

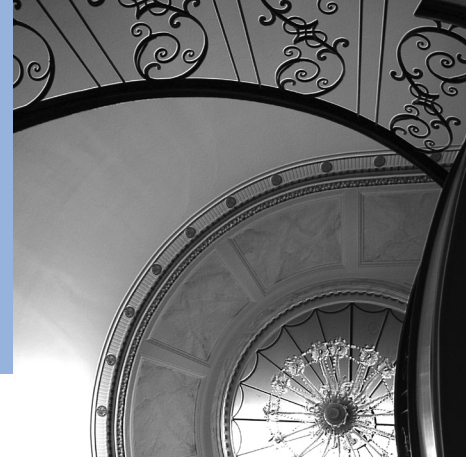
# LONG ISLAND QUEENS

## Market Overview

A Quarterly Survey of Long Island and Queens Sales

[The Hamptons and the North Fork reported separately]

1Q 07



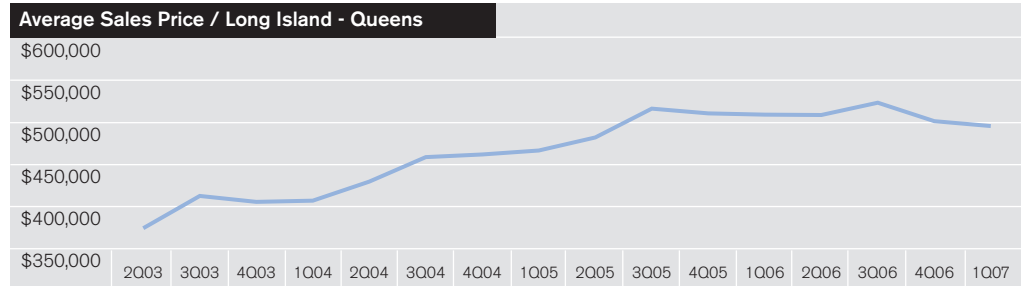
Prepared by Miller Samuel Inc.  
A New York residential real estate appraisal company

### Prices flat as number of sales increase and inventory declines

**Prices show nominal decline from prior year** The median sales price of a residential property on Long Island, including Queens was \$437,500 this quarter, down 0.6% from the prior year quarter's \$440,000 and down 0.3% below the prior quarter's \$439,000. Both declines were considered nominal and were largely due to weakness at the higher end of the market. This pattern was more apparent with the trend in average sales price. This price indicator was \$496,369 this quarter, down 2.7% from the prior year quarter's \$509,904 and 1.2% below the prior quarter's \$502,163. This is the first time this price indicator has fallen below \$500,000 in 18 months.

**After slowing last quarter, inventory increased** There were 31,954 residential properties available for sale in the current quarter, up 17.9% from the prior year quarter total of 27,113 properties and up 16.4% from the prior quarter total of 27,446. With the exception of the prior quarter, inventory levels have increased every quarter for the past two years. In the first quarter of 2005, inventory was 15,524 properties, 105.8% lower than the number of properties on the market today. Number of sales showed a decline from both the prior year quarter and prior quarter. There were 7,001 sales in the current quarter, a 6.4% decline from the 7,483 sales seen in the prior year quarter and a 17% drop from the prior quarter total of 8,433. However, the 17% decline is consistent with seasonality. The first quarter of the prior two years saw a 5% and 18.3% decline from the prior quarter. However,

Long Island / Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$496,369	-1.2%	\$502,163	-2.7%	\$509,904
Median Sales Price	\$437,500	-0.3%	\$439,000	-0.6%	\$440,000
Number of Sales	7,001	-17%	8,433	-6.4%	7,483
Days on Market (from Last List Date)	108	13.7%	95	33.3%	81
Listing Discount (from Last List Price)	5.3%		5%		4.3%
Listing Inventory	31,954	16.4%	27,446	17.9%	27,113



despite seasonal considerations, the absorption of properties is declining. The current absorption – defined as the number of months it would take to sell the current inventory at the current pace of sales – was 13.7 months, up from 10.9 months in the prior year quarter and up from 5.9 months in the same period two years ago.

