



THIRD QUARTER 2007

QUARTERLY  
MARKET  
REPORT

Prices for Manhattan apartments continued to set records in the third quarter, fueled by high activity in new developments and a continued shortage of available apartments. The overall average price of \$1,319,370 was 26% higher than a year ago, and 8% higher than the prior record set in the second quarter of this year. The median price also set a new record, reaching \$815,000. Solid economic growth in the City during the first half of the year helped keep demand strong, as the number of sales rose 41% from the third quarter of 2006.



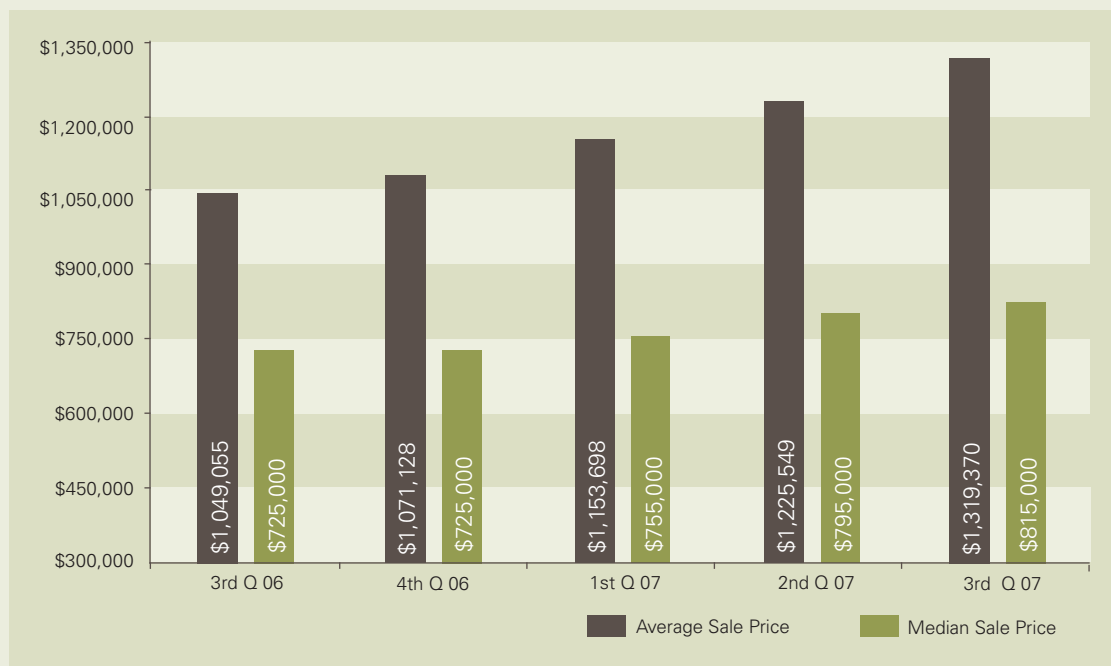
Co-op sales prices averaged \$1,055,753 during the third quarter, 10% higher than a year ago. Two-bedroom co-ops posted the biggest improvement over this time, as their average price rose 12% to \$1,284,901.



The average sales price for condos rose a staggering 38% over the past year, to a new record of \$1,606,219. This figure was inflated by a large number of closings at high-end new developments such as 15 Central Park West and The Plaza as well as a 14% increase in the average size of the apartments sold from 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 07	\$387,901	\$621,613	\$1,284,901	\$2,673,848	\$5,931,672	\$1,055,753
2nd Quarter 07	\$373,410	\$627,393	\$1,319,818	\$2,786,473	\$6,390,034	\$1,059,060
1st Quarter 07	\$365,231	\$589,580	\$1,220,435	\$2,830,476	\$6,963,885	\$996,558
4th Quarter 06	\$353,208	\$578,170	\$1,135,727	\$2,389,409	\$6,229,471	\$890,779
3rd Quarter 06	\$365,405	\$583,715	\$1,151,552	\$2,519,275	\$6,407,317	\$955,639

### Condominiums

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
3rd Quarter 07	\$571,771	\$924,492	\$1,611,105	\$3,102,457	\$7,232,735	\$1,606,219
2nd Quarter 07	\$562,182	\$886,277	\$1,627,830	\$2,769,561	\$6,744,122	\$1,429,750
1st Quarter 07	\$490,713	\$838,497	\$1,525,413	\$2,663,386	\$7,786,913	\$1,317,019
4th Quarter 06	\$488,628	\$822,540	\$1,504,872	\$2,789,577	\$5,388,771	\$1,223,160
3rd Quarter 06	\$557,796	\$800,696	\$1,433,902	\$2,552,707	\$4,794,020	\$1,160,090

