

LONG ISLAND QUEENS

Market Overview

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

4Q 07



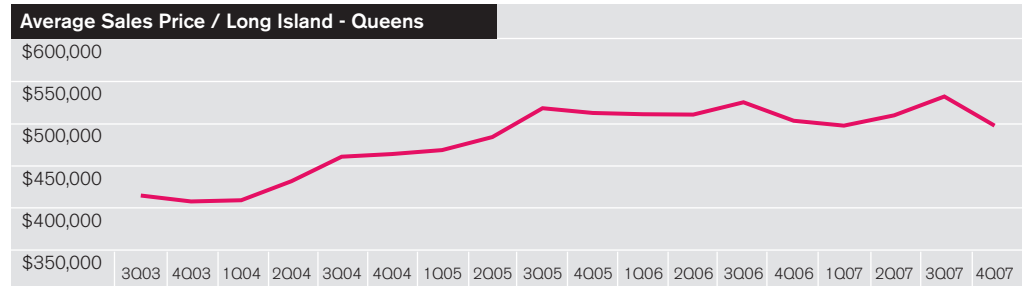
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Price levels show some weakness, as inventory continues to increase

Overall price indicators show a modest decline The overall Long Island/Queens median sales price slipped 3.2% to \$425,000 from \$439,000 in the prior year quarter and was down 4.5% from the \$445,000 median sales price of the prior quarter. The decline was generally the same in the three county market areas. The median sales price in Queens fell 5.2% to \$460,000 from the prior year quarter median sales price of \$485,000. The Nassau median sales price declined 3% to \$460,000 from the \$474,000 median sales price in the prior year quarter. The Suffolk market, excluding the East End, had a median sales price of \$375,000 in the current quarter, down 3.8% from the \$390,000 median sales price of the prior year quarter. In contrast, the median sales price in the North Shore was essentially unchanged at \$725,000 from the prior year quarter median sales price of \$726,000. Both the luxury market, defined as the highest 10% of all sales, and the condo market showed gains from the prior year quarter. However, the influence of condo new development activity in Queens had the effect of showing gains in all price indicators, including median sales price.

Inventory levels continue to rise as number of sales decline At the end of the quarter, there were 30,854 units listed for sale, up 12.4% from the prior year quarter of 27,446 units and down 14.7% from the prior quarter total of 36,183.

Long Island / Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$496,343	-6.5%	\$530,916	-1.2%	\$502,163
Median Sales Price	\$425,000	-4.5%	\$445,000	-3.2%	\$439,000
Number of Sales	6,359	-27.6%	8,782	-24.6%	8,433
Days on Market (from Last List Date)	111	7.8%	103	16.8%	95
Listing Discount (from Last List Price)	6.3%		5.3%		5%
Listing Inventory	30,854	-14.7%	36,183	12.4%	27,446



Inventory levels for the quarter were up 189.4% from the 13,398 units available for sale at the end of 2004, which is considered the peak period of the housing boom on Long Island. One of the primary reasons for the rise in apartment inventory has been a decline in the number sales. There were 6,359 sales in the fourth quarter, down 24.6% from the prior year quarter total of 8,433 units and also down 27.6% from the prior quarter total of 8,782. Inventory is at its highest level in more than five years, while the number of sales are at their lowest point since the second quarter of 2003, when data collection for this report commenced.

All market indicators showed weakness this quarter The overall median sales price for

Long Island/Queens showed a decline over the prior year quarter. Over the same period, average sales price showed a similar pattern of decline as did the number of sales. Listing inventory continued to expand as did the days on market and listing discount indicators. These market patterns are being seen in many suburban markets across the country, made worse by the turmoil seen in the credit markets since last summer. This has impacted affordability with higher down payment requirements, and more stringent underwriting guidelines applied to buyer mortgage applications. A constraint on the flow of transactions has the effect of reducing the number of sales, which in turn raises inventory levels and tempers the potential for rising prices in the spring market.

