

LONG ISLAND QUEENS

Market Overview

A Quarterly Survey of Long Island and Queens Sales
[The Hamptons and the North Fork reported separately]

2Q 08



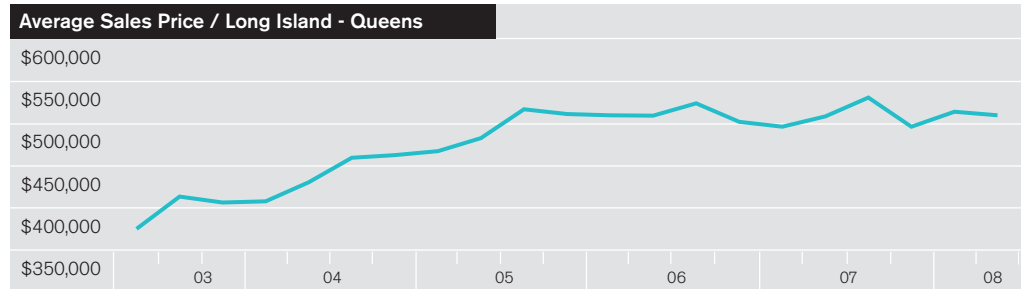
Prepared by Miller Samuel Inc.
 A New York residential real estate appraisal and consulting company

Number of sales slip as price indicators are unchanged

Price indicators remain stable For the second consecutive quarter, price indicators remain generally stable. The median sales price of a Long Island/Queens property was \$445,450 this quarter, essentially unchanged from the prior year quarter median sales price of \$445,000. The mix of properties that sold this quarter as compared to the same period last year was similar as evidenced by the nominal change in average sales price. This indicator increased 0.7% to \$509,913 in the current quarter from the \$506,580 average sales price of the prior year quarter.

Sales and inventory showed continued weakness The number of sales declined 5.3% to 8,237 units from the prior year quarter total of 8,694. The number of properties available for sale was 37,928, up 3.6% from the prior year quarter total of 36,610. Inventory levels are 2.2% below the record total of 4th quarter 2007 when inventory reached 38,769, the highest level seen in five years. Since that peak level in the fourth quarter of last year, the growth in inventory has eased for two consecutive quarters with a 10.2% and 3.6% increase respectively from their prior year quarter marks. In the second quarter, it would take 13.8 months to absorb all available inventory at the current pace of sales activity. Last year at this time

Long Island / Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$509,913	-0.8%	\$514,135	0.7%	\$506,580
Median Sales Price	\$445,450	2.4%	\$435,000	0.1%	\$445,000
Number of Sales	8,237	36.9%	6,015	-5.3%	8,694
Days on Market (from Last List Date)	111	-5.1%	117	0%	111
Listing Discount (from Last List Price)	4.7%		6.2%		5.6%
Listing Inventory	37,928	7.7%	35,209	3.6%	36,610



the absorption rate was 12.6 months while the current rate is below the 18.3 and 17.6 monthly absorption of the prior two quarters.

Days on market unchanged as listing discount slips The average days on market was unchanged at 111 days as compared to the same period last year. This is below the 117 average days on market in the prior quarter, a decline expected for the seasonal market improvement between the first and second quarters of each year. Despite the rise in inventory this quarter, the listing discount, which measures the negotiability from list price, fell to 4.7% from the prior year quarter average of 5.6%.

Weaker economic environment and credit played a role in lower sales activity In continuation of last quarter's market pattern, the pace of inventory growth and the pace in the decline in the number of sales continue to slow but still show weakening market conditions. The lower level of activity is reflective of stressed economic conditions and more stringent underwriting guidelines of mortgage lenders, who are requiring larger down payments, tighter ratios and higher credit scores. Despite a decline in activity, price indicators were essentially unchanged from the prior year quarter. There is an expectation of higher sales activity in the third quarter as spillover from the spring market activity closes in the summer months.

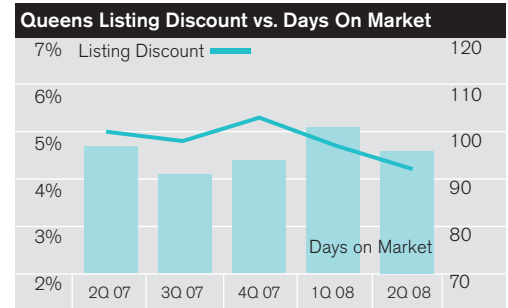
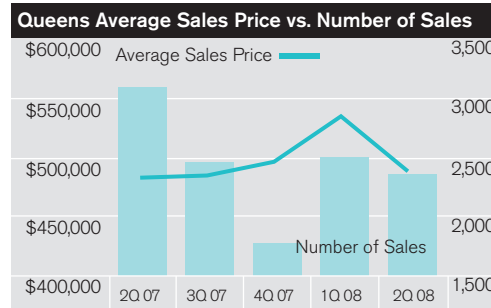
QUEENS MARKET

