

BROWN HARRIS STEVENS

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New York City Residential Market Report

First Quarter 2006



EXCLUSIVE AFFILIATE OF
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GREAT ESTATES

A Rejuvenated Market

At \$1,258,420, the average price for a Manhattan apartment was 8% higher than a year ago, and 15% higher than the prior quarter. After falling during the last two quarters of 2005, the average price is now just under the record level set in 2005's second quarter. The median price of \$740,000 during the quarter was also the highest since the second quarter of 2005, and was 6% higher than a year ago. For the first time, the average price per square foot for sales reached \$1,000. This figure is up 12% from the first quarter of 2005.

After falling below \$1 million last quarter, the average price for cooperative apartments jumped to \$1,159,130 in the first quarter. This was 10% higher than a year ago, and 26% higher than the prior quarter. All sizes of co-ops posted double-digit gains in their average price over the past year. The median price of \$677,000 for co-ops was a new high, and was 9% higher than a year ago.

In the condominium market prices averaged \$1,384,932 in the first quarter, virtually unchanged from a year ago. Growth in the average price was tempered by a 9% decline in the average size of condos sold, as there were fewer sales of luxury units in new developments than a year ago. On a per square foot basis, the average price was 5% higher than 2005's first quarter. The largest price gains were seen in three-bedrooms, whose average price of \$3,316,851 was 25% higher than a year ago.

After stagnating at the end of 2005, price growth has once again picked up. With interest rates still low, job growth continuing, a growing economy and now a record \$21.5 billion in Wall Street bonuses the fundamentals of the real estate market remain strong. Recent increases in both the number of available apartments and time on the market has yet to show any significant effect on prices.

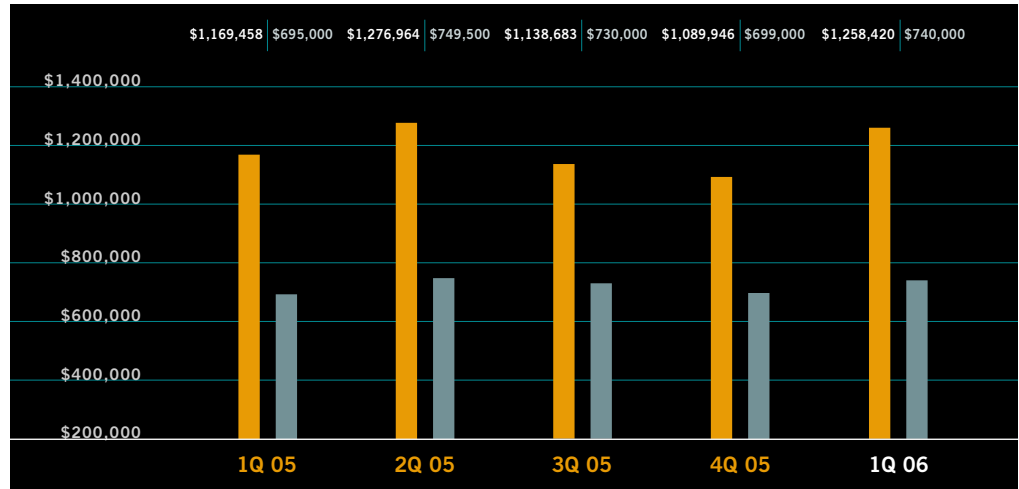
Transaction data for this market report is provided by ValuExchange, a proprietary database that contains data from all Terra Holdings companies and is the largest known survey of the New York City residential market. This report is based on 2,115 reported Manhattan apartment sales.

— Gregory J. Heym
Chief Economist, Brown Harris Stevens

Manhattan Cooperatives and Condominiums

The average sale price for all apartments of \$1,258,420 during the first quarter was 8% higher than a year ago, and 15% higher than the prior quarter. For the first time, the average price per square foot for apartments reached \$1,000.

