

HALSTEAD PROPERTY

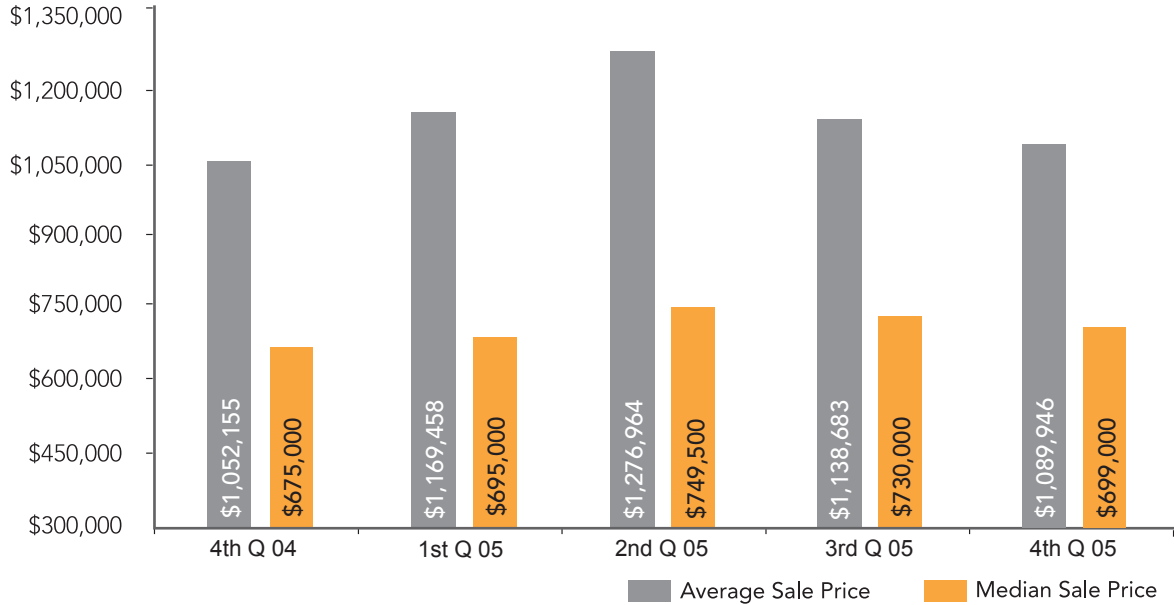
BY THE NUMBERS

MANHATTAN
FOURTH QUARTER 2005

Average Sale Price

ALL APARTMENTS

At \$1,089,946, the average price for a Manhattan apartment in the fourth quarter was 4% higher than a year ago. Smaller units grabbed a larger share of the market, as studio and one-bedroom units comprised 61% of sales compared to 55% in the fourth quarter of 2004. As this trend continues, growth in the overall average price should continue to slow. The median price for all sales also posted a 4% gain over the past year, reaching \$699,000.



COOPERATIVES

The co-op market was dominated by studio and one-bedroom sales, which accounted for 64% of transactions. This was 10% higher than 2004's fourth quarter, and helped bring the overall average price down to \$921,791. The increased demand for smaller units drove up their prices, as the average price rose 15% for studios and 16% for one-bedroom co-ops over the past year.

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
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
1st Quarter 05	\$299,947	\$528,926	\$1,242,479	\$2,784,150	\$5,027,016	\$1,053,222
4th Quarter 04	\$295,499	\$499,742	\$1,125,514	\$2,507,697	\$4,865,715	\$1,020,202

CONDOMINIUMS

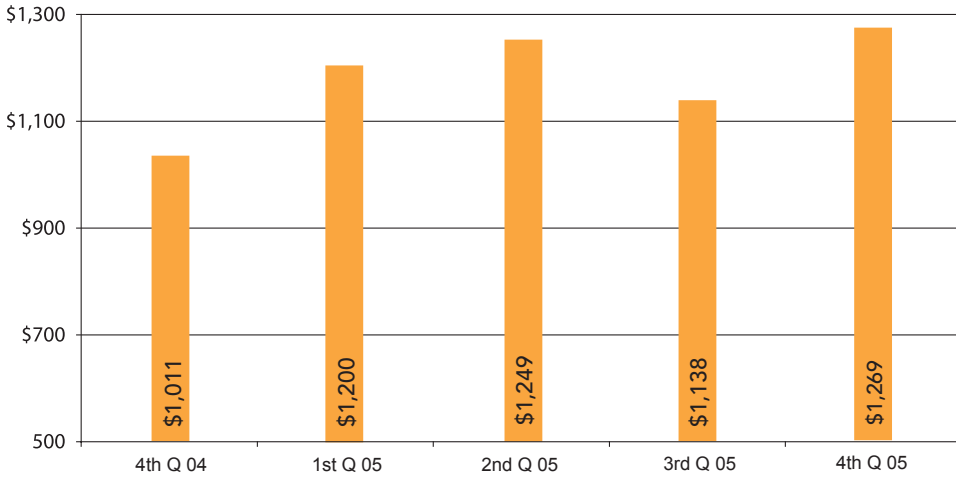
Condominium prices continue to be driven upward with the help of new developments. The overall average price for condos reached \$1,333,348 in the fourth quarter, an 18% improvement from the fourth quarter of 2004. Two-bedroom condos posted the largest increase over this time, as their average price rose 36% to \$1,732,571 and set a new record. Double-digit increases in the average price were seen in all size categories over the past year.

