

THIRD QUARTER 2006

QUARTERLY  
MARKET  
REPORT



At \$1,087,982, the average price for a Manhattan apartment was 4% lower than during the third quarter of 2005. This was caused in part by a 3% decline in the average size of apartments sold. The median price, which represents the middle of the market, rose slightly during this time, up 1% to \$733,900. Demand for apartments remains strong as job growth continues in the City, and interest rates remain low.



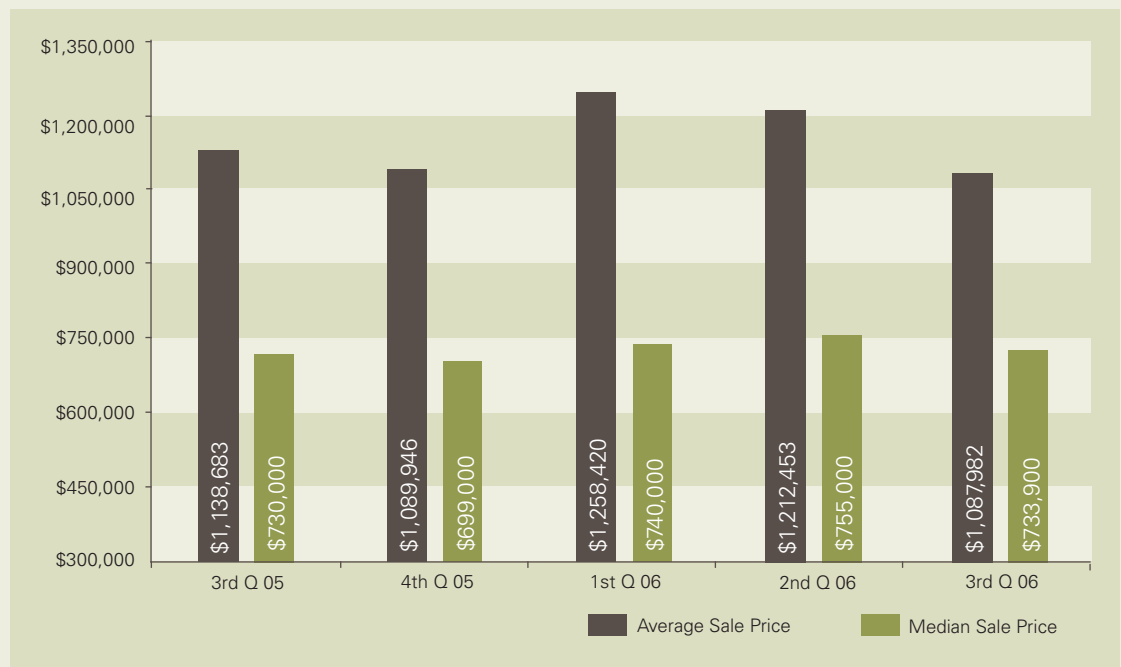
The average co-op price of \$1,003,945 was down 4% from a year ago, as prices declined for larger apartments. The average price fell 11% from a year ago for four-bedroom and larger co-ops, and 2% for both two- and three-bedroom units. Smaller units fared better, as the average price rose 6% for one-bedroom and 2% for studio co-ops over the past year.



Condo prices averaged \$1,196,931 in the third quarter, 6% less than a year ago. Looking at the average price in each size category, we see an increase of 22% for four-bedroom and larger condos, 5% for one-bedrooms and 4% for studios from a year ago. This provides evidence that the decline in the overall average price is not strictly an indication of softness in this market, but a reflection of the fact that the average condo sold was smaller than a year ago.

