

FOURTH QUARTER 2007

QUARTERLY
MARKET
REPORT



Manhattan apartment prices continued to climb during the fourth quarter, reaching an average price of \$1,430,514. This figure represents a 34% increase over last year establishing a new record. Increased activity at the high end of the market, particularly in new development condominiums, helped fuel this rise. The median price, which represents the middle of the market, posted a smaller increase, rising 14% during this time to a record \$828,000. Contrary to many other markets in the U.S., inventory in Manhattan has remained low while demand has strengthened due to an increase in foreign buyers.



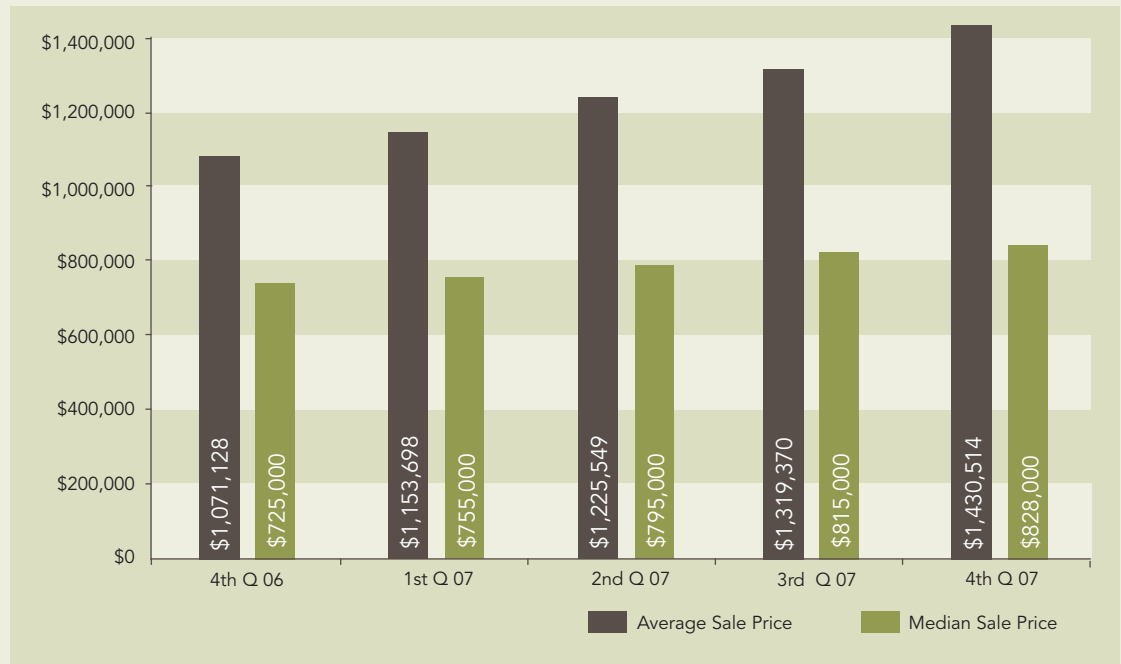
At \$1,074,369, the average cooperative price represents a 21% increase over last year, setting a new record. While prices were up for all size categories, the 37% rise in the average price for four-bedroom and larger co-ops was a leading factor in this increase.



New developments, most notably The Plaza and 15 Central Park West, helped bring the average condominium sales price to a record level of \$1,851,709 during the fourth quarter. Sales prices at these two developments averaged almost \$7 million during the quarter, and helped fuel the 51% increase in the average condo price over the past year.

AVERAGE AND MEDIAN SALE PRICE*

All Apartments



AVERAGE SALE PRICE*

Cooperatives

| | Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4+Bedroom | All |
|----------|-----------|-----------|-------------|-------------|-------------|-------------|
| 4th Q 07 | \$394,539 | \$659,875 | \$1,315,614 | \$3,016,364 | \$8,543,583 | \$1,074,369 |
| 3rd Q 07 | \$387,901 | \$621,613 | \$1,284,901 | \$2,673,848 | \$5,931,672 | \$1,055,753 |
| 2nd Q 07 | \$373,410 | \$627,393 | \$1,319,818 | \$2,786,473 | \$6,390,034 | \$1,059,060 |
| 1st Q 07 | \$365,231 | \$589,580 | \$1,220,435 | \$2,830,476 | \$6,963,885 | \$996,558 |
| 4th Q 06 | \$353,208 | \$578,170 | \$1,135,727 | \$2,389,409 | \$6,229,471 | \$890,779 |

