

MANHATTAN

Market Overview

A Quarterly Survey of Manhattan Co-op and Condo Sales

3Q 07



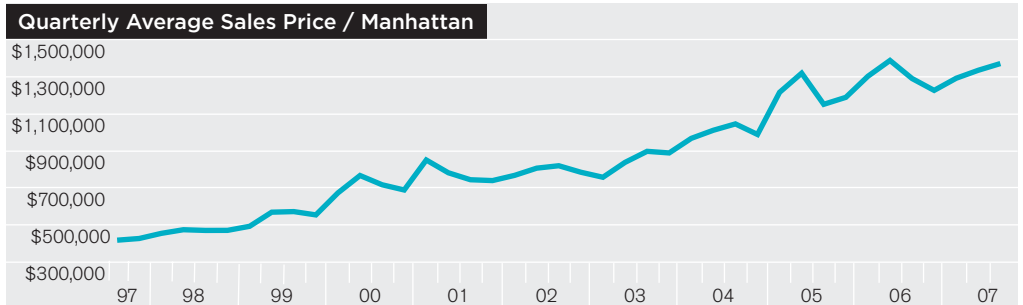
Prepared by Miller Samuel Real Estate Appraisers & Consultants, a division of Radar Logic

Inventory drops sharply as sales sustain record pace

Prices remain at or near record levels The average price per square foot was a record \$1,144, up 9% from the prior year quarter \$1,050 and 0.4% above the prior quarter record of \$1,139. The average sales price of a Manhattan apartment was \$1,369,486 this quarter, 6.3% higher than the prior year quarter level of \$1,288,748 and 2.7% higher than the prior quarter record of \$1,333,316. The current level is second only to the second quarter of 2006, when the average sales price was \$1,386,193. Median sales price was \$864,397, up 2.3% from the prior year quarter median sales price of \$845,147 but down 3.4% from the prior quarter record median sales price of \$895,000. The increase shown by all three price indicators was not evenly distributed across the market. Based on average sales price, the 3-bedroom and 4-bedroom markets saw sharp gains of 17.9% and 16.4% respectively. The average sales price of studios declined 5.1% while 1-bedroom and 2-bedroom apartments increased 6% and 4.7% respectively over the same period.

Number of sales remains elevated as inventory falls There were 3,499 sales in the current quarter, up 65.6% from the prior year quarter total of 2,113 units and the fourth consecutive quarter with an elevated number of sales. The number of sales dropped 11.2% from the prior

Manhattan Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,369,486	2.7%	\$1,333,316	6.3%	\$1,288,748
Average Price per Square Foot	\$1,144	0.4%	\$1,139	9%	\$1,050
Median Sales Price	\$864,397	-3.4%	\$895,000	2.3%	\$845,147
Number of Sales	3,499	-11.2%	3,939	65.6%	2,113
Days on Market (from Last List Date)	123	4.4%	117	-18.2%	150
Listing Discount (from Last List Price)	2%		2.2%		4%
Listing Inventory	5,204	-0.6%	5,237	-31.7%	7,623



Note: Uptown statistics are included in the current and historical results.

quarter total of 3,939 units. The elevated sales activity has served to reduce inventory levels over the past year by 31.7% to 5,204 units, down from 7,623 units in the prior year quarter and down 0.6% from the prior quarter total of 5,237 units.

Listing discount and days on market continue to contract The decline in inventory levels has resulted in faster marketing times and reduced negotiability. The average listing discount, the percentage change from the last list price to the contract price, was 2%, down from 4% in the prior year quarter and down from 2.2% in

the prior quarter. The average days on market, the number of days from the last price change, if any, to contract date, was 123 days, down sharply from 150 days on market in the prior year quarter but up slightly from 117 days in the prior quarter. This is consistent with the decline in inventory levels.

All regions show price gains, as high end housing leads the market The average price per square foot in the Downtown market set a record of \$1,120, up 12.8%. The average price per square foot in the East Side market was a record \$1,271, up 13.4% and the West Side

was at a record \$1,187 price per square foot up 6.6%. The Uptown market posted a 15.2% increase to \$645 per square foot, the second highest level on record. The upper end of the market saw the largest gains this year of any market category, measured in the results of the luxury market which is the upper 10% of all sales prices. The luxury market broke the \$2,000 per square foot threshold, rising 16.7% above the same period last year. The 3-bedroom and 4-bedroom markets, which represent the upper 6% of the market, rose 17.9% and 16.4% respectively above the same period last year. These market segments far outpaced the remainder of the market, which saw modest gains over the past year.