Average and Median Sale Price



Average Sale Price ■ Median Sale Price ■

Average Sale Price

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$6,605,273	\$3,142,949	\$1,396,168	\$678,226	\$402,953	\$1,258,420
4th Q 05	\$4,515,920	\$2,676,760	\$1,475,322	\$660,373	\$378,361	\$1,089,946
3rd Q 05	\$5,125,885	\$2,832,187	\$1,368,859	\$649,268	\$403,490	\$1,138,683
2nd Q 05	\$7,255,023	\$2,995,571	\$1,421,521	\$638,163	\$352,270	\$1,276,964
1st Q 05	\$6,628,993	\$2,717,187	\$1,315,528	\$581,623	\$326,734	\$1,169,458

Average Price Per Square Foot

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$1,615	\$1,337	\$1,022	\$904	\$905	\$1,000
4th Q 05	\$1,363	\$1,214	\$1,110	\$892	\$846	\$ 979
3rd Q 05	\$1,573	\$1,209	\$1,031	\$879	\$879	\$ 969
2nd Q 05	\$1,595	\$1,285	\$1,032	\$842	\$796	\$ 962
1st Q 05	\$1,344	\$1,158	\$ 952	\$787	\$731	\$ 891

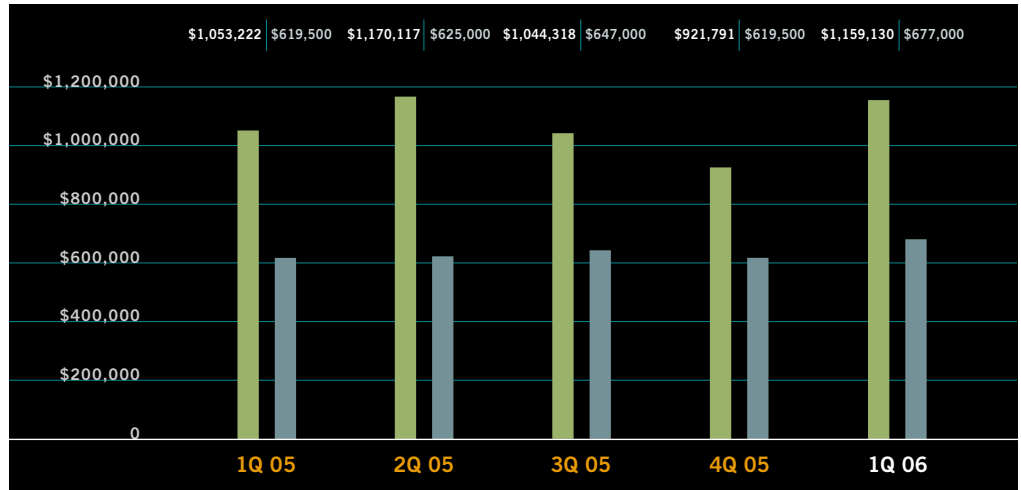
Average Price Per Room

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$678,997	\$460,246	\$302,584	\$216,228	\$191,573	\$275,053
4th Q 05	\$490,062	\$412,341	\$320,772	\$207,682	\$179,384	\$257,774
3rd Q 05	\$590,407	\$431,969	\$299,867	\$205,231	\$189,883	\$261,260
2nd Q 05	\$727,330	\$447,941	\$308,585	\$199,247	\$166,555	\$270,323
1st Q 05	\$657,597	\$419,253	\$283,152	\$182,645	\$150,978	\$247,783

Manhattan Cooperative Apartments

The average co-op price of \$1,159,130 during the first quarter was 10% higher than a year ago, as all sizes of apartments showed significant price gains.

