

SECOND QUARTER 2007

QUARTERLY
MARKET
REPORT



The average sale price for Manhattan apartments set a new record in the second quarter, reaching \$1,300,212. This figure was 7% higher than a year ago. The median price also reached a new high, and at \$840,000 was up 11% from the second quarter of 2006. Demand for apartments has surged over the past few months, indicated in the 31% increase in the number of closed deals in the second quarter of 2007 from a year ago. At the same time, the supply of available apartments has fallen, which has led to sharp increases in prices.



At \$1,132,726, the average sale price for co-ops was down 10% from the second quarter of 2006. Part of this decrease is due to an 8% decline in the average size of co-ops sold during this time. One segment showing particular strength were four-bedrooms and larger co-ops, whose average price of \$7,016,240 was 19% higher than a year ago.



Condo prices averaged \$1,498,273 in the second quarter, 28% higher than a year ago and setting a new record. All sizes of condos posted higher average prices than a year ago led by studios, whose average price of \$574,197 was 26% above the second quarter of 2006.

AVERAGE AND MEDIAN SALE PRICE

All Apartments



AVERAGE SALE PRICE

Cooperatives

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
2nd Quarter 07	\$379,071	\$659,421	\$1,486,539	\$2,892,474	\$7,016,240	\$1,132,726
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

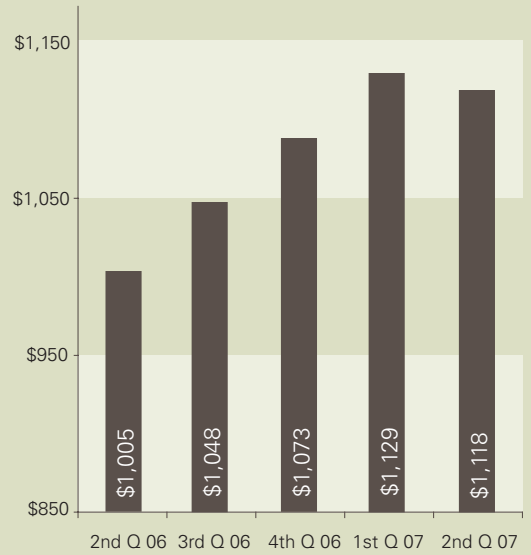
Condominiums

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
2nd Quarter 07	\$574,197	\$918,278	\$1,733,920	\$3,139,239	\$6,164,238	\$1,498,273
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

AVERAGE PRICE PER SQUARE FOOT

New Construction and Conversions*

Lofts

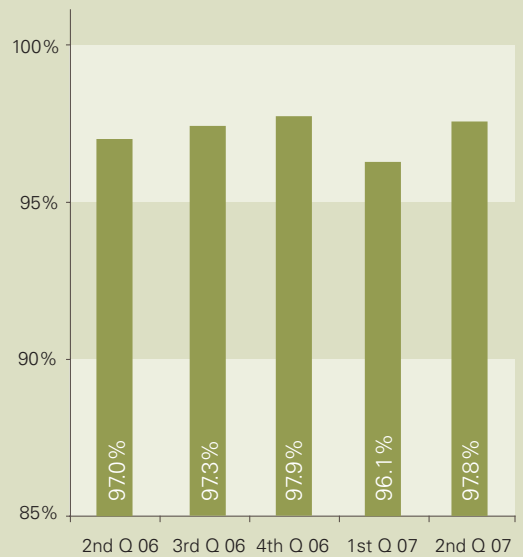
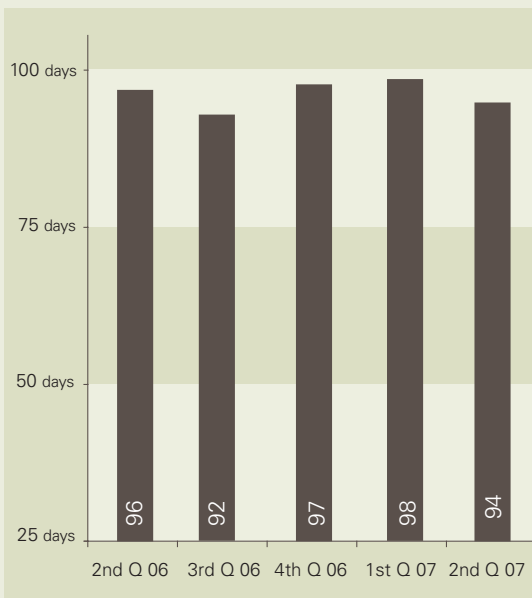


*Includes apartments added to the market since the beginning of 2005.

Prices averaged \$1,216 per square foot in new developments during the second quarter, an increase of 12% from a year ago. The average price per square foot for loft apartments of \$1,118 was 11% higher than during 2006's second quarter.

