

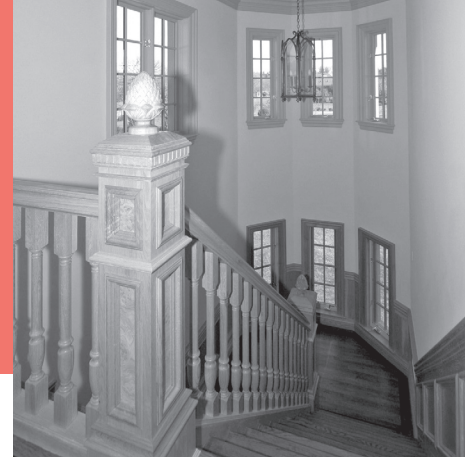
LONG ISLAND QUEENS

Market Overview

A Quarterly Survey of Long Island and Queens Sales

[The Hamptons and the North Fork reported separately]

2Q 07



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

Prices generally hold as number of sales slip

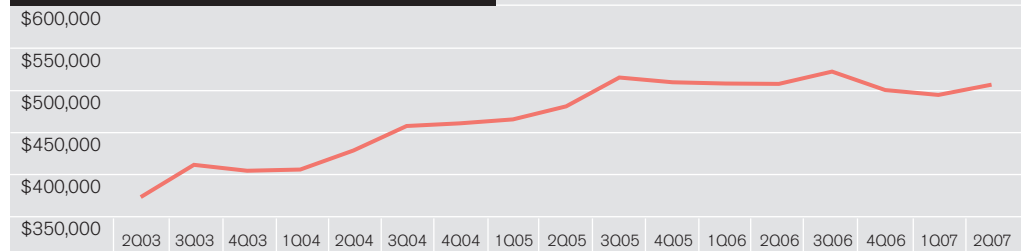
Small price decline from last year, gain from prior quarter Both price indicators showed nominal changes from their respective prior year quarter amounts and modest increases over the prior quarter. The average sales price of a residential property in the Long Island/Queens market was \$506,580, down 0.6% from the prior year quarter average sales price of \$509,474 but up 2.1% from the prior quarter average sales price of \$496,369. Median sales price followed a similar pattern suggesting that the mix of properties that sold had not changed significantly. The median sales price this quarter was \$445,000, down 0.3% from the prior year quarter price of \$446,250 and was up 1.7% from the prior quarter price of \$437,500.

Number of sales slip as inventory expands

The number of sales this quarter totaled 8,694 properties, down 5.6% from the 9,210 total in the prior year quarter, but was up 24.2% from the 7,001 properties closed in the prior quarter. The pronounced increase in sales activity over the prior quarter is attributable to seasonal changes in sales activity. The 5.6% drop in the number of sales was greater than the 0.6% prior year quarter drop last year. As a result of weaker demand as measured by the number of sales, inventory levels continue to rise. There were 36,610 listings at the end of the second quarter, up 10.6% from the prior year quarter total of 33,141 listings and up 14.6% from the prior quarter total of 31,954 listings. In addition, inventory typically rises from the first to second quarters of each year as listings enter the market

Long Island / Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$506,580	2.1%	\$496,369	-0.6%	\$509,474
Median Sales Price	\$445,000	1.7%	\$437,500	-0.3%	\$446,250
Number of Sales	8,694	24.2%	7,001	-5.6%	9,210
Days on Market (from Last List Date)	111	2.8%	108	29.1%	86
Listing Discount (from Last List Price)	5.6%		5.3%		4%
Listing Inventory	36,610	14.6%	31,954	10.5%	33,141

Average Sales Price / Long Island - Queens



for the spring selling season. Current inventory levels are at the highest seen in the three years of historical data tracked in this report.

Listing discount and days on market continue to expand

It took an average of 111 days to sell a residential property, 25 days longer than the 86 day average in the prior year quarter and 3 days longer than the prior quarter. Average days on market is measured from the last time the list price was changed, if ever, to the contract date. This indicator tends to correlate with inventory levels. As competition rises in the form of more listing inventory, it takes longer to sell the average property. Another indicator that measures the pace of the market is listing discount, which is the average difference between the list price at the time of sale, and the contract price. The average listing discount in the current quarter was 5.6%, up from 4% in the prior year

quarter and up from 5.3% in the prior quarter.