Average and Median Sale Price



Average Sale Price ■ Median Sale Price ■

Average Sale Price

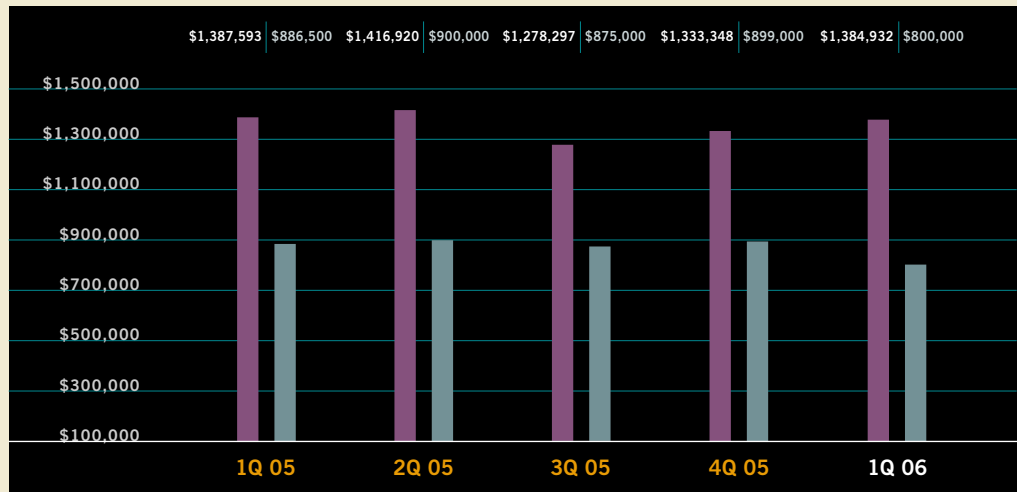
	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$5,885,127	\$3,098,147	\$1,363,909	\$622,519	\$353,137	\$1,159,130
4th Q 05	\$3,889,000	\$2,309,711	\$1,261,933	\$578,350	\$340,981	\$ 921,791
3rd Q 05	\$5,432,808	\$2,899,599	\$1,275,852	\$582,494	\$352,809	\$1,044,318
2nd Q 05	\$7,365,740	\$3,104,997	\$1,274,995	\$562,270	\$315,508	\$1,170,117
1st Q 05	\$5,027,016	\$2,784,150	\$1,242,479	\$528,926	\$299,947	\$1,053,222

Average Price Per Room

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$534,765	\$421,589	\$282,292	\$196,890	\$168,055	\$245,903
4th Q 05	\$428,651	\$344,459	\$261,378	\$182,330	\$161,256	\$217,248
3rd Q 05	\$562,866	\$410,309	\$271,650	\$183,020	\$163,715	\$232,301
2nd Q 05	\$595,778	\$419,048	\$260,510	\$174,415	\$149,955	\$231,539
1st Q 05	\$580,265	\$401,875	\$255,531	\$163,895	\$137,267	\$218,747

Manhattan Condominium Apartments

Average and Median Sale Price



Average Sale Price ■ Median Sale Price

While the average price for condos was unchanged from 2005's first quarter, this is primarily due to a 9% decline in the average size of units sold. On a per square foot basis the average condo price was up 5% during this time.

Average Sale Price

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$7,300,586	\$3,316,851	\$1,429,517	\$753,936	\$472,466	\$1,384,932
4th Q 05	\$5,656,107	\$3,202,206	\$1,732,571	\$786,639	\$448,286	\$1,333,348
3rd Q 05	\$5,026,723	\$2,804,108	\$1,488,602	\$758,352	\$482,462	\$1,278,297
2nd Q 05	\$7,122,163	\$2,920,487	\$1,570,887	\$734,381	\$412,872	\$1,416,920
1st Q 05	\$6,960,182	\$2,653,699	\$1,430,289	\$673,297	\$406,403	\$1,387,593

Average Price Per Square Foot

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
1st Q 06	\$1,740	\$1,509	\$1,066	\$ 993	\$998	\$1,088
4th Q 05	\$1,462	\$1,386	\$1,250	\$1,026	\$953	\$1,125
3rd Q 05	\$1,657	\$1,295	\$1,126	\$ 994	\$994	\$1,085
2nd Q 05	\$1,850	\$1,346	\$1,137	\$ 949	\$893	\$1,081
1st Q 05	\$1,783	\$1,304	\$1,061	\$ 896	\$871	\$1,040