TIME ON THE MARKET*

ASKING VS. SELLING PRICE*



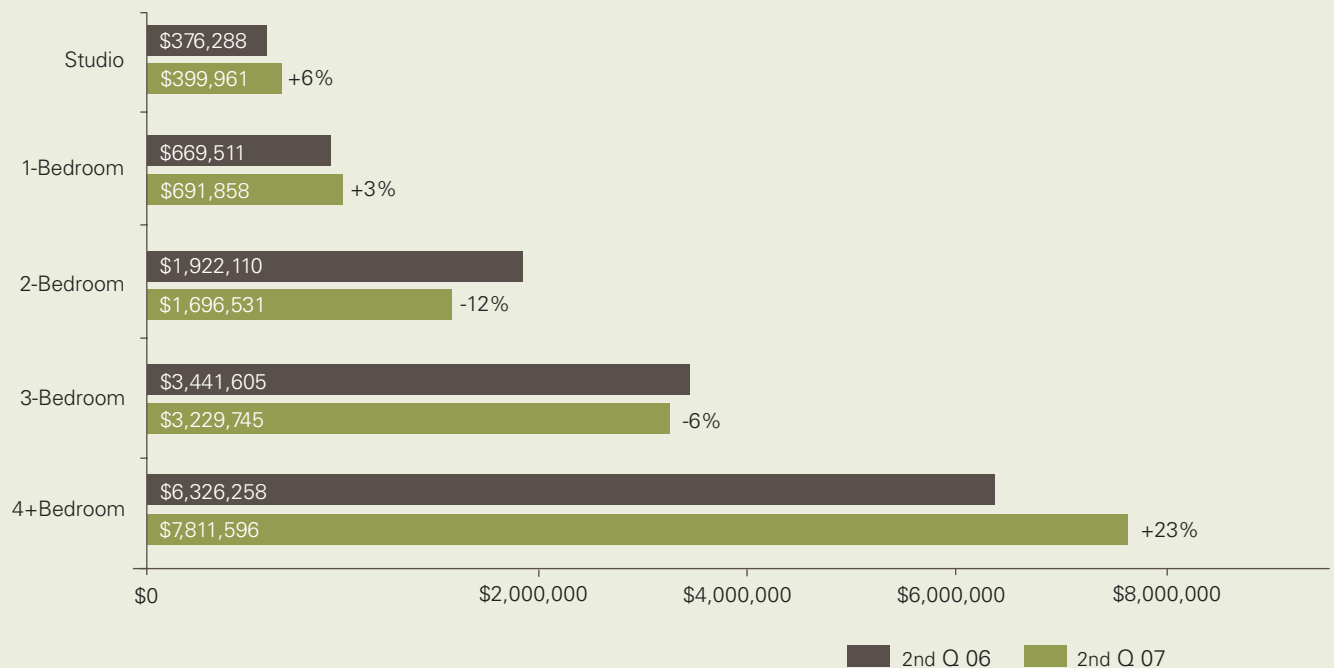
*Excludes new developments and units listed over nine months.

*Excludes new developments.

Apartments spent an average of 94 days on the market, 2% less time than during the second quarter of 2006. Sellers received 97.8% of the asking price for apartments, up from 97.0% a year ago.

The average price rose 23% over the past year for four-bedroom and larger apartments on the East Side, the highest increase of any size category. Declines were seen in the average price for two-bedroom units, down 12%, and three-bedrooms, which were down 6%. The steep decline in the median price of apartments located between Fifth and Lexington Avenue, from 59th to 79th Street, was due primarily to a 22% decline in the size of apartments sold 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.	
	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07
Fifth Ave., 59th-96th St.	\$3,325,000	\$2,950,000	\$500,000	\$522,222	*	*
Park Ave., 59th-96th St.	\$3,150,000	\$3,005,000	\$456,250	\$469,444	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,995,000	\$1,359,000	\$379,500	\$278,750	*	*
80th-96th St.	\$1,275,000	\$1,482,500	\$242,857	\$322,222	*	*
Lexington Ave. to the East River, 59th-79th St.	\$699,000	\$699,500	\$185,714	\$193,875	\$1,126	\$1,163
80th-96th St.	\$720,000	\$717,500	\$166,000	\$169,417	\$954	\$1,020
Midtown East, 34th-58th St. **	\$685,000	\$710,000	\$180,625	\$184,750	\$997	\$1,064