Price indicators rise despite rise in inventory

Price indicators see modest increase yet inventory rises The median sales price of a Queens property was \$470,000, up nominally (0.2%) from the prior year quarter median sales price of \$469,000. The average sales price showed a similar pattern with a 1.1% increase over the same period. This indicator reached \$488,431 in the current quarter over the average sales price of \$482,971 in the prior year. All five quintiles showed a modest increase over the prior year quarter results, ranging from 0.2% for the fourth quintile to 2% for the fifth quintile. There were 11,783 listings in the current quarter, up 8.6% from the prior year quarter total of 10,851. Inventory is down 6.2% from its peak in 4th quarter 2007 when it reached 12,559 properties.

Number of sales decline as days on market stabilizes The average days on market for the quarter was 96 days, the lowest of the three

Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$488,431	-8.8%	\$535,308	1.1%	\$482,971
Median Sales Price	\$470,000	-5.7%	\$498,500	0.2%	\$469,000
Number of Sales	2,363	-5.6%	2,502	-23.7%	3,098
Days on Market (from Last List Date)	96	-5%	101	-1%	97
Listing Discount (from Last List Price)	4.2%		4.7%		5%
Listing Inventory	11,783	5.1%	11,206	8.6%	10,851



counties covered in this report. It took about the same number of days to sell a home as the same period last year. The number of sales declined 23.7% to 2,363 units this quarter, down from the 3,098 units of the prior year. The decline in this indicator was consistent with Manhattan, which fell 21.8% over the same period.

Queens Quintiles / No. of Sales	Average Sales Price
5/5	\$870,153
4/5	\$605,879
3/5	\$474,081
2/5	\$315,868
1/5	\$176,058

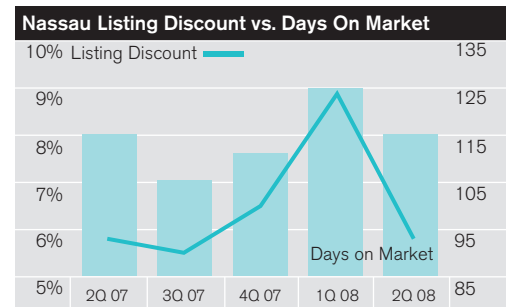
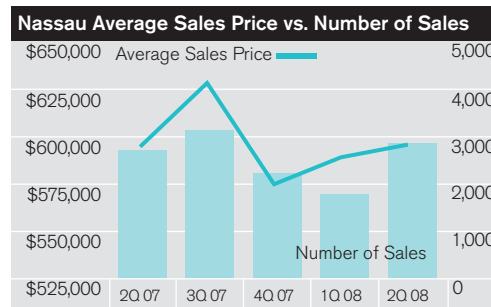
NASSAU MARKET

Price indicators stabilize with a modest uptick in number of sales

Price indicators and listing discount unchanged Both median sales price and average sales price were unchanged from the same period last year. The median sales price was \$485,000 while the average sales price was \$595,015. Remarkably, this pattern was consistent across all five quintiles with a range of -0.2% to 0.1% as compared to the prior year quarter results. The listing discount metric was 5.8%, inferring the same average negotiability as seen in the prior year quarter.

A modest increase in the number of sales as days on market stabilized The average time to market a property in Nassau county was 115 days, unchanged from the prior year quarter. There were 2,875 sales in the quarter, up a modest 5.3% over the prior year quarter total of 2,729. The last increase in sales was seen in the 4th quarter of 2006 when the number of sales

Nassau Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$595,015	1%	\$589,259	0%	\$594,913
Median Sales Price	\$485,000	7.9%	\$449,500	0%	\$485,000
Number of Sales	2,875	60.1%	1,796	5.3%	2,729
Days on Market (from Last List Date)	115	-8%	125	0%	115
Listing Discount (from Last List Price)	5.8%		8.9%		5.8%
Listing Inventory	11,036	11.9%	9,862	4.4%	10,574



increased 13.5%. This is the first quarter over prior year quarter increase in six quarters and may simply be an anomaly as listing inventory increased over the same period. Listing inventory was up 4.4% to 11,036 units from 10,574 units in the prior year quarter, the highest level reached since the publication of this report.