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	All
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
1st Quarter 05	\$406,403	\$673,297	\$1,430,289	\$2,653,699	\$6,960,182	\$1,387,593
4th Quarter 04	\$401,385	\$650,404	\$1,270,479	\$2,684,513	\$4,541,200	\$1,132,703

Average Price Per Square Foot

NEW CONSTRUCTION AND CONVERSIONS

The average price per square foot for apartments in newly constructed or converted buildings rose 26% over the past year to \$1,269. This figure includes apartments added to the market since the beginning of 2003.

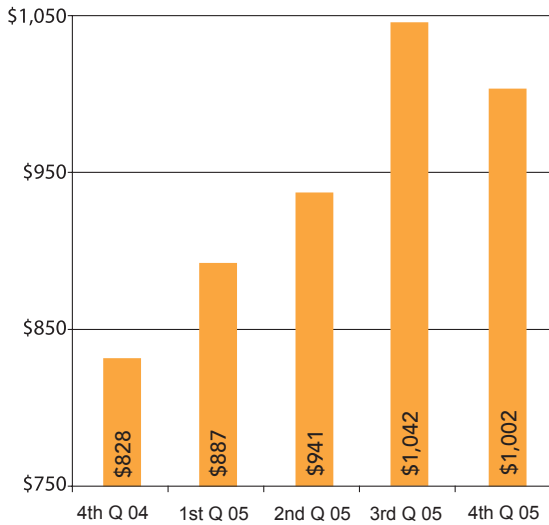


Includes apartments added to the market since the beginning of 2003.

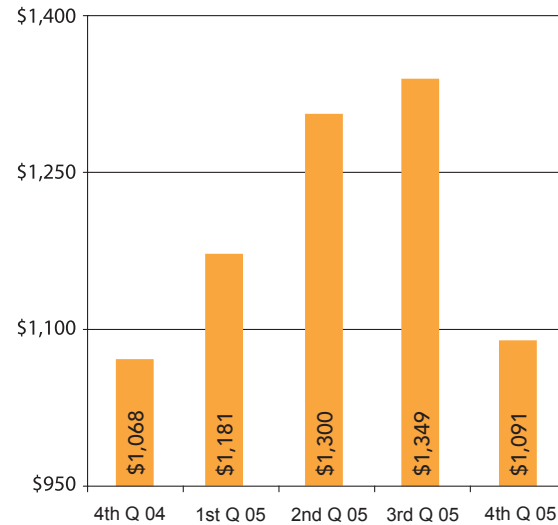
LOFTS & TOWNHOUSES

Loft prices averaged \$1,002 per square foot in the fourth quarter, a 21% gain from a year ago. The average price per square foot for 1-4 family townhouses of \$1,091 was 2% higher than during the fourth quarter of 2004.