EAST SIDE

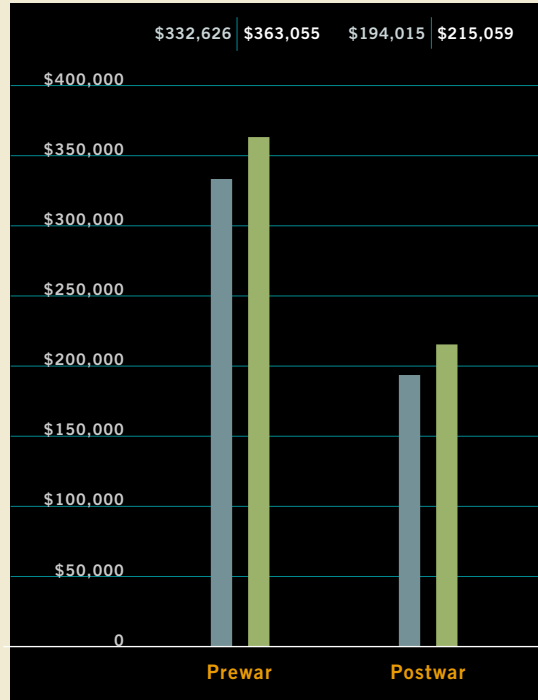
Generally 59th to 96th Street, Fifth Avenue to the East River

East Side prices rose sharply over the past year, led by a 26% gain in the average price for two-bedroom apartments to \$1,639,523.

		4+BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	1st Q 05	5%	15%	32%	35%	13%
	1st Q 06	7%	13%	32%	37%	11%
Average Price	1st Q 05	\$6,557,500	\$3,185,781	\$1,297,086	\$558,148	\$318,176
	1st Q 06	\$7,043,778	\$3,702,545	\$1,639,523	\$668,624	\$367,730
	% Change	7%	16%	26%	20%	16%

Cooperative

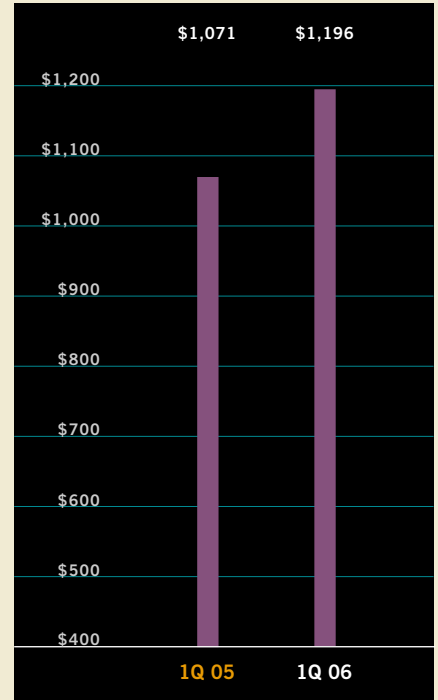
Average Price Per Room



1Q 05 1Q 06

Condominium

Average Price Per Square Foot



WEST SIDE

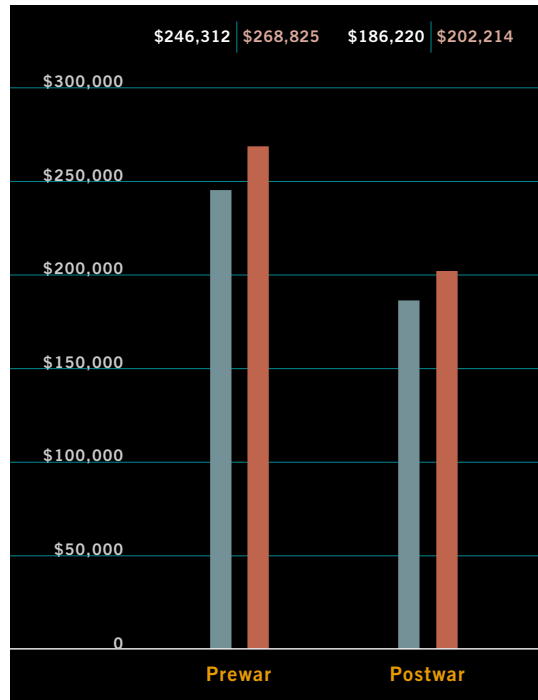
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

