

HALSTEAD PROPERTY



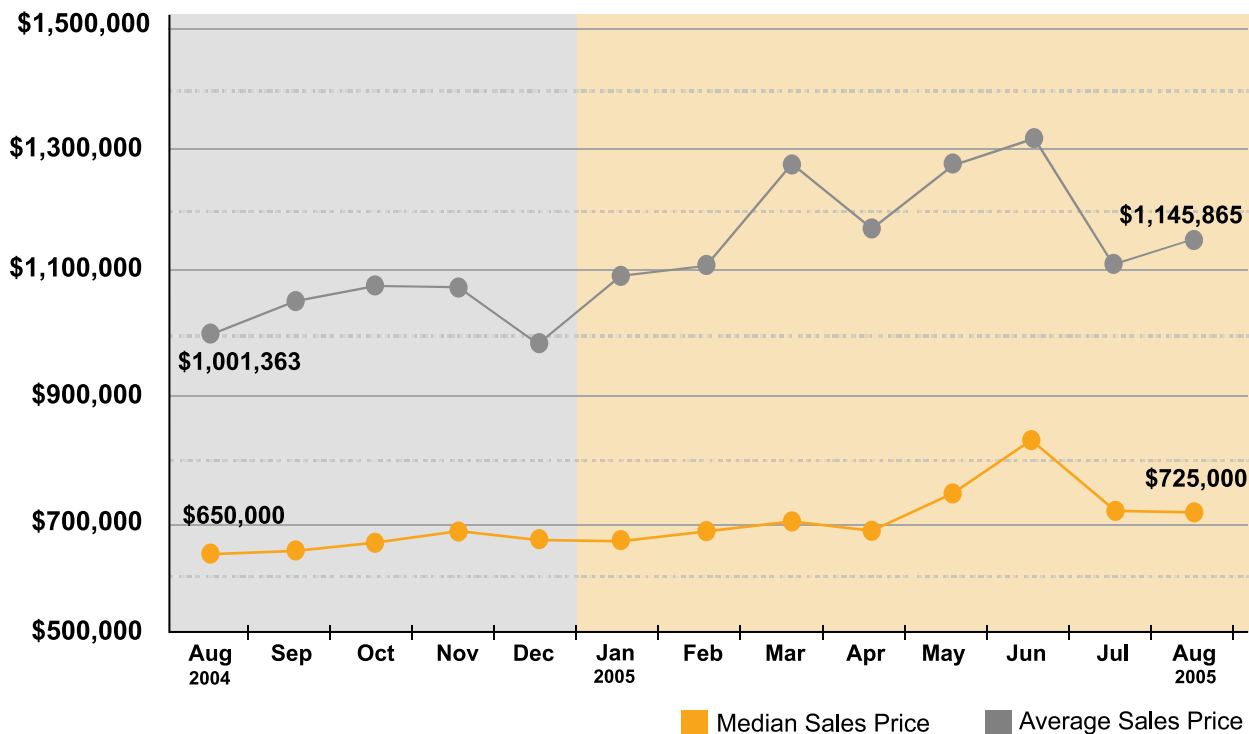
Monthly Market Report

AUGUST 2005



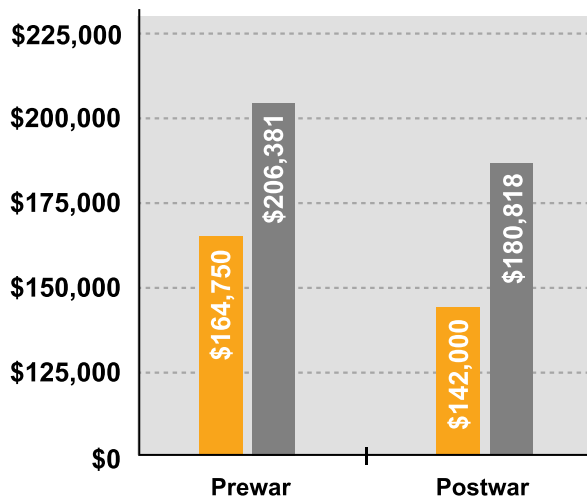
All Manhattan Apartments

Apartments in Manhattan sold for an average of \$1,145,865 during August, 14% higher than a year ago. The median price rose 12% during this time to \$725,000. While talk persists about a slowdown in the market, fundamentals remain strong as low interest rates and tight inventory continue. While the rate of growth has slowed, prices in all areas remain well above 2004's comparable period.

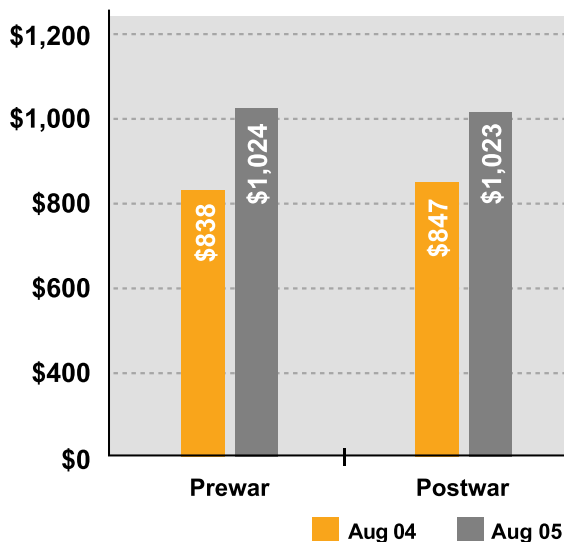


In the cooperative market the median price per room of \$180,818 for postwar units was 27% higher than a year ago. For prewar co-ops the increase was 25%, as their median price per room reached \$206,381. The median price per square foot for prewar condominiums rose 22% over the past year to \$1,024, while postwar condos rose 21% to \$1,023 during this time.

