

FIRST QUARTER 2007

QUARTERLY
MARKET
REPORT



The median price for Manhattan apartments set a new record in the first quarter, reaching \$770,000. This figure was 4% higher than a year ago, and 1% higher than the prior record set during the fourth quarter of 2006. A strong economy, record Wall Street bonuses and continued low interest rates have strengthened demand for Manhattan apartments over the past few months. This is evident in the 26% increase in the number of sales from 2006's first quarter.



Prices rose sharply over the past year for four-bedroom and larger co-ops, as their average price of \$7,332,797 was 25% higher than the first quarter of 2006. The average price for all co-ops of \$1,078,786 was down 7% from a year ago, but was 13% higher than the prior quarter.



At \$1,386,287, the average price for condo sales was unchanged from a year ago. Strong gains were posted by four-bedroom and larger condos, whose average price of \$8,924,645 was 22% higher than the first quarter of 2006.

AVERAGE AND MEDIAN SALE PRICE

All Apartments



AVERAGE SALE PRICE

Cooperatives

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
1st Quarter 07	\$367,006	\$604,824	\$1,306,323	\$3,037,988	\$7,332,797	\$1,078,786
4th Quarter 06	\$362,748	\$602,090	\$1,236,601	\$2,642,118	\$6,178,656	\$953,120
3rd Quarter 06	\$360,053	\$615,229	\$1,249,900	\$2,845,196	\$4,821,935	\$1,003,945
2nd Quarter 06	\$361,176	\$622,165	\$1,562,758	\$3,024,527	\$5,875,424	\$1,257,571
1st Quarter 06	\$353,137	\$622,519	\$1,363,909	\$3,098,147	\$5,885,127	\$1,159,130

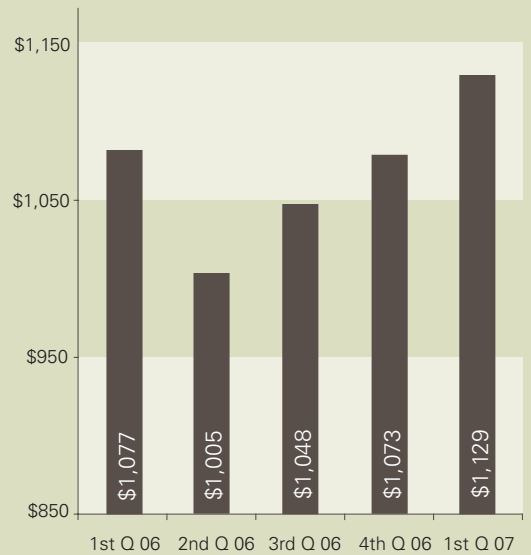
Condominiums

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
1st Quarter 07	\$491,751	\$854,876	\$1,570,812	\$2,715,877	\$8,924,645	\$1,386,287
4th Quarter 06	\$499,609	\$837,887	\$1,594,890	\$3,204,207	\$5,814,566	\$1,320,356
3rd Quarter 06	\$504,055	\$797,779	\$1,483,365	\$2,586,133	\$6,132,941	\$1,196,931
2nd Quarter 06	\$457,276	\$766,910	\$1,508,314	\$3,025,415	\$5,287,053	\$1,171,972
1st Quarter 06	\$472,466	\$753,936	\$1,429,517	\$3,316,851	\$7,300,586	\$1,384,932