Condominiums

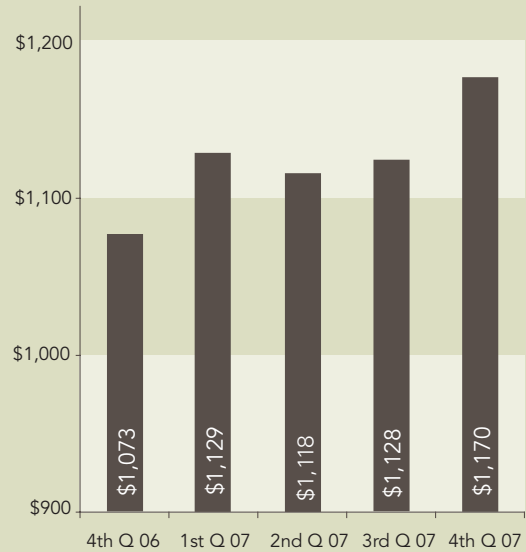
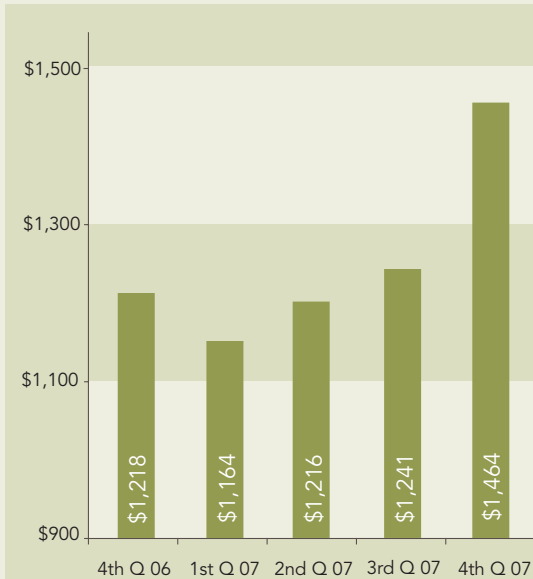
| | Studio | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4+Bedroom | All |
|----------|-----------|-----------|-------------|-------------|-------------|-------------|
| 4th Q 07 | \$538,400 | \$930,186 | \$2,111,210 | \$3,794,892 | \$6,139,071 | \$1,851,709 |
| 3rd Q 07 | \$571,771 | \$924,492 | \$1,611,105 | \$3,102,457 | \$7,232,735 | \$1,606,219 |
| 2nd Q 07 | \$562,182 | \$886,277 | \$1,627,830 | \$2,769,561 | \$6,744,122 | \$1,429,750 |
| 1st Q 07 | \$490,713 | \$838,497 | \$1,525,413 | \$2,663,386 | \$7,786,913 | \$1,317,019 |
| 4th Q 06 | \$488,628 | \$822,540 | \$1,504,872 | \$2,789,577 | \$5,388,771 | \$1,223,160 |