COOPERATIVE
Median Price Per Room



CONDOMINIUM
Median Price Per Square Foot



Median Sale Price By Market Area



East Side

As the number of new listings fell on the East Side over the past few months, prices have continued to rise sharply. Reaching a level of \$1,275,000 the median price for two-bedroom units was 40% higher in August than a year ago. The median price for three-bedroom and larger apartments was up 29% during this time, at \$2,972,500.

	August 2004	August 2005	Change
Studio	\$275,000	\$349,000	27%
One-Bedroom	\$489,000	\$595,000	22%
Two-Bedroom	\$912,000	\$1,275,000	40%
Three-Bedroom & Larger	\$2,300,000	\$2,972,500	29%

West Side

On the West Side gains were seen in the median price for all apartment sizes. At \$389,000 the median price for studios was 32% higher than a year ago, and was the largest increase of any size category. Larger units also fared well, as the median price over the past year was up 22% for three-bedroom and larger and 21% for two-bedroom units in this market.

	August 2004	August 2005	Change
Studio	\$295,000	\$389,000	32%
One-Bedroom	\$540,000	\$622,000	15%
Two-Bedroom	\$995,000	\$1,199,500	21%
Three-Bedroom & Larger	\$2,118,000	\$2,587,000	22%

Downtown

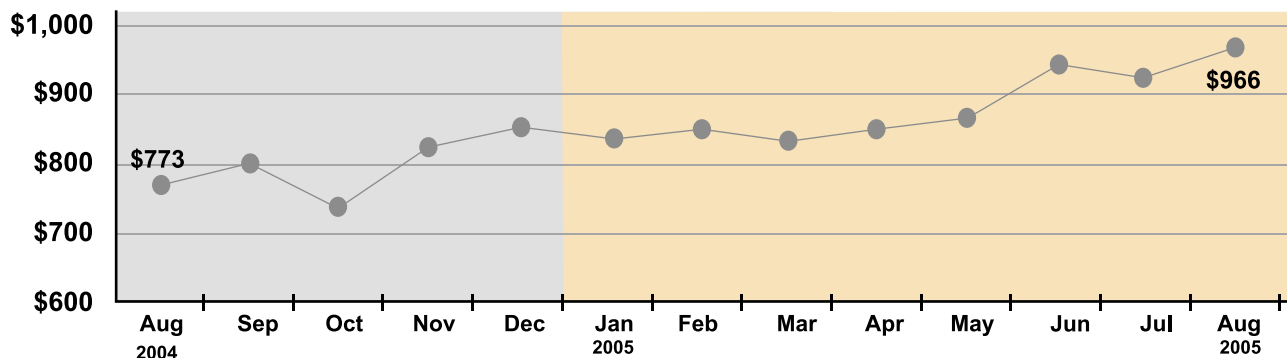
Price increases in the Downtown market over a year ago were limited to the studio and one-bedroom size categories. The median price rose 27% from a year ago for studio units to \$425,000, while one-bedrooms rose 22% in median price to \$612,000.

	August 2004	August 2005	Change
Studio	\$335,000	\$425,000	27%
One-Bedroom	\$502,000	\$612,000	22%
Two-Bedroom	\$1,063,000	\$995,000	-6%
Three-Bedroom & Larger	\$1,760,000	\$1,775,000	1%



Manhattan Lofts - Median Price per Square Foot

Loft prices set a new record in August as their median price reached \$966 per square foot. This figure is 25% higher than a year ago.



Inventory Report - Number of New Listings

East Side

The number of listings entering the East Side market fell 8% from a year ago, led by a 32% drop in studios. There were also 16% fewer one-bedroom listings and 14% fewer listings for apartments with four or more bedrooms.

	August 2004	July 2005	August 2005	12-month Change
Studio	37	29	25	- 32%
One-Bedroom	109	99	92	- 16%
Two-Bedroom	80	61	87	9%
Three-Bedroom	25	31	27	8%
Four-Bedroom & Larger	14	12	12	- 14%

West Side

A 38% decline in the number of studio listings coming onto the West Side market helped bring overall new listings down 6% from August of 2004. Also of note was a fourfold increase in the number of four-bedroom and larger apartments entering the market.

	August 2004	July 2005	August 2005	12-month Change
Studio	26	28	16	- 38%
One-Bedroom	101	91	86	- 15%
Two-Bedroom	80	54	76	- 5%
Three-Bedroom	20	27	23	15%
Four-Bedroom & Larger	4	10	16	300%

Downtown

Downtown posted a 36% decline in new listings from a year ago. In August of 2004, 277 units at 15 Broad Street came on the market and helped push up that month's Downtown new listings dramatically and thus led to the decrease posted last month. The loft market also had a sharp decline in new listings due to the opening of 260 Park Avenue South, which added 129 lofts in August of 2004.

	August 2004	July 2005	August 2005	12-month Change
Studio	158	55	58	- 63%
One-Bedroom	165	155	124	- 25%
Two-Bedroom	82	72	69	- 16%
Three-Bedroom	30	20	26	- 13%
Four-Bedroom & Larger	2	5	4	100%
Lofts	206	87	108	- 48%

PREPARED BY **Gregory Heym**
CHIEF ECONOMIST
Halstead Property, LLC



Data is provided by ValuExchange™, a proprietary database that contains the transactions of all Terra Holdings companies and is the largest known survey of the Manhattan residential real estate market.