QUEENS MARKET

Inventory rises as number of sales fall

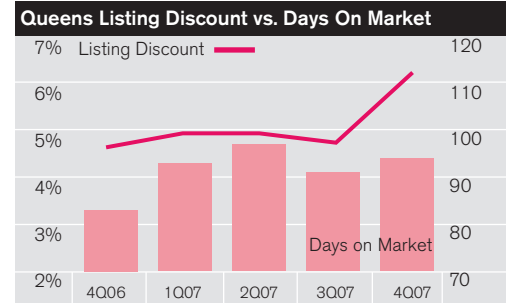
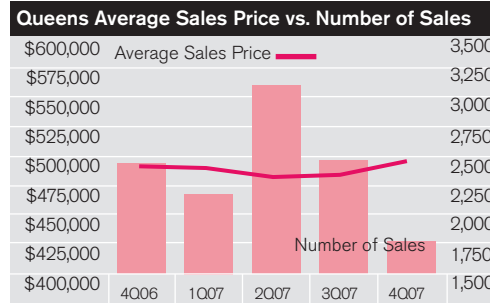
Price indicators slip as number of sales fall

The median sales price of a Queens property was down 5.2% to \$460,000 from the prior year quarter median sales price of \$485,000 but up 1.1% from the prior quarter median sales price of \$455,000. Average sales price followed the same pattern. There were 1,775 sales in the current quarter, down 27.2% from the prior year quarter total of 2,438 sales. The first and second quintiles, which represent the bottom 40% of the market saw a 25% and 4.3% increase in average sales price while the fifth quintile, representing the upper 20% of all sales prices saw a 1% increase. The third and fourth quintile saw declines in average sales price of 13.9% and 15.8% from the prior year quarter indicating that greater price growth was limited to lower priced properties.

Inventory levels and negotiability increased

There were 10,053 units available for sale in the current quarter, up 22.8% from the prior

Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$496,533	2.4%	\$484,847	0.9%	\$492,117
Median Sales Price	\$460,000	1.1%	\$455,000	-5.2%	\$485,000
Number of Sales	1,775	-28%	2,464	-27.2%	2,438
Days on Market (from Last List Date)	94	3.3%	91	13.3%	83
Listing Discount (from Last List Price)	5.3%		4.8%		4.7%
Listing Inventory	10,053	-10.7%	11,255	22.8%	8,186



year quarter inventory of 8,186 units. The sharp increase in inventory levels resulted in an expansion of both days on market and listing discount. The average time it took to sell a property was 94 days this quarter, the shortest market time of the market areas analyzed in this report but was 13.3% longer than the 83 days on market seen in the same period last year.

Queens Quintiles / No. of Sales	Average Sales Price
5/5	\$837,335
4/5	\$515,313
3/5	\$420,967
2/5	\$368,992
1/5	\$221,535

NASSAU MARKET

Prices slip as inventory rises

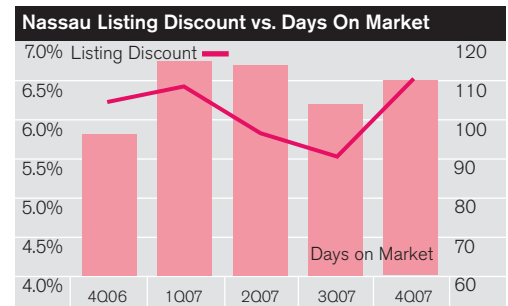
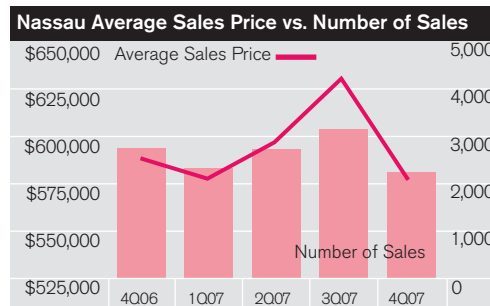
Price indicators slide as number of sales drop

