

BROWN HARRIS STEVENS

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Manhattan Residential Market Report

First Quarter 2008



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Domination by the High End Continues

A 318% increase in the number of closings over \$10 million from the first quarter of 2007 helped bring the average price for Manhattan apartments up 47% over this time, to a new record of \$1,690,995. Of special note were four recorded closings over \$30 million, one fewer than all of last year. Similarly to the past few quarters, a number of these high-end sales occurred at 15 Central Park West and The Plaza, luxury condominium developments. Excluding these sales from the average price would bring it down to \$1,417,496, which would still be 23% higher than a year ago. It is also important to note that this report is based on sales that closed during the first quarter, but typically were negotiated at least a few months before that.

While the high end of the market is clearly leading pricing gains, other indicators are pointing to the continued strength of the overall market. The median price, which represents the middle of the market and is not as impacted by increased high-end activity, rose 13% over the past year to a new record of \$855,000. Also, the average price rose for all size categories from the first quarter of 2007 by at least 15%.

The effect of the closings at 15 Central Park West and The Plaza is greatest on the condo average price, which rose 52% from 2007's first quarter to a record \$1,997,108. Removing these two buildings from the average condo price would bring it down to \$1,494,472, a figure that would be 13% higher than a year ago. The fact that the condo median price rose just 8% over the past year compared to the 52% rise in the average price also illustrates how the luxury market is driving condo prices higher.

For cooperative apartments, a new record was set as the average price of \$1,333,431 was 34% higher than during the first quarter of 2007. Since virtually all new development is condominium, this number is a good reflection of the resale market in Manhattan. While all sizes of co-ops sold for much higher than a year ago, four-bedroom and larger units showed particular strength. Their average price of just under \$13 million was up an impressive 86% from the same period in 2007. We must keep in mind however, that the wide range of apartments that fit into this category can cause this figure to fluctuate dramatically from quarter to quarter.

While many feared our market would start to feel the effects of the credit crisis at the beginning of 2008, the data has yet to show any significant impact. While the number of closed sales is down 1% from a year ago, virtually every price indicator is substantially higher. It is clear that the increased activity at the high end is having a disproportional effect on the overall market, although prices did rise for smaller apartments. And while there remains concern about the future of the economy of New York, we must remember that there were a great many positives in 2007. According to the City Comptroller, for the third year in a row the City's economic growth outpaced the nation, and despite fears on Wall Street bonus money for 2007 came in at \$33.2 billion, the second highest amount ever.

Transaction data for this market report is provided by ValuExchange, a proprietary database containing the largest known survey of the Manhattan residential market. This report is based on 2,857 reported Manhattan apartment sales.