The average price per room for a co-op on the West Side rose 9% over the past year for both prewar and postwar units.

		3+ BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	1st Q 05	16%	33%	40%	11%
	1st Q 06	15%	36%	37%	12%
Average Price	1st Q 05	\$3,940,398	\$1,368,548	\$594,084	\$332,250
	1st Q 06	\$3,553,204	\$1,344,020	\$688,718	\$414,815
	% Change	-10%	-2%	16%	25%

Cooperative

Average Price Per Room



1Q 05 1Q 06

Condominium

Average Price Per Square Foot



MIDTOWN

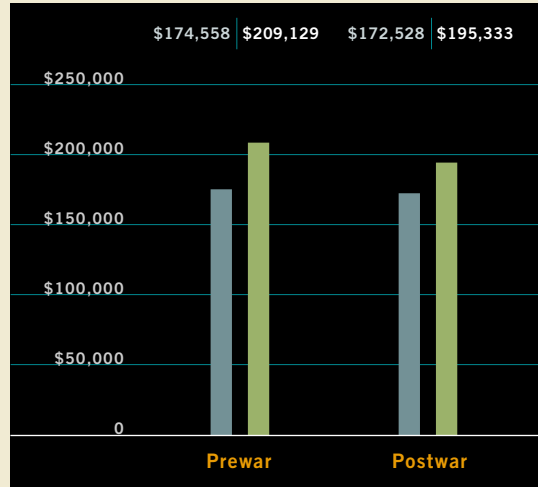
MIDTOWN EAST 34th to 58th Street, Fifth Avenue to the East River

Cooperative

Condominium

In the Midtown East market, the average price per square foot for condo sales rose 17% over the past year to \$1,127.

Average Price Per Room



1Q 05 1Q 06

Average Price Per Square Foot



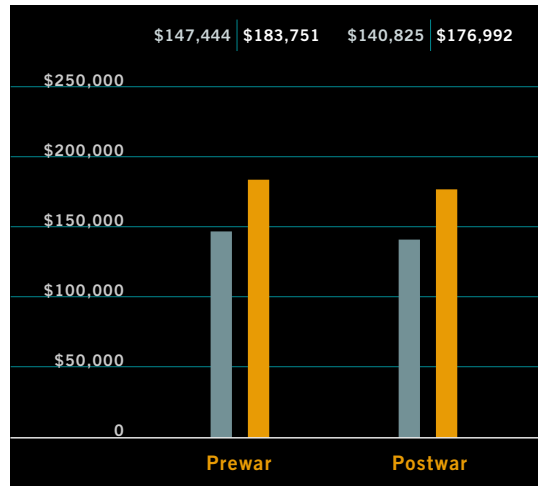
MIDTOWN WEST 34th to 58th Street, Hudson River to West of Fifth Avenue

Cooperative

Condominium

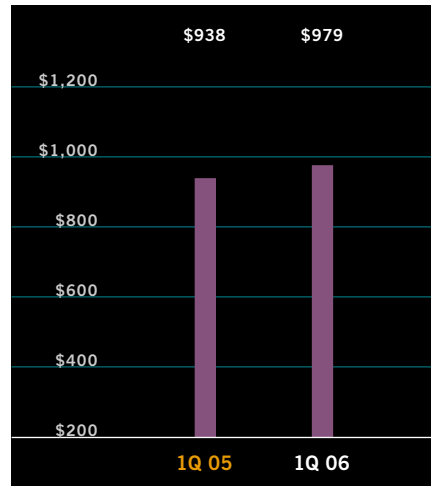
The average price per room in the Midtown West market rose 26% for postwar and 25% for prewar apartments from 2005's first quarter.