The median sales price of a Nassau property slipped by 3% to \$460,000 from the prior year quarter median sales price of \$474,000 and down 6.1% from the prior quarter median sales price of \$490,000. Average sales price showed a similar pattern with a modest decline from the prior year quarter but a sharp seasonal decline from the prior quarter. Price weakness was observed in the fourth and fifth market quintiles, which posted declines of 8% and 15.5% from the prior year quarter and were the only quintiles to show a decrease in their respective average sales prices. The number of sales totaled 2,243 units in the current quarter, down 18.3% from the prior year quarter total of 2,745 units.

Inventory increases along with listing discount

There was a 6.8% increase in the number of properties available for sale, from 7,842 units in the prior year quarter to 8,376 units in the current quarter. Along with the increase in inventory, other indicators eroded as buyers

Nassau Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$574,926	-8.6%	\$628,839	-2%	\$586,401
Median Sales Price	\$460,000	-6.1%	\$490,000	-3%	\$474,000
Number of Sales	2,243	-28.8%	3,151	-18.3%	2,745
Days on Market (from Last List Date)	111	5.7%	105	14.4%	97
Listing Discount (from Last List Price)	6.5%		5.5%		6.2%
Listing Inventory	8,376	-17.6%	10,167	6.8%	7,842



had more properties to choose from. Days on market was 111 days this quarter, up 14.4% from the prior year quarter total of 97 days. Listing discount expanded slightly to 6.5% from the prior year quarter result of 6.2%. This indicator is highest in Nassau as compared to the three counties observed in this report.

Nassau Quintiles/No. of Sales	Average Sales Price
5/5	\$981,815
4/5	\$525,003
3/5	\$476,319
2/5	\$418,205
1/5	\$472,829

SUFFOLK MARKET

Price indicators slipped, as inventory rose

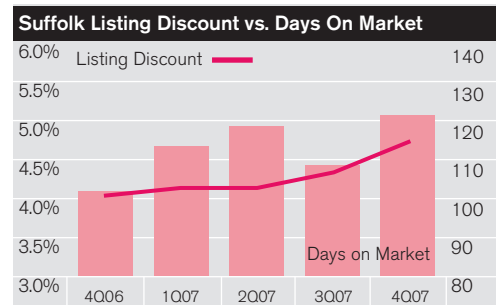
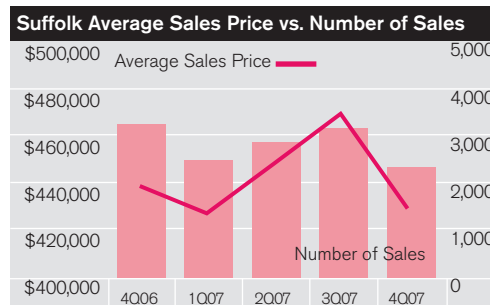
Price indicators and number of sales slip

The median sales price of a Suffolk residential property was \$375,000, down 3.8% from the prior year quarter median sales price of \$390,000 and down 5.1% from the prior quarter median sales price of \$395,000. Although this market area excludes the East End, the fifth quintile was the only sector to post an increase over the same period last year. One of the key drivers of weaker price levels was the decline in the number of sales. There were 2,341 sales in the current quarter, 28% below the prior year quarter total of 3,250.

Inventory levels expand, lengthening marketing times

The number of properties available continues to expand. There were 12,425 units for sale this quarter, up 8.8% from the 11,418 units for sale during the same period last year and down 15.8% from the prior quarter total of 14,761. As a result, the 122 average days on market was nearly three weeks longer than

Suffolk Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$428,966	-8.6%	\$469,331	-2.2%	\$438,551
Median Sales Price	\$375,000	-5.1%	\$395,000	-3.8%	\$390,000
Number of Sales	2,341	-26.1%	3,167	-28%	3,250
Days on Market (from Last List Date)	122	11.9%	109	19.6%	102
Listing Discount (from Last List Price)	4.7%		4.3%		4%
Listing Inventory	12,425	-15.8%	14,761	8.8%	11,418



the 102 days on market seen in the previous year during the same period. As marketing times expand, negotiability between buyer and seller increased. The average listing discount was 4.7% in the current quarter, up from the 4% listing discount of the prior year quarter.