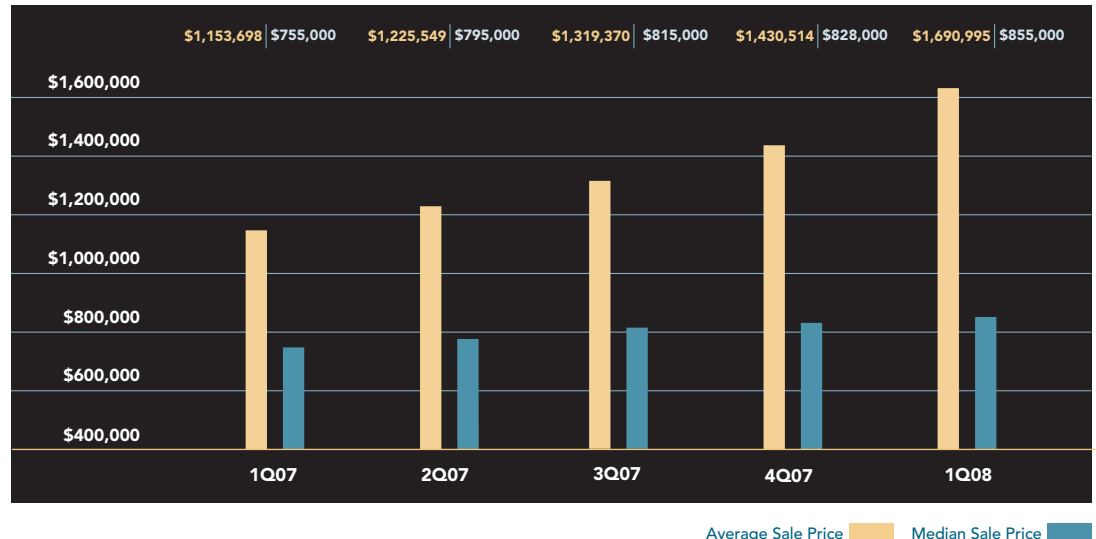
GREGORY J. HEYM

Chief Economist, Brown Harris Stevens

Manhattan Cooperatives and Condominiums*

At \$1,690,995, the average Manhattan apartment price was 47% higher than during the first quarter of 2007. This increase was fueled in part by a significant number of closings at 15 Central Park West and The Plaza, and removing them from the average price would bring it down to \$1,417,496.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$10,039,712	\$4,139,289	\$1,740,749	\$813,208	\$484,280	\$1,690,995
4th Q 07	\$6,951,864	\$3,528,383	\$1,695,245	\$784,290	\$437,317	\$1,430,514
3rd Q 07	\$6,583,611	\$2,917,155	\$1,461,438	\$761,521	\$445,821	\$1,319,370
2nd Q 07	\$6,563,389	\$2,774,816	\$1,477,836	\$743,594	\$451,056	\$1,225,549
1st Q 07	\$7,364,948	\$2,742,288	\$1,381,978	\$704,953	\$418,134	\$1,153,698

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$2,352	\$1,724	\$1,259	\$1,104	\$1,049	\$1,263
4th Q 07	\$1,764	\$1,546	\$1,273	\$1,042	\$953	\$1,181
3rd Q 07	\$1,804	\$1,349	\$1,137	\$1,041	\$974	\$1,121
2nd Q 07	\$1,737	\$1,325	\$1,120	\$1,013	\$978	\$1,089
1st Q 07	\$1,933	\$1,291	\$1,059	\$942	\$855	\$1,010

Average Price Per Room

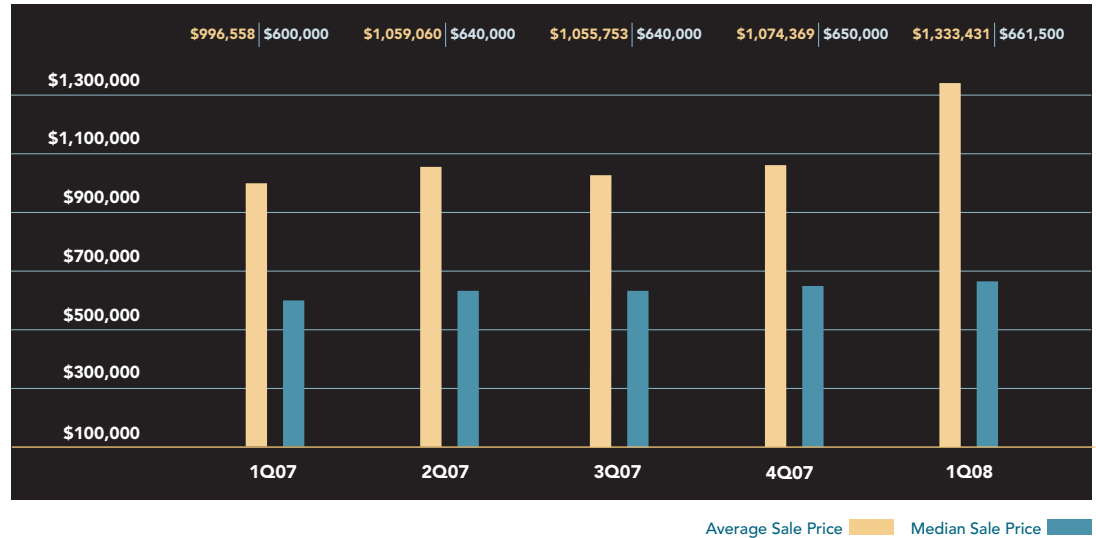
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$1,026,915	\$630,164	\$375,403	\$256,001	\$229,535	\$349,826
4th Q 07	\$752,692	\$542,661	\$371,594	\$247,876	\$205,513	\$319,591
3rd Q 07	\$714,623	\$457,714	\$321,316	\$238,262	\$209,993	\$296,577
2nd Q 07	\$659,727	\$435,517	\$319,829	\$231,930	\$209,923	\$283,384
1st Q 07	\$808,867	\$429,016	\$305,223	\$218,491	\$192,824	\$268,835

