low-end price threshold for the quarter was \$747,500, down 6.6% from \$800,000 in the same period last year.



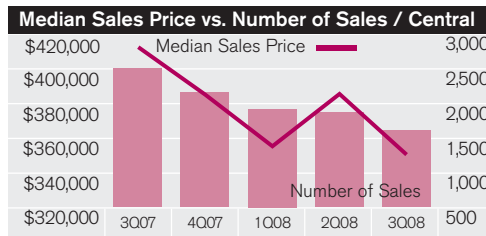
Note: This sub-category is the analysis of the top ten percent of all co-op, condo and 1-3 family sales. The data is also contained within the co-op, condo and 1-3 family markets presented.

CENTRAL

Price indicators weakened most in largest market area

Price indicators declined Median sales price was \$350,000, down 15.4% from \$413,712 in the prior year quarter. By market quintile, the entry-level segment, which has a median sales price of \$167,000, was the only quintile to experience an increase, rising 2% from \$163,750 in the prior year quarter. The remaining quintiles declines ranged from 5.8% to 15.4% with the largest decline found in the third quintile with a median sales price of \$350,000, down from \$413,712 in the prior year quarter. Average sales price showed a similar trend, down 10.7% to \$416,135 from the \$465,936 average sales price of the

Central Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$416,135	-4.1%	\$434,050	-10.7%	\$465,936
Median Sales Price	\$350,000	-9.3%	\$385,954	-15.4%	\$413,712
Number of Sales	1,636	-13.5%	1,892	-35.9%	2,551



Quintiles / Median Sales Price by No. of Sales / Central	Current Qtr	% Chg Prior Year Qtr
5/5	\$747,500	-9.5%
4/5	\$530,000	-11.7%
3/5	\$350,000	-15.4%
2/5	\$233,727	-5.8%
1/5	\$167,000	2%

prior year quarter.

Number of sales declined as market share holds The number of sales this quarter fell 35.9% to 1,636 units from 2,551 units in the

same period last year. The number of sales has remained below 2,000 units for 3 consecutive quarters. Market share was consistent at 50.5% compared to 51% in the same period last year.

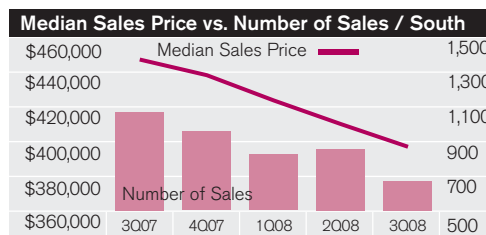
SOUTH

Price indicators and number of sales declined

Number of sales declined sharply The number of sales this quarter fell 37.5% to 675 units from 1,080 units in the same period last year. The number of sales is roughly half the level of the number of sales that occurred in the second quarter of 2007, the highest period of sales activity in the past two years. Market share slipped to 20.8% of all sales in Queens as compared to 21.6% in the same period last year.

Price indicators fell Median sales price was \$396,550, down 11.5% from \$448,275 in the prior year quarter. By market quintile, all segments

South Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$406,214	-2.7%	\$417,529	-11.1%	\$465,897
Median Sales Price	\$396,550	-3.3%	\$410,000	-11.5%	\$448,275
Number of Sales	675	-21.6%	861	-37.5%	1,080



Quintiles / Median Sales Price by No. of Sales / South	Current Qtr	% Chg Prior Year Qtr
5/5	\$614,525	-3.2%
4/5	\$490,000	-2.2%
3/5	\$396,550	-3.3%
2/5	\$324,477	-4.6%
1/5	\$200,000	0%

of the market experienced no change or a slight decline in median sales price as compared to the same period the year before. The changes ranged from no drop to a 4.6% decrease. Average sales

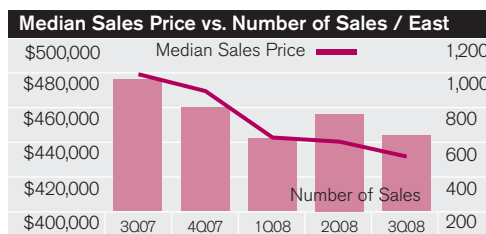
price showed a similar declining trend, down 11.1% to \$406,214 from the \$465,897 average sales price of the prior year quarter.

EAST

Number of sales slowed as prices declined across all quintiles

Price indicators showed decline in all segments The median sales price was \$431,163 this quarter, down 10.2% from the prior year quarter median sales price of \$480,000. When broken out by quintiles, the median sales price for all market segments showed declines ranging from 1.6% to 10.2%. The first quintile or entry-level segment had a median sales price of \$185,000 and saw the lowest decline from the prior year quarter of 1.6%. The second and third quintiles both experienced a 10.2% decline in median sales price to \$285,000 and \$431,163 respectively. The average sales price fell 7.3% to

East Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$464,075	-1.6%	\$471,391	-7.3%	\$500,588
Median Sales Price	\$431,163	-2%	\$440,000	-10.2%	\$480,000
Number of Sales	644	-16.7%	773	-34.1%	977



Quintiles / Median Sales Price by No. of Sales / East	Current Qtr	% Chg Prior Year Qtr
5/5	\$773,565	-7.4%
4/5	\$565,110	-8.9%
3/5	\$431,163	-10.2%
2/5	\$285,000	-10.2%
1/5	\$185,000	-1.6%

\$464,075 for the quarter from \$500,588 in the prior year quarter.

