

SECOND QUARTER 2006

QUARTERLY  
MARKET  
REPORT



The median price for Manhattan apartments reached a new high of \$755,000 during the second quarter, as demand remained strong. Increased sales of smaller apartments in new developments brought the average price down 5% from 2005's second quarter, to \$1,212,453. As the average size of sold apartments falls, it is natural that the average price will fall as well. The median price is not as affected by this trend, since it is measuring the middle point of the market.



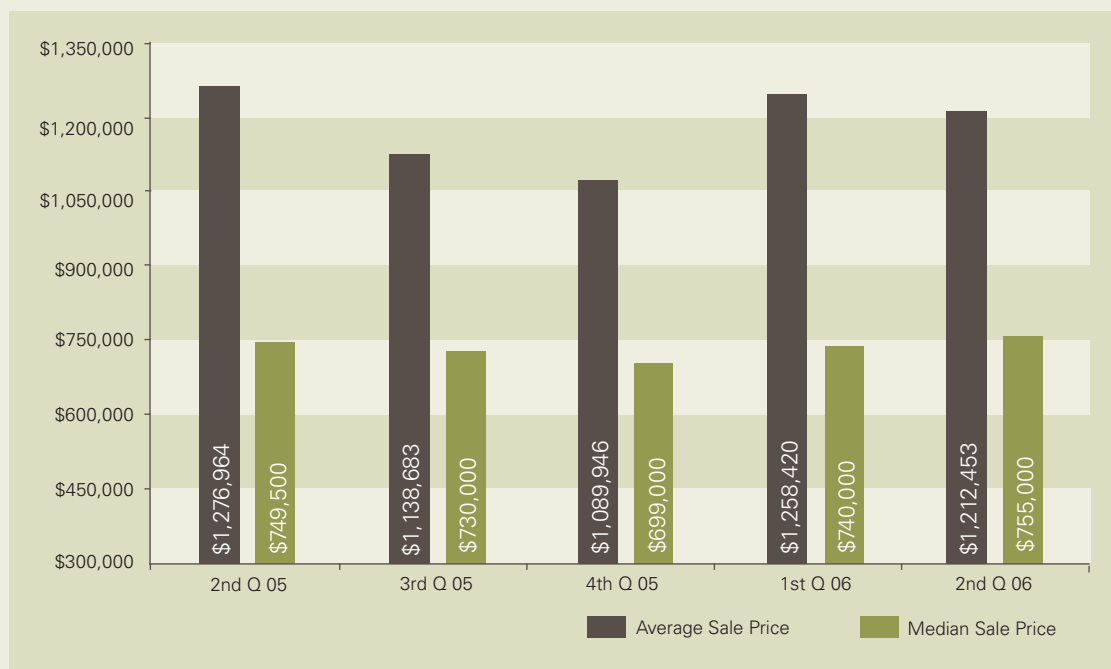
Cooperative apartment prices averaged \$1,257,571 in the second quarter, a new record and 7% higher than a year ago. Leading this market were two-bedroom co-ops, whose average price of \$1,562,758 was 23% higher than during the second quarter of 2005. Also posting sharp gains were studio and one-bedroom co-op apartments, whose average price rose 14% and 11% respectively during this time.



While the average price for condominiums fell sharply from a year ago to \$1,171,972, this is primarily due to a shift in the type of units selling. During the second quarter there was a glut of closings of small apartments in new developments, many of which were located outside of the more established condo markets. This is in contrast to the past year, when a higher percentage of condo closings occurred in luxury buildings.