## AVERAGE AND MEDIAN SALE PRICE

### All Apartments



## AVERAGE SALE PRICE

### Cooperatives

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

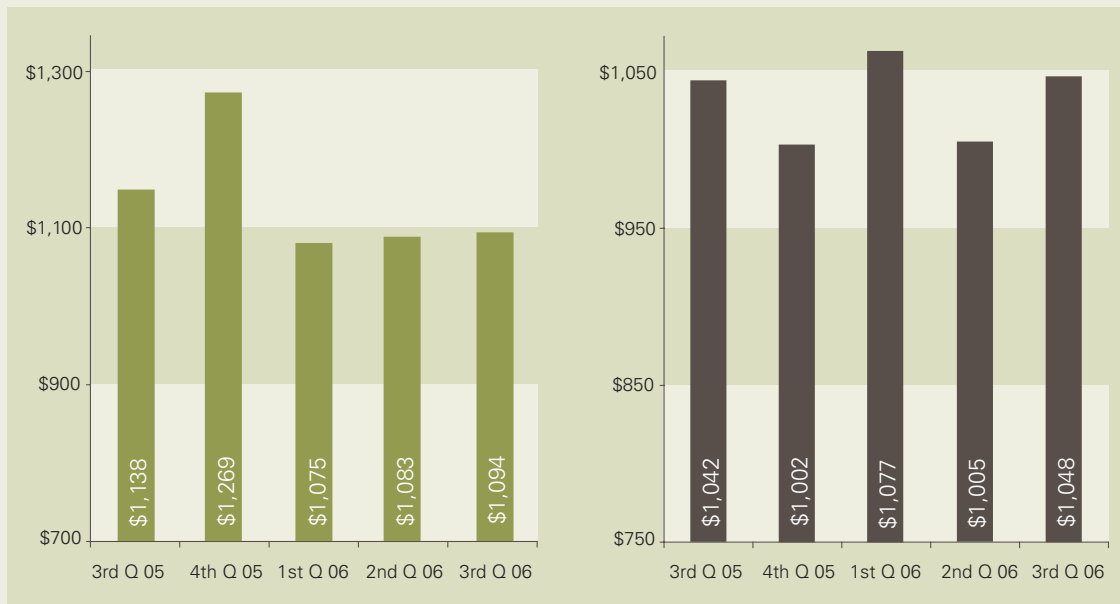
### Condominiums

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

## AVERAGE PRICE PER SQUARE FOOT

### New Construction and Conversions\*

### Lofts

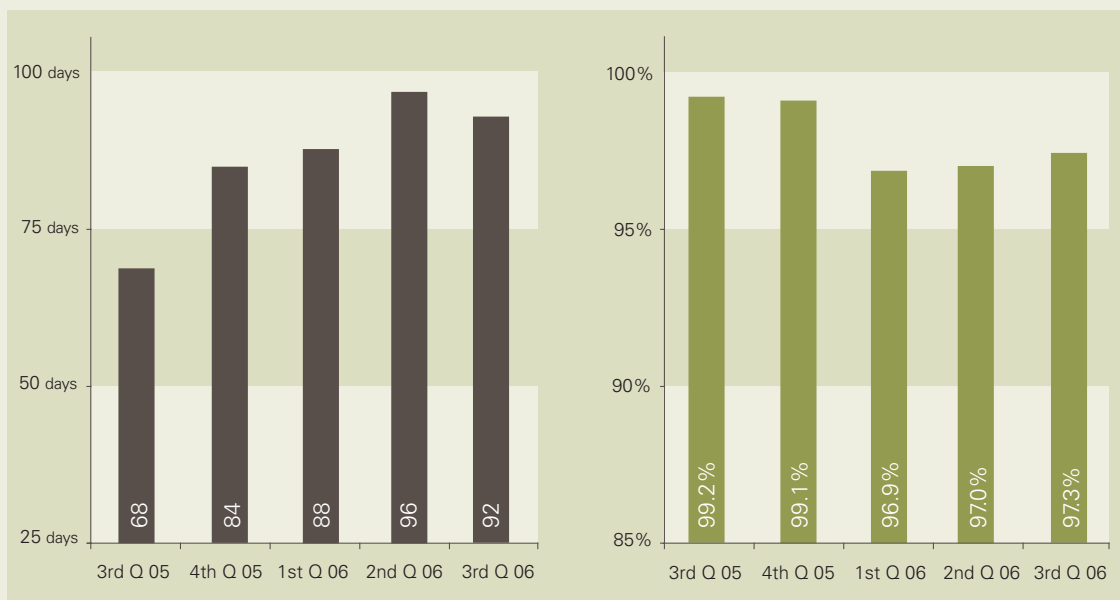


\*Includes apartments added to the market since the beginning of 2004.

Apartments in new developments sold for an average of \$1,094 per square foot in the third quarter, down 4% from a year ago. Loft prices averaged \$1,048 per square foot, up 1% from the third quarter of 2005.

