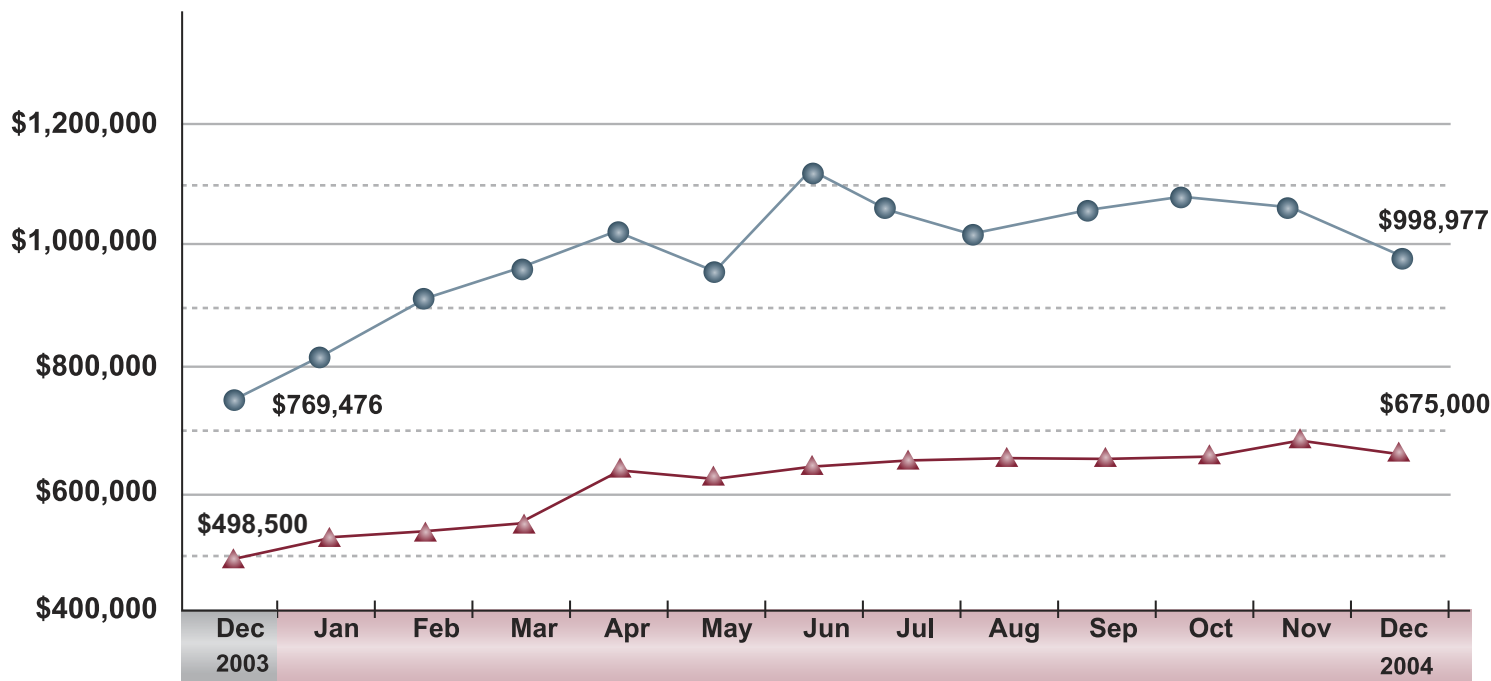


Monthly Market Report

DECEMBER 2004

- In December, the average price for an apartment in Manhattan dipped below the \$1 million mark for the first time since May. However, at \$998,977 this figure is still 30% higher than a year ago. The median price rose 35% during this time, to \$675,000 providing further evidence of the strength of the market. Demand should remain strong as rates have remained low while job growth has accelerated.
- The supply of apartments coming onto the market remained low in December, particularly on the West Side. The number of new listings added to the West Side market fell 42% from a year ago, as only 129 apartments were placed on the market. Due in part to units at 23 Wall Street hitting the market, Downtown new listings rose 19% from December of 2003. East Side new listings were up 4% from a year ago.
- Prewar co-ops posted a median price of \$675,000 in December, 32% higher than a year ago. Postwar co-ops were up 34% during this time, to a median of \$534,500.
- Postwar units led pricing gains for condos, as their median price rose 39% from a year ago to \$797,000. Prewar condos were up 20% from December of 2003, at a median of \$867,000.
- Larger apartments produced the biggest pricing increases over the past 12 months on the East Side. Two-bedroom units jumped 40% in median price during this time, to \$1,125,000. Three-bedroom and larger apartments were up 38% during this time, to a median of \$2,655,000. Smaller units also increased from a year ago, with the median price up 20% for studios and 23% for one-bedrooms.
- All sizes of apartments on the West Side were priced higher than during December of 2003. Two-bedrooms were up 18% in median price and one-bedrooms 29%. Studios posted the largest increase, up 34% during this time to a median of \$349,000.
- Two-bedrooms continue to lead the way Downtown as their median price of \$1,150,000 was 54% higher than a year ago. A lack of supply of these units, combined with increasing demand has pushed the figure up significantly over the past few months. The median price for studios was 20% higher and one-bedrooms 15% higher than a year ago.
- At a median of \$867 per square foot, lofts were 30% more expensive in December than a year ago.