**Days on market and listing discount continue to expand** The average number of days to sell a residential property was 108 this quarter, 27 days longer than the 81 day average in the same period last year and 13 days longer than the prior quarter average of 95 days, and 33 days longer than the 75 seen in 2005. The current average is the first time the 100 days threshold has been exceeded in the 22 years of historical data we have available. Listing discount has shown a similar pattern. The listing discount was 5.3% this quarter, up from 4.3% in the prior year

quarter and up from 5% in the prior quarter. The expansion of both of these indicators is consistent with the increased inventory and decreased sales activity resulting in long marketing times and more negotiability by sellers.

**The market is sluggish with mixed indicators** Overall price indicators showed weakness this quarter particularly at the higher end of the market. Overall median sales price showed relative stability as compared to the same period last year while average sales price showed a modest decline. Inventory levels are expected to level off as seasonal demand increases the number of sales. Current inventory levels remain below those seen in the second and third quarters of last year. However, the number of sales for the quarter is the lowest seen in three years suggesting a lower intensity of sales activity this spring, even when seasonally adjusted.

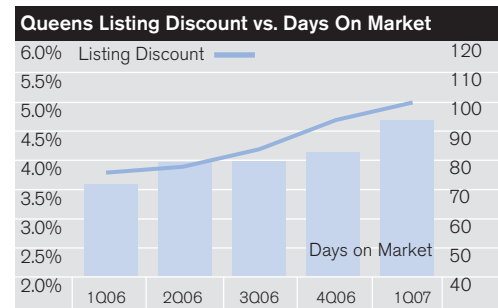
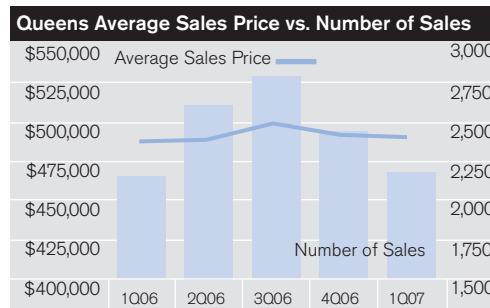
# QUEENS MARKET

*Borough continues to show most overall strength in price levels*

**Both price indicators showed gains** The median sales price of a Queens residential property was \$492,900, up 3.8% from the prior year quarter median sales price of \$475,000 and up 1.6% over the prior quarter result of \$485,000. It is interesting to note that the median sales price is below the average sales price this quarter indicating a larger amount of activity in the entry-level market. The average sales price was \$490,637 this quarter, up 0.6% from the prior year quarter average sales price of \$487,912 and down 0.3% from the prior quarter average sales price of \$492,117. Despite price gains, there was more negotiability and it took longer to market a property. The average days on market increased 10 days from the prior quarter to 93 days and the average listing discount was 5%, up from 4.7% in the prior quarter.

**More sales despite gains in inventory** The number of sales showed a modest 1.2% increase to 2,179 sales this quarter above the 2,154 sales that occurred in the prior year quarter, but dropped 10.6% from the 2,438 units sold in the prior

Queens Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$490,637	-0.3%	\$492,117	0.6%	\$487,912
Median Sales Price	\$492,900	1.6%	\$485,000	3.8%	\$475,000
Number of Sales	2,179	-10.6%	2,438	1.2%	2,154
Days on Market (from Last List Date)	93	12%	83	25.7%	74
Listing Discount (from Last List Price)	5%		4.7%		3.8%
Listing Inventory	9,270	13.2%	8,186	13.7%	8,155



quarter. This market shows distinctive seasonal sales volume patterns with the second and third quarters typically seeing the largest activity levels. The same pattern applies to inventory. There were 9,270 properties available for sale in the recent quarter, up 13.7% from the prior year quarter and up 13.2% from the prior quarter. Last year at this time inventory increased 25% from the prior quarter. However, the change from prior

Queens Quintiles / No. of Sales	Average Sales Price
5/5	\$827,412
4/5	\$603,385
3/5	\$493,447
2/5	\$350,694
1/5	\$178,253

year quarter was not expected and was partially due to the slowing pace of the number of sales.