* 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



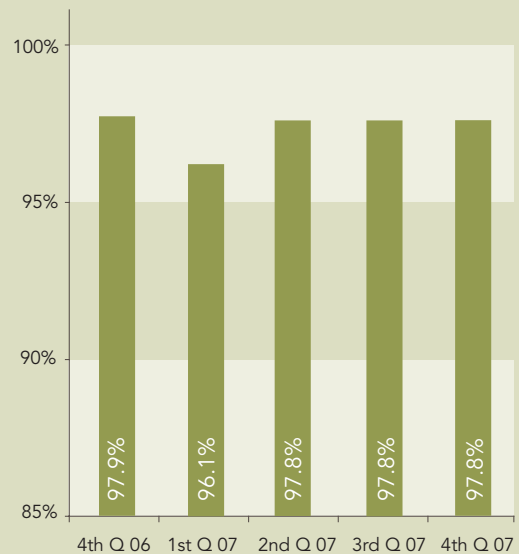
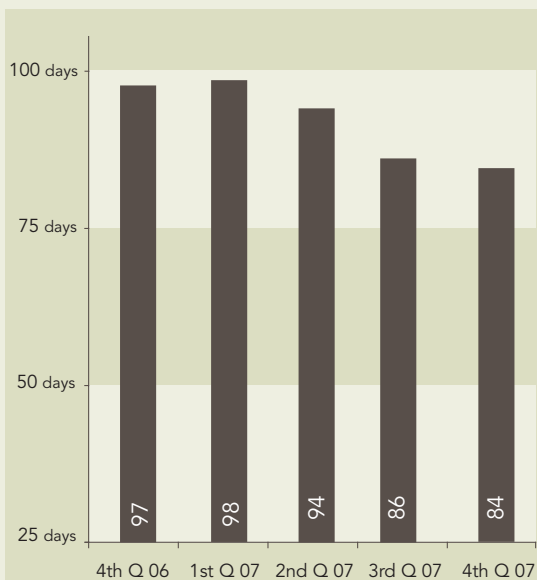
Includes apartments added to the market since the beginning of 2005.

Sales prices in new developments averaged \$1,464 per square foot, a 20% improvement from 2006's fourth quarter. The average price per square foot for loft apartments of \$1,170 was 9% higher than a year ago.



TIME ON THE MARKET

ASKING VS. SELLING PRICE



Excludes new developments and units listed over nine months.

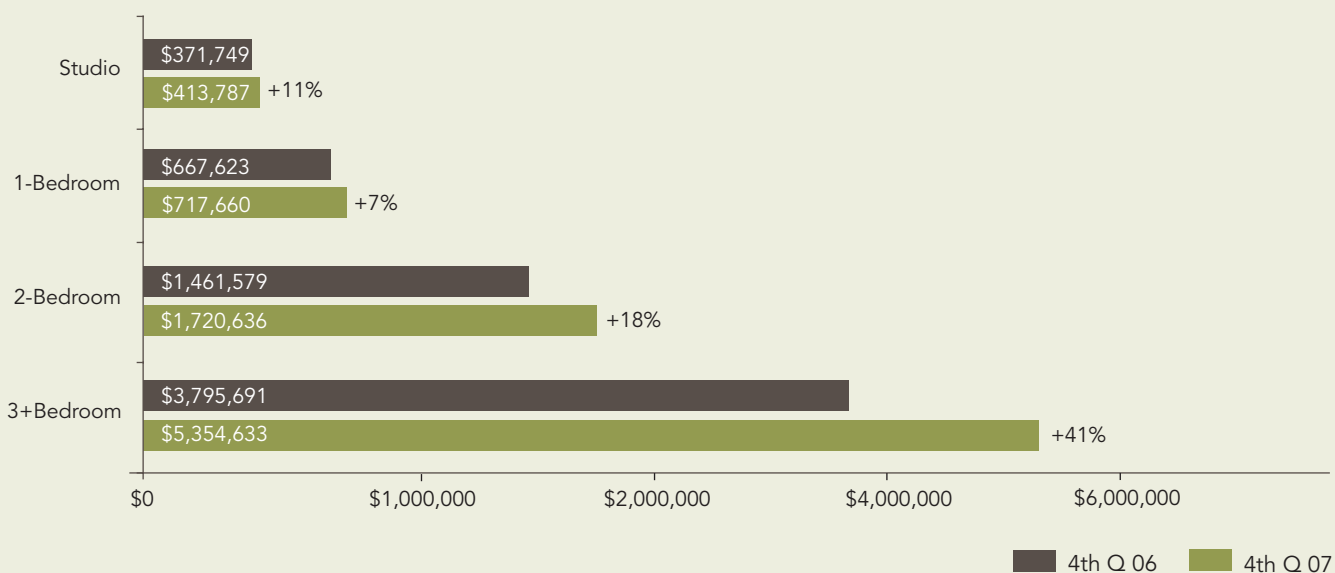
Excludes new developments.

Apartments sold 13% faster in the fourth quarter than a year ago, as the average time on the market fell to 84 days. Sellers received 97.8% of their asking price for units closed in the fourth quarter, virtually unchanged from the same period a year ago.