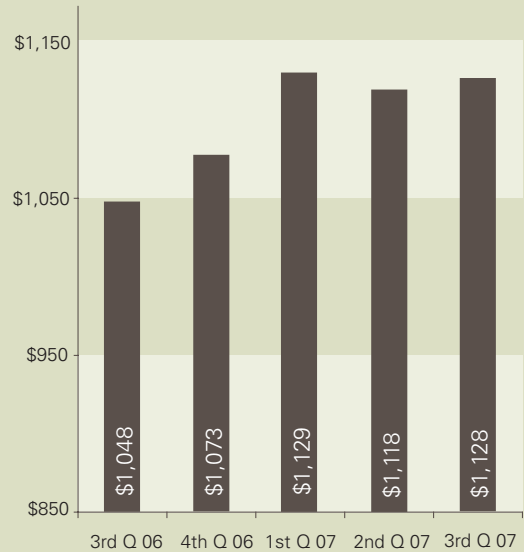
\* We are pleased to announce that beginning with the 2007 Third Quarter Manhattan Market Report, we are now including data from Northern Manhattan. This report's comparative figures from previous quarters have also been adjusted to reflect the inclusion of Northern Manhattan data, however prior reports have not been adjusted and will not be comparable.



## AVERAGE PRICE PER SQUARE FOOT\*

### New Construction and Conversions

### Lofts



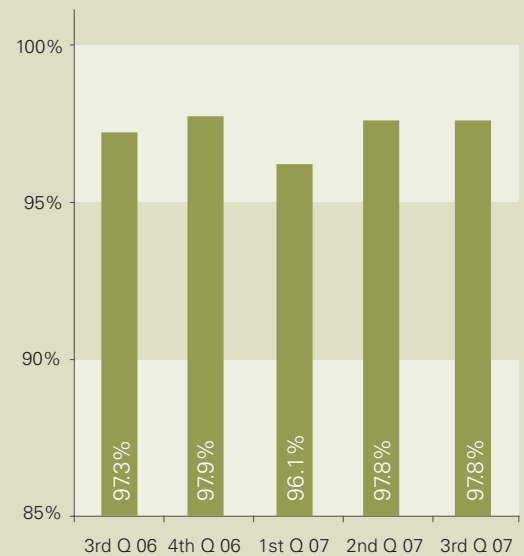
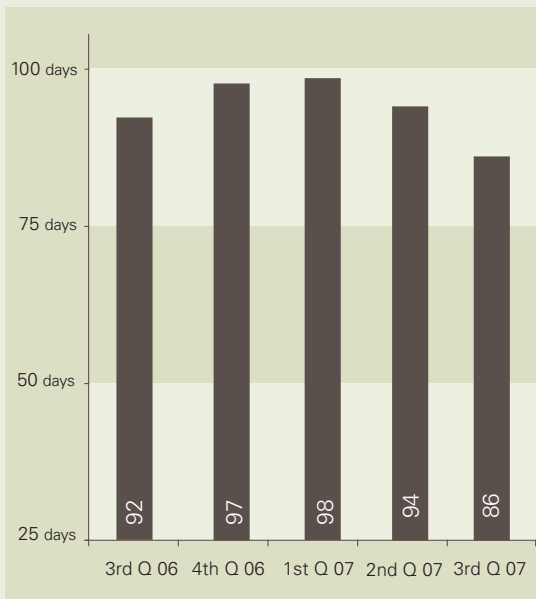
Includes apartments added to the market since the beginning of 2005.

Apartments in new developments sold for an average price of \$1,241 per square foot in the third quarter, 13% more than during the third quarter of 2006. At \$1,128, the average price per square foot for loft sales was up 8% over the past year.



## TIME ON THE MARKET

## ASKING VS. SELLING PRICE



Excludes new developments and units listed over nine months.