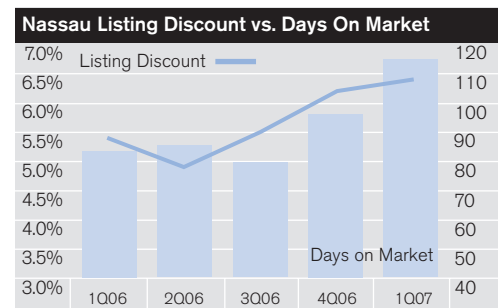
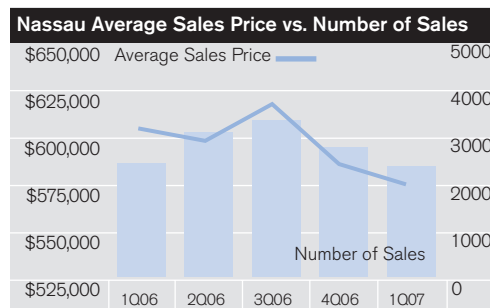
# NASSAU MARKET

*Prices and number of sales slip*

**Price indicators show weakness across all segments** Nassau showed weaker price levels as compared to last year. The average sales price was \$575,573 in the current quarter, down 4.9% from the \$605,396 average sales price in the prior year quarter and down 1.8% from the \$586,401 average sales price in the prior quarter. Median sales price showed a similar pattern. The median sales price in the current quarter was \$460,000, down 4.2% from the prior year quarter median sales price of \$480,000 and down 3% from the prior quarter median sales price of \$474,000. The price decline was highest in the 5th quintile with a 7% decline from the prior year quarter and a 4.2%, 4.1%, 3% and 1.1% decline in the remaining 4th, 3rd, 2nd and 1st quintiles respectively.

**Number of sales fell as inventory increased** There were 2,337 sales in the current quarter, down 3.2% from the prior year total of 2,415 sales. The reduction in the number of sales is consistent with the rise in inventory levels. The number of properties available for sale in the

Nassau Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$575,573	-1.8%	\$586,401	-4.9%	\$605,396
Median Sales Price	\$460,000	-3%	\$474,000	-4.2%	\$480,000
Number of Sales	2,337	-14.9%	2,745	-3.2%	2,415
Days on Market (from Last List Date)	116	19.6%	97	38.1%	84
Listing Discount (from Last List Price)	6.4%		6.2%		5.4%
Listing Inventory	9,260	18.1%	7,842	19%	7,783



current quarter was 9,260, up 19% from the prior year quarter of 7,783 properties. Over the same period, the average days on market expanded from 84 days last year during the first quarter to 116 days, an increase of 32 days. The expansion of days on market was also consistent with the concurrent expansion of negotiability. The average listing discount was 6.4%, up from

Nassau Quintiles/No. of Sales	Average Sales Price
5/5	\$1,151,817
4/5	\$559,587
3/5	\$461,598
2/5	\$406,211
1/5	\$299,048

5.4% in the prior year quarter.

# SUFFOLK MARKET

*Prices slip as inventory rises*

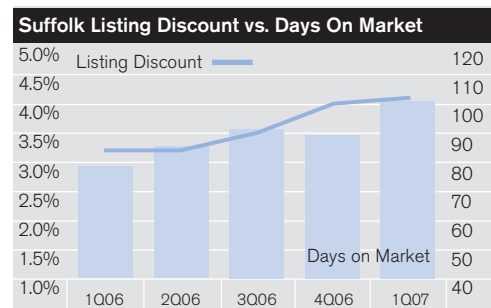
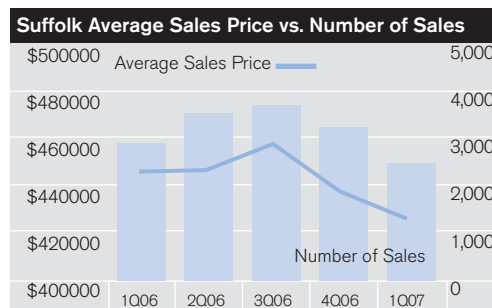
**Price indicators showed weakness as days on market expanded**

The average sales price of a Suffolk property was \$426,909 in the current quarter, down 4.5% from the prior year quarter average sales price of \$447,019 and down 2.7% from the prior quarter average sales price of \$438,551. Median sales price showed the same pattern. The median sales price this quarter was \$385,000, down 1.8% from the prior year quarter median sales price of \$392,000 and down 1.3% from the prior quarter median sales price of \$390,000. Both indicators are the lowest levels in the production of this survey, which the most comprehensive data captured began in the second quarter of 2005. Days on market showed weakness, expanding by about a month to 114 days in the current quarter from 84 days in the same period last year.