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The average price rose for all sizes of apartments in the East Side market over the past year, led by a 41% gain in three-bedroom and larger units. This number should be viewed with caution however, as this category can show large fluctuations in price from quarter to quarter. While the median price for sales on Park Avenue rose significantly from 2006's fourth quarter, this is primarily due to a 25% increase in the size of units sold. The area between Fifth and Lexington Avenue, from 59th to 79th Street, posted a very high increase in median price, due mainly to an unusually low figure 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. | |
| | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 |
| Fifth Ave., 59th-96th St. | \$3,125,000 | \$2,275,000 | \$527,917 | \$500,000 | * | * |
| Park Ave., 59th-96th St. | \$1,866,250 | \$3,600,000 | \$364,542 | \$518,750 | * | * |
| Between Fifth and Lexington Ave., 59th-79th St. | \$1,110,000 | \$1,985,000 | \$225,000 | \$399,464 | * | * |
| 80th-96th St. | \$990,550 | \$1,375,000 | \$275,000 | \$300,000 | * | * |
| Lexington Ave. to the East River, 59th-79th St. | \$637,250 | \$740,000 | \$180,000 | \$205,000 | \$1,117 | \$1,167 |
| 80th-96th St. | \$650,000 | \$650,000 | \$158,400 | \$168,000 | \$949 | \$1,101 |
| Midtown East, 34th-58th St.** | \$722,500 | \$870,558 | \$176,789 | \$197,500 | \$1,230 | \$1,119 |

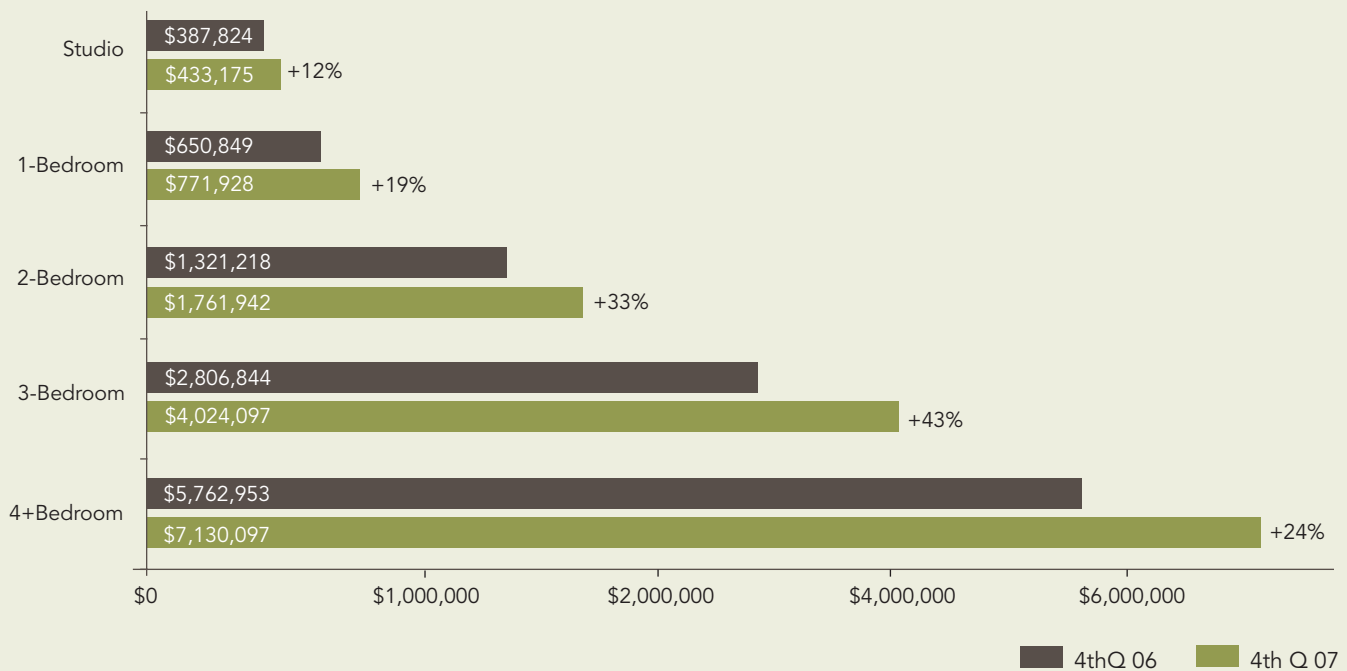
*There were not enough sales for a valid comparison.