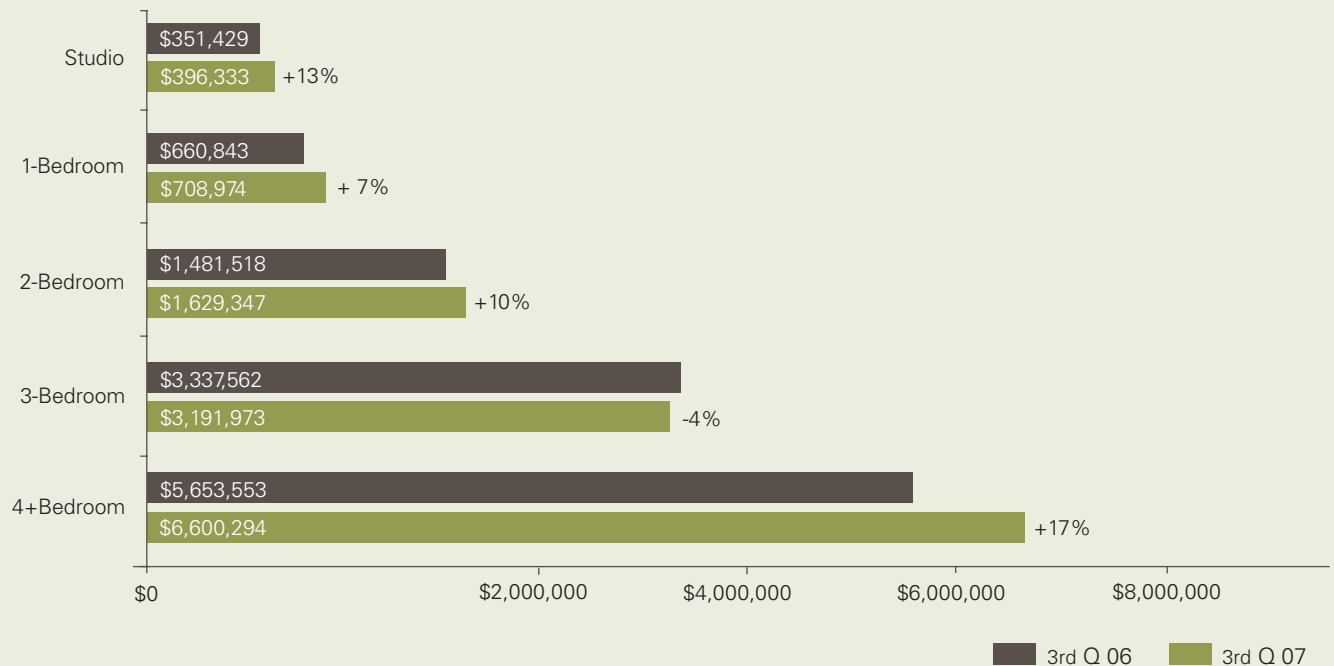
Excludes new developments.

Listings took less time to sell in the third quarter, as their average time on the market fell 7% from a year ago to 86 days. Sellers received 97.8% of their asking price last quarter, up slightly from the third quarter of 2006.

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With the exception of three-bedrooms, the average price rose for all other size categories on the East Side over the past year. Gains were led by four-bedroom and larger apartments, whose average price of \$6,600,294 was 17% higher than during the third quarter of 2006. While there was a significant decline in the median price for apartments on Park Avenue, this is most likely due to a one quarter aberration. The average size of apartments sold on Park fell 15% over the past year, which was a main cause of the drop in the median price.

### 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 06	3rd Q 07	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07
Fifth Ave., 59th-96th St.	\$3,350,000	\$3,650,000	\$608,333	\$655,833	*	*
Park Ave., 59th-96th St.	\$3,245,000	\$2,400,000	\$502,778	\$400,714	*	*
Between Fifth and Lexington Ave., 59th-79th St.	\$1,770,000	\$2,097,500	\$330,000	\$325,051	*	*
80th-96th St.	\$1,450,000	\$1,305,000	\$281,429	\$250,000	*	*
Lexington Ave. to the East River, 59th-79th St.	\$750,000	\$776,500	\$186,000	\$202,963	\$1,137	\$1,237
80th-96th St.	\$654,750	\$677,500	\$156,458	\$163,095	\$963	\$1,071
Midtown East, 34th-58th St. **	\$750,000	\$700,000	\$182,111	\$190,159	\$1,052	\$1,119