### TIME ON THE MARKET\*

### ASKING VS. SELLING PRICE\*



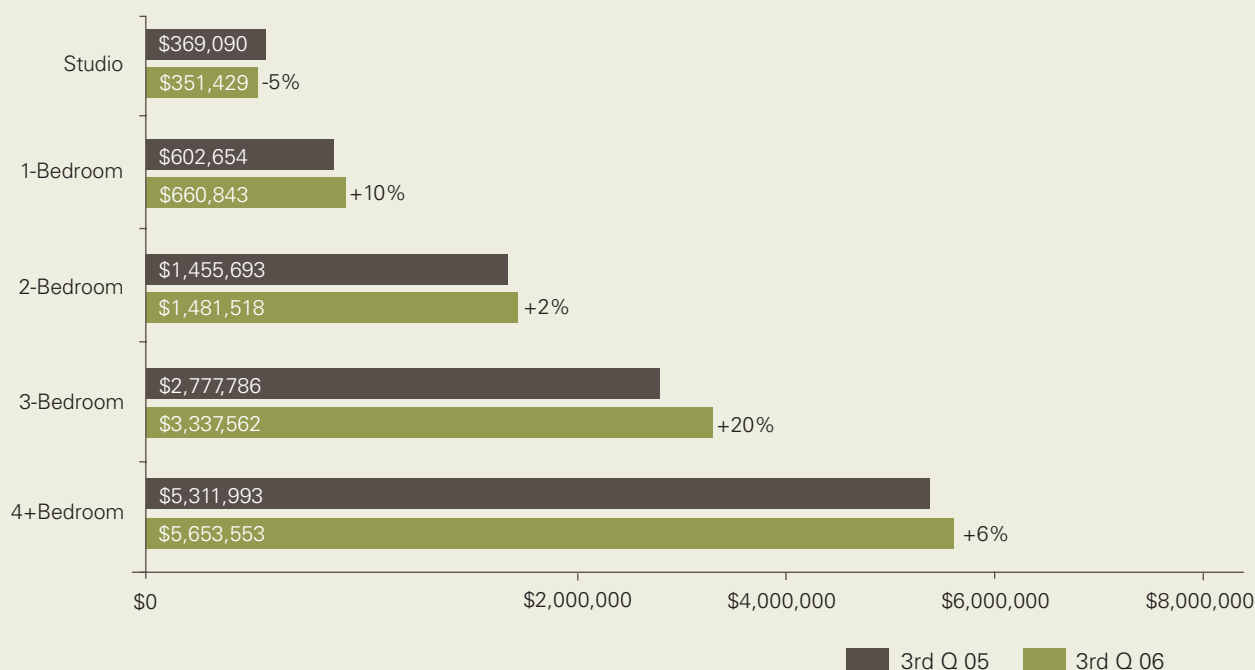
\*Excludes new developments and units listed over nine months.

\*Excludes new developments.

Apartments spent an average of 92 days on the market last quarter, up 35% from a year ago. Sellers received 97.3% of the asking price for their apartments, down from 99.2% a year ago. It is important to note that while both these indicators have worsened over the past year, that they are still at historically strong levels.

Prices rose steadily in most segments of the East Side market over the past year, led by a 20% increase in the average price of three-bedroom units to \$3,337,562. One-bedrooms were also strong, as their average price of \$660,843 surpassed 2005's third quarter by 10%. Apartments on Fifth Avenue showed particular strength, as their median price of \$3,350,000 was 34% 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.	
	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06
Fifth Ave., 59th-96th St.	\$2,495,000	\$3,350,000	\$499,000	\$608,333	*	*
Park Ave., 59th-96th St.	\$3,322,500	\$3,245,000	\$449,900	\$502,778	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,552,500	\$1,770,000	\$332,273	\$330,000	*	*
80th-96th St.	\$1,395,000	\$1,450,000	\$245,455	\$281,429	*	*
Lexington Ave. to the East River, 59th-79th St.	\$699,000	\$750,000	\$179,500	\$186,000	\$1,131	\$1,137
80th-96th St.	\$650,000	\$654,750	\$158,333	\$156,458	\$892	\$963
Midtown East, 34th-58th St. **	\$680,000	\$750,000	\$170,792	\$182,111	\$1,025	\$1,052