## AVERAGE AND MEDIAN SALE PRICE

### All Apartments



## AVERAGE SALE PRICE

### Cooperatives

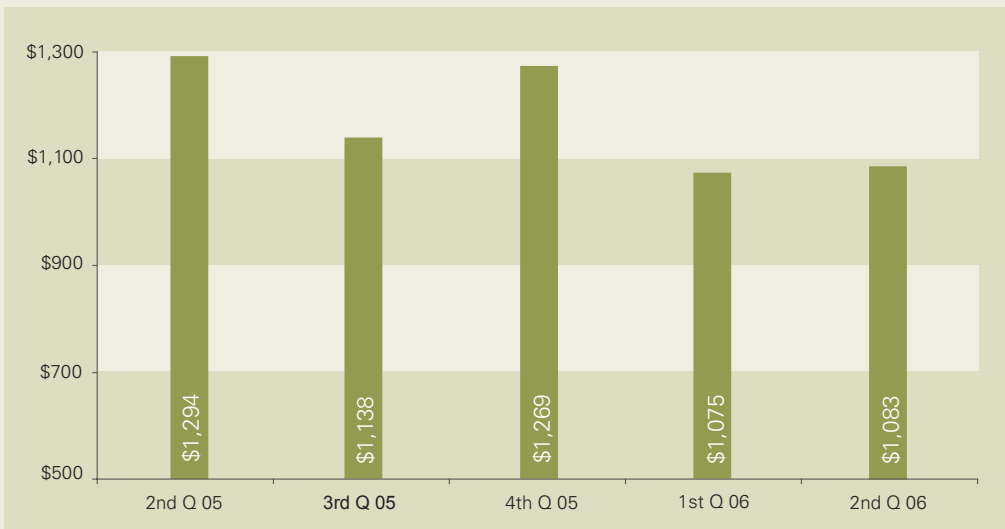
	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
2nd Quarter 06	\$361,176	\$622,165	\$1,562,758	\$3,024,527	\$5,875,424	\$1,257,571
1st Quarter 06	\$353,137	\$622,519	\$1,363,909	\$3,098,147	\$5,885,127	\$1,159,130
4th Quarter 05	\$340,981	\$578,350	\$1,261,933	\$2,309,711	\$3,889,000	\$921,791
3rd 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

### Condominiums

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
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
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

## AVERAGE PRICE PER SQUARE FOOT

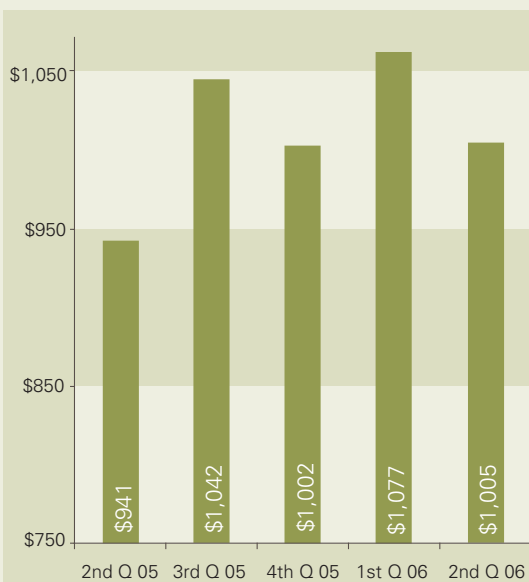
### New Construction and Conversions



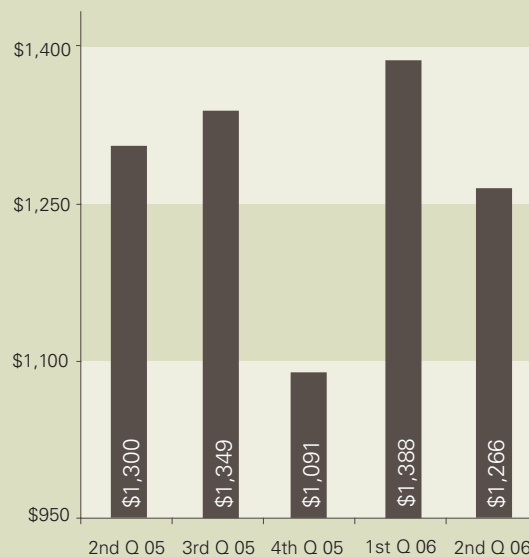
Includes apartments added to the market since the beginning of 2004.