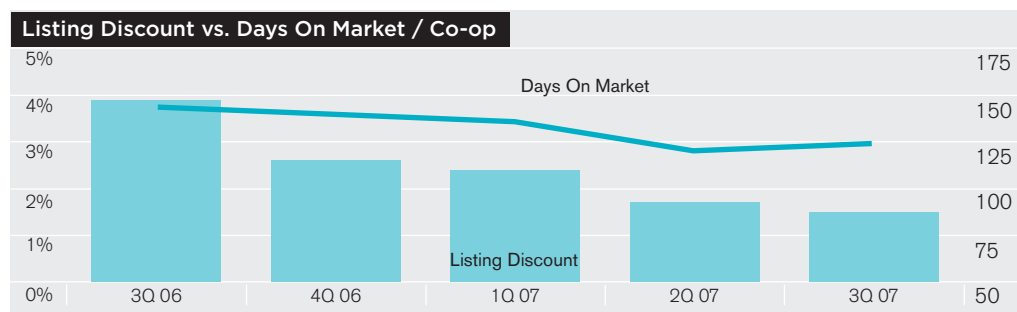
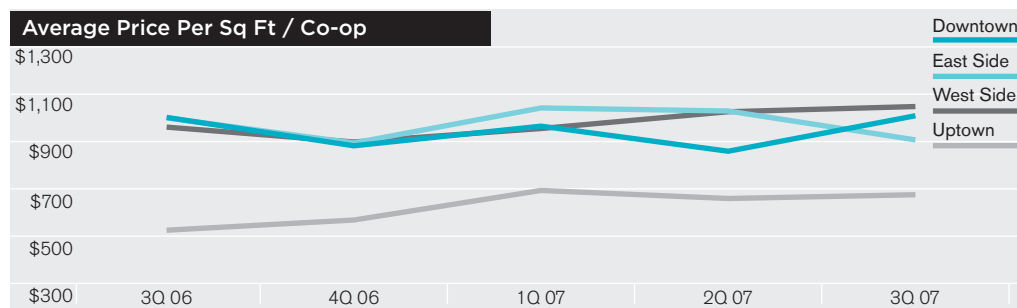
Manhattan remains contrarian, but with reasonable expectations The high level of sales activity, combined with declining inventory levels, listing discounts and marketing times has not resulted in significant price appreciation year to date. This suggests a market psyche containing reasonable expectations of both buyers and sellers. This is a significant departure from the contentious conditions between market participants seen in the past several years, evidenced by patterns of sharply rising prices and declining sales. Buyers were being priced out the market and sellers had been conditioned to a rapidly appreciating market over the prior five years. In addition, Wall Street mortgage and credit market problems that appeared in mid-July and August have yet to show an impact in market data for the current quarter. Existing mortgage underwriting guidelines have become more strictly enforced with fewer exceptions allowed. A lower number of mortgage options and higher qualifying requirements for buyers are expected to temper the flow of sales activity. Wall Street bonus income was largely believed to be on track to exceed last year's record at the end of the second quarter, so the fourth quarter Wall Street earnings could be an indicator of anticipated sales levels in store for the 2008 real estate market.

CO-OP Market

Prices generally up as number of sales reach record levels

Listing inventory continues to decline as sales remain elevated There were 1,811 co-op sales in the current quarter, up 66.6% from the prior year quarter level of 1,087, the first quarter co-ops were introduced to the public domain by New York City. Co-ops were also up 13.5% from the prior quarter total of 1,595 units. At the end of the quarter listing inventory had moved in the opposite direction. There were 2,472 apartments on the market, down 32.8% from the prior year quarter level of 3,680 apartments. The elevated level of sales activity has served to reduce excess inventory over the past year. Since the majority of new development comes in the form of condominium ownership, the sales and inventory levels are largely re-sale activity.

Price indicators were mixed with large market share gains in 1-bedrooms The average sales price of a Manhattan co-op apartment was \$1,118,465, 2.8% above the prior year quarter average sales price of \$1,088,048 but down 2.8% from the prior quarter average sales price of \$1,150,765. The average price per square foot of a co-op apartment was a record \$1,021 per square foot and the first time this price indicator has exceeded \$1,000. The price per square foot was 9.2% above the prior year quarter price per square foot of \$935 and up 3.9% from the \$983 price per square foot of the prior quarter. Median sales price was \$668,500, down 2.4% from the prior year quarter median sales price of \$685,000 and down 3.8% from the prior quarter median sales price of \$695,000. The market share of a studio apartment was 19% of all sales this quarter, unchanged from the prior year quarter result, and 1-bedroom apartments jumped to a 42% market share from the prior year quarter result of 35% at the expense of 2-bedroom apartments, whose market share declined to 33% from 39% in the prior year quarter.