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Manhattan Cooperative Apartments*

Led by a surge in prices for four-bedroom and larger units, the average co-op price rose 34% over the past year, to \$1,333,431.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$12,947,751	\$3,587,305	\$1,511,340	\$683,698	\$414,074	\$1,333,431
4th Q 07	\$8,543,583	\$3,016,364	\$1,315,614	\$659,875	\$394,539	\$1,074,369
3rd Q 07	\$5,931,672	\$2,673,848	\$1,284,901	\$621,613	\$387,901	\$1,055,753
2nd Q 07	\$6,390,034	\$2,786,473	\$1,319,818	\$627,393	\$373,410	\$1,059,060
1st Q 07	\$6,963,885	\$2,830,476	\$1,220,435	\$589,580	\$365,231	\$996,558

Average Price Per Room

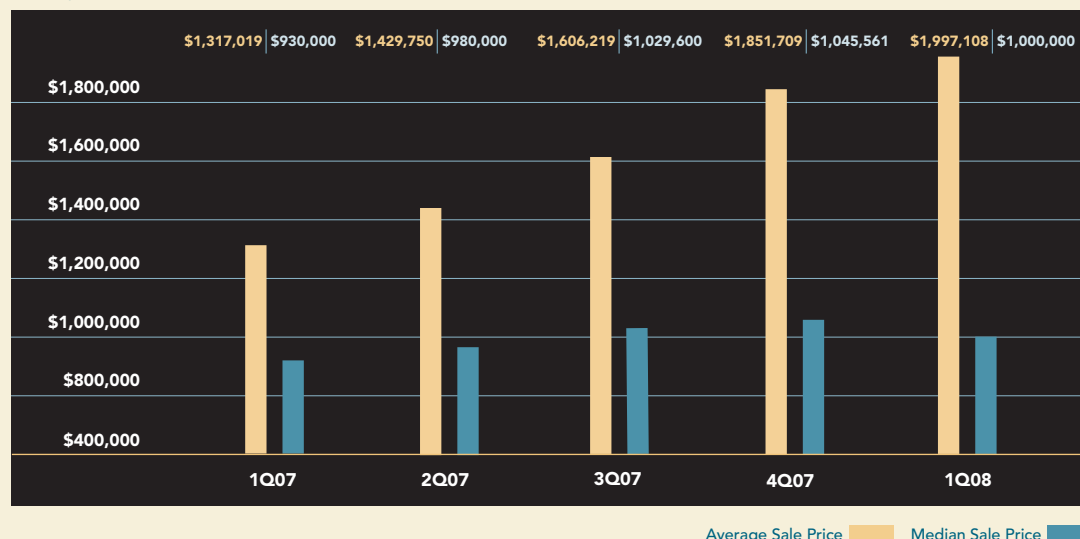
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$1,129,921	\$498,645	\$306,878	\$211,647	\$193,283	\$274,088
4th Q 07	\$781,006	\$418,670	\$276,890	\$206,412	\$180,825	\$244,111
3rd Q 07	\$633,466	\$397,436	\$271,425	\$192,118	\$178,549	\$239,280
2nd Q 07	\$614,769	\$399,630	\$270,538	\$194,276	\$171,049	\$235,769
1st Q 07	\$680,165	\$405,682	\$255,428	\$182,455	\$168,329	\$224,944

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Manhattan Condominium Apartments*