### Lofts



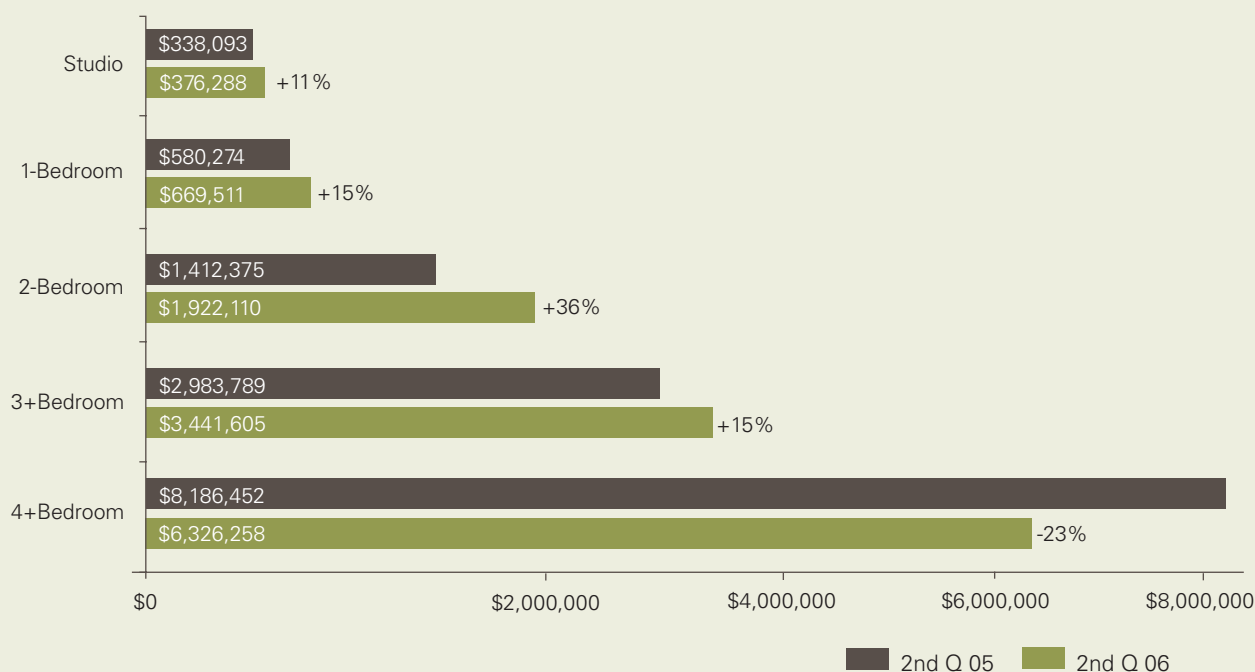
### Townhouses



The average price per square foot for loft apartments of \$1,005 was 7% higher than during the second quarter of 2005. At \$1,266, the average price per square foot for townhouses was 3% lower than a year ago.

Two-bedroom apartment prices averaged \$1,922,110 on the East Side in the second quarter, 36% higher than 2005's comparable period. This was the highest increase of any size category. Over the past year, the median price for units located between Fifth and Lexington Avenues rose 29% for sales between 59th and 79th Streets, and 28% for sales between 80th and 96th Streets. The 13% decline in median price for sales in the Midtown East market is due mainly to the fact that many closings at One Beacon Court occurred a year ago, which inflated 2005's second quarter figures.

### AVERAGE SALE PRICE



### MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06
Fifth Ave., 59th-96th St.	\$2,995,000	\$3,325,000	\$535,714	\$500,000	*	*
Park Ave., 59th-96th St.	\$2,750,000	\$3,150,000	\$408,333	\$456,250	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,550,000	\$1,995,000	\$291,667	\$379,500	*	*
80th-96th St.	\$999,000	\$1,275,000	\$220,000	\$242,857	*	*
Lexington Ave. to the East River, 59th-79th St.	\$720,000	\$699,000	\$176,635	\$185,714	\$1,024	\$1,126
80th-96th St.	\$599,000	\$720,000	\$142,119	\$166,000	\$822	\$954
Midtown East, 34th-58th St. **	\$789,000	\$685,000	\$166,458	\$180,625	\$1,007	\$997