** Not included in overall East Side data.

WEST SIDE

Closings at 15 Central Park West helped bring prices up significantly on the West Side, particularly for larger apartments. The average price rose 43% to \$4,024,097 for three-bedroom units, and 33% to \$1,761,942 for two-bedroom units in this market. The area from Columbus Avenue to east of West End Avenue, from 87th to 110th Street, showed a 57% increase in median price from 2006's fourth quarter, which is largely due to closings at the Ariel East.

AVERAGE SALE PRICE



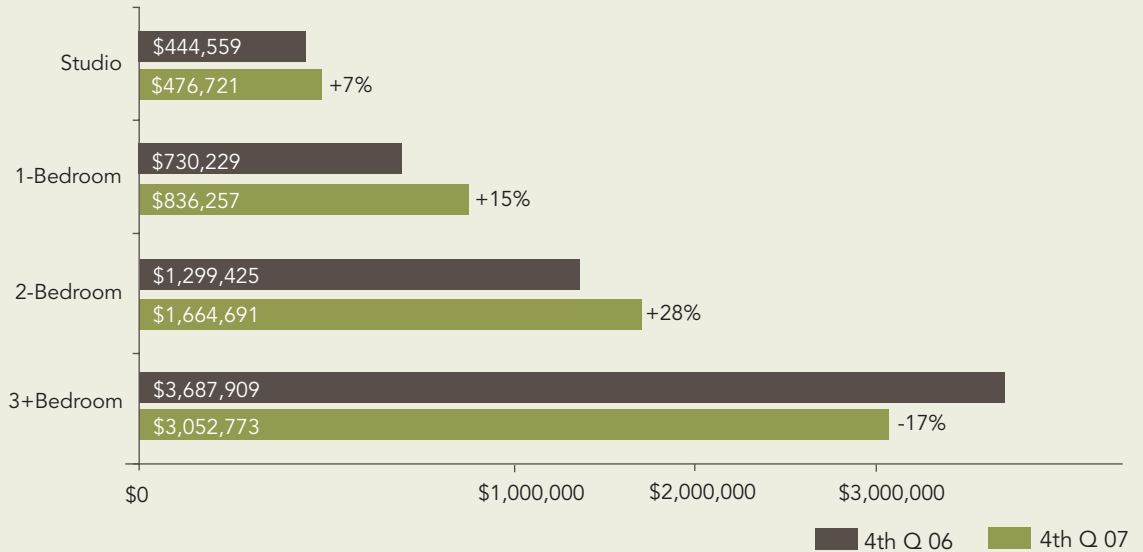
MEDIAN PRICE

| SELECTED MARKET AREAS | ALL APARTMENTS | | COOPERATIVE | | CONDOMINIUM | |
|---|-------------------|-------------|-----------------------|-----------|--------------------------|----------|
| | Median Sale Price | | Median Price per Room | | Median Price per Sq. Ft. | |
| | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 |
| Riverside Drive/Boulevard, 59th-116th St. | \$940,000 | \$900,000 | \$207,143 | \$215,750 | \$1,112 | \$1,229 |
| West End Ave., 59th-105th St. | \$675,000 | \$849,000 | \$187,500 | \$200,250 | * | * |
| Between CPW and Columbus Ave., 59th-110th St. | \$700,000 | \$885,500 | \$196,944 | \$241,667 | \$1,147 | \$1,379 |
| Columbus Ave. to East of WEA, 59th-86th St. | \$790,562 | \$754,500 | \$193,750 | \$211,447 | \$1,134 | \$1,258 |
| 87th-110th St. | \$763,500 | \$1,195,000 | \$154,571 | \$200,000 | \$1,013 | \$1,077 |
| Between Riverside Drive and WEA, 59th-110th St. | \$600,000 | \$674,000 | \$174,464 | \$186,464 | * | * |

*There were not enough sales for a valid comparison.

With the exception of three-bedroom and larger apartments, whose prices can fluctuate sharply from quarter to quarter, all other size categories in the Downtown market increased in price over the past year. Gains were led by two-bedroom units, whose average price of \$1,664,691 was 28% higher than the fourth quarter of 2006.