Closings at 15 Central Park West and The Plaza had a dramatic impact on the average condo price in the first quarter, pushing it up 52% from a year ago to \$1,997,108. Without the closings in those two buildings, the average price would fall over \$500,000, to \$1,494,472.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$8,889,694	\$4,428,083	\$1,935,538	\$917,691	\$596,730	\$1,997,108
4th Q 07	\$6,139,071	\$3,794,892	\$2,111,210	\$930,186	\$538,400	\$1,851,709
3rd Q 07	\$7,232,735	\$3,102,457	\$1,611,105	\$924,492	\$571,771	\$1,606,219
2nd Q 07	\$6,744,122	\$2,769,561	\$1,627,830	\$886,277	\$562,182	\$1,429,750
1st Q 07	\$7,786,913	\$2,663,386	\$1,525,413	\$838,497	\$490,713	\$1,317,019

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 08	\$2,403	\$1,841	\$1,354	\$1,173	\$1,177	\$1,369
4th Q 07	\$1,772	\$1,635	\$1,411	\$1,136	\$1,075	\$1,308
3rd Q 07	\$1,930	\$1,405	\$1,203	\$1,154	\$1,095	\$1,221
2nd Q 07	\$1,759	\$1,373	\$1,202	\$1,123	\$1,058	\$1,183
1st Q 07	\$2,012	\$1,304	\$1,139	\$1,041	\$911	\$1,097

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EAST SIDE

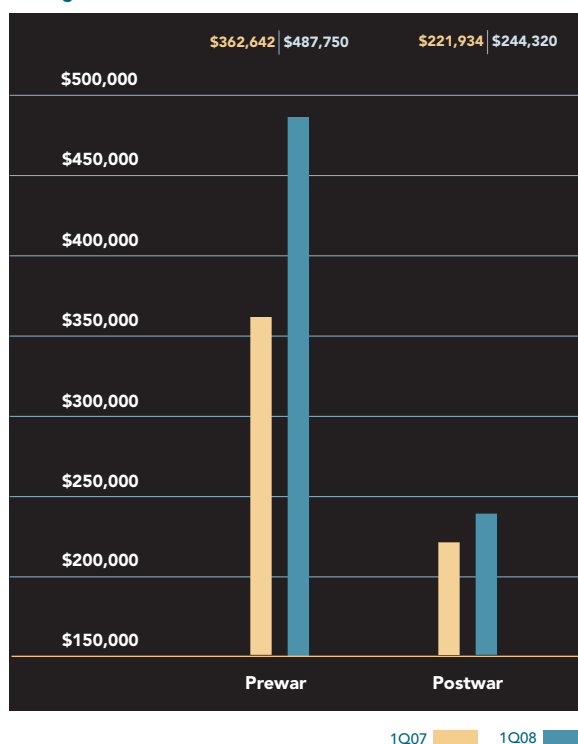
Generally 59th to 96th Street, Fifth Avenue to the East River

The average price per room for East Side prewar cooperatives rose 34% over the past year to \$487,750. The strength in this segment of the market is also reflected in the 53% jump in the average price for four-bedroom and larger apartments during this time.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	1st Q 07	4%	14%	29%	38%	14%
	1st Q 08	6%	11%	30%	35%	17%
Average Price	1st Q 07	\$8,875,796	\$3,301,714	\$1,481,823	\$637,709	\$383,297
	1st Q 08	\$13,615,118	\$3,633,240	\$1,926,846	\$734,127	\$412,462
	% Change	53%	10%	30%	15%	8%