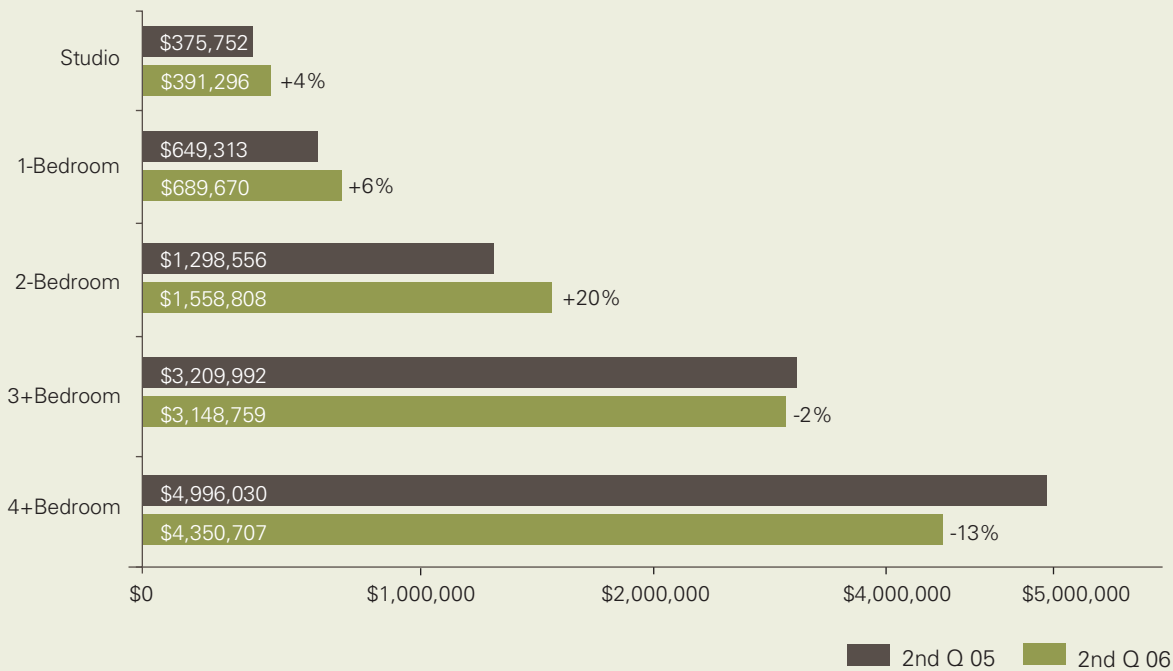
\*There were not enough sales for a valid comparison.

\*\* Not included in overall East Side data.

# WEST SIDE

On the West Side, the average price for a two-bedroom apartment reached \$1,558,808, a 20% increase over 2005's second quarter. There was a decline in the number of luxury condo sales in this market from a year ago, which helped bring down the average price in the three- and four-bedroom and larger categories. In the second quarter of 2005, we noted a dramatic increase in sales of larger units on West End Avenue which had driven up the median price. This was essentially a one quarter aberration, and prices have subsequently retreated from these levels over the past year.

## AVERAGE SALE PRICE



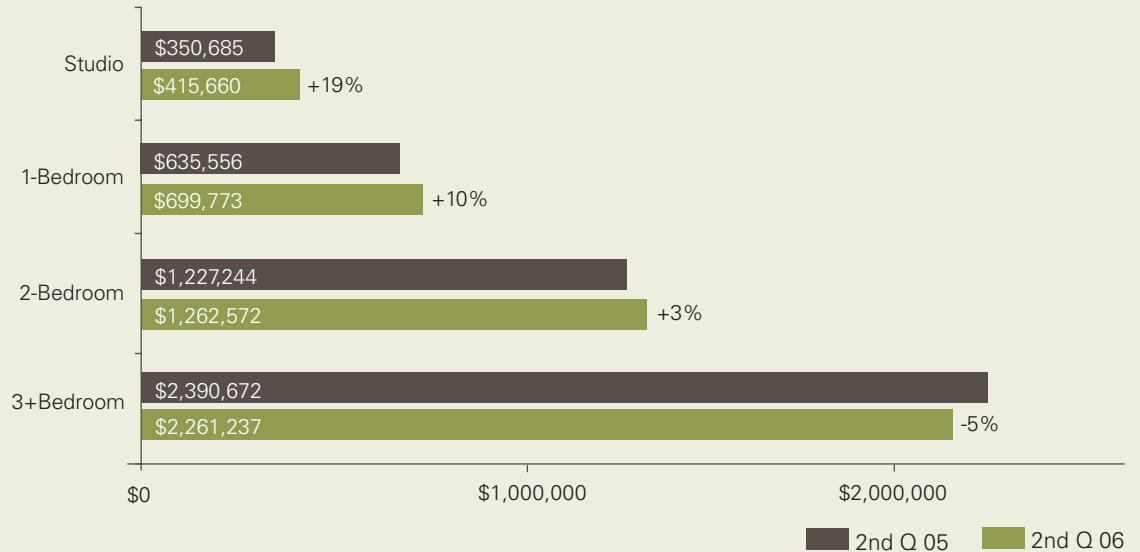
## MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06
Central Park West, 59th-110th St.	\$1,325,000	\$1,460,000	\$399,615	\$378,571	\$877	\$1,214
Riverside Drive/Boulevard, 59th-116th St.	\$1,002,000	\$1,140,000	\$207,411	\$223,143	\$1,196	\$1,142
West End Ave., 59th-105th St.	\$918,000	\$719,000	\$208,712	\$202,250	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$799,000	\$900,000	\$210,333	\$218,667	\$1,903	\$1,107
Columbus Ave. to East of WEA, 59th-86th St.	\$785,000	\$725,000	\$177,500	\$188,333	\$1,039	\$1,155
87th-110th St.	\$688,034	\$830,000	\$164,375	\$161,667	\$981	\$1,008
Between Riverside Drive and WEA, 59th-110th St.	\$599,000	\$672,000	\$147,714	\$175,233	*	*