Co-op Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,118,465	-2.8%	\$1,150,765	2.8%	\$1,088,048
Average Price per Square Foot	\$1,021	3.9%	\$983	9.2%	\$935
Median Sales Price	\$668,500	-3.8%	\$695,000	-2.4%	\$685,000
Number of Sales	1,811	13.5%	1,595	66.6%	1,087
Days on Market (from Last List Date)	125	3.3%	121	-13.8%	145
Listing Discount (from Last List Price)	1.5%		1.7%		3.9%
Listing Inventory	2,472	-0.4%	2,481	-32.8%	3,680

Co-op Apartment Mix	% of Total	Avg. Price
Studio	19%	\$354,057
1 bedroom	42%	\$637,232
2 bedroom	33%	\$1,429,212
3 bedroom	5%	\$3,514,239
4+ bedroom	2%	\$8,990,143

All apartment sizes showed price gains except for studios

The progression of appreciation by apartment size is apparent in the breakdown of co-op apartments by size. The average sales price of a studio co-op apartment was \$354,057, down 7.6% from the prior year quarter average sales price of \$383,129; of a 1-bedroom was \$637,232; up 4.8% from \$608,317; of a 2-bedroom was \$1,429,212; up 10.3% from \$1,296,229; of a 3-bedroom was \$3,514,239, up 12.3% from \$3,130,234; and of a 4-bedroom was \$8,990,143, up 28.8% from \$6,977,500 in the prior year quarter.

Listing discount lowest in more than two years

The average listing discount for a co-op apartment in the current quarter was 1.5%, down from 3.9% in the prior year quarter and down slightly from 1.7% in the prior quarter. This indicator is at its lowest level since the second quarter of 2005 when the average listing discount was 1.2%. The average days on market was 125 days this quarter, down nearly three weeks from the prior year quarter result of 145 days but up 4 days from the prior quarter result of 121 days.

CONDO Market

Price indicators are up as number of sales rise

Inventory continues to decline as number of sales remains high

There were 1,688 sales in the current quarter, up 64.5% from the prior year quarter total of 1,026 sales but down 28% from the prior quarter total of 2,344 units. The number of sales in the condo market continues to be volatile because of the elevated level of new development and uniform closing dates typically seen in new developments. Listing inventory saw a large decline this quarter. There were 2,732 condo units available for sale at the end of the current quarter, down 30.7% from the prior year level of 3,943 units and down 0.9% from the prior quarter level of 2,756 units.

All price indicators showed increase

The average sales price was a record \$1,638,798 in the current quarter, up 9.2% from the prior year quarter average sales price of \$1,501,381 and

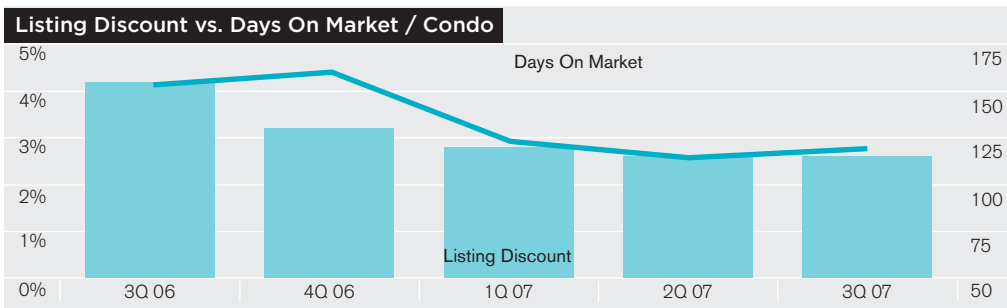
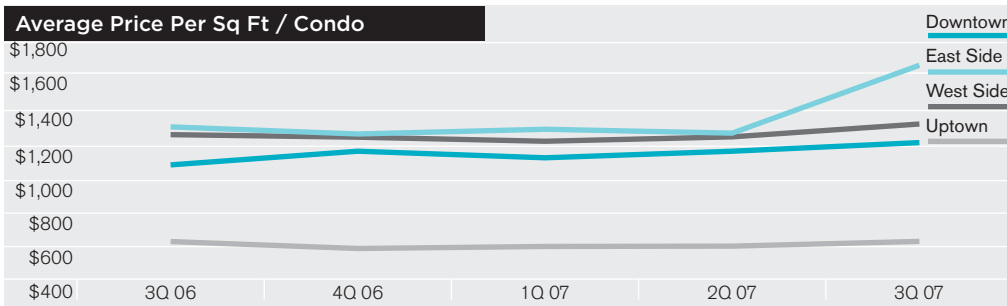
up 12.4% from the prior quarter average sales price of \$1,457,535. Price per square foot was a record \$1,278 in the current quarter, up 9.1% from the prior year quarter price per square foot of \$1,171 and up 8.5% from the prior quarter price per square foot of \$1,178. This is the first time this indicator exceeded the \$1,200 per square foot threshold. Median sales price was \$1,120,075 this quarter, up 5.2% from the prior year quarter median sales price of \$1,065,000 and up 7.7% from the prior quarter median sales price of \$1,040,000.