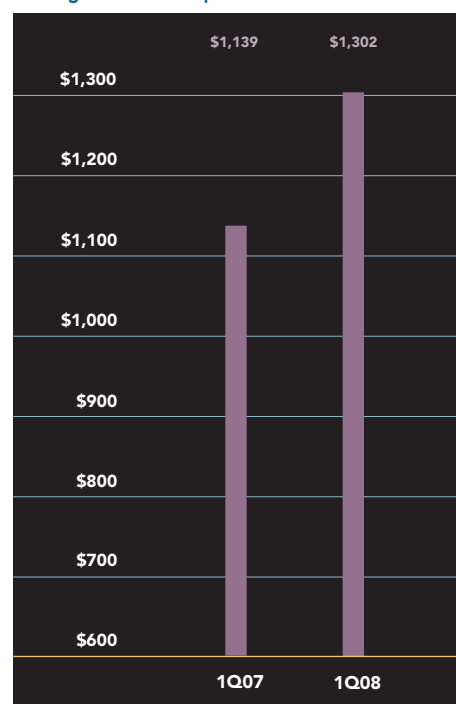
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



WEST SIDE

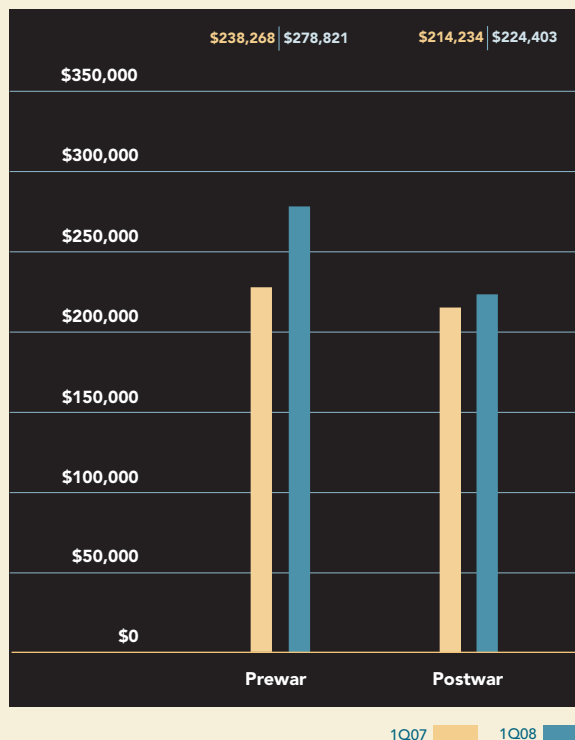
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

Most of the indicators on the West Side continued to be driven by 15 Central Park West during the first quarter. Most notable were the 90% jump in the average price for three-bedroom apartments, and a 37% increase in the average condo price per square foot.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	1st Q 07	4%	11%	33%	38%	14%
	1st Q 08	10%	14%	27%	35%	14%
Average Price	1st Q 07	\$6,120,327	\$2,621,719	\$1,349,780	\$672,838	\$389,936
	1st Q 08	\$9,262,345	\$4,993,819	\$1,840,193	\$800,205	\$509,913
	% Change	51%	90%	36%	19%	31%

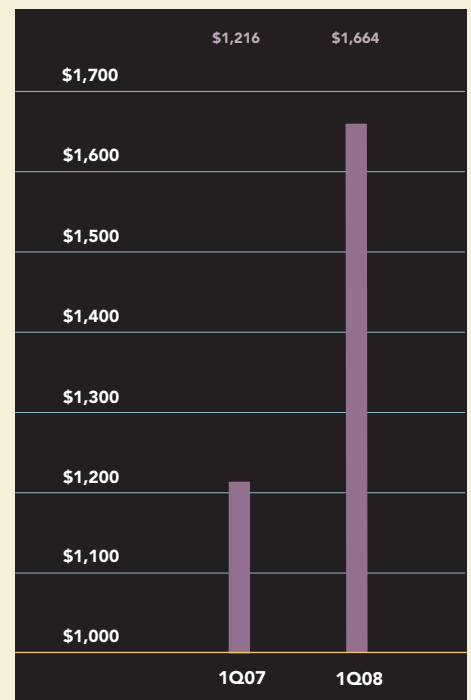
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