AVERAGE PRICE PER SQUARE FOOT

New Construction and Conversions*

Lofts

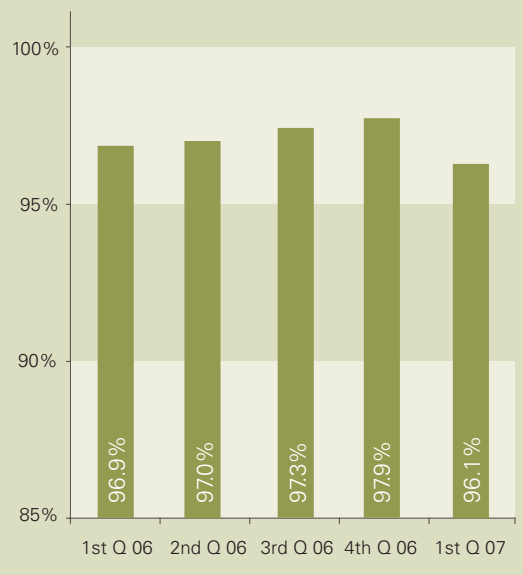
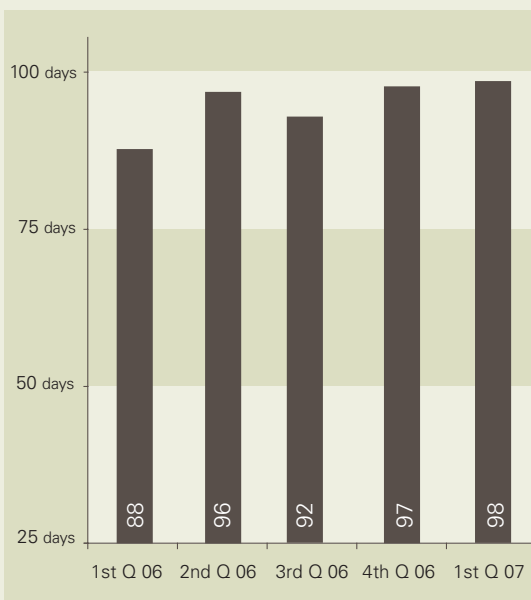


*Includes apartments added to the market since the beginning of 2005.

Apartments in newly constructed or converted buildings sold for an average price of \$1,164 per square foot during the first quarter, 8% higher than a year ago. Loft prices rose 5% over the past year, reaching an average of \$1,129 per square foot.

TIME ON THE MARKET*

ASKING VS. SELLING PRICE*



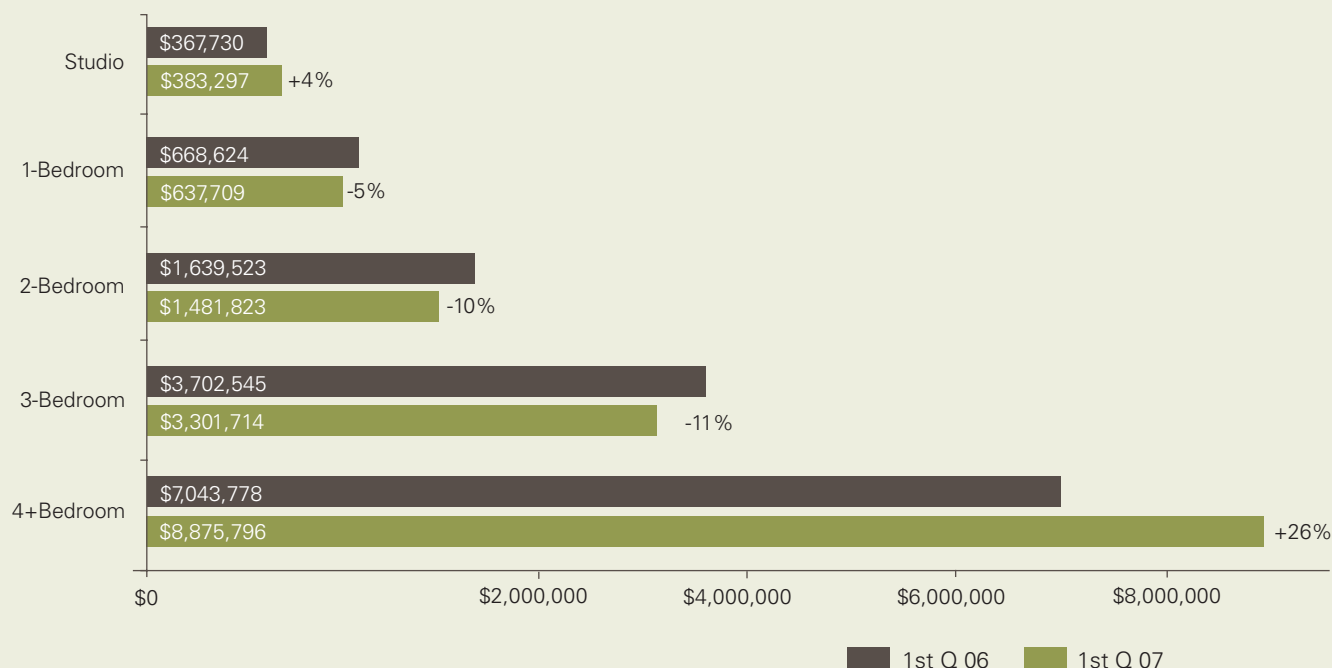
*Excludes new developments and units listed over nine months.