Suffolk Quintiles/No. of Sales	Average Sales Price
5/5	\$774,743
4/5	\$445,962
3/5	\$377,220
2/5	\$319,340
1/5	\$217,677

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

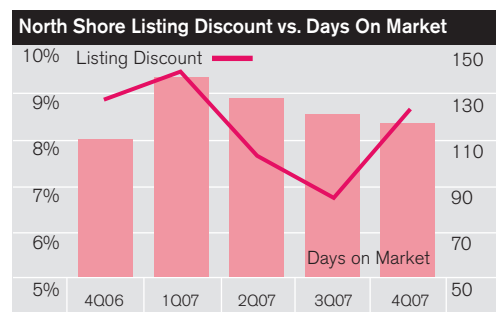
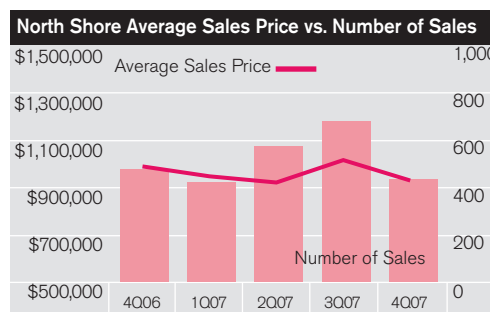
Price indicators still show weakness as number of sales slip

Price indicators are mixed, stability in the middle quintile

The median sales price for a North Shore residential property was essentially unchanged from the same period last year. The median sales price was \$725,000 in the current quarter, down 0.1% from the \$726,000 median sales price in the prior year quarter and down 4% from the prior quarter median sales price of \$755,000. The average sales price posted a larger decline of 6% which is consistent with weakness in the fifth quintile this quarter. The upper 20% of all sales prices this quarter was \$2,069,161 which is down 10.3% from the prior year quarter average sales price of \$2,307,841. The only quintile to post an increase over the prior year quarter was the middle quintile which had an average sales price of \$729,651, up 0.6% from the \$724,959 average sales price of the same period last year.

Number of sales fell as listing discount remained stable

North Shore Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$938,820	-8.5%	\$1,025,818	-6%	\$998,885
Median Sales Price	\$725,000	-4%	\$755,000	-0.1%	\$726,000
Number of Sales	435	-36%	680	-9%	478
Days on Market (from Last List Date)	116	-3.3%	120	6.4%	109
Listing Discount (from Last List Price)	8.7%		6.8%		8.9%



of increases over the prior year quarter, the number of sales in the subject market showed a decrease this quarter. There were 435 sales in the current quarter, a 9% decline from the 478 sales in the same period last year and a 36% seasonal drop from the prior quarter total of 680 sales. The 3rd and 4th quarter decline in the number of sales is among the most severe of all the markets covered. Days on market was up a week to 116 days from 109 days in the prior year quarter.

N. Shore Quintiles/No. of Sales	Average Sales Price
5/5	\$2,069,161
4/5	\$1,064,879
3/5	\$729,651
2/5	\$532,759
1/5	\$297,650

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

Overall price indicators and marketing times show stability

Overall price indicators stable, Queens and Suffolk show increase

The median sales price was \$965,000 in the current quarter, up 1.6% from the \$950,000 of the prior year quarter. Average sales price showed a similar result, up 1.1% to \$1,177,483 from an average sales price of \$1,165,087 in the same period of the previous year. Queens showed the largest increase of the three market areas with a 13% increase over the same period to an average sales price of \$1,027,195 and a 30% market share. Suffolk posted a slight increase of 1.2% over the same period last year to an average sales price of \$1,104,880 and a 22% market share. The Nassau average sales price of \$1,305,286