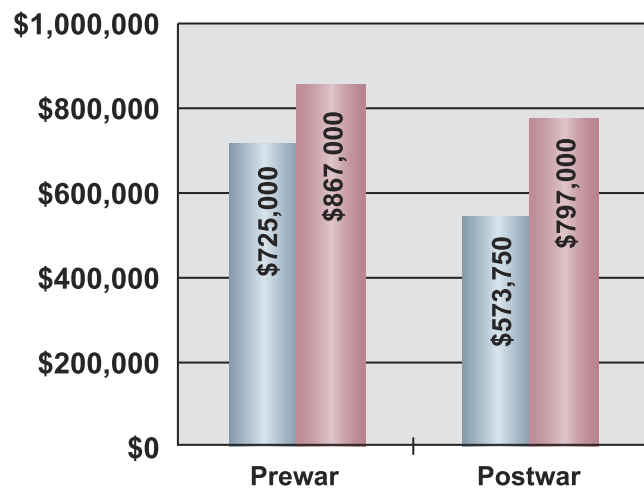
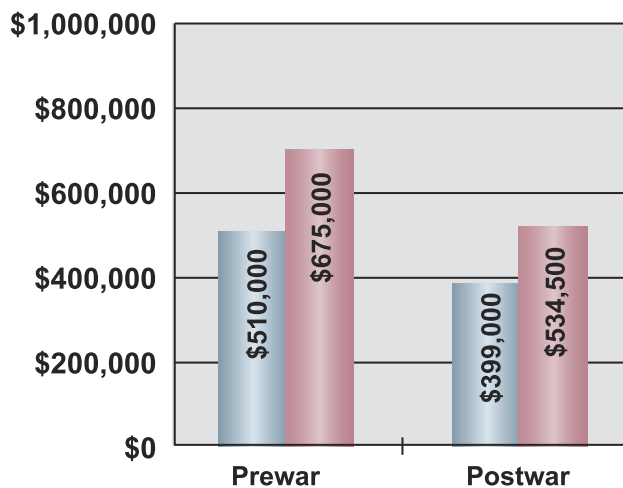
All Manhattan Apartments



● Average Sales Price
▲ Median Sales Price

COOPERATIVE Median Sale Price

CONDOMINIUM Median Sales Price



■ Dec 03 ■ Dec 04

Median Sale Price By Market Area

East Side

	December 2003	December 2004	Change
Studio	\$230,000	\$275,000	20%
One-Bedroom	\$405,000	\$499,000	23%
Two-Bedroom	\$802,500	\$1,125,000	40%
Three-Bedroom & Larger	\$1,922,500	\$2,655,000	38%

West Side

	December 2003	December 2004	Change
Studio	\$260,500	\$349,000	34%
One-Bedroom	\$427,000	\$550,000	29%
Two-Bedroom	\$829,500	\$975,000	18%

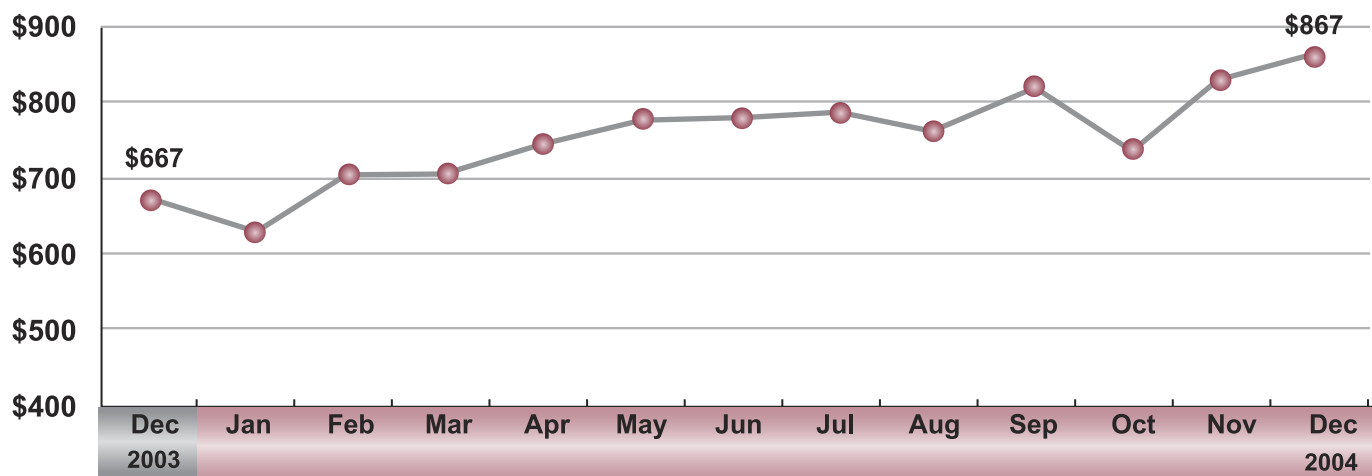
*There were not enough 3+bedroom sales on the West Side for a valid comparison.

Downtown

	December 2003	December 2004	Change
Studio	\$275,000	\$330,000	20%
One-Bedroom	\$433,000	\$499,000	15%
Two-Bedroom	\$749,000	\$1,150,000	54%

*There were not enough 3+bedroom sales Downtown for a valid comparison.

Manhattan Lofts - Median Price per Square Foot



Inventory Report - Number of New Listings

East Side

	December 2003	November 2004	December 2004
Studio	28	45	26
One-Bedroom	77	126	86
Two-Bedroom	64	102	65
Three-Bedroom	40	44	32
Four-Bedroom & Larger	12	21	20

West Side

	December 2003	November 2004	December 2004
Studio	45	20	25
One-Bedroom	95	61	48
Two-Bedroom	58	99	36
Three-Bedroom	19	19	15
Four-Bedroom & Larger	5	11	5

Downtown

	December 2003	November 2004	December 2004
Studio	31	34	22
One-Bedroom	63	117	94
Two-Bedroom	57	61	60
Three-Bedroom	20	15	27
Four-Bedroom & Larger	1	2	2
Lofts	72	56	75

PREPARED BY **Gregory Heym, CHIEF ECONOMIST**
Halstead Property, LLC

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.