Average Price Per Room



1Q 05 1Q 06

Average Price Per Square Foot



DOWNTOWN

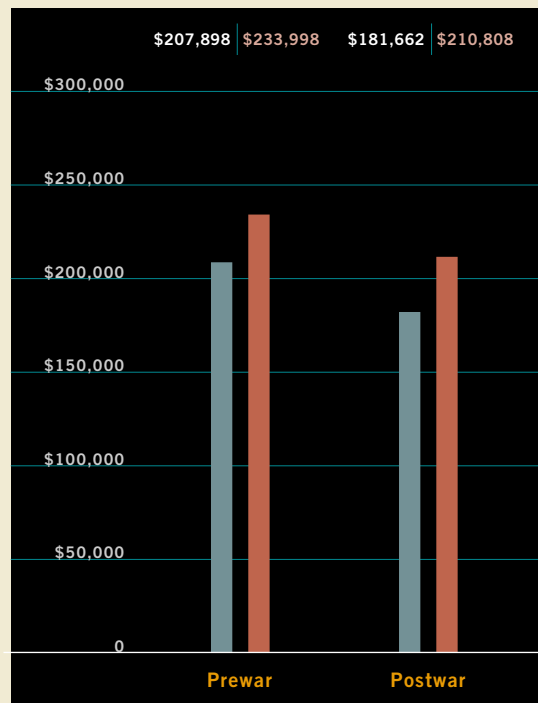
South of 34th Street

Downtown pricing gains were led by co-ops, whose average price per room was up 16% for postwar and 13% for prewar units over the past year.

		3+ BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	1st Q 05	9%	24%	52%	15%
	1st Q 06	6%	26%	51%	17%
Average Price	1st Q 05	\$2,146,362	\$1,216,474	\$613,550	\$320,157
	1st Q 06	\$2,389,484	\$1,260,725	\$676,649	\$431,774
	% Change	11%	4%	10%	35%

Cooperative

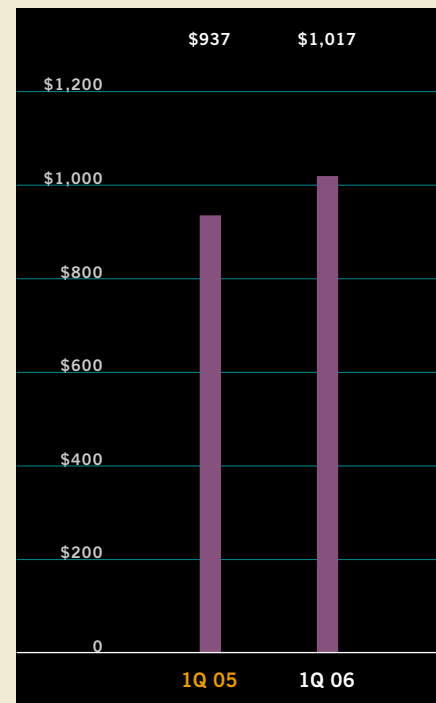
Average Price Per Room



1Q 05 1Q 06

Condominium

Average Price Per Square Foot

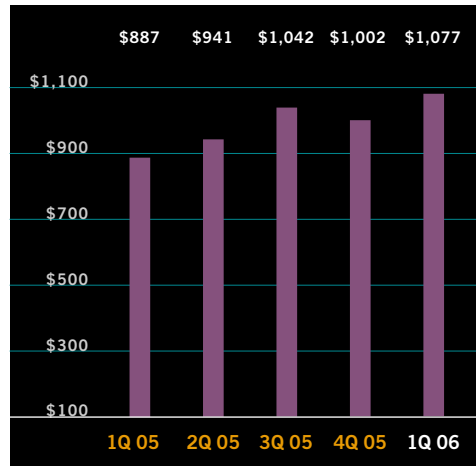


Manhattan Lofts

The average price per square foot for lofts of \$1,077 during the first quarter set a new record, and was 21% higher than a year ago.