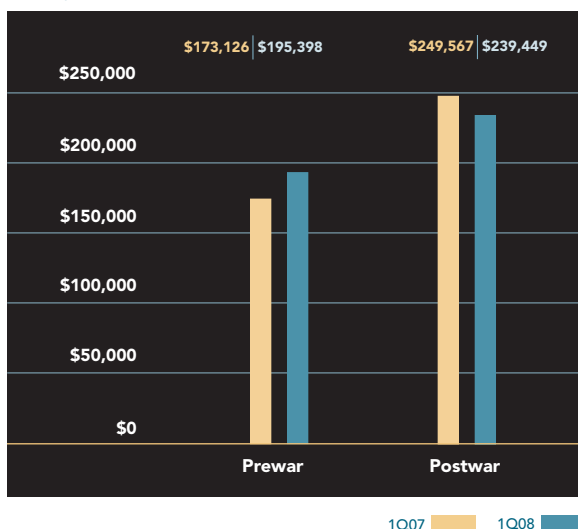


MIDTOWN

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

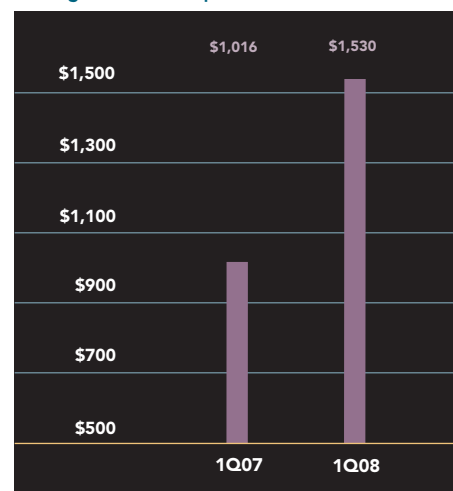
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

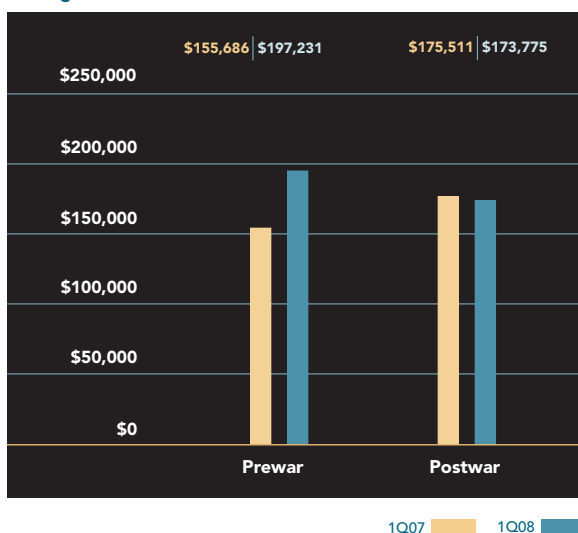


Condo prices in the Midtown East market averaged \$1,530 per square foot in the first quarter, 51% more than a year ago. This increase is attributable in great part to activity at The Plaza, where prices are well above the typical sale in this market.

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

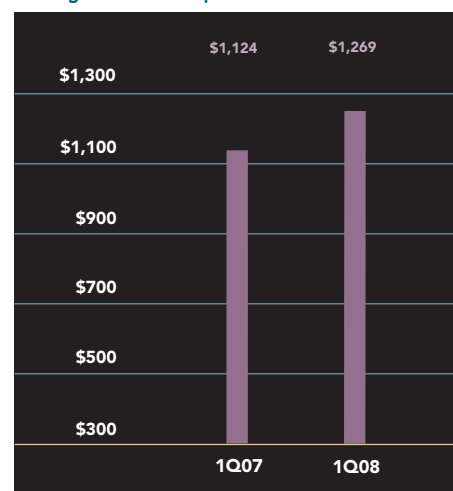
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



Co-op prices were mixed in the Midtown West market, as the average price per room rose 27% over the past year for prewar units, and fell 1% for postwar units.