LOFTS



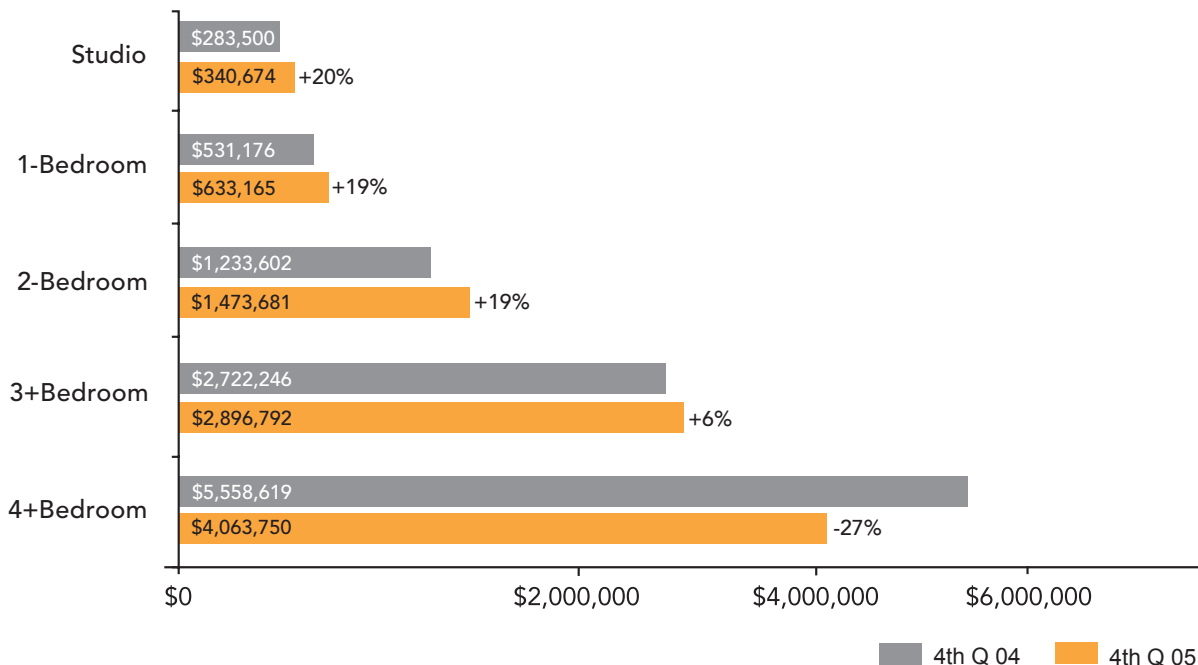
TOWNHOUSES



East Side

The average price for a studio apartment on the East Side of \$340,674 was 20% higher than a year ago, and was the largest gain of any size category. Smaller units dominated this market, as studio and one-bedroom units represented 54% of all activity compared to 44% a year ago. This helped bring down the over median price on both Fifth and Park Avenues.

AVERAGE SALE PRICE



SELECTED MARKET AREAS

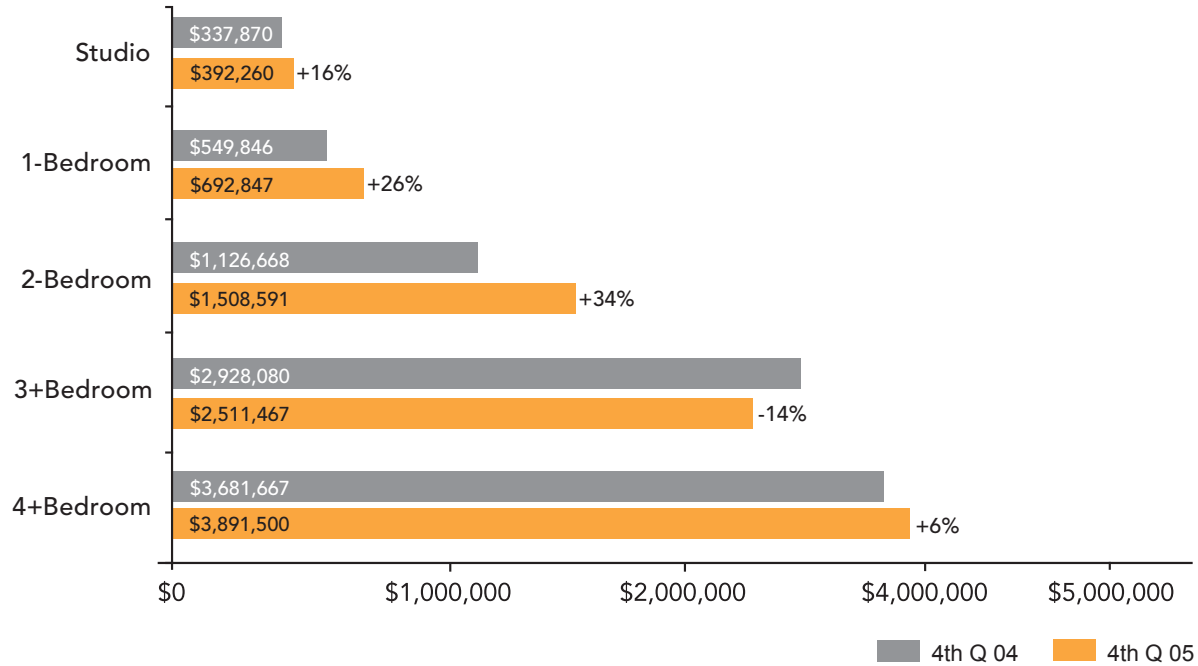
SELECTED MARKET AREAS	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	4th Q 04	4th Q 05	4th Q 04	4th Q 05	4th Q 04	4th Q 05
Fifth Ave., 59th-96th St.	\$1,750,000	\$1,375,000	\$341,250	\$300,000		
Park Ave., 59th-96th St.	\$2,100,000	\$2,025,000	\$340,000	\$393,750		
Between Fifth and Lexington Ave., 59th-79th St.	\$1,395,000	\$1,497,000	\$270,278	\$283,889		
80th-96th St.	\$1,195,000	\$1,275,000	\$243,333	\$242,222		
Lexington Ave. to the East River, 59th-79th St.	\$660,000	\$695,000	\$163,643	\$181,667	\$945	\$1,095
80th-96th St.	\$525,000	\$610,000	\$133,375	\$157,250	\$785	\$926
Midtown East, 34th-58th St.*	\$655,000	\$710,000	\$156,857	\$175,000	\$842	\$1,062

