

FIRST QUARTER 2006

QUARTERLY
MARKET
REPORT



After declining the prior two quarters, the average apartment price in Manhattan rose to \$1,258,420 in the first quarter. This was 8% higher than a year ago, and 15% higher than last quarter. The median price of \$740,000 during the first quarter was up 6% over the first quarter of 2005. After pausing at the end of last year, price growth has started to accelerate again fueled by a strong economy, low interest rates and a record year for Wall Street bonuses.



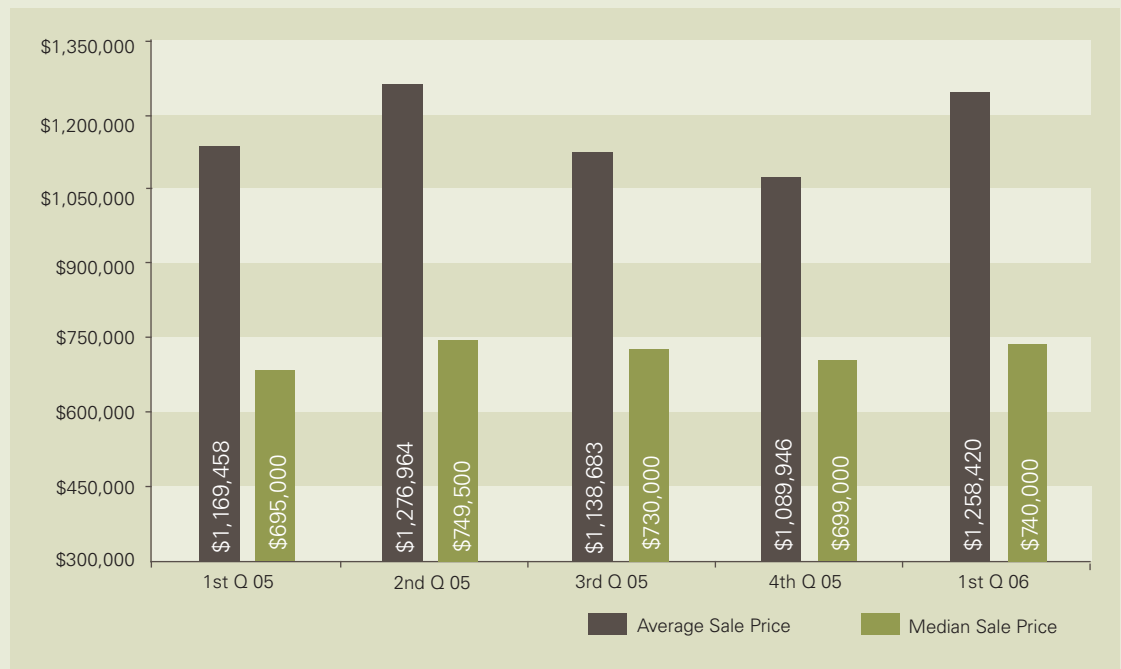
Cooperative apartment prices averaged \$1,159,130 during the first quarter, a 10% improvement from a year ago. All size categories posted sharp increases during this time, led by an 18% increase in the average price for studio and one-bedroom units. Four-bedroom and larger co-ops sold for an average of \$5,885,127 during the first quarter, 17% higher than a year ago.



The average condominium price of \$1,384,932 was virtually unchanged from a year ago, as smaller units accounted for more sales. The average size for units sold fell 9% from 2005's first quarter, and helped keep the overall average price lower. Strong gains were seen in most size categories however, led by a 25% increase in the average price for three-bedroom condos.