The market continues to show weakness

Both average sales price and median sales price indicators approached stabilization, after two years of decline. The most notable price changes occurred in a weaker North Shore market and a stronger Queens condo market. Despite stabilizing prices, the overall number of sales fell across the entire region with the North Shore market being the only market to show a gain as compared to the same period last year. As a result of diminished demand, inventory levels have continued to rise, causing other market indicators like days on market and listing discount to expand. A decline in the overall number of sales in one of the most active quarters of the year suggests that the housing market may experience continued weakness in the near future.

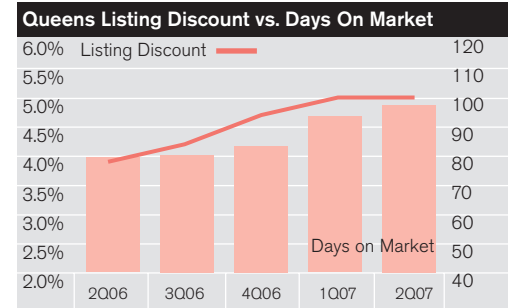
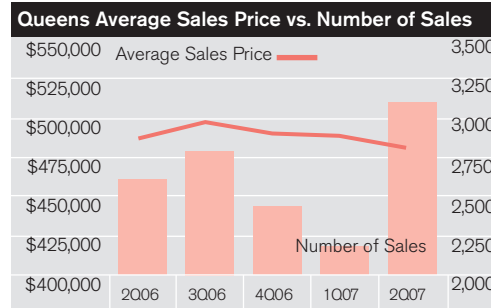
QUEENS MARKET

Prices slip as inventory rises

Prices show weakness, but strength at upper levels The average sales price of a Queens property was \$482,971 this quarter, down 1.2% from the prior year quarter average sales price of \$488,925 and down 1.6% from the prior quarter average sales price of \$490,637. At the same time, median sales price, which was \$469,000 this quarter, fell 4.3% from the \$490,000 median sales price in the prior year quarter and was down 4.8% from the \$492,900 median sales price in the prior quarter. When breaking out the market by quintiles, which is calculated by sorting all the sales in the period by price, dividing the number of sales by five and measuring the averages within each section of the market, different patterns emerged. The first, second and third quintiles all showed declines in average sales price over the prior year quarter. The fourth quintile was unchanged and the fifth quintile, the highest 20% of all sales prices, showed an increase in average sales price.

Inventory and days on market expand There were 10,851 properties available for sale in the current quarter, up 14.4% from the prior year quarter total of 9,483 properties and up 17.1%

Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$482,971	-1.6%	\$490,637	-1.2%	\$488,925
Median Sales Price	\$469,000	-4.8%	\$492,900	-4.3%	\$490,000
Number of Sales	3,098	42.2%	2,179	18.9%	2,606
Days on Market (from Last List Date)	97	4.3%	93	22.8%	79
Listing Discount (from Last List Price)	5%		5%		3.9%
Listing Inventory	10,851	17.1%	9,270	14.4%	9,483



from the prior quarter total inventory of 9,270. The number of sales showed a sharp increase this quarter, but it was due to the incorporation of New York City sales data into the report data set. It took an average of 97 days to sell a Queens property, faster than the other market areas covered in this report. However, this indicator was 18 days longer than the 79 day average in the prior year quarter and 6 days longer than the 93 day average in the prior quarter. Listing discount

Queens Quintiles / No. of Sales	Average Sales Price
5/5	\$852,973
4/5	\$604,666
3/5	\$469,764
2/5	\$313,856
1/5	\$174,791

averaged 5% this quarter, up from 3.9% in the prior year quarter and unchanged from the prior quarter.

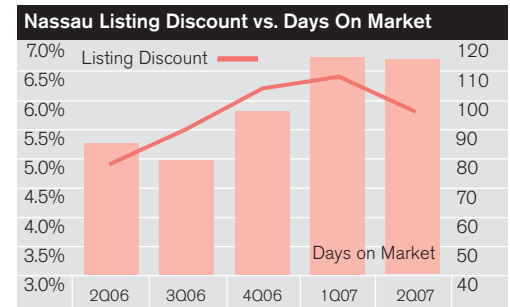
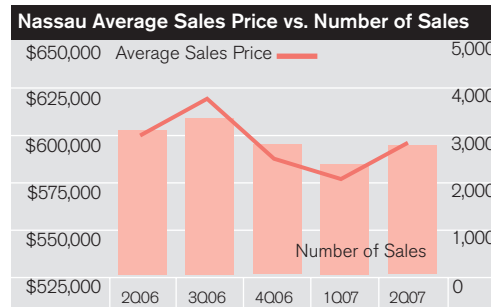
NASSAU MARKET