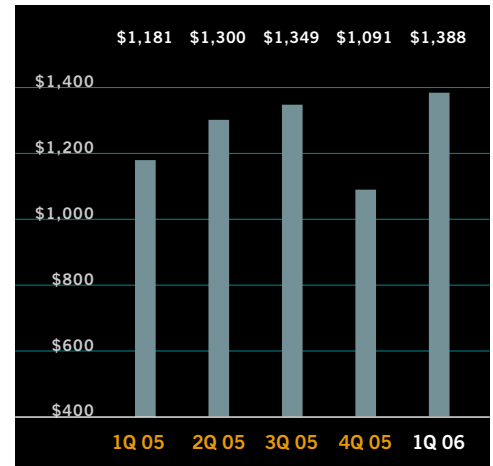
Townhouse prices averaged \$1,388 per square foot, 18% higher than a year ago.

Average Price Per Square Foot



Manhattan Townhouses

Average Price Per Square Foot



Brooklyn Heights and Park Slope

As more studio and one-bedroom units sold than a year ago, the overall average price fell slightly in Brooklyn Heights and Park Slope.

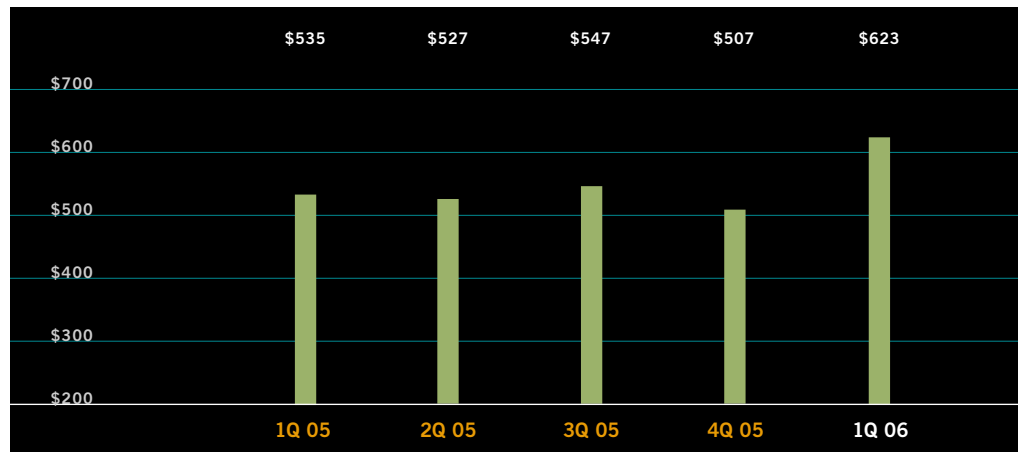
The average price per square foot for townhouses in this area rose 16% during this time to \$623.

Cooperatives and Condominiums

		2-BEDROOM	1-BEDROOM	STUDIO	ALL
Average Price	1st Q 05	\$692,815	\$414,703	\$259,063	\$620,380
	1st Q 06	\$689,168	\$472,200	\$306,545	\$599,517
	% Change	-1%	14%	18%	-3%

Townhouses

Average Price Per Square Foot





GREGORY J. HEYM is the Chief Economist for Brown Harris Stevens and serves on the City's Economic Advisory Panel. He has covered the residential real estate market for the past ten years, and was the author of the Real Estate Board of New York's cooperative and condominium sales reports prior to joining Brown Harris Stevens. Mr. Heym's academic background includes a B.S. in Economics from Saint John's University and an M.B.A. from Hofstra University.



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