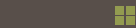
\*There were not enough sales for a valid comparison.

Studio apartments Downtown sold for an average price of \$415,660 in the second quarter, a 19% improvement over a year ago. Also showing strength were one-bedrooms, whose average price of \$699,773 was 10% higher than during 2005's second quarter. The fastest growing Downtown area over the past year was the West Village, as the median price for units there rose 26% to \$654,500.

## AVERAGE SALE PRICE



## MEDIAN PRICE



Loft apartments in the Greenwich, East and West Village areas sold for a median of \$1,024,500 during the second quarter, 21% higher than a year ago. In the Tribeca and Chelsea/Flatiron markets, the median price per square foot rose 17% and 15% respectively from 2005's second quarter despite a decline in the median price. Although the units sold were smaller than a year ago, they still fetched higher per square foot prices.

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06
Chelsea/Flatiron	\$728,000	\$799,500	\$204,000	\$208,571	\$877	\$1,030
Gramercy Park	\$509,500	\$554,500	\$167,750	\$178,500	*	*
Greenwich/East Village	\$707,000	\$825,000	\$204,018	\$228,857	\$1,017	\$1,060
West Village	\$520,000	\$654,500	\$186,000	\$209,667	\$1,358	\$1,141
Battery Park City	\$525,000	\$569,000	*	*	\$714	\$767

\*There were not enough sales for a valid comparison.

## Lofts

SELECTED MARKET AREAS	LOFT			
	Median Sale Price		Median Price per Sq. Ft.	
	2nd Q 05	2nd Q 06	2nd Q 05	2nd Q 06
Chelsea/Flatiron	\$1,660,000	\$1,350,000	\$907	\$1,042
Greenwich/East/West Village	\$849,500	\$1,024,500	\$998	\$1,036
Noho/Soho	\$1,895,000	\$1,945,000	\$1,027	\$996
Tribeca	\$1,925,778	\$1,800,000	\$930	\$1,088

## INVENTORY REPORT

### Number of New Listings

EAST SIDE	2nd Q 05	1st Q 06	2nd Q 06	12-month Change
Studio	105	91	88	-16%
One-Bedroom	384	311	306	-20%
Two-Bedroom	354	325	276	-22%
Three-Bedroom	193	132	147	-24%
Four-Bedroom & Larger	69	46	69	0%

WEST SIDE	2nd Q 05	1st Q 06	2nd Q 06	12-month Change
Studio	132	81	120	-9%
One-Bedroom	361	285	359	-1%
Two-Bedroom	314	252	337	7%
Three-Bedroom	113	72	119	5%
Four-Bedroom & Larger	36	32	49	36%

DOWNTOWN	2nd Q 05	1st Q 06	2nd Q 06	12-month Change
Studio	196	164	158	-19%
One-Bedroom	442	397	434	-2%
Two-Bedroom	341	276	356	4%
Three-Bedroom	134	84	118	-12%
Four-Bedroom & Larger	23	21	29	26%
Lofts	570	323	382	-33%

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 2,655 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.



PREPARED BY

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New listings on the East Side fell 20% from 2005's second quarter, led by a 24% decline in three-bedroom apartments listed. Except for the four-bedroom and larger category, which was unchanged, all other sizes of apartments added fewer listings than a year ago.



There were 3% more apartments added to the West Side market than during the second quarter of 2005. A 36% jump in four-bedroom and larger listings was the largest increase for any size category during this time.



Sharp drops in the number of studio and three-bedroom apartments entering the Downtown market helped bring down the number of new listings there 4% from 2005's second quarter. The only significant rise was seen in the four-bedroom and larger category, which rose 26%. New loft listings fell 33% to 382 from the second quarter of 2005.

**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) 381-2570

**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**

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