Number of sales dropped There were 644 sales in the quarter, down sharply by 34.1% from 977 sales in the same period last year. Sales

have consistently remained lower each quarter in 2008 versus the same quarter a year ago. The market share was up slightly to 19.9% of all sales in the borough from 19.5% at this time last year.

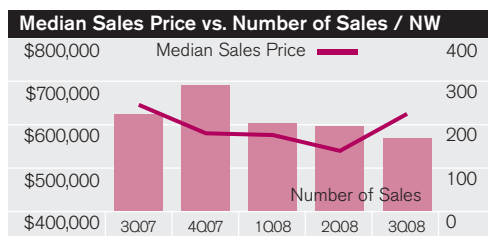
NORTHWEST

Number of sales declined, smaller sized new development units sold

Price indicators were mixed Median sales price declined 3.3% to \$625,195 this quarter from \$646,634 in the same period last year. However, price per square foot jumped 16.5% to \$461 over the same period largely due to the increase in the price per square foot of new development units and the change in the mix of units that were sold during the period. The average size of a new development sale dropped by 501 square feet, from 1,406 square feet to 905 square feet, due to the mix of what was available for sale. The sharp drop in size had the effect of pulling down average sales price and median sales price because the units that sold were smaller.

Northwest Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$621,246	1.6%	\$611,753	-3.9%	\$646,702
Price per Square Foot	\$461	16.2%	\$397	16.5%	\$395
Median Sales Price	\$625,195	16.3%	\$537,473	-3.3%	\$646,634
Number of Sales	171	-14.1%	199	-25%	228

Condo Submarket Matrix / Northwest	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$690,865	15.3%	\$599,266	-11.9%	\$783,852
Price per Square Foot	\$763	13.8%	\$671	36.9%	\$557
Median Sales Price	\$644,216	27.3%	\$505,986	-13.2%	\$742,461



Quintiles / Median Sales Price by No. of Sales / Northwest	Current Qtr	% Chg Prior Year Qtr
5/5	\$700,000	-26.9%
4/5	\$589,566	-26.1%
3/5	\$465,132	-28.1%
2/5	\$345,000	-26%
1/5	\$210,000	19.3%

Number of sales declined There were 171 sales for the quarter, down 25% from the 228 sales in the prior year quarter. The percentage

decline in new development units that sold was 37.3%, more than double the 15.1% decline of re-sale units over the same period.

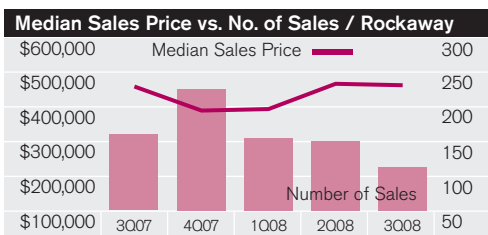
ROCKAWAY

Price indicators were mixed as number of sales dropped

Number of sales declined There were 114 sales during the period, a 29.6% decline from the 162 units sold in the same period last year. Area market share increased nominally to 3.5% from 3.2% market share in the same period last year.

Price indicators were mixed Median sales price was \$465,132 in the current quarter, up nominally by 0.8% from \$461,250 in the same period last year. Average sales price was up 4.2% to \$477,322 from \$458,219 over the same time frame. The price per square foot indicator fell

Rockaway Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$477,322	1.3%	\$471,025	4.2%	\$458,219
Price per Square Foot	\$222	6.1%	\$210	-10.7%	\$249
Median Sales Price	\$465,132	-0.9%	\$469,328	0.8%	\$461,250
Number of Sales	114	-25%	152	-29.6%	162



Quintiles / Median Sales Price by No. of Sales / Rockaway	Current Qtr	% Chg Prior Year Qtr
5/5	\$700,000	3.9%
4/5	\$589,566	10.2%
3/5	\$465,132	0.8%
2/5	\$345,000	-1.4%
1/5	\$210,000	-7.2%

10.7% to \$222 from \$249 in the prior year quarter. The sharp increase in the size of property sold over the period influenced the contrarian direction

of the indicators this quarter. The average size of a property was 2,147 square feet, up 16.7% from 1,840 in the same period last year.

NEIGHBORHOODS OF QUEENS

CENTRAL QUEENS

- College Point
- Corona
- East Elmhurst
- Elmhurst
- Flushing Meadow Park
- Flushing-North
- Flushing-South
- Forest Hills
- Jackson Heights
- Jamaica Hills
- Maspeth
- Middle Village
- Oakland Gardens
- Rego Park
- Richmond Hill
- Ridgewood
- Sunnyside
- Whitestone
- Woodside

SOUTH QUEENS

- Airport JFK
- Airport La Guardia
- Briarwood
- Cambria Heights
- Howard Beach
- Jamaica
- Jamaica Bay
- Ozone Park
- Queens Village
- Rosedale
- So. Jamaica-Baisley Park
- South Jamaica
- South Ozone Park
- Springfield Gardens
- St. Albans
- Woodhaven

EAST QUEENS

- Bayside
- Beechhurst
- Bellerose
- Douglaston
- Floral Park
- Fresh Meadows
- Glen Oaks
- Glendale
- Hillcrest
- Hollis
- Hollis Hills
- Holliswood
- Jamaica Estates
- Kew Gardens
- Laurelton
- Little Neck

NORTHWEST QUEENS

- Astoria
- Long Island City

ROCKAWAY QUEENS

- Arverne
- Belle Harbor
- Broad Channel
- Far Rockaway
- Hammels
- Neponsit
- Rockaway Park

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