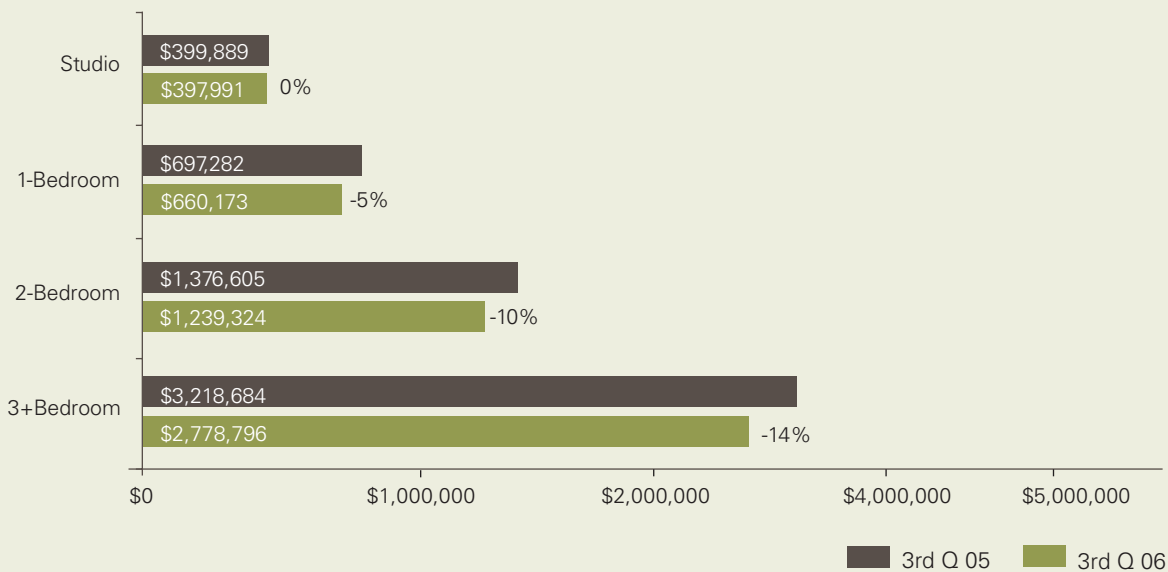
\*There were not enough sales for a valid comparison.

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

# WEST SIDE

West Side prices were generally lower than a year ago, led by a lack of high-end activity. This is reflected in the 14% decline in the average price for three-bedroom and larger apartments during this time. This is also reflected in declines in the median price from a year ago in most of the West Side submarkets. While co-op prices were mostly down during this time, condos did post some increases, including a 12% rise in median price per square foot in the area between Central Park West and Columbus Avenue, from 59th to 110th Street.

## AVERAGE SALE PRICE



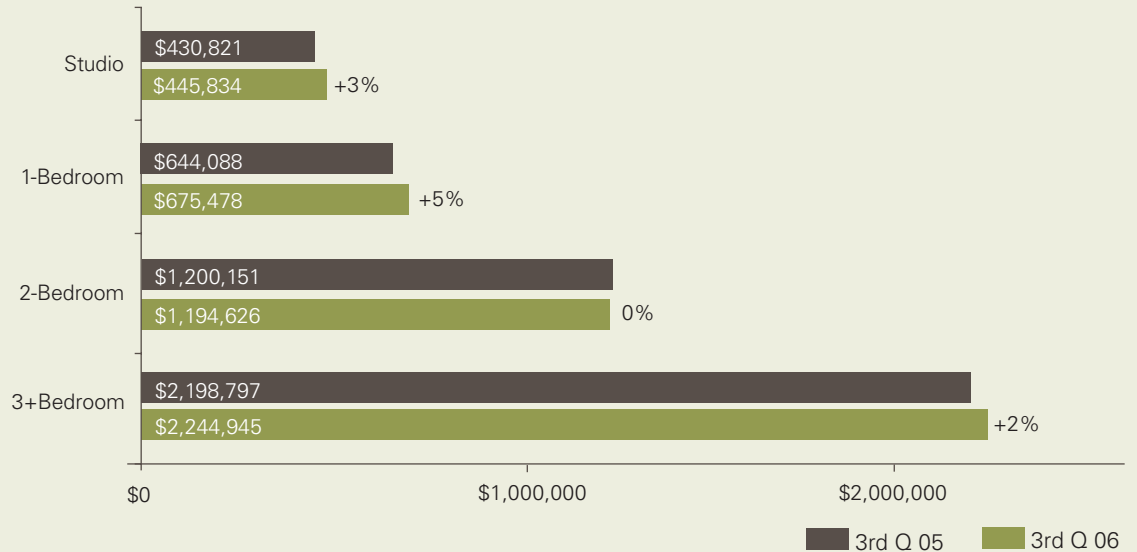
## MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06
Riverside Drive/Boulevard, 59th-116th St.	\$995,500	\$883,450	\$213,250	\$203,232	\$1,078	\$1,070
West End Ave., 59th-105th St.	\$775,000	\$580,000	\$198,889	\$174,714	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$714,500	\$730,250	\$217,476	\$216,667	\$921	\$1,033
Columbus Ave. to East of WEA, 59th-86th St.	\$850,000	\$695,000	\$193,667	\$184,524	\$1,122	\$1,128
87th-110th St.	\$812,500	\$715,000	\$178,278	\$168,658	\$996	\$1,007
Between Riverside Drive and WEA, 59th-110th St.	\$699,000	\$720,000	\$181,443	\$196,667	*	*