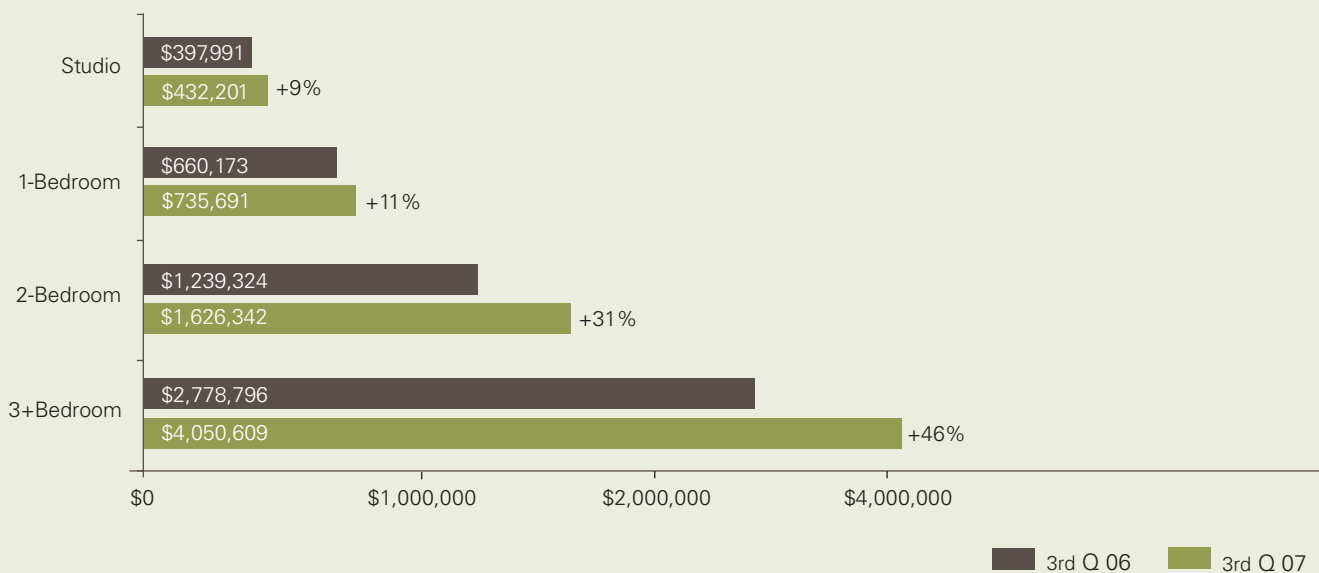
\*There were not enough sales for a valid comparison.

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

# WEST SIDE

West Side prices also rose sharply over the past year, with all sizes of apartments fetching higher prices. Larger apartments led the way, as the average price rose 46% over the past year for three-bedroom and larger units, and 31% for two-bedroom units. These categories were helped by strong condo activity, aided by some high sales at Time Warner and 15 Central Park West. Not surprising, the median price rose dramatically on Central Park West, and also on West End Avenue, where sales at 10 West End Avenue helped push the median price up to \$875,000.

## AVERAGE SALE PRICE



## MEDIAN PRICE

	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07
Central Park West, 59th-96th Street	\$2,000,000	\$3,147,500	\$325,000	\$424,375	*	*
Riverside Drive/Boulevard, 59th-116th St.	\$883,450	\$995,000	\$203,232	\$250,222	\$1,070	\$1,193
West End Ave., 59th-105th St.	\$580,000	\$875,000	\$174,714	\$210,000	*	*
Between CPW and Columbus Ave., 59th-110th St.	\$730,250	\$817,500	\$216,667	\$238,333	\$1,033	\$1,171
Columbus Ave. to East of WEA, 59th-86th St.	\$695,000	\$879,000	\$184,524	\$205,000	\$1,128	\$1,444
87th-110th St.	\$715,000	\$812,000	\$168,658	\$187,792	\$1,007	\$1,024
Between Riverside Drive and WEA, 59th-110th St.	\$720,000	\$750,000	\$196,667	\$194,167	*	*

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

New development closings continued to push Downtown prices higher, led by a 58% rise in prices of three-bedroom and larger apartments from 2006's third quarter. All other size categories in this market posted double-digit gains over this time as new developments comprised 40% of all sales.