*Excludes new developments.

During the first quarter, apartments spent an average of 98 days on the market, 11% longer than during 2006's first quarter. Sellers received 96.1% of their asking price last quarter, down from 96.9% a year ago.

Four-bedroom and larger apartments sold for an average price of \$8,875,796 on the East Side in the first quarter, a 26% increase from a year ago. Studio prices were also up during this time, rising 4% to an average of \$383,297. The Fifth Avenue corridor was especially strong during the first quarter, as the median price for apartments there of \$4 million was 36% higher than 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 06	1st Q 07	1st Q 06	1st Q 07	1st Q 06	1st Q 07
Fifth Ave., 59th-96th St.	\$2,940,000	\$4,000,000	\$534,545	\$644,444	*	*
Park Ave., 59th-96th St.	\$2,737,500	\$2,825,000	\$406,250	\$468,750	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,437,500	\$2,000,000	\$309,500	\$333,333	*	*
80th-96th St.	\$1,365,000	\$1,100,000	\$265,220	\$265,833	*	*
Lexington Ave. to the East River, 59th-79th St.	\$780,500	\$680,000	\$190,000	\$182,000	\$1,134	\$1,154
80th-96th St.	\$640,000	\$636,000	\$162,750	\$163,810	\$955	\$860
Midtown East, 34th-58th St. **	\$690,000	\$570,000	\$183,917	\$171,667	\$1,008	\$963

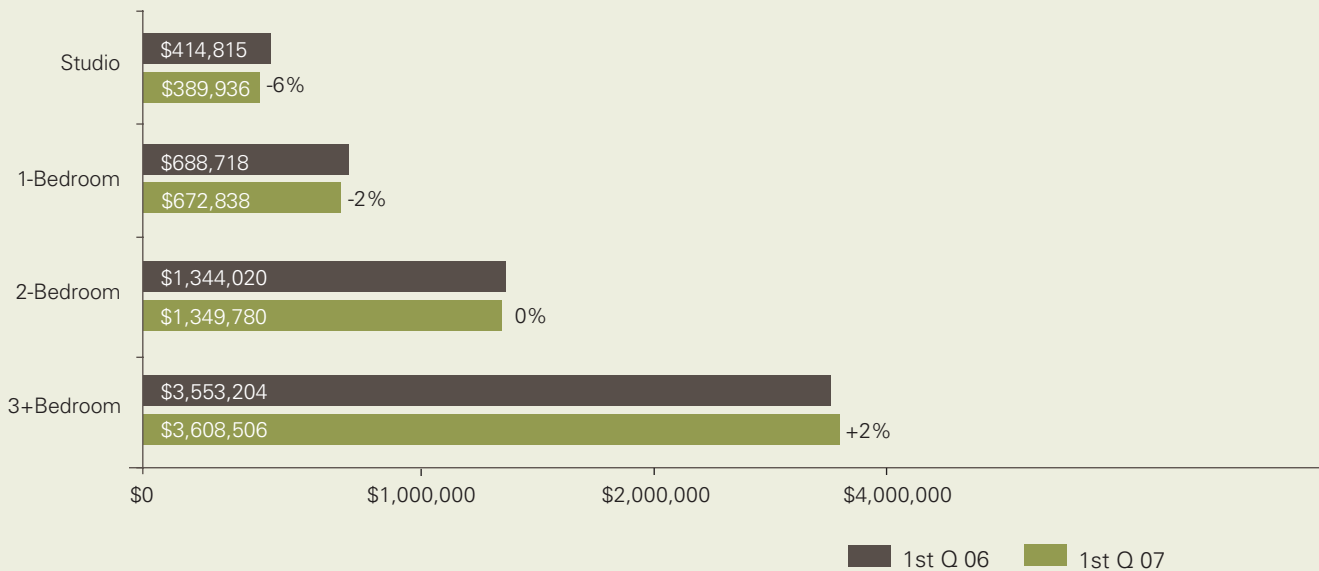
*There were not enough sales for a valid comparison.