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

Except for two-bedrooms, which were virtually unchanged, the average price rose for all sizes of apartments in the Downtown market from the third quarter of 2005. This was led by a 5% rise in the one-bedroom average price to \$675,478. Showing particular strength during this time was the West Village, whose median price rose 18% to \$662,500. Also rising sharply were condos in the Greenwich/East Village market, as their median price per square foot of \$1,234 was 24% higher than 2005's third quarter.

## AVERAGE SALE PRICE



## MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06
Chelsea/Flatiron	\$747,000	\$736,718	\$199,125	\$201,167	\$1,069	\$1,114
Gramercy Park	\$562,000	\$575,000	\$174,375	\$182,500	*	*
Greenwich/East Village	\$649,000	\$715,000	\$200,000	\$216,667	\$993	\$1,234
West Village	\$560,000	\$662,500	\$196,417	\$185,625	\$1,304	\$1,293
Battery Park City	\$579,000	\$523,000	*	*	\$730	\$726

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

While the median loft price fell in the Chelsea/Flatiron and Noho/Soho markets from a year ago, so did the size of the lofts sold. On a per square basis, the median loft price was up 6% in Chelsea/Flatiron and 13% in Noho/Soho.

## Lofts

SELECTED MARKET AREAS	LOFT			
	Median Sale Price		Median Price per Sq. Ft.	
	3rd Q 05	3rd Q 06	3rd Q 05	3rd Q 06
Chelsea/Flatiron	\$1,772,500	\$1,647,237	\$1,059	\$1,127
Greenwich/East/West Village	\$899,000	\$975,000	\$997	\$1,011
Noho/Soho	\$1,912,000	\$1,681,000	\$972	\$1,094
Tribeca	\$2,093,706	\$2,300,000	\$1,036	\$895

## INVENTORY REPORT

### Number of New Listings

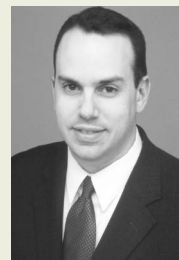
EAST SIDE	3rd Q 05	2nd Q 06	3rd Q 06	12-month Change
Studio	93	88	110	18%
One-Bedroom	322	306	290	-10%
Two-Bedroom	280	276	248	-11%
Three-Bedroom	120	147	106	-12%
Four-Bedroom & Larger	46	69	41	-11%

WEST SIDE	3rd Q 05	2nd Q 06	3rd Q 06	12-month Change
Studio	83	120	72	-13%
One-Bedroom	304	359	287	-6%
Two-Bedroom	231	337	265	15%
Three-Bedroom	87	119	97	11%
Four-Bedroom & Larger	33	49	35	6%

DOWNTOWN	3rd Q 05	2nd Q 06	3rd Q 06	12-month Change
Studio	179	158	176	-2%
One-Bedroom	476	434	363	-24%
Two-Bedroom	289	356	275	-5%
Three-Bedroom	80	118	99	24%
Four-Bedroom & Larger	15	29	23	53%
Lofts	632	382	290	-54%

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 2,413 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

**Gregory Heym**

CHIEF ECONOMIST, Halstead Property, LLC



The East Side added 8% fewer new listings than during the third quarter of 2005. An 18% jump in studios was offset by declines in every other size category.



There were 2% more apartments added to the West Side market than a year ago, led by a 15% rise in two-bedrooms. This increase was concentrated in larger apartments, as new listings fell 13% for studios and 6% from one-bedrooms from 2005's third quarter.



New listings Downtown fell 10% from a year ago, as a large increase in three-bedroom and larger listings entering the market was offset by a 24% decline in one-bedrooms. There were 290 loft apartments added to the market in the third quarter, 54% less than a year ago.

**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](http://halstead.com) for access to all of our reports, listings, neighborhood information and more.