AVERAGE AND MEDIAN SALE PRICE

All Apartments



AVERAGE SALE PRICE

Cooperatives

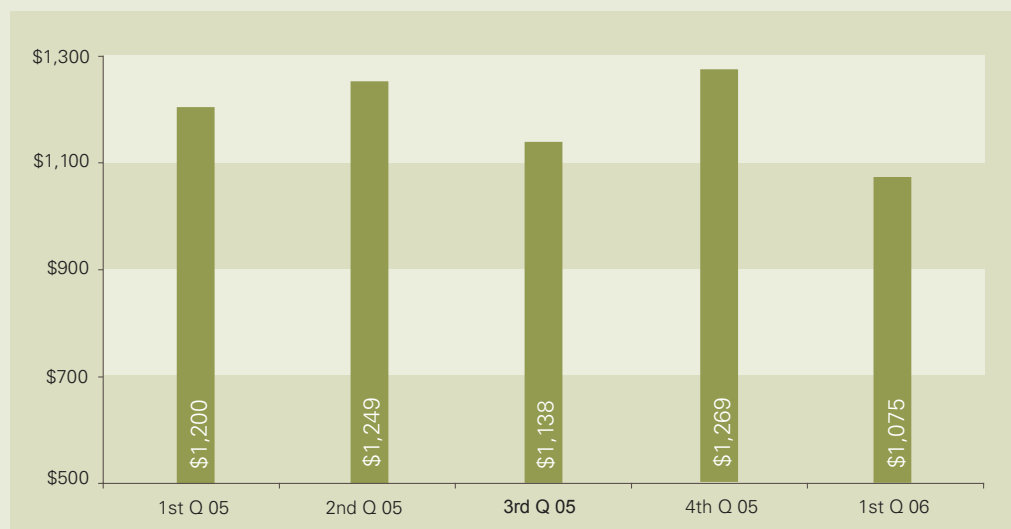
	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
1st Quarter 06	\$353,137	\$622,519	\$1,363,909	\$3,098,147	\$5,885,127	\$1,159,130
4th Quarter 05	\$340,981	\$578,350	\$1,261,933	\$2,309,711	\$3,889,000	\$921,791
3rd Quarter 05	\$352,809	\$582,494	\$1,275,852	\$2,899,599	\$5,432,808	\$1,044,318
2nd Quarter 05	\$315,508	\$562,270	\$1,274,995	\$3,104,997	\$7,365,740	\$1,170,117
1st Quarter 05	\$299,947	\$528,926	\$1,242,479	\$2,784,150	\$5,027,016	\$1,053,222

Condominiums

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
1st Quarter 06	\$472,466	\$753,936	\$1,429,517	\$3,316,851	\$7,300,586	\$1,384,932
4th Quarter 05	\$448,286	\$786,639	\$1,732,571	\$3,202,206	\$5,656,107	\$1,333,348
3rd Quarter 05	\$482,462	\$758,352	\$1,488,602	\$2,804,108	\$5,026,723	\$1,278,297
2nd Quarter 05	\$412,872	\$734,381	\$1,570,887	\$2,920,487	\$7,122,163	\$1,416,920
1st Quarter 05	\$406,403	\$673,297	\$1,430,289	\$2,653,699	\$6,960,182	\$1,387,593

AVERAGE PRICE PER SQUARE FOOT

New Construction and Conversions



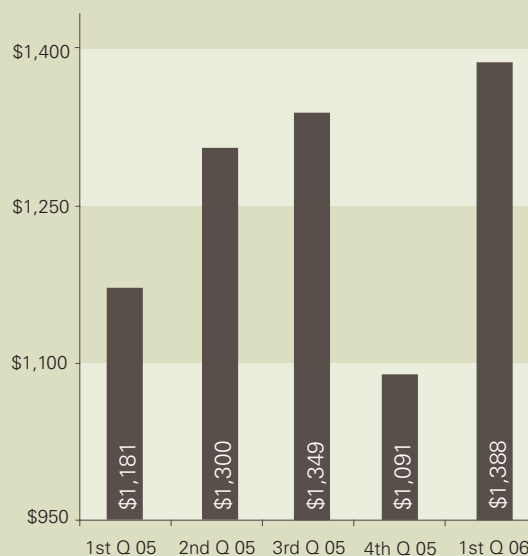
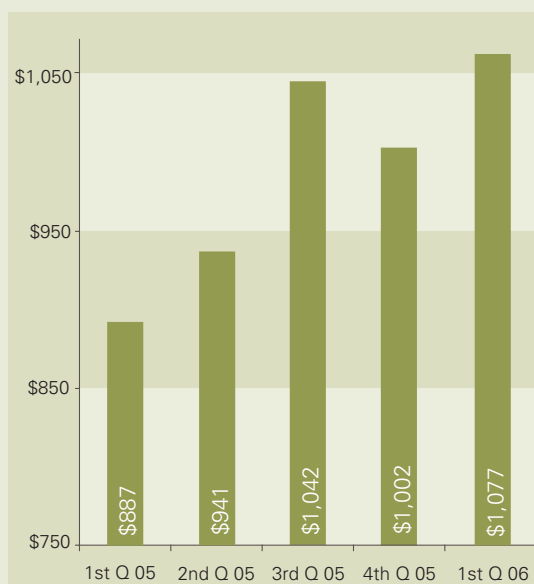
Includes apartments added to the market since the beginning of 2004.