Prices unchanged as inventory growth slows

Overall prices flat, with some weakness in the entry level The average sales price of a Nassau residential property this quarter was \$594,913 this quarter, down 0.6% from \$598,761 in the prior year quarter, but up 3.4% from the prior quarter average of \$575,573. Median sales price was \$485,000 this quarter, up 0.6% from the prior year quarter of \$482,000 and up 5.4% from the prior quarter of \$460,000. The average sales price of the lowest quintile was \$298,617 this quarter, down 6.2% from the prior year quarter average sales price of \$318,378. The change from the prior year quarter for the remainder of the quintiles moving from lowest to highest, was -1.5%, +0.3%, +1.8% and -0.5% respectively.

Pace of rising inventory eased, number of sales declined There were 10,574 properties available for sale, up 6.4% from the prior year quarter of 9,934 and up 14.2% from the prior quarter total of 9,260. In the same quarter last year, inventory was up 75.5% over the prior year quarter, and up 52.1%, 31.8% and 19% in

Nassau Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$594,913	3.4%	\$575,573	-0.6%	\$598,761
Median Sales Price	\$485,000	5.4%	\$460,000	0.6%	\$482,000
Number of Sales	2,729	16.8%	2,337	-10.7%	3,056
Days on Market (from Last List Date)	115	-0.9%	116	33.7%	86
Listing Discount (from Last List Price)	5.8%		6.4%		4.9%
Listing Inventory	10,574	14.2%	9,260	6.4%	9,934



subsequent quarters using the same comparison. There were 2,729 units that closed in the quarter, down 10.7% from the prior year quarter total of 3,056 but up 16.8% from the prior quarter total of 2,337 units. Last year at this time, the number of sales was down 0.1%, or essentially unchanged from the prior year quarter. Average days on market was 115 days, 29 days longer than the same quarter last year. Listing discount

Nassau Quintiles / No. of Sales	Average Sales Price
5/5	\$1,171,686
4/5	\$599,998
3/5	\$485,750
2/5	\$418,315
1/5	\$298,617

was 5.8% in the current quarter, up from 4.9% in the prior year quarter.

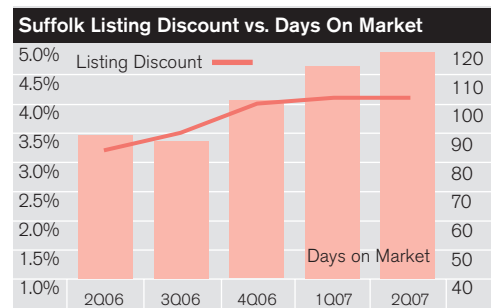
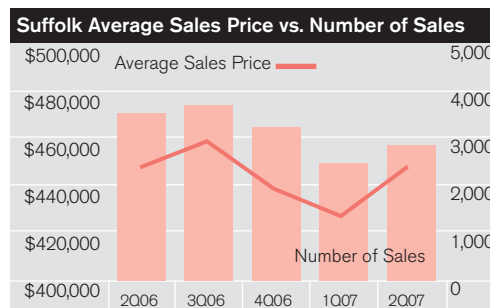
SUFFOLK MARKET

Inventory rises, yet prices stabilize

Prices show modest increase, as number of sales fell Both price indicators showed gains as compared to the prior quarter. The average sales price was \$448,009, unchanged from the prior year quarter average sales price and up 4.9% from the prior quarter average sales price of \$426,909. Median sales price was \$399,000, up 1% from the prior year quarter median sales price of \$395,000 and up 3.6% from the prior quarter median sales price of \$385,000. The first quintile showed a 1.9% decline as compared to the prior year quarter but the remaining quintiles showed price gains over the same period. The most pronounced gain was the second quintile, which increased 13% from \$303,852 in the prior year quarter to \$340,395 in the current quarter. At the same time, there were 2,867 sales in the current quarter, down 19.2% from the prior year quarter total of 3,548 and up 15.4% from the prior quarter total of 2,485.