**Inventory levels increased as number of sales dropped**

The number of properties available for sale in Suffolk increased 20.1% to 13,424 properties as compared to the prior year quarter total of 11,175 properties. However, inventory levels still remain below those seen

Suffolk Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$426,909	-2.7%	\$438,551	-4.5%	\$447,019
Median Sales Price	\$385,000	-1.3%	\$390,000	-1.8%	\$392,000
Number of Sales	2,485	-23.5%	3,250	-14.7%	2,914
Days on Market (from Last List Date)	114	11.8%	102	35.7%	84
Listing Discount (from Last List Price)	4.1%		4%		3.2%
Listing Inventory	13,424	17.6%	11,418	20.1%	11,175



in the second and third quarters of 2006 when they were 13,724 and 13,863 respectively. The number of sales dropped to 2,485 properties, down 14.7% from the prior year quarter total of 2,914. As a result, monthly absorption increased to 16.2 months, up from 11.5 months in the same time last year. The current absorption rate in Queens was 12.8 months and in Nassau the absorption rate was 11.9 months.

Suffolk Quintiles/No. of Sales	Average Sales Price
5/5	\$732,885
4/5	\$456,183
3/5	\$385,208
2/5	\$331,600
1/5	\$228,666

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 and number of sales decline*

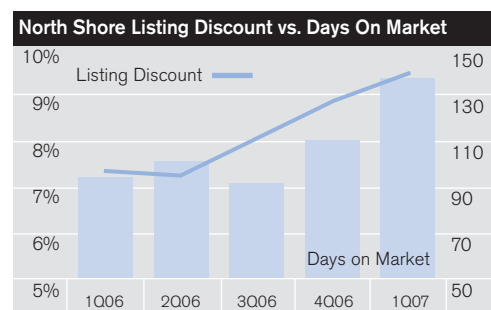
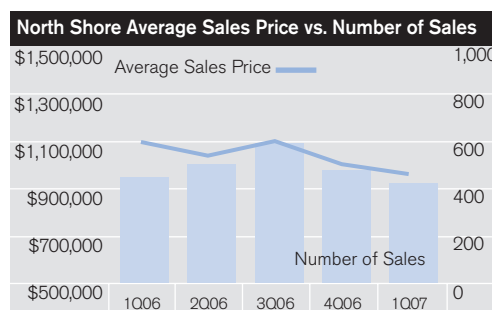
**Prices show weakness as listing discount expands**

Prices in this submarket showed the largest declines of markets with weakness this quarter. The average sales price of a North Shore property was \$956,681 this quarter, down 12.5% from the prior year quarter average sales price of \$1,093,492 and down 4.2% from the prior quarter average sales price of \$998,885. Median sales price mirrored this pattern. The median sales price was \$705,000 in the current quarter, down 9.9% from the prior year quarter median sales price of \$782,500 and down 2.9% from the prior quarter median sales price of \$726,000. The average listing discount expanded to 9.5% in the current quarter, from 7.4% in the same period last year.

**Number of sales slip as days on market expands**

There were 423 sales in the North Shore market this quarter, down 5.8% from the prior year quarter total of 449. This represents 18.1% of the total sales in Nassau, down from

North Shore Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$956,681	-4.2%	\$998,885	-12.5%	\$1,093,492
Median Sales Price	\$705,000	-2.9%	\$726,000	-9.9%	\$782,500
Number of Sales	423	-11.5%	478	-5.8%	449
Days on Market (from Last List Date)	136	24.8%	109	46.2%	93
Listing Discount (from Last List Price)	9.5%		8.9%		7.4%



18.6% in the same period last year. It took an average of 136 days to sell a property in the current quarter, up 43 days from the same period a year ago. This indicator was 109 days in the prior quarter. The general weakness in this market is readily apparent by all the indicators tracked in this market and by the concentration of upper end properties in the North Shore.