Nassau Quintiles/No. of Sales	Average Sales Price
5/5	\$1,172,639
4/5	\$600,203
3/5	\$485,977
2/5	\$418,271
1/5	\$297,983

SUFFOLK MARKET

Inventory and price indicators stable as number of sales increase

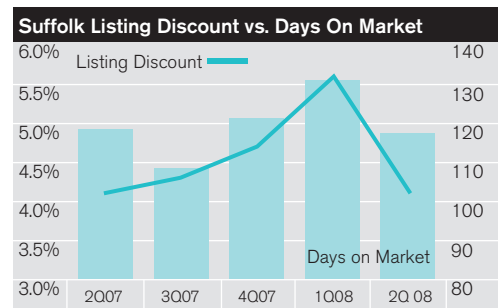
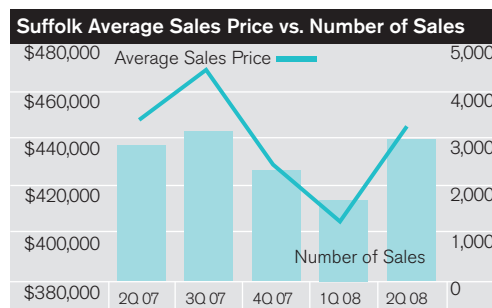
Price indicators and inventory levels off

The median sales price of a Suffolk residential property was \$396,550 this quarter, 0.6% below the prior year quarter median sales price of \$399,000. Average sales price saw the same adjustment, settling at \$445,256, down nominally from a \$448,009 average sales price in the same period last year. All five quintiles showed consistency with slight declines from the prior year quarter of 0.2% to 1.3%. Listing inventory also showed stability after growth peaked in the 4th quarter of 2007. Inventory saw a nominal decline to 15,109 units from the 15,185 units of the prior year quarter.

The number of sales rise as days on market remained unchanged

For the first time in more than two years the number of sales metric showed an increase over the prior year quarter. There were 2,999 sales in the current quarter,

Suffolk Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$445,256	10%	\$404,703	-0.6%	\$448,009
Median Sales Price	\$396,550	10.2%	\$360,000	-0.6%	\$399,000
Number of Sales	2,999	74.7%	1,717	4.6%	2,867
Days on Market (from Last List Date)	118	-10.6%	132	-0.8%	119
Listing Discount (from Last List Price)	4.1%		5.6%		4.1%
Listing Inventory	15,109	6.8%	14,141	-0.5%	15,185



up from 2,867 sales in the prior year quarter. This is consistent with the slight decline in inventory. Both average days on market and average listing discount were essentially unchanged from the prior year quarter. The recent quarter average days on market was 118 and the average listing discount was 4.1%.

Suffolk Quintiles/No. of Sales	Average Sales Price
5/5	\$780,826
4/5	\$472,049
3/5	\$397,727
2/5	\$339,817
1/5	\$235,785

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 which are analyzed in a separate report. Listing inventory includes all of Suffolk county.

NORTH SHORE MARKET

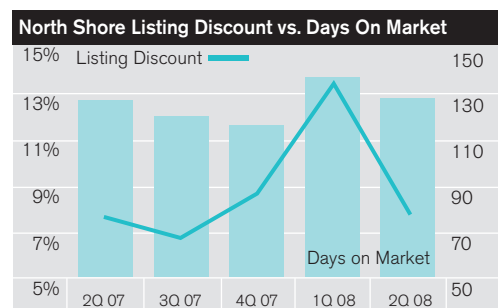
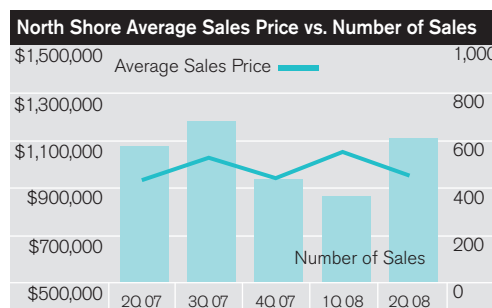
Price indicators and days on market stable

Price indicators stabilize as number of sales increased

Median sales price for the quarter was \$730,000, unchanged from the prior year quarter. Average sales price was \$949,672 this quarter, up 2.1% from the prior year quarter average sales price of \$930,305. All quintiles showed price increases ranging from 0.3% to 3.8%, with the highest gains in the upper two quintiles. This is the second consecutive quarter with an increase in overall average sales price following four consecutive quarters with a decline, as compared to the prior year quarter. There was a 5.6% increase in the number of sales to 607 units, as compared to the prior year quarter total of 575 units.

Days on market and listing discounts show stability The time to market a property in this market segment is generally longer than

North Shore Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$949,672	-9.6%	\$1,050,561	2.1%	\$930,305
Median Sales Price	\$730,000	-2.7%	\$750,000	0%	\$730,000
Number of Sales	607	67.7%	362	5.6%	575
Days on Market (from Last List Date)	128	-6.6%	137	0.8%	127
Listing Discount (from Last List Price)	7.8%		13.4%		7.7%



the levels seen in the county and the region. It took an average of 128 days to sell a property this quarter, essentially unchanged from the 127 days on market of the prior year quarter. The average listing discount or negotiability for the quarter was 7.8%, also nearly the same as the prior year quarter listing discount of 7.7%.