Inventory levels increased as listing discount stabilized There were 15,185 properties available for sale in Suffolk County in the current quarter, up 10.6% from the prior year quarter total of 13,724 properties and up

Suffolk Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$448,009	4.9%	\$426,909	0.1%	\$447,661
Median Sales Price	\$399,000	3.6%	\$385,000	1%	\$395,000
Number of Sales	2,867	15.4%	2,485	-19.2%	3,548
Days on Market (from Last List Date)	119	4.4%	114	32.2%	90
Listing Discount (from Last List Price)	4.1%		4.1%		3.2%
Listing Inventory	15,185	13.1%	13,424	10.6%	13,724



13.1% from the prior quarter total of 13,424 properties. In the second quarter of 2005 there were 8,318 residential properties available for sale, representing an 82.6% increase in two years. Average days on market for the current quarter was 119 days, a 29 day increase over the same period last year. Listing discount was 4.1% in the current quarter, up from the 3.2% listing discount seen in the prior year quarter and unchanged from the prior quarter.

Suffolk Quintiles/No. of Sales	Average Sales Price
5/5	\$787,629
4/5	\$474,039
3/5	\$399,286
2/5	\$340,395
1/5	\$238,839

Note: The data in the Suffolk Market is comprised of residential sales in Suffolk county with the exception of The Hamptons and The North Fork and which are analyzed in a separate report. Listing inventory includes all of Suffolk county.

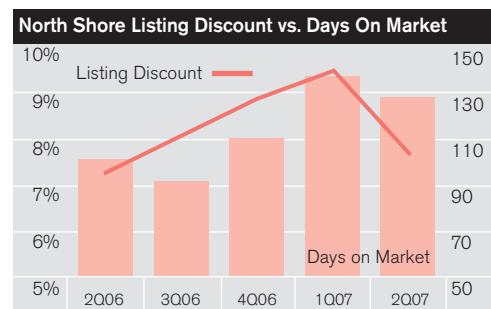
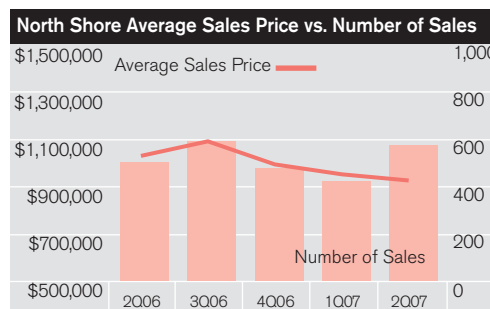
NORTH SHORE MARKET

Prices decline as number of sales rise

Prices continue to decline, but number of sales jump The average sales price of a residential property in the North Shore market was \$930,305 in the current quarter, down 10.1% from the prior year quarter average sales price of \$1,035,146 and down 2.8% from the prior quarter average sales price of \$956,681. Median sales price was \$730,000, down 6.9% from the prior year quarter median sales price of \$784,500, but up 3.5% from the prior quarter median sales price of \$705,000. The decline in these price indicators was largely attributable to the declines seen in the fourth and fifth quintiles, which saw 17.3% and 11.3% declines respectively, as compared to the prior year quarter.

Number of sales jumped as days on market stabilized There were 575 sales in the current quarter, up 14.1% from the 504 sales in the prior year quarter and up 35.9% from the prior quarter, which is a typical seasonal transition. The number of sales, while an improving indicator this quarter,

North Shore Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$930,305	-2.8%	\$956,681	-10.1%	\$1,035,146
Median Sales Price	\$730,000	3.5%	\$705,000	-6.9%	\$784,500
Number of Sales	575	35.9%	423	14.1%	504
Days on Market (from Last List Date)	127	-6.6%	136	27%	100
Listing Discount (from Last List Price)	7.7%		9.5%		7.3%



was 7.6% below the 622 sales to have closed during the same period in 2005 at the end of the housing boom in the New York region. While the average days on market increased 27 days from the prior year quarter to 127 in the current quarter, it fell below the 136 average days on market level set in the prior quarter. Listing discount followed the same pattern, rising from the 7.3% prior year quarter amount to 7.7% in the current quarter and falling from 9.5% in the prior quarter.

N. Shore Quintiles/No. of Sales	Average Sales Price
5/5	\$1,993,517
4/5	\$1,011,524
3/5	\$739,874
2/5	\$574,920
1/5	\$331,690

Note: The North Shore Market is a submarket of Nassau County, extending from Kings Point to Laurel Hollow, North of the LIE and Route 25.