DOWNTOWN

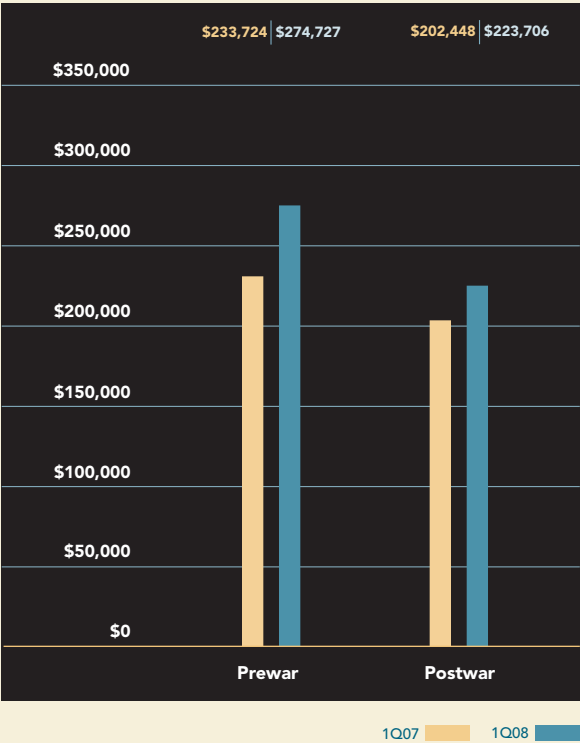
South of 34th Street

In the Downtown market, pricing gains over the past year were led by larger units. The average price rose 21% from 2007's first quarter for three-bedroom and larger and 16% for two-bedroom units.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	1st Q 07	6%	28%	45%	21%
	1st Q 08	5%	20%	50%	25%
Average Price	1st Q 07	\$2,679,930	\$1,378,591	\$762,477	\$463,387
	1st Q 08	\$3,243,000	\$1,604,951	\$815,069	\$490,810
	% Change	21%	16%	7%	6%

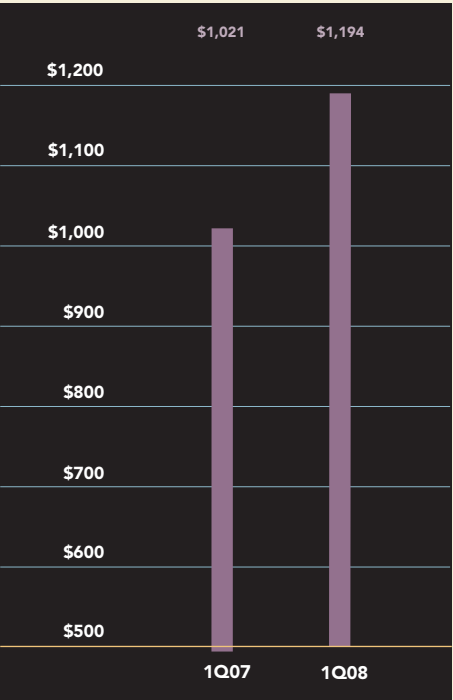
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



NORTHERN MANHATTAN

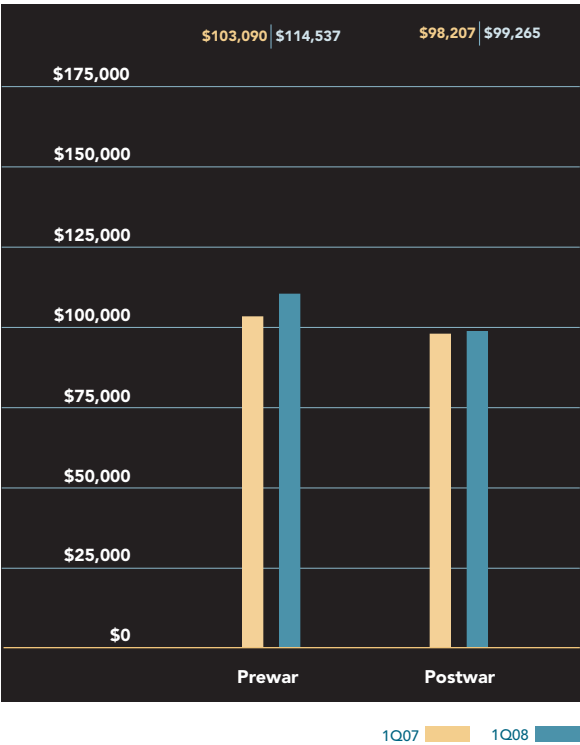
Generally North of 96th Street on the East Side, and 110th Street on the West Side