** Not included in overall East Side data.

WEST SIDE

On the West Side, declines in prices for studio and one-bedroom apartments were offset by gains in larger apartments. The average price for three-bedroom and larger apartments of \$3,608,506 was up 2% from 2006's first quarter. The median price rose for most market areas surveyed, led by a 56% jump in the area between Central Park West and Columbus Avenue, from 59th-110th Street. This is due in part to a glut of closings at 27 West 72nd Street, whose prices are at the highest end of this market.

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 06	1st Q 07	1st Q 06	1st Q 07	1st Q 06	1st Q 07
Central Park West, 59th-96th Street	\$2,210,000	\$2,261,250	\$442,000	\$350,000	*	*
Riverside Drive/Boulevard, 59th-116th St.	\$948,000	\$963,150	\$219,167	\$225,833	\$1,040	\$1,050
West End Ave., 59th-105th St.	\$713,750	\$802,500	\$203,571	\$210,714	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$775,000	\$1,210,000	\$254,929	\$219,167	\$861	\$1,236
Columbus Ave. to East of WEA, 59th-86th St.	\$777,500	\$885,000	\$196,667	\$210,000	\$1,235	\$1,076
87th-110th St.	\$766,000	\$642,000	\$187,500	\$154,278	\$953	\$872
Between Riverside Drive and WEA, 59th-110th St.	\$714,500	\$682,500	\$190,650	\$189,583	*	*

*There were not enough sales for a valid comparison.

Prices were higher for all size categories in the Downtown market over the past year, led by a 13% rise in the average price of one-bedroom apartments. Much of this increase is attributable to activity in new developments, which continue to account for a high percentage of sales in this market.

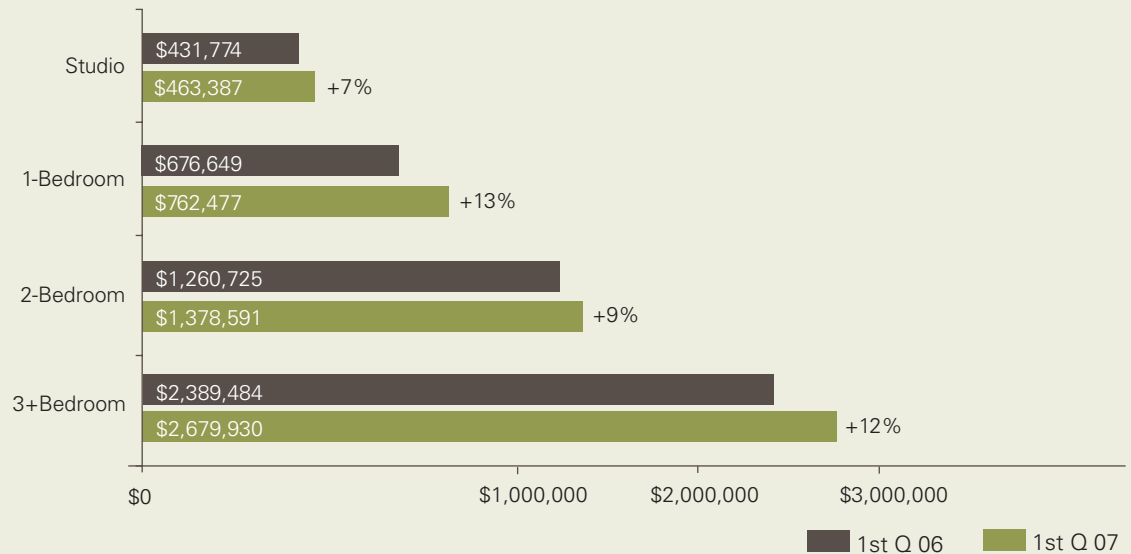


One market area impacted by increased new development activity was Battery Park City, which saw its median sale price double from 2006's first quarter. The main reason for this was increased sales at 30 West Street, which accounted for a majority of sales during the quarter. The prices in this new development are significantly higher than those for existing buildings in this neighborhood.



A 53% increase in the size of lofts being sold in the Greenwich Village area helped push up the median price 75% in this market over the past year. Prices were also strong for lofts in the Chelsea/Flatiron market, where the median price rose 13% from the first quarter of 2006 to \$1,665,250.