AVERAGE SALE PRICE



All market areas surveyed posted higher median prices over this time, led by a 28% increase in the West Village.

MEDIAN PRICE

| SELECTED MARKET AREAS | ALL APARTMENTS | | COOPERATIVE | | CONDOMINIUM | |
|------------------------|-------------------|-----------|-----------------------|-----------|--------------------------|----------|
| | Median Sale Price | | Median Price per Room | | Median Price per Sq. Ft. | |
| | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 |
| Chelsea/Flatiron | \$735,000 | \$900,000 | \$198,333 | \$211,429 | \$1,106 | \$1,198 |
| Gramercy Park | \$535,000 | \$609,000 | \$175,000 | \$210,800 | * | * |
| Greenwich/East Village | \$700,000 | \$835,000 | \$195,000 | \$236,250 | * | * |
| West Village | \$578,377 | \$742,000 | \$188,750 | \$235,357 | * | * |
| Battery Park City | \$624,000 | \$670,000 | * | * | \$861 | \$1,002 |

*There were not enough sales for a valid comparison.

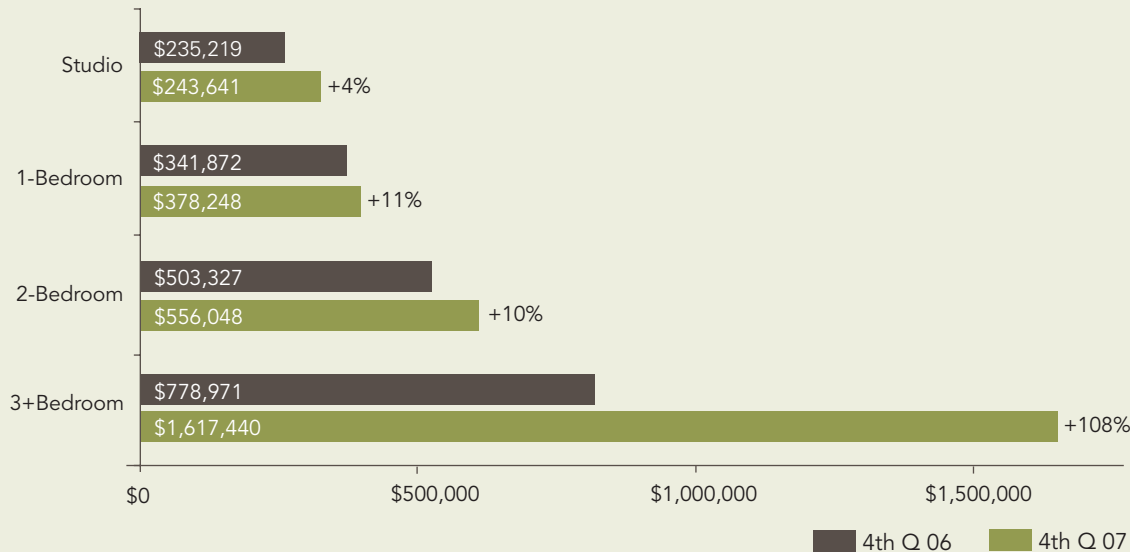
For loft apartments, the largest price increase was in Tribeca, where the median price of \$2,522,500 was 37% higher than a year ago.

Lofts

| SELECTED MARKET AREAS | LOFTS | | | |
|-----------------------------|-------------------|-------------|--------------------------|----------|
| | Median Sale Price | | Median Price per Sq. Ft. | |
| | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 |
| Chelsea/Flatiron | \$1,842,500 | \$2,008,750 | \$1,178 | \$1,148 |
| Greenwich/East/West Village | \$1,250,000 | \$1,375,588 | \$1,114 | \$1,114 |
| Noho/Soho | \$1,625,000 | \$2,022,500 | \$1,176 | \$1,276 |
| Tribeca | \$1,847,500 | \$2,522,500 | \$993 | \$1,279 |

NORTHERN MANHATTAN

AVERAGE SALE PRICE



A large number of closings at the new development 111 Central Park North helped the average price for three-bedroom and larger apartments in Northern Manhattan more than double from a year ago. These sales also pushed the median price for sales in Harlem up 56% during this time to \$610,000. Closings at 111 Central Park North averaged over \$2.2 million, much higher than the typical sale in this market.