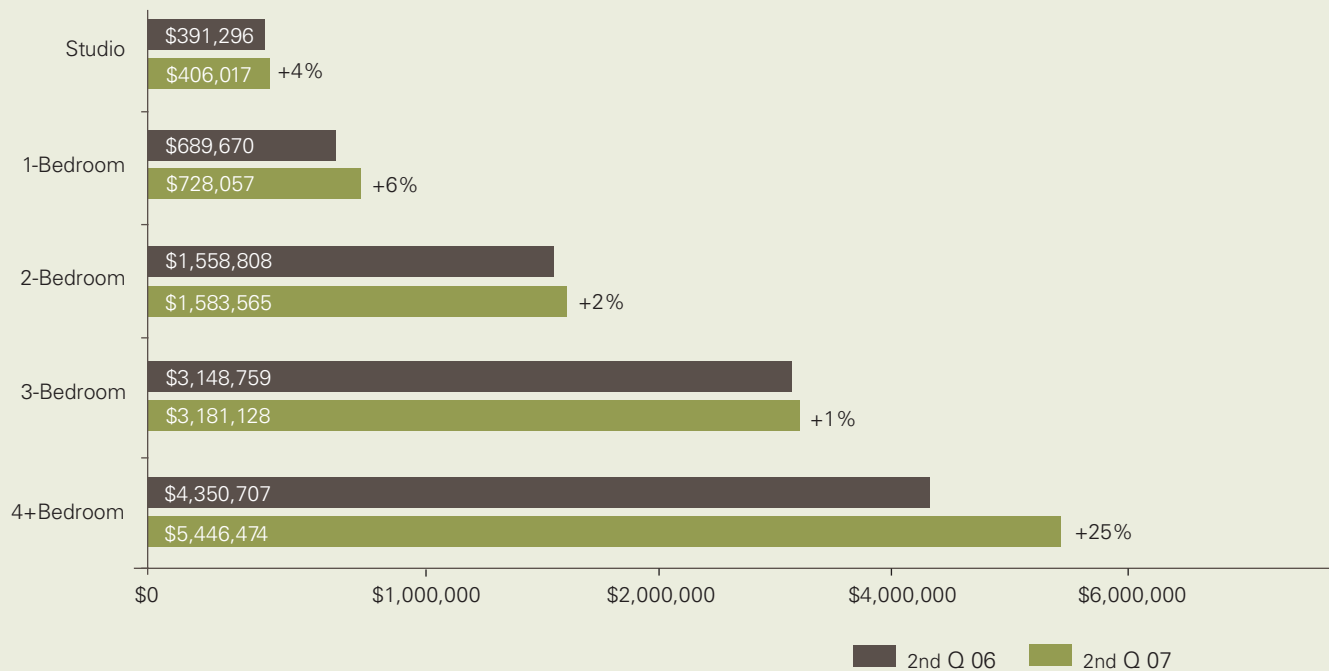
*There were not enough sales for a valid comparison.

** Not included in overall East Side data.

WEST SIDE

Four-bedroom and larger apartment prices averaged \$5,446,474 on the West Side in the second quarter, 25% higher than a year ago. The average price for all other size categories also rose during this time. Prices for apartments on Central Park West were particularly strong during the second quarter, as the median price for these apartments of \$2,575,000 was 29% 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.	
	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07
Central Park West, 59th-96th Street	\$2,000,000	\$2,575,000	\$393,036	\$550,000	*	*
Riverside Drive/Boulevard, 59th-116th St.	\$1,140,000	\$937,000	\$223,143	\$251,222	\$1,142	\$1,093
West End Ave., 59th-105th St.	\$719,000	\$700,000	\$202,250	\$193,708	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$900,000	\$860,000	\$218,667	\$221,889	\$1,107	\$1,242
Columbus Ave. to East of WEA, 59th-86th St.	\$725,000	\$944,000	\$188,333	\$195,833	\$1,155	\$1,374
87th-110th St.	\$830,000	\$700,000	\$161,667	\$191,500	\$1,008	\$963
Between Riverside Drive and WEA, 59th-110th St.	\$672,000	\$750,000	\$175,233	\$193,095	*	*

*There were not enough sales for a valid comparison.

Double-digit gains were posted in the average price for all apartment sizes in the Downtown market during the second quarter. The three-bedroom and larger category led the way, posting a 36% jump in average price during this time.