The average price per square foot for apartments in new developments was \$1,075 during the first quarter, down from \$1,200 a year ago. This decline is due in part to a decline in the percentage of luxury condo closings in this category.



Lofts

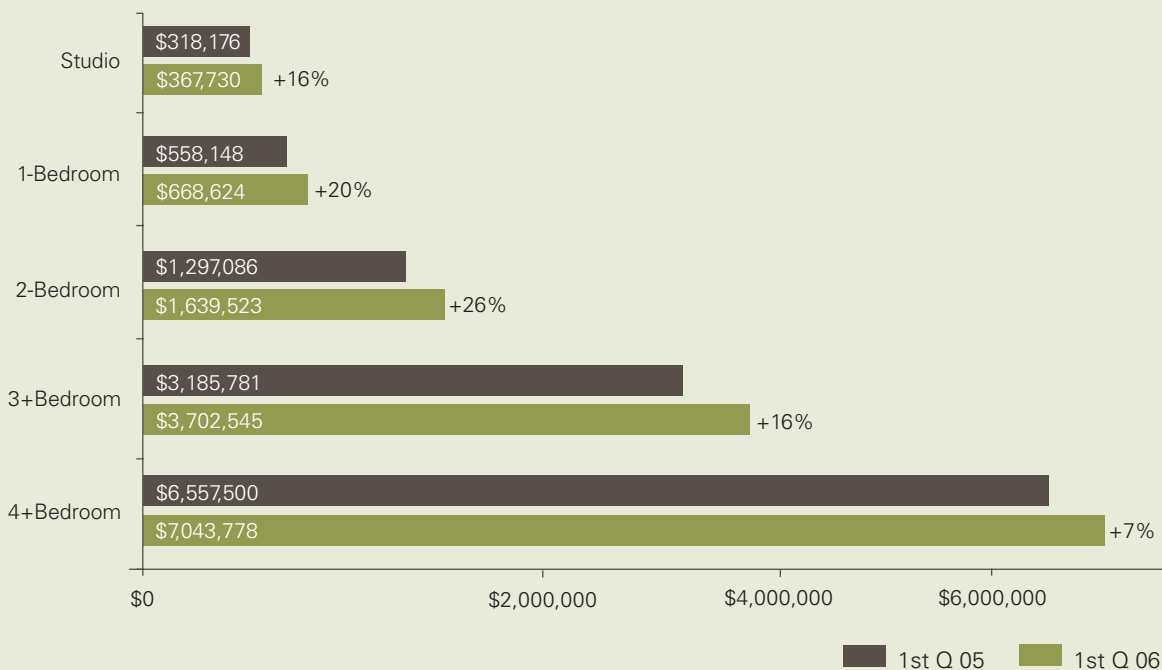
Townhouses



Loft prices averaged \$1,077 per square foot last quarter, 21% higher than a year ago and a new record. For townhouses, their average price of \$1,388 per square foot was an 18% improvement from the first quarter of 2005.