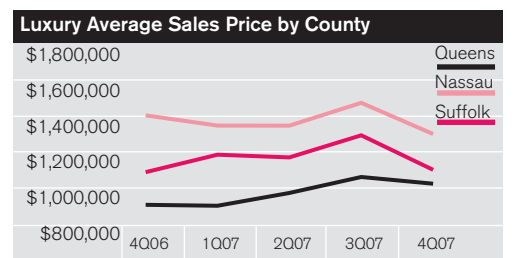
Luxury Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,177,483	-12.2%	\$1,341,090	1.1%	\$1,165,087
Median Sales Price	\$965,000	-11.7%	\$1,092,500	1.6%	\$950,000
Number of Sales	704	-21.4%	896	-16.5%	843
Days on Market (from Last List Date)	115	-4.2%	120	2.7%	112
Listing Discount (from Last List Price)	8%		7.8%		7.4%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$1,027,195 (30%)	-3.5%	\$1,064,754 (22%)	13%	\$909,027 (34%)
Nassau	\$1,305,286 (48%)	-11.8%	\$1,479,907 (52%)	-7.4%	\$1,409,728 (42%)
Suffolk	\$1,104,880 (22%)	-14.9%	\$1,298,099 (26%)	1.2%	\$1,091,829 (24%)

was 7.4% below the same period last year but had a 48% market share.

Marketing indicators weaken slightly

The average days on market was 115 days this quarter, up 3 days from the 112 average days on market of the same period last year. Listing discount, which is among the highest of the market areas coverage, was 8% this quarter, up from 7.4% listing discount of the previous year 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

Number of sales slip as mix continues to change

Rise in overall price indicator attributable to shift in mix

While the median sales price and average sales price of the condo market showed significant gains of 14.6% and 15.2% as compared to the prior year quarter, the rise was attributable to the increase in new development activity found in the Queens market, with the introduction of larger luxury units with marketing links to Manhattan pricing rather than the Queens market. The average sales price of a Queens condo was \$331,869, up 36.2% from the prior year quarter average sales price of \$243,592 and had a market share of 51%. The average sales price of a Nassau condo slipped 2.9% to \$378,588 and the average sales price of Suffolk condo slipped 1.2% to \$301,472 with respective

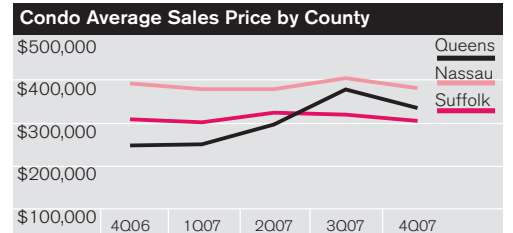
Condo Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$334,589	-8.1%	\$364,202	15.2%	\$290,510
Median Sales Price	\$275,000	-11.3%	\$310,000	14.6%	\$240,000
Number of Sales	1,418	-8.5%	\$1,550	-1.8%	1,444
Days on Market (from Last List Days)	109	-3.5%	113	21.1%	90
Listing Discount (from Last List Price)	5.3%		2.5%		5.1%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$331,869 (51%)	-11.6%	\$375,574 (45%)	36.2%	\$243,592 (53%)
Nassau	\$378,588 (23%)	-5.9%	\$402,206 (25%)	-2.9%	\$389,766 (21%)
Suffolk	\$301,472 (26%)	-4.7%	\$316,222 (30%)	-1.2%	\$305,264 (26%)

market shares of 23% and 26%.

Number of sales show more stability as days on market expands

The number of sales this quarter was 1,418 units, down 1.8% from the prior year quarter of 1,444 units. Listing discount was 5.3% this quarter, up from the 5.1% listing discount of the prior year quarter. The average days on market showed more weakness at 109 days, up from 90 days in the prior year quarter.



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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