Activity in new developments helped bring the Northern Manhattan average condo price per square foot up 15% from 2007's first quarter, to \$654. This also brought up the average price for three-bedroom and larger apartments, which reached \$1,501,328 in the quarter.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	1st Q 07	12%	44%	34%	10%
	1st Q 08	10%	34%	46%	10%
Average Price	1st Q 07	\$959,047	\$502,935	\$331,855	\$256,337
	1st Q 08	\$1,501,328	\$546,161	\$361,650	\$260,744
	% Change	57%	9%	9%	2%

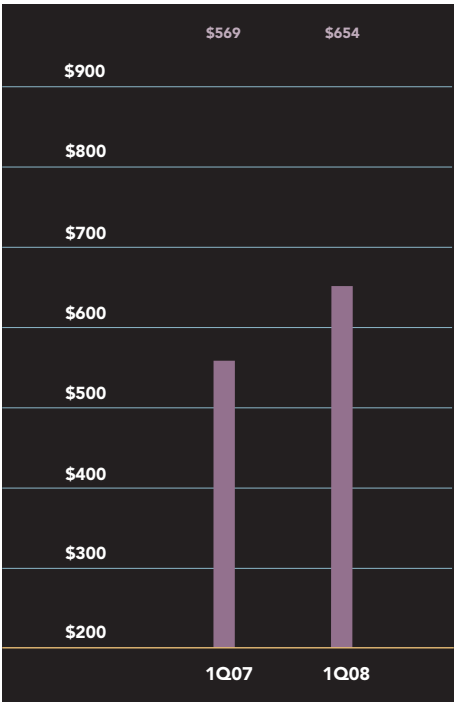
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



MANHATTAN

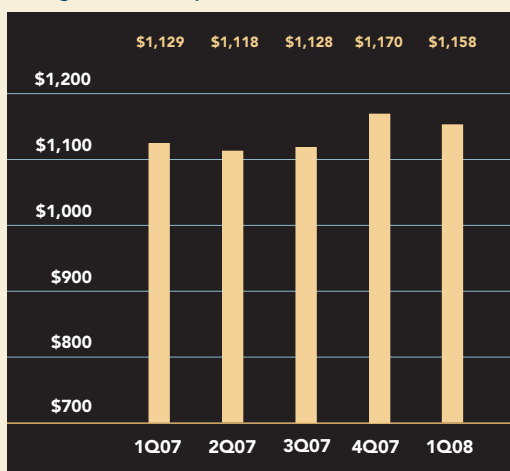
LOFTS AND TOWNHOUSES*

Manhattan Lofts

Loft apartments fetched an average of \$1,158 per square foot during the first quarter, up 3% from the same period in 2007.

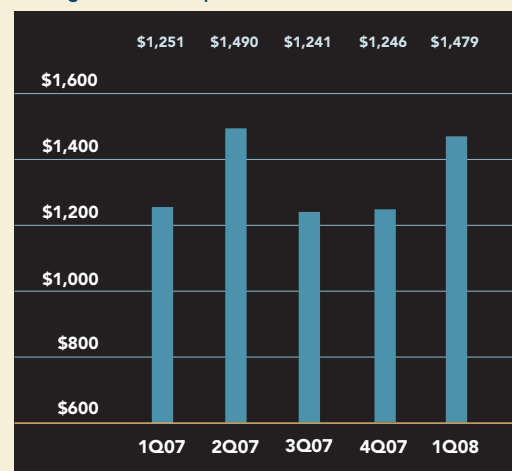
Townhouse prices average \$1,479 per square foot, 18% more than during 2007's first quarter.

Average Price Per Square Foot



Manhattan Townhouses

Average Price Per Square Foot



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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 thirteen 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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