Two-bedroom apartments sold for an average of \$1,639,523 on the East Side in the first quarter, a 26% improvement from a year ago. This was the highest increase of any size category in this market over the past year. Of the East Side market areas surveyed, apartments located between Fifth and Lexington Avenue from 59th to 79th Street posted the largest increase in median price over the past year. This figure rose 22% to \$1,437,500 for these apartments.

AVERAGE SALE PRICE



MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	1st Q 05	1st Q 06	1st Q 05	1st Q 06	1st Q 05	1st Q 06
Fifth Ave., 59th-96th St.	\$3,080,000	\$2,940,000	\$471,808	\$534,545	*	*
Park Ave., 59th-96th St.	\$3,000,000	\$2,737,500	\$446,875	\$406,250	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,175,000	\$1,437,500	\$252,222	\$309,500	*	*
80th-96th St.	\$1,222,500	\$1,365,000	\$208,333	\$265,220	*	*
Lexington Ave. to the East River, 59th-79th St.	\$676,250	\$780,500	\$164,857	\$190,000	\$944	\$1,134
80th-96th St.	\$550,000	\$640,000	\$145,000	\$162,750	\$812	\$955
Midtown East, 34th-58th St. **	\$647,000	\$690,000	\$152,500	\$183,917	\$914	\$1,008

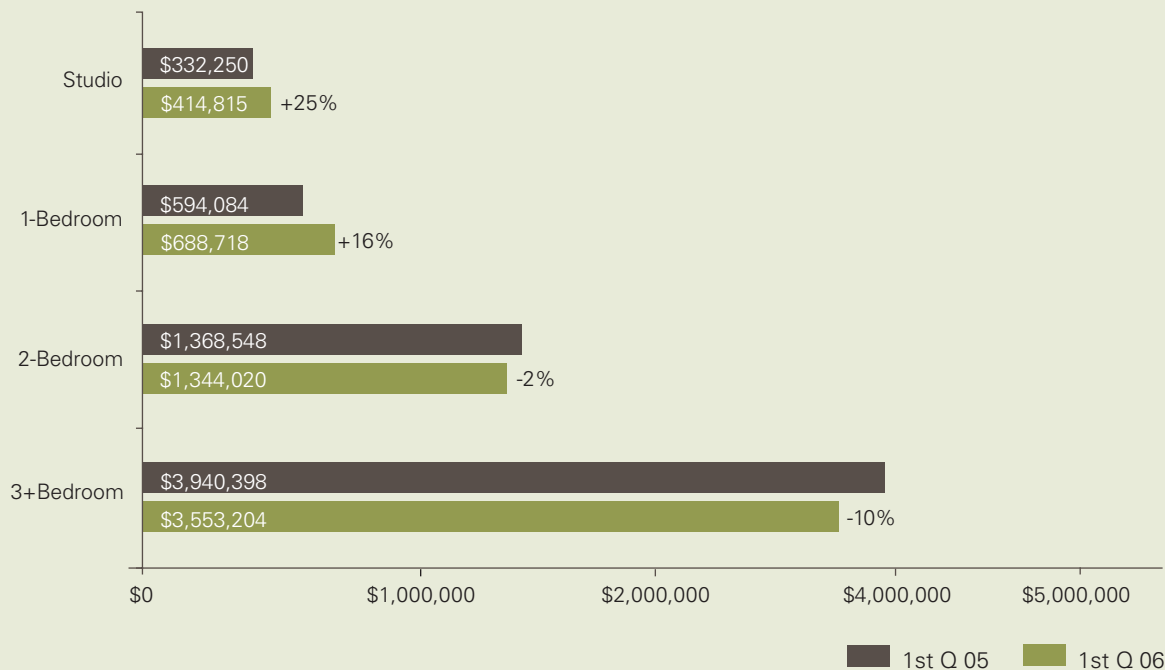
*There were not enough sales for a valid comparison.