LUXURY MARKET

Modest increase in prices as days on market stabilized

Prices rise in all counties overall The average sales price of a luxury property was \$1,180,362, up nominally from the prior year quarter average sales price of \$1,179,253. Median sales price was \$963,500, up 1.4% from the prior year quarter median sales price of \$950,000. Increases were seen across all market areas as compared to the prior year quarter. Queens increased 3.8% to \$975,411, Nassau increased 0.8% to \$1,352,159 and Suffolk increased 5% to \$1,174,406.

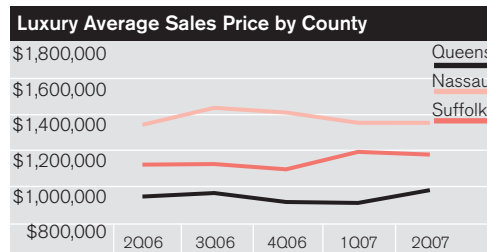
Days on market stabilizes but listing discount expands The average days on market was 123 days, up 26 days from 97 days in the same period last year but only up 2 days from the 121 days in the prior quarter. The average listing discount was 9.7% in the current quarter, up from

Luxury Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,180,362	2%	\$1,157,062	0.1%	\$1,179,253
Median Sales Price	\$963,500	7.1%	\$900,000	1.4%	\$950,000
Number of Sales	869	24.1%	700	-5.6%	921
Days on Market (from Last List Date)	123	1.7%	121	26.8%	97
Listing Discount (from Last List Price)	9.7%		7.9%		5.9%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$975,411 (37%)	7.9%	\$903,805 (38%)	3.8%	\$939,547 (25%)
Nassau	\$1,352,159 (44%)	0%	\$1,352,539 (46%)	0.8%	\$1,340,944 (48%)
Suffolk	\$1,174,406 (19%)	-1.3%	\$1,189,635 (16%)	5%	\$1,118,131 (27%)

5.9% in the prior year quarter and up from the 7.9% listing discount in the prior quarter. Although luxury market share rose sharply this quarter, it was largely due to the additional city sales data incorporated into this study commencing in the current quarter.

Note: The Luxury Market is a submarket of Long Island/Queens and includes the top ten percent of all residential sales but excludes The Hamptons and The North Fork, which are analyzed in a separate report.



CONDO MARKET

Prices rise, number of sales slip

Prices above prior year and prior quarters The average sales price of a condo was \$320,308 this quarter, up 4.6% from the prior year quarter average sales price of \$306,300 and up 10.8% above the prior quarter average sales price of \$288,978. Median sales price followed the same pattern. The median sales price was \$268,000 this quarter, up 7.4% from the prior year quarter median sales price of \$249,500 and up 11.7% from the prior quarter median sales price of \$240,000.

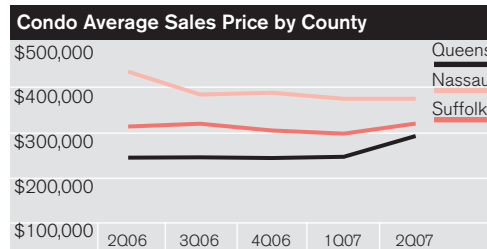
Prices in Queens jumped as market share held The average sales price of a Queens condo was \$292,878 this quarter, up 19.8% from the prior year quarter average sales price of \$244,411. Suffolk saw the second highest gain over the same period with an average sales price of \$320,789, 2.1% above the same period in

Condo Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$320,308	10.8%	\$288,978	4.6%	\$306,300
Median Sales Price	\$268,000	11.7%	\$240,000	7.4%	\$249,500
Number of Sales	1,517	15.6%	1,312	-4.9%	1,596
Days on Market (from Last List Days)	111	8.8%	102	30.6%	85
Listing Discount (from Last List Price)	2.4%		5.2%		3.9%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$292,878 (50%)	18.9%	\$246,350 (53%)	19.8%	\$244,411 (50%)
Nassau	\$376,223 (24%)	0%	\$376,265 (23%)	-13.9%	\$436,910 (22%)
Suffolk	\$320,789 (26%)	7.6%	\$298,192 (24%)	2.1%	\$314,141 (28%)

the prior year when the average sales price was \$314,141. Nassau did not fare as well, with an average sales price of \$376,223, down 13.9% from the prior year quarter average sales price of \$436,910.

Note: The Condo Market includes residential sales in Queens, Nassau, Suffolk counties. Suffolk condo data excludes sales in The Hamptons and The North Fork which are analyzed in a separate report.



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