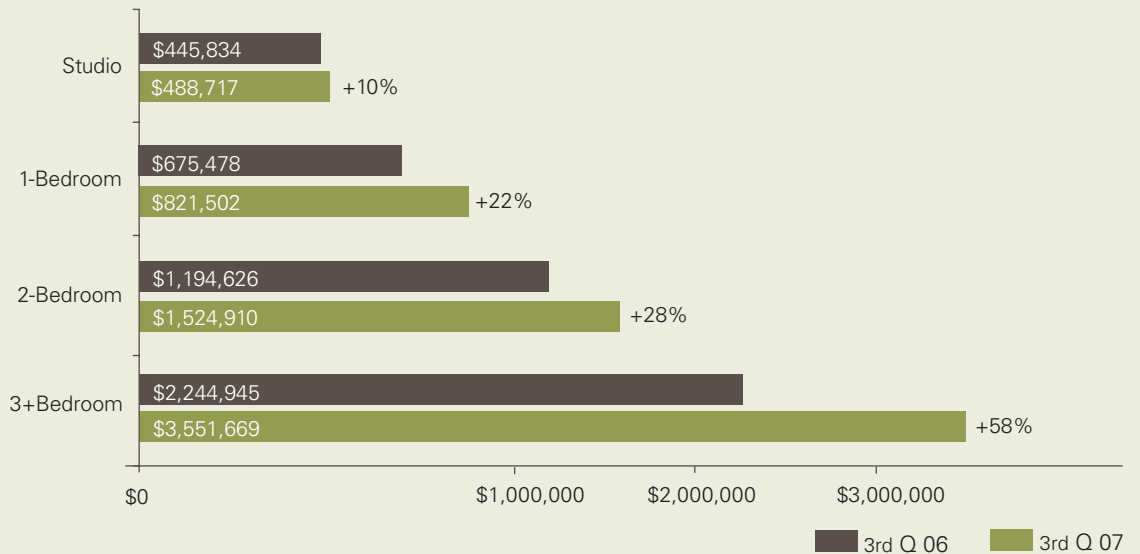


Sales at 32 West 18th Street helped push the median price for apartments up 56% over the past year in the Chelsea/Flatiron market. Closing prices at this new development averaged just over \$4 million during the third quarter. The Greenwich and East Village area was also aided by new development activity, as closings at 110 Third Avenue helped bring the median price up 20% over the past year.



Lofts located in the area including Greenwich, East and the West Village sold for a median price of \$1,300,000 during the third quarter, 33% higher than a year ago. Prices also rose sharply in the NoHo/SoHo loft market, as the median price of \$2,113,750 was 26% higher than during the third quarter of 2006.

## 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 06	3rd Q 07	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07
Chelsea/Flatiron	\$736,718	\$1,150,000	\$201,167	\$226,500	\$1,114	\$1,223
Gramercy Park	\$575,000	\$670,000	\$182,500	\$201,000	*	*
Greenwich/East Village	\$715,000	\$855,000	\$216,667	\$220,667	\$1,234	\$1,236
West Village	\$662,500	\$751,250	\$185,625	\$239,000	\$1,293	\$1,350
Battery Park City	\$523,000	\$580,000	*	*	\$726	\$818

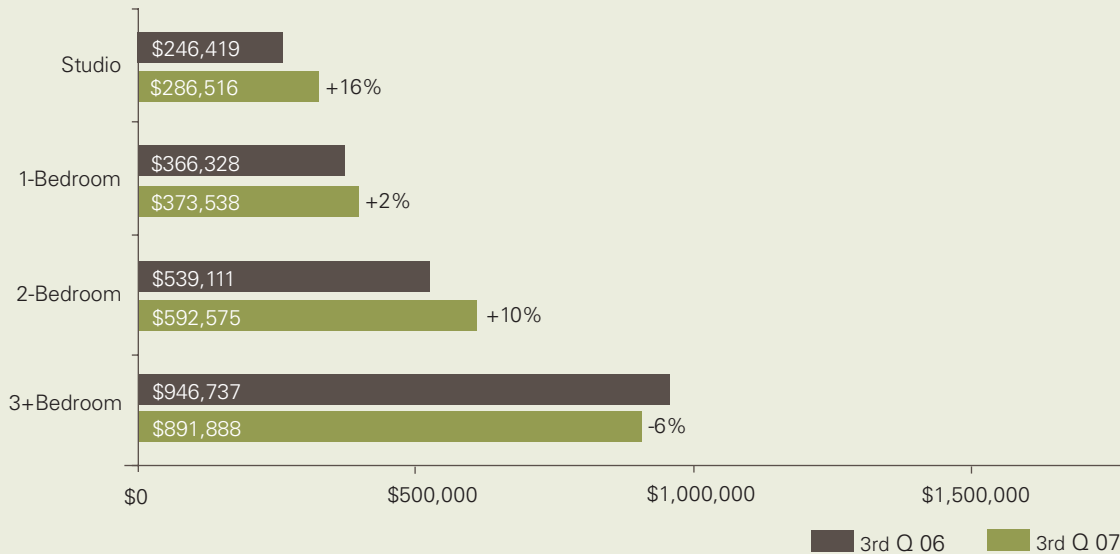
\*There were not enough sales for a valid comparison.