** Not included in overall East Side data.

WEST SIDE

West Side pricing gains were led by smaller units, as the average price rose 25% for studios and 16% for one-bedrooms over the past year. A decline in the number of luxury condo sales from a year ago pushed the average prices of larger apartments down slightly in this market. This was reflected in the decline in median price in the area between Central Park West and Columbus Avenue, where a large number of sales closed at 352 Cathedral Parkway.

AVERAGE SALE PRICE



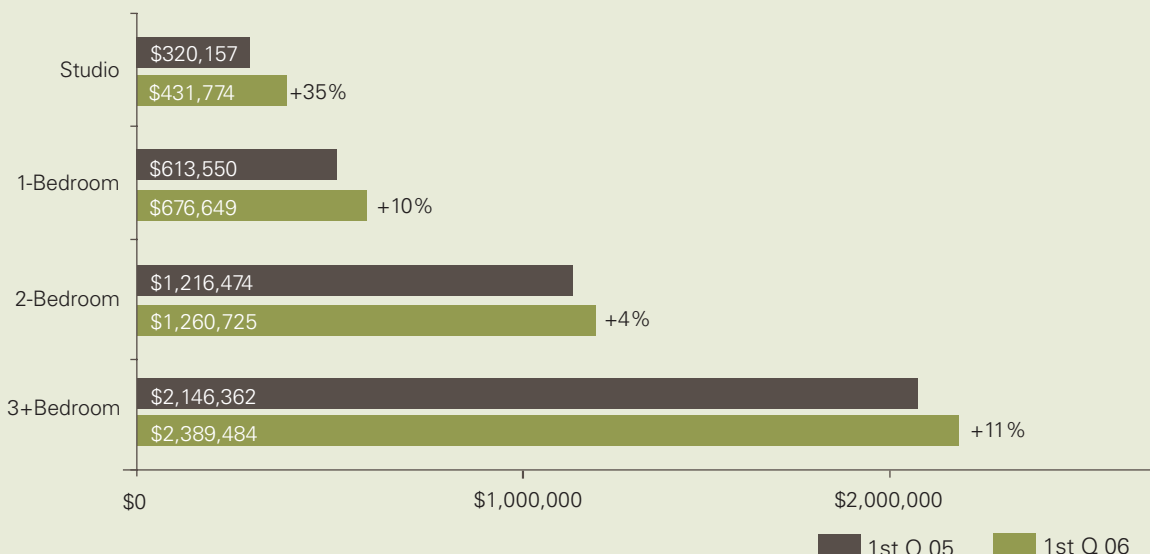
MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	1st Q 05	1st Q 06	1st Q 05	1st Q 06	1st Q 05	1st Q 06
Central Park West, 59th-110th St.	\$1,150,000	\$1,490,000	\$412,946	\$442,857	\$920	\$971
Riverside Drive/Boulevard, 59th-116th St.	\$1,024,500	\$948,000	\$218,625	\$219,167	\$1,036	\$1,040
West End Ave., 59th-105th St.	\$580,500	\$713,750	\$164,964	\$203,571	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$925,000	\$775,000	\$225,292	\$254,929	\$1,317	\$861
Columbus Ave. to East of WEA, 59th-86th St.	\$599,000	\$777,500	\$161,250	\$196,667	\$981	\$1,235
87th-110th St.	\$925,000	\$766,000	\$174,250	\$187,500	\$915	\$953
Between Riverside Drive and WEA, 59th-110th St.	\$532,500	\$714,500	\$151,429	\$190,650	*	*

*There were not enough sales for a valid comparison.

The Downtown market continued to show solid growth, led by a 35% gain in the average price for studio units over the past year. Three-bedroom apartments sold for an average of \$2,389,484 in this market, 11% higher than a year ago. Prices were particularly strong in the Gramercy Park area, as the median price for apartments there was up 33% from a year ago.