N. Shore Quintiles/No. of Sales	Average Sales Price
5/5	\$2,069,128
4/5	\$1,027,114
3/5	\$743,888
2/5	\$576,425
1/5	\$334,251

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

Price indicators continue to rise yet marketing times expand

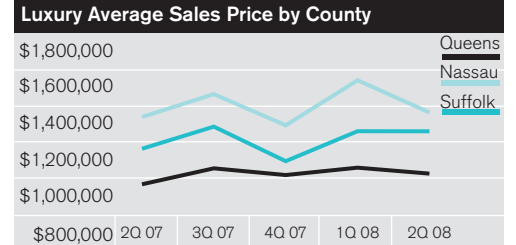
Price indicators continue to rise The median sales price and average sales price increased for the fourth consecutive quarter over the prior year quarter as all three counties increased for the second consecutive quarter over the same period. The median sales price of a luxury property was \$1,020,000 this quarter, up 7.4% from the prior year quarter median sales price of \$950,000. Average sales price saw a similar trend rising 6.9% to \$1,260,534 from \$1,179,253 in the prior year quarter.

Days on market and listing discount expand The average days on market was 130 days this quarter, an increase of more than one month

Luxury Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,260,534	-3%	\$1,299,129	6.9%	\$1,179,253
Median Sales Price	\$1,020,000	2.5%	\$995,000	7.4%	\$950,000
Number of Sales	823	36.7%	602	-10.6%	921
Days on Market (from Last List Date)	130	-7.8%	141	34%	97
Listing Discount (from Last List Price)	7.9%		20.1%		5.9%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$1,035,172 (26%)	-3.1%	\$1,068,474 (46%)	10.2%	\$939,547 (25%)
Nassau	\$1,377,327 (47%)	-11.6%	\$1,557,623 (42%)	2.7%	\$1,340,944 (48%)
Suffolk	\$1,272,044 (27%)	0%	\$1,272,520 (12%)	13.8%	\$1,118,131 (27%)

from the prior year quarter average of 97 days, but down from the 141 average days on market of the prior quarter. Listing discount expanded as well, rising to 7.9% from 5.9% in the prior year quarter. The rise of these indicators contradicts the trend of rising prices, but it is not unusual for these indicators to be out of sync on occasion due to timing of recorded data.



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

Price indicators and sales are up

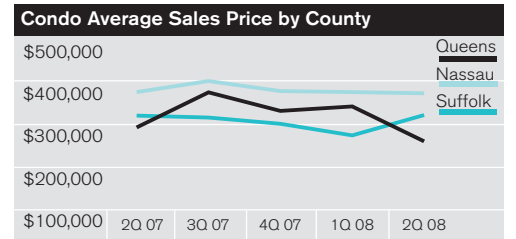
Price indicators rise The median sales price was up 2.2% to \$255,000 from \$249,500 in the same period last year and saw less skew from the sales activity in Long Island City. Average sales price was \$308,659 this quarter, up 0.8% from the prior year quarter average sales price of \$306,300. Average sales price increased in two of the three counties. The average sales price in Queens was up 6.4% to \$260,146 and up 10.9% in Suffolk to \$348,444, both compared to the prior year quarter. Nassau saw a decline of 14.5% to \$373,370, largely due to skew from the prior year quarter results and in contrast to the overall Nassau market, which was stable.

The number of sales increased, yet days on market expanded The number of sales

Condo Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$308,659	-7.3%	\$332,860	0.8%	\$306,300
Median Sales Price	\$255,000	-6.4%	\$272,500	2.2%	\$249,500
Number of Sales	1,736	64.9%	1,053	8.8%	1,596
Days on Market (from Last List Days)	110	-11.3%	124	29.4%	85
Listing Discount (from Last List Price)	2.4%		2.2%		3.9%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$260,146 (52%)	-24%	\$342,367 (53%)	6.4%	\$244,411 (50%)
Nassau	\$373,370 (22%)	-0.7%	\$376,171 (22%)	-14.5%	\$436,910 (22%)
Suffolk	\$348,444 (26%)	27.1%	\$274,218 (25%)	10.9%	\$314,141 (28%)

increased 8.8% to 1,736 units this quarter as compared to the 1,596 units to close in the prior year quarter. This is consistent with the increase in both price indicators for the quarter and the decline in listing discount which was 2.4% this quarter, down from 3.9% in the prior year quarter. However, properties are taking longer to sell as evidenced by the increase in days on market to 110 days, up from 85 days over the same period.



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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