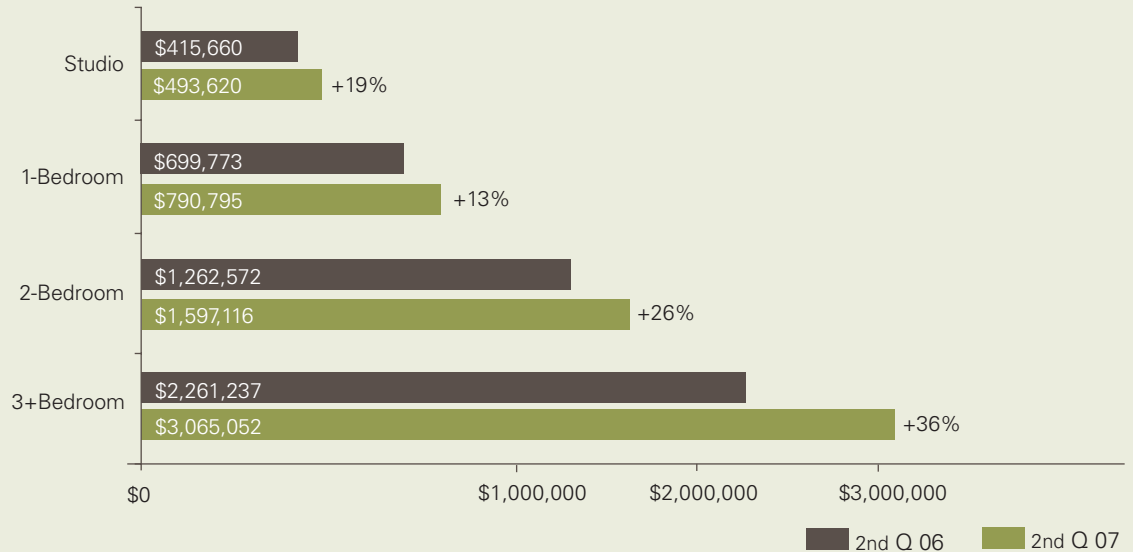


A substantial number of closings at 30 West Street, a new luxury development, were the main reason for the 153% jump in the median sale price in Battery Park City over the past year. Removing these sales from this statistic would have left this figure virtually unchanged from a year ago.



The median price per square foot for lofts was up 18% over the past year in the Chelsea/Flatiron market, and rose 12% in Tribeca.

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 06	2nd Q 07	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07
Chelsea/Flatiron	\$799,500	\$725,250	\$208,571	\$199,800	\$1,030	\$1,172
Gramercy Park	\$554,500	\$651,000	\$178,500	\$200,000	*	*
Greenwich/East Village	\$825,000	\$659,450	\$228,857	\$238,057	\$1,060	\$1,090
West Village	\$654,500	\$685,000	\$209,667	\$215,500	\$1,141	\$1,344
Battery Park City	\$569,000	\$1,438,000	*	*	\$767	\$1,063

*There were not enough sales for a valid comparison.

Lofts

SELECTED MARKET AREAS	LOFT			
	Median Sale Price		Median Price per Sq. Ft.	
	2nd Q 06	2nd Q 07	2nd Q 06	2nd Q 07
Chelsea/Flatiron	\$1,350,000	\$1,530,000	\$1,042	\$1,233
Greenwich/East/West Village	\$1,024,500	\$745,000	\$1,036	\$1,037
Noho/Soho	\$1,945,000	\$1,800,000	\$996	\$1,083
Tribeca	\$1,800,000	\$2,650,000	\$1,088	\$1,222

INVENTORY REPORT

Number of New Listings

EAST SIDE	2nd Q 06	1st Q 07	2nd Q 07	12-month Change
Studio	88	123	106	20%
One-Bedroom	306	337	317	4%
Two-Bedroom	276	320	277	0%
Three-Bedroom	147	166	142	-3%
Four-Bedroom & Larger	69	73	86	25%

WEST SIDE	2nd Q 06	1st Q 07	2nd Q 07	12-month Change
Studio	120	94	100	-17%
One-Bedroom	359	323	308	-14%
Two-Bedroom	337	315	285	-15%
Three-Bedroom	119	152	119	0%
Four-Bedroom & Larger	49	64	37	-24%

DOWNTOWN	2nd Q 06	1st Q 07	2nd Q 07	12-month Change
Studio	158	247	320	103%
One-Bedroom	434	566	687	58%
Two-Bedroom	356	543	543	53%
Three-Bedroom	118	186	144	22%
Four-Bedroom & Larger	29	24	20	-31%
Lofts	382	280	249	-35%

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 3,469 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

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The number of listings placed on the East Side market rose 5% from the second quarter of 2006, led by a 25% jump in four-bedroom and larger listings. Three-bedrooms were the only category to add fewer listings than a year ago in this market.



Except for three-bedrooms, which were unchanged, all other size categories in the West Side market added fewer listings than the second quarter of 2006. Overall, 14% fewer apartments were placed on the West Side market than a year ago. The biggest decline was for four-bedroom and larger apartments, whose new listings were down 24% during this time.



New developments, particularly 75 Wall Street and 101 West 24th Street, helped bring new listings up 57% from a year ago in the Downtown market. The biggest jump was in studios, whose new listings doubled from the second quarter of 2006.

**East Side**

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New York, NY 10075
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 10065
212.317.7800

Harlem

175 Lenox Avenue
New York, NY 10026
212.381.2203

Brooklyn Heights

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Brooklyn, NY 11201
718.613.2000

Cobble Hill

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Riverdale

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Hudson Valley

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