Market share for smaller units declined

The market share of entry level units this quarter, defined as studios and 1-bedrooms, was 42%, down from 47% in the prior year quarter. Gains were seen in the 2-bedroom and 3-bedroom markets, which increased to 57% in the current quarter from 52% in the same period last year. At 1%, 4-bedroom units saw no change in market share. Changes in the average sales price by size as compared to the same period last year were inconsistent. The average sales price of a studio was up 0.9% to \$644,360 from \$638,374 in the prior year quarter. The average sales price of a 1-bedroom was up 11.7% to \$894,296 from \$800,731 in the prior year quarter. The average sales price of a 2-bedroom was down 0.8% to \$1,825,364 from \$1,839,674 in the prior year quarter. The average sales price of a 3-bedroom was up 11.2% to \$5,197,106 from \$4,673,015 in the prior year quarter. The average sales price of a 4-bedroom was down 10.2% to \$7,284,473 from \$8,113,333 in the prior year quarter.

Days on market and listing discount decline

The average listing discount of a condo was 2.6% in the current quarter, down from 4.2% in the prior year quarter and unchanged from the prior quarter. Average days on market was 120 days in the current quarter, down more than three weeks from the 155 average days on market in the prior year quarter but up 5 days from the prior quarter average of 115 days. A decline in inventory over the past year reduces negotiability and shortens the length of time a property remains on the market before selling.



Condo Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,638,798	12.4%	\$1,457,535	9.2%	\$1,501,381
Average Price per Square Foot	\$1,278	8.5%	\$1,178	9.1%	\$1,171
Median Sales Price	\$1,120,075	7.7%	\$1,040,000	5.2%	\$1,065,000
Number of Sales	1,688	-28%	2,344	64.5%	1,026
Days on Market (from Last List Date)	120	4.3%	115	-22.6%	155
Listing Discount (from Last List Price)	2.6%		2.6%		4.2%
Listing Inventory	2,732	-0.9%	2,756	-30.7%	3,943

Condo Apartment Mix	% of Total	Avg. Price
Studio	9%	\$644,360
1 bedroom	33%	\$894,296
2 bedroom	51%	\$1,825,364
3 bedroom	6%	\$5,197,016
4+ bedroom	1%	\$7,284,473

LUXURY Market

Prices rise as inventory declines

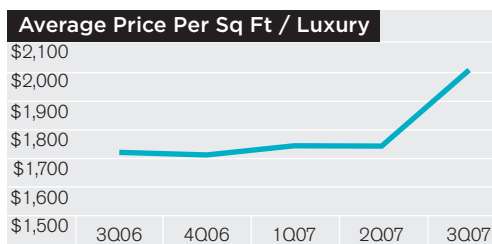
Price indicators rise The average sales price of a luxury apartment was \$5,085,883 in the current quarter, the second highest on record, after the second quarter of 2005, when the average sales price was \$5,166,644. The current average sales price was up 12.8% from the prior year quarter average price of \$4,509,833. The average sales price exceeded the \$2,000 per square foot threshold for the first time this quarter setting a record at \$2,009. This is a 16.7% increase over the prior year quarter price per square foot of \$1,721 and up 15.3% over the prior quarter price per square foot of \$1,743. Median sales price was \$3,950,000 in the current quarter, the

second highest median sales price on record for the luxury sector after the \$4,000,000 record set in the second quarter of 2006. The median sales price is up 16.3% from the prior year quarter median sales price of \$3,395,000 and up 9.7% from the \$3,600,000 median sales price in the prior quarter.