MEDIAN PRICE

| SELECTED MARKET AREAS | ALL APARTMENTS | | COOPERATIVE | | CONDOMINIUM | |
|-----------------------|-------------------|-----------|-----------------------|-----------|--------------------------|----------|
| | Median Sale Price | | Median Price per Room | | Median Price per Sq. Ft. | |
| | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 | 4th Q 06 | 4th Q 07 |
| Harlem | \$390,000 | \$610,000 | \$69,500 | \$80,000 | \$575 | \$635 |
| Hudson Heights | \$436,500 | \$412,500 | \$111,429 | \$110,268 | * | * |
| Inwood | \$312,500 | \$299,000 | \$100,000 | \$95,000 | * | * |

*There were not enough sales for a valid comparison.

Data is provided by ValuExchange, a proprietary database containing the largest known survey of the Manhattan residential market. This report is based on 2,531 reported Manhattan apartment 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

Gregory Heym

CHIEF ECONOMIST, Halstead Property, LLC

MANHATTAN INVENTORY REPORT

Number of New Listings

| EAST SIDE | 4th Q 06 | 3rd Q 07 | 4th Q 07 | 12-month Change |
|-----------------------|----------|----------|----------|-----------------|
| Studio | 103 | 93 | 75 | -27% |
| One-Bedroom | 432 | 291 | 317 | -27% |
| Two-Bedroom | 321 | 235 | 247 | -23% |
| Three-Bedroom | 123 | 125 | 106 | -14% |
| Four-Bedroom & Larger | 46 | 82 | 57 | 24% |
| WEST SIDE | 4th Q 06 | 3rd Q 07 | 4th Q 07 | 12-month Change |
| Studio | 63 | 70 | 70 | 11% |
| One-Bedroom | 269 | 241 | 253 | -6% |
| Two-Bedroom | 225 | 205 | 261 | 16% |
| Three-Bedroom | 115 | 125 | 96 | -17% |
| Four-Bedroom & Larger | 59 | 38 | 46 | -22% |
| DOWNTOWN | 4th Q 06 | 3rd Q 07 | 4th Q 07 | 12-month Change |
| Studio | 200 | 199 | 366 | 83% |
| One-Bedroom | 432 | 439 | 535 | 24% |
| Two-Bedroom | 272 | 303 | 382 | 40% |
| Three-Bedroom | 171 | 86 | 158 | -8% |
| Four-Bedroom & Larger | 25 | 23 | 60 | 140% |
| Lofts | 239 | 184 | 170 | -29% |
| NORTHERN MANHATTAN | 4th Q 06 | 3rd Q 07 | 4th Q 07 | 12-month Change |
| Studio | 19 | 22 | 13 | -32% |
| One-Bedroom | 141 | 103 | 90 | -36% |
| Two-Bedroom | 146 | 122 | 85 | -42% |
| Three-Bedroom | 43 | 50 | 35 | -19% |
| Four-Bedroom & Larger | 7 | 8 | 4 | -43% |

The number of listings placed on the East Side market fell 22% from the fourth quarter of 2006, as only the four-bedroom and larger category added more listings than a year ago.



West Side new listings were 1% lower than a year ago, as increases in studios and two-bedrooms were offset by sharp declines in the three-bedroom and four-bedroom and larger categories.



In the Downtown market, new developments helped the number of listings added to the market jump 36% over the past year. The largest gains were seen in four-bedroom and larger, as well as studio apartments. Loft listings entering the market fell 29% compared to the fourth quarter of 2006.



New listings in Northern Manhattan fell 36% from 2006's fourth quarter, as all sizes of apartments added fewer listings than a year ago.

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East Side
1356 Third Avenue
212.734.0010

West Side
408 Columbus Avenue
212.769.3000

Village
831 Broadway
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
150 Montague Street
718.613.2000

Cobble Hill
162 Court Street
718.613.2020
179 Atlantic Avenue
718.855.1591

Riverdale
3531 Johnson Avenue
718.878.1700

Hudson Valley
315 Warren Street
518.828.0181

Development Marketing
831 Broadway
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