## Lofts

SELECTED MARKET AREAS	LOFTS			
	Median Sale Price		Median Price per Sq. Ft.	
	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07
Chelsea/Flatiron	\$1,647,237	\$1,630,000	\$1,127	\$1,267
Greenwich/East/West Village	\$975,000	\$1,300,000	\$1,011	\$1,139
NoHo/SoHo	\$1,681,000	\$2,113,750	\$1,094	\$1,145
Tribeca	\$2,300,000	\$2,075,000	\$895	\$1,130

# NORTHERN MANHATTAN

## AVERAGE SALE PRICE



Northern Manhattan pricing gains were led by studio apartments, whose average price of \$286,516 was 16% higher than a year ago. Prices for two-bedroom units in this market were also strong, as their average price of \$592,575 was 10% higher than the third quarter of 2006. The median price for apartments in the Hudson Heights market rose 14% over the past year to \$465,000. While the median price fell 8% in Harlem from the third quarter of 2006, this is mainly due to last year's closings at 125 Central Park North which helped inflate the median price for that quarter.

## MEDIAN PRICE

SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07	3rd Q 06	3rd Q 07
Harlem	\$650,556	\$555,000	\$139,750	\$112,396	\$648	\$637
Hudson Heights	\$409,236	\$465,000	\$114,535	\$125,143	*	*
Inwood	\$336,757	\$324,500	\$99,857	\$96,500	*	*

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

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 3,677 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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CHIEF ECONOMIST, Halstead Property, LLC

# MANHATTAN INVENTORY REPORT

## Number of New Listings

EAST SIDE	3rd Q 06	2nd Q 07	3rd Q 07	12-month Change
Studio	110	106	93	-15%
One-Bedroom	290	317	291	0%
Two-Bedroom	248	277	235	-5%
Three-Bedroom	106	142	125	18%
Four-Bedroom & Larger	41	86	82	100%
WEST SIDE	3rd Q 06	2nd Q 07	3rd Q 07	12-month Change
Studio	72	100	70	-3%
One-Bedroom	287	308	241	-16%
Two-Bedroom	265	285	205	-23%
Three-Bedroom	97	119	125	29%
Four-Bedroom & Larger	35	37	38	9%
DOWNTOWN	3rd Q 06	2nd Q 07	3rd Q 07	12-month Change
Studio	176	320	199	13%
One-Bedroom	363	687	439	21%
Two-Bedroom	275	543	303	10%
Three-Bedroom	99	144	86	-13%
Four-Bedroom & Larger	23	20	23	0%
Lofts	290	249	184	-37%
NORTHERN MANHATTAN	3rd Q 06	2nd Q 07	3rd Q 07	12-month Change
Studio	8	18	22	175%
One-Bedroom	76	137	103	36%
Two-Bedroom	147	231	122	-17%
Three-Bedroom	85	93	50	-41%
Four-Bedroom & Larger	14	10	8	-43%

New listings on the East Side rose 4% over the past year, led by increases in larger units. Of note was a doubling of four-bedroom and larger apartments entering this market compared to the third quarter of 2006.



There were 10% fewer apartments placed on the West Side market than during the third quarter of 2006, led by a 23% decline in two-bedrooms. There was a 29% increase in new listings of three-bedroom apartments in this market, the largest increase of any price category.



New developments continued to drive new listings higher in the Downtown market during the third quarter. Overall, there were 12% more apartments placed on the market than in 2006's third quarter. Loft listings fell over the past year, as the 184 lofts placed on the market were 37% fewer than during the third quarter of 2006.



Sharp declines in apartments with two or more bedrooms brought new listings down 8% in the Northern Manhattan market over the past year. This offset a 175% rise in studio listings during this time.

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212.769.3000

**Village**  
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212.253.9300

**SoHo**  
451 West Broadway  
212.475.4200

**Midtown**  
770 Lexington Avenue  
212.317.7800

**Harlem**  
175 Lenox Avenue  
212.381.2203

**Brooklyn Heights**  
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718.613.2000

**Cobble Hill**  
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718.613.2020  
179 Atlantic Avenue  
718.855.1591

**Riverdale**  
3531 Johnson  
Avenue  
718.878.1700

**Hudson Valley**  
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