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 06	1st Q 07	1st Q 06	1st Q 07	1st Q 06	1st Q 07
Chelsea/Flatiron	\$755,000	\$782,500	\$201,744	\$201,667	\$1,067	\$1,071
Gramercy Park	\$625,000	\$550,000	\$192,500	\$177,750	*	*
Greenwich/East Village	\$685,000	\$607,500	\$225,000	\$202,000	*	*
West Village	\$626,000	\$632,500	\$199,625	\$210,833	\$1,348	\$1,317
Battery Park City	\$625,000	\$1,295,000	*	*	\$748	\$954

*There were not enough sales for a valid comparison.

Lofts

SELECTED MARKET AREAS	LOFT			
	Median Sale Price		Median Price per Sq. Ft.	
	1st Q 06	1st Q 07	1st Q 06	1st Q 07
Chelsea/Flatiron	\$1,470,000	\$1,665,250	\$1,055	\$1,245
Greenwich/East/West Village	\$800,000	\$1,400,000	\$1,012	\$1,028
Noho/Soho	\$1,912,500	\$2,100,000	\$1,259	\$1,054
Tribeca	\$1,872,500	\$1,956,500	\$1,092	\$1,094

INVENTORY REPORT

Number of New Listings

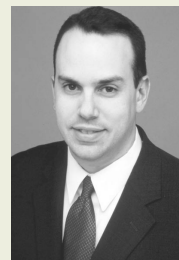
EAST SIDE	1st Q 06	4thQ 06	1st Q 07	12-month Change
Studio	98	103	123	26%
One-Bedroom	311	432	337	8%
Two-Bedroom	278	321	320	15%
Three-Bedroom	103	123	166	61%
Four-Bedroom & Larger	57	46	73	28%

WEST SIDE	1st Q 06	4thQ 06	1st Q 07	12-month Change
Studio	89	63	94	6%
One-Bedroom	270	269	323	20%
Two-Bedroom	222	225	315	42%
Three-Bedroom	92	115	152	65%
Four-Bedroom & Larger	43	59	64	49%

DOWNTOWN	1st Q 06	4thQ 06	1st Q 07	12-month Change
Studio	123	200	247	101%
One-Bedroom	377	432	566	50%
Two-Bedroom	254	272	543	114%
Three-Bedroom	111	171	186	68%
Four-Bedroom & Larger	26	25	24	-8%
Lofts	360	239	280	-22%

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. This report is based on 2,657 sales.

Gregory Heym is the Chief Economist for Halstead Property, LLC, and serves on New York City's Economic Advisory Panel. For the past 12 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. His academic background includes a B.S. in Economics from St. John's University and an M.B.A. from Hofstra University.



PREPARED BY

Gregory Heym

CHIEF ECONOMIST, Halstead Property, LLC



The number of apartments placed on the East Side market was 20% higher than during the first quarter of 2006, led by a 61% rise in three-bedrooms.



On the West Side, the number of new listings rose 32% from a year ago. The sizable gain for larger apartments was almost entirely due to units in new developments. If new developments were removed from these numbers, two-bedrooms would have added only 4 more units, three-bedrooms only 13 and four-bedroom and larger apartments would have decreased by 10.



New developments helped push the number of new listings Downtown 76% higher than a year ago. The Visionaire in Battery Park City, which added over 200 apartments to this market, was the biggest development to hit this market in the first quarter. New loft listings fell 22% from the first quarter of 2006.

**East Side**

1356 Third Avenue
New York, NY 10021
212.734.0010

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

Harlem

175 Lenox Avenue
New York, NY 10026
212.381.2203

Brooklyn Heights

150 Montague Street
Brooklyn, NY 11201
718.613.2000

Cobble Hill

162 Court Street
Brooklyn, NY 11201
718.613.2020

Riverdale

3531 Johnson Avenue
Riverdale, NY 10463
718.878.1700

Hudson Valley

315 Warren Street
Hudson, NY 12534
518.828.0181

Development Marketing

831 Broadway
New York, NY 10003
212.381.4203

Relocation

770 Lexington Avenue
New York, NY 10021
212.381.6521

Visit halstead.com for access to all of our reports, listings, neighborhood information and more.