N. Shore Quintiles/No. of Sales	Average Sales Price
5/5	\$2,288,863
4/5	\$958,207
3/5	\$697,436
2/5	\$523,601
1/5	\$310,224

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

*Prices slip as inventory expands*

## Overall price levels slip, Suffolk shows gain

The average sales price of a luxury property was \$1,157,062 in the current quarter, down 6.3% from the prior year quarter average sales price of \$1,234,749. The median sales price was \$900,000 in the current quarter, falling 5.3% from the prior year quarter median sales price of \$950,000. Suffolk showed a 1.7% increase in average sales price from the prior year quarter, reaching \$1,189,635 while Queens and Nassau showed a 5.5% and 5.6% decline respectively.

## Non-price indicators weaken, Queens gains market share

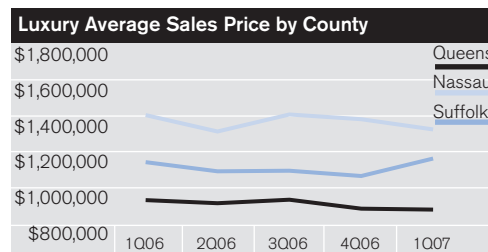
The average days on market was 121 days this quarter, up from 97 days in the prior year quarter while the listing discount expanded from 6.1% to 7.9% over the same period. The Queens luxury market gained market share,

Luxury Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,157,062	-0.7%	\$1,165,087	-6.3%	\$1,234,749
Median Sales Price	\$900,000	-5.3%	\$950,000	-5.3%	\$950,000
Number of Sales	700	-17%	843	-6.4%	748
Days on Market (from Last List Date)	121	8%	112	24.7%	97
Listing Discount (from Last List Price)	7.9%		7.4%		6.1%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$903,805 (38%)	-0.6%	\$909,027 (34%)	-5.5%	\$956,900 (27%)
Nassau	\$1,352,539 (46%)	-4.1%	\$1,409,728 (42%)	-5.6%	\$1,432,788 (47%)
Suffolk	\$1,189,635 (16%)	9%	\$1,091,829 (24%)	1.7%	\$1,169,371 (26%)

representing 38% of all luxury sales, up from a 27% share in the prior year quarter and up from 34% in the prior quarter. Queens has seen an increase in development becoming an alternative to Manhattan and Brooklyn.

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



# CONDO MARKET

*Number of sales increase, as prices slip*

## Nassau prices increase, Queens has most sales

The average sales price of a condo was \$288,978 this quarter, down 1.5% from the prior year quarter average sales price of \$293,469. Nassau showed a 1.5% increase in average sales price from the prior year quarter while Queens and Suffolk showed price declines of 1.5% and 4.2%. Queens represented 53% of all condo sales, up from 51% in the prior year quarter.

## Number of condos increased, outpacing overall market

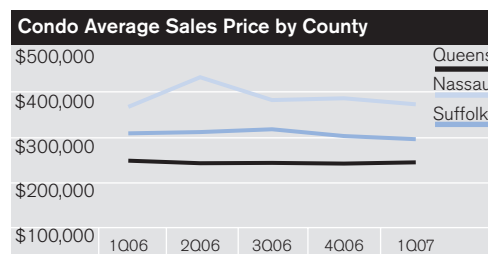
There were 1,312 condo sales this quarter, up 6.2% from the prior year quarter total of 1,235 units. Other than Queens, which holds the highest concentration of condos in this report, no other market segment covered here

Condo Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$288,978	-0.5%	\$290,510	-1.5%	\$293,469
Median Sales Price	\$240,000	0.0%	\$240,000	-4%	\$250,000
Number of Sales	1,312	-9.1%	1,444	6.2%	1,235
Days on Market (from Last List Days)	102	13.3%	90	36%	75
Listing Discount (from Last List Price)	5.2%		5.1%		4%

Average Sales Price (% Share / No. of Sales)	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Queens	\$246,350 (53%)	1.1%	\$243,592 (53%)	-1.5%	\$250,091 (51%)
Nassau	\$376,265 (23%)	-3.5%	\$389,766 (21%)	1.5%	\$370,562 (22%)
Suffolk	\$298,192 (24%)	-2.3%	\$305,264 (26%)	-4.2%	\$311,294 (27%)

showed an increase in this indicator. The average days on market reached 102 days this quarter, up from 75 days in the prior quarter.

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



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