* Not included in overall East Side data.

On the West Side, the average price for two-bedroom apartments rose 34% over the past year to \$1,508,591. This increase led all size categories. One-bedroom units were also strong, rising 26% in price during this time to an average of \$692,847. The median price for units on Riverside Drive/Boulevard rose 72% over 2004's fourth quarter due in part to activity at 240 Riverside Boulevard, a new development.

West Side

AVERAGE SALE PRICE



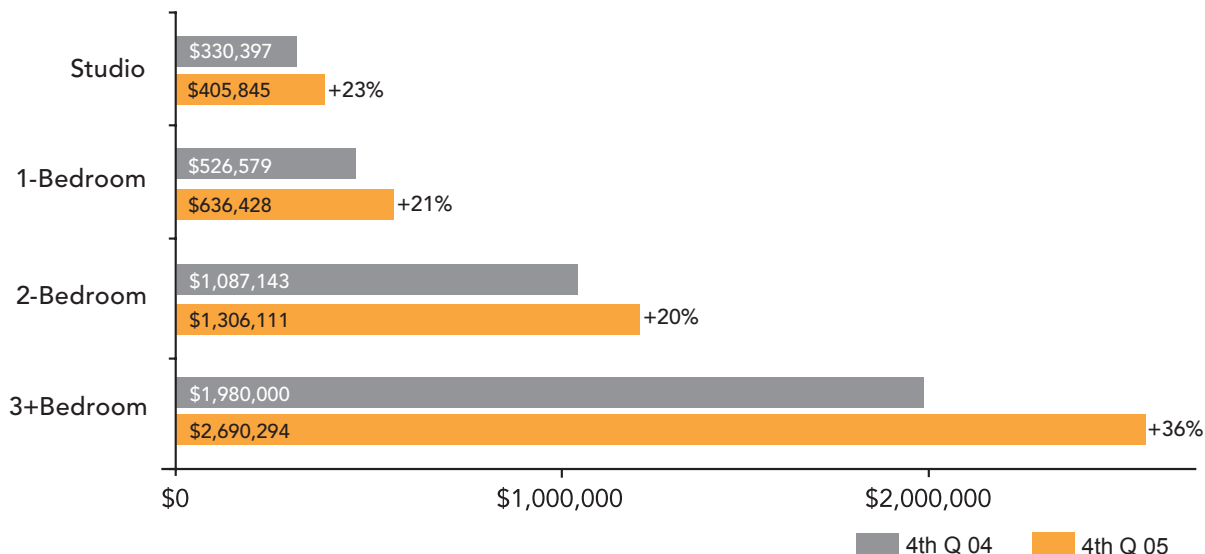
SELECTED MARKET AREAS

	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	4th Q 04	4th Q 05	4th Q 04	4th Q 05	4th Q 04	4th Q 05
Central Park West, 59th-110th St.	\$897,000	\$1,050,000	\$337,625	\$399,231	\$700	\$962
Riverside Drive/Boulevard, 59th-116th St.	\$725,000	\$1,250,000	\$178,571	\$262,633	\$923	\$1,185
West End Ave., 59th-105th St.	\$612,500	\$599,000	\$171,264	\$173,750		
Between CPW and Columbus Ave., 59th-110th St.	\$697,000	\$749,000	\$173,931	\$240,708	\$1,154	\$1,094
Columbus Ave. to East of WEA, 59th-86th St.	\$650,000	\$899,000	\$166,292	\$199,778	\$922	\$1,099
87th-110th St.	\$610,000	\$669,000	\$133,000	\$167,250	\$876	\$1,022
Between Riverside Drive and WEA, 59th-110th St.	\$520,000	\$549,000	\$141,667	\$177,778		

Downtown

In the Downtown market prices rose sharply over the past year, due in part to the influx of development in the area. Apartments with three or more bedrooms posted an average price of \$2,690,294 in the fourth quarter, 36% higher than a year ago. Although the median price declined sharply for apartments in the West Village, this is due to the fact that many sales at 1 Morton Square closed a year ago. This was a high-end new development, and pushed up the median price in the fourth quarter of 2004.