AVERAGE SALE PRICE



MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	1st Q 05	1st Q 06	1st Q 05	1st Q 06	1st Q 05	1st Q 06
Chelsea/Flatiron	\$675,000	\$755,000	\$178,583	\$201,744	\$988	\$1,067
Gramercy Park	\$470,000	\$625,000	\$156,667	\$192,500	*	*
Greenwich/East Village	\$630,000	\$685,000	\$187,500	\$225,000	\$895	\$927
West Village	\$665,000	\$626,000	\$171,667	\$199,625	\$1,239	\$1,348
Battery Park City	\$580,000	\$625,000	*	*	\$732	\$748

* There were not enough sales for a valid comparison.

Lofts

SELECTED MARKET AREAS	LOFT			
	Median Sale Price		Median Price per Sq. Ft.	
	1st Q 05	1st Q 06	1st Q 05	1st Q 06
Chelsea/Flatiron	\$1,600,000	\$1,470,000	\$857	\$1,055
Greenwich/East/West Village	\$840,000	\$800,000	\$950	\$1,012
Noho/Soho	\$1,625,000	\$1,912,500	\$908	\$1,259
Tribeca	\$1,995,000	\$1,872,500	\$860	\$1,092

While the median price in some areas declined in the loft market from a year ago, this was due to the fact that the lofts sold were typically smaller than during the first quarter of 2005. On a per square foot basis, the median price was up for all areas surveyed led by a 39% gain in the Noho/Soho area.

INVENTORY REPORT

Number of New Listings

EAST SIDE	1st Q 05	4th Q 05	1st Q 06	12-month Change
Studio	122	98	91	-25%
One-Bedroom	347	311	311	-10%
Two-Bedroom	320	278	325	2%
Three-Bedroom	142	103	132	-7%
Four-Bedroom & Larger	62	57	46	-26%

WEST SIDE	1st Q 05	4th Q 05	1st Q 06	12-month Change
Studio	93	89	81	-13%
One-Bedroom	285	270	285	0%
Two-Bedroom	261	222	252	-3%
Three-Bedroom	105	92	72	-31%
Four-Bedroom & Larger	33	43	32	-3%

DOWNTOWN	1st Q 05	4th Q 05	1st Q 06	12-month Change
Studio	164	123	164	0%
One-Bedroom	349	377	397	14%
Two-Bedroom	204	254	276	35%
Three-Bedroom	67	111	84	25%
Four-Bedroom & Larger	15	26	21	40%
Lofts	374	360	323	-14%

Data is provided by ValuExchange TM, 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. This report is based on 2,115 sales.

Gregory Heym is the Chief Economist for Halstead Property and serves on New York City's Economic Advisory Panel. For the past 10 years, he has covered the residential real estate market. Mr. Heym was the author of the Real Estate Board of New York's Cooperative and Condominium Sales Reports prior to joining Halstead Property LLC. His academic background includes a B.S. in Economics from St. John's University and an M.B.A. from Hofstra University.



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The number of apartments entering the East Side market in the first quarter fell 9% from a year ago, led by a 26% drop in four-bedroom and larger apartments. Two-bedroom units posted the only increase in new listings during this time, rising 2% over the past 12 months.



West Side new listings were down 7% from the first quarter of 2005, fueled by a 31% decline in the three-bedroom category. Fewer studios continue to enter this market, as the 81 new listings in this category represented a 13% decline from a year ago.



The Downtown market added 18% more listings than a year ago, as new developments continue to hit the market. With the exception of studios, which were unchanged, all other size categories added significantly more apartments than during the first quarter of 2005. There were 14% fewer loft apartments added to the market in the first quarter than the same period a year ago.



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New York, NY 10021
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West Side
408 Columbus Avenue
New York, NY 10024
(212) 769-3000

Village
831 Broadway
New York, NY 10003
(212) 253-9300

SoHo
451 West Broadway
New York, NY 10012
(212) 475-4200

Midtown
770 Lexington Avenue
New York, NY 10021
(212) 317-7800

Brooklyn Heights
150 Montague Street
Brooklyn, NY 11201
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Cobble Hill
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Brooklyn, NY 11201
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Riverdale
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Riverdale, NY 10463
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Hudson Valley
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Development Marketing
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