Inventory drops sharply As a result of the elevated level of sales activity in the overall market, inventory levels in all market segments have continued to decline. The decline in inventory levels in the luxury market has outpaced the overall market. There were 935 units available for sale, down 43.6% from the prior year quarter total of 1,657 units and down 4.7% from the prior quarter total of 981 units. The drop in luxury inventory levels has outpaced

the overall market reduction in inventory levels of 31.7% over the prior year quarter. This is also consistent with large price gains in the luxury market as compared to the overall market in the same period last year.

Luxury sales dollars second highest on record The total aggregate luxury sales dollars for the quarter was \$1,780,059,050, down 1.8% and second only to the prior quarter total of \$1,811,899,620, but up 87.1% from the prior year quarter total of \$951,574,763. The top ten percent of all sales this quarter accounted for 37.1% of total aggregate sales dollars which is above the 34.9% level seen in the prior year quarter and above the 34.5% level reached in the prior quarter. Note: This sub-category is the analysis of the top ten percent of all co-op and condo sales. The data is also contained within the co-op and condo markets presented.



Luxury Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$5,085,883	10.6%	\$4,598,730	12.8%	\$4,509,833
Average Price per Square Foot	\$2,009	15.3%	\$1,743	16.7%	\$1,721
Median Sales Price	\$3,950,000	9.7%	\$3,600,000	16.3%	\$3,395,000
Number of Sales	350	-11.2%	394	65.9%	211
Days on Market (from Last List Date)	115	-10.2%	128	-28.6%	161
Listing Discount (from Last List Price)	1.8%		2.3%		4%
Listing Inventory	935	-4.7%	981	-43.6%	1,657

LOFT Market

Prices rise as inventory falls

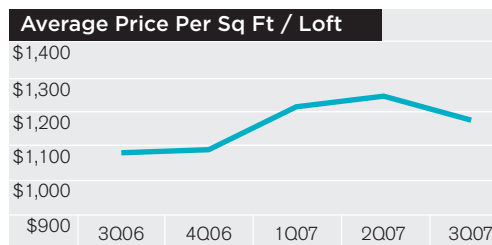
Prices continue to increase The average sales price of a Manhattan loft apartment was \$2,069,364 in the current quarter, up 4.9% from the prior year quarter average sales price of \$1,973,569 but down 14.2% from the prior quarter record average sales price of \$2,411,429. The average price per square foot of a loft apartment was \$1,176, 8.8% above the prior year quarter price per square foot of \$1,081 but down 5.6% from the prior quarter record price

per square foot of \$1,246. Median sales price was a record \$1,700,000 in the current quarter, up 20.1% from the prior year quarter median sales price of \$1,415,000 and up 3% from the prior quarter median sales price of \$1,650,000.

Number of sales and inventory increased There were 163 loft sales this quarter, up 6.5% from the prior year quarter total of 153 units and down 30% from the 233 units that sold from the prior quarter. Listing inventory totaled 515 units at the end of the current quarter, down 20% from the prior year quarter total of 644 units and down 2.3% from the prior quarter total of 527 units. The decline in inventory and rise in the number

of sales is consistent with the increase in prices over the past year.

Listing discount and days on market fall The average listing discount was 3% in the current quarter, down from the 3.6% in the prior year quarter and down from 3.4% in the prior quarter. The average days on market was 120 days, down more than three weeks from the 145 average days on market in the prior year quarter and down from 123 days in the prior quarter. The decline in both of these indicators is consistent with the decline in listing inventory and rise in the number of sales during the quarter. Note: This sub-category is the analysis of all co-op and condo loft sales available. The data is also contained within the co-op and condo markets presented.



Loft Market Matrix	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$2,069,364	-14.2%	\$2,411,429	4.9%	\$1,973,569
Average Price per Square Foot	\$1,176	-5.6%	\$1,246	8.8%	\$1,081
Median Sales Price	\$1,700,000	3%	\$1,650,000	20.1%	\$1,415,000
Number of Sales	163	-30%	233	6.5%	153
Days on Market (from Last List Date)	120	-2.4%	123	-17.2%	145
Listing Discount (from Last List Price)	3%		3.4%		3.6%
Listing Inventory	515	-2.3%	527	-20%	644

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