AVERAGE SALE PRICE



SELECTED MARKET AREAS

	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	4th Q 04	4th Q 05	4th Q 04	4th Q 05	4th Q 04	4th Q 05
Chelsea/Flatiron	\$617,500	\$699,000	\$170,000	\$199,600	\$998	\$1,091
Gramercy Park	\$479,000	\$537,500	\$146,000	\$183,333		
Greenwich/East Village	\$596,000	\$725,000	\$175,000	\$216,333	\$802	\$1,054
West Village	\$1,282,000*	\$585,000	\$149,750	\$187,500	\$1,022	\$1,415
Battery Park City	\$557,500	\$523,000			\$713	\$829

*See text at top of page for analysis.

LOFTS

Loft prices were up in all the markets surveyed, led by a 50% increase in the median price in the area comprising Greenwich, East and the West Village. Some of this gain is due however to an increase in the size of lofts sold, as the median price per square foot was up only 10% in the area during this time.

SELECTED MARKET AREAS

	LOFT			
	Median Sale Price		Median Price per Room	
	4th Q 04	4th Q 05	4th Q 04	4th Q 05
Chelsea/Flatiron	\$1,325,000	\$1,650,000	\$729	\$889
Greenwich/East/West Village	\$799,000	\$1,195,000	\$921	\$1,016
Noho/Soho	\$1,533,000	\$1,887,500	\$854	\$1,011
Tribeca	\$1,875,000	\$1,912,500	\$873	\$999

Inventory Report - Number of New Listings

EAST SIDE

The number of new listings entering the East Side market fell 13% from a year ago, with all size categories adding fewer apartments. The biggest decline was for three-bedrooms, as 25% fewer of these units entered the market than during 2004's fourth quarter.

	4th Quarter 2004	3rd Quarter 2005	4th Quarter 2005	12-month Change
Studio	119	93	98	-18%
One-Bedroom	358	322	311	-13%
Two-Bedroom	294	280	278	-5%
Three-Bedroom	138	120	103	-25%
Four-Bedroom & Larger	69	46	57	-17%

WEST SIDE

In the West Side market, 10% more apartments were added to the market than during the same period in 2004. An 11% decline in the two-bedroom figure was offset by increases in every other size category.

	4th Quarter 2004	3rd Quarter 2005	4th Quarter 2005	12-month Change
Studio	86	83	89	4%
One-Bedroom	205	304	270	32%
Two-Bedroom	249	231	222	-11%
Three-Bedroom	78	87	92	18%
Four-Bedroom & Larger	31	33	43	39%

DOWNTOWN

New developments continued to flood the Downtown market, helping push the number of new listings up 16% over the past year. A 54% increase in the number of three-bedroom apartments entering the market helped fuel this increase. The large percentage increase in the four-bedroom and larger category must be viewed in light of the small number of listings in that group. The fourth quarter added 360 loft apartments to the market, a 37% gain from a year ago.

	4th Quarter 2004	3rd Quarter 2005	4th Quarter 2005	12-month Change
Studio	103	179	123	19%
One-Bedroom	352	476	377	7%
Two-Bedroom	230	289	254	10%
Three-Bedroom	72	80	111	54%
Four-Bedroom & Larger	8	15	26	225%
Lofts	262	632	360	37%

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 1,844 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

valuexchange™

PROPERTY

HALSTEAD.COM

HALSTEAD PROPERTY

East Side Office

1356 Third Avenue
New York, NY 10021
(212) 734-0010

West Side Office

408 Columbus Avenue
New York, NY 10024
(212) 769-3000

Midtown Office

770 Lexington Avenue
New York, NY 10021
(212) 317-7800

Village Office

784 Broadway
New York, NY 10003
(212) 253-9300

SoHo Office

451 West Broadway
New York, NY 10012
(212) 475-4200

Relocation Office

770 Lexington Avenue
New York, NY 10021
(212) 381-6523

Brooklyn Heights Office

156 Montague Street
Brooklyn, NY 11201
(718) 613-2000

Cobble Hill Office

162 Court Street
Brooklyn, NY 11201
(718) 613-2020

Riverdale Office

3531 Johnson Avenue
Riverdale, NY 10463
(718) 878-1720

Hudson Valley Office

433 Warren Street
Hudson, NY 12534
(518) 828-0181