

BROWN HARRIS STEVENS

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New York City Residential Market Report

Second Quarter 2007



Prices Achieve Record Levels

Led by strong condominium sales, the average price for Manhattan apartments reached \$1,300,212 in the second quarter of 2007, a new record. The previous high was set during the second quarter of 2005. The average price increased 7% from just three months ago. The median price also achieved a new record, reaching \$840,000. This was 9% higher than the prior record, which was set in the first quarter of 2007. The 3,469 sales closed in the second quarter were 31% higher than a year ago.

The average sale price for condominiums of \$1,498,273 during the second quarter set a new record, and was 28% higher than the second quarter of 2006. The prior record of \$1,416,920, was set during 2005's second quarter. While part of this increase is attributable to a 9% rise in the average size of condos sold, on a per square foot basis, the average condo price was still 15% higher than a year ago. Also bolstering condo prices higher was strong activity in new developments, which accounted for just under half of all condo sales. The median price for condo sales also set a new record, breaking the \$1 million mark for the first time. At \$1,076,725 this figure was 33% higher than during the second quarter of 2006.

The average price of \$1,132,726 for cooperative apartments was 10% below the second quarter of 2006, a figure largely attributable to an 8% decline in the size of co-ops sold. If the average size of units sold decreases, usually a similar decline will occur in the average price. On a per room basis, the average co-op price is only 3% lower than a year ago. Large co-ops continued to show strength, as the average price for four-bedroom and larger units of \$7,016,240 was 19% higher than a year ago.

Demand remains strong, and apartment prices continue to rise in Manhattan. The momentum in the marketplace that began at the end of 2006 continues to grow, fueled by a robust economy and record Wall Street bonuses. With supply falling back from the high levels of last year, price growth should continue despite recent rises in long-term mortgage rates which still remain at historic lows.

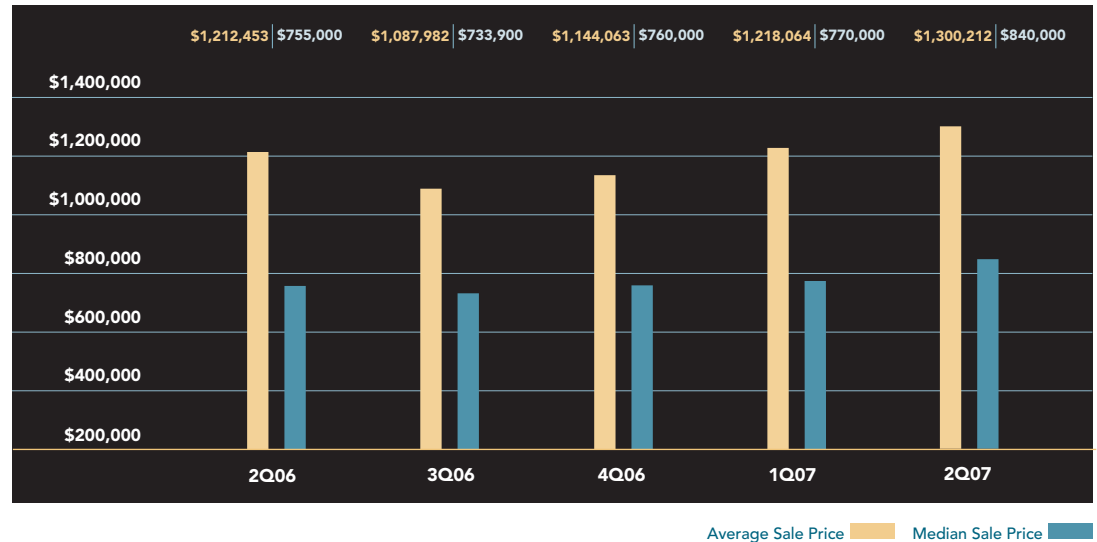
Transaction data for this market report is provided by ValuExchange, a proprietary database containing the largest known survey of the New York City residential market. This report is based on 3,469 reported Manhattan apartment sales.

GREGORY J. HEYM
Chief Economist, Brown Harris Stevens

Manhattan Cooperatives and Condominiums

Both the average and median price set a new record during the second quarter. At \$1,300,212, the average price was 7% higher than a year ago, while the median price of \$840,000 was up 11% during this time.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$6,596,597	\$3,020,528	\$1,608,923	\$769,284	\$454,706	\$1,300,212
1st Q 07	\$7,906,260	\$2,850,769	\$1,441,103	\$716,740	\$412,753	\$1,218,064
4th Q 06	\$6,260,402	\$3,047,126	\$1,434,236	\$708,230	\$410,383	\$1,144,063
3rd Q 06	\$5,379,113	\$2,707,495	\$1,354,930	\$702,024	\$412,147	\$1,087,982
2nd Q 06	\$5,573,921	\$3,018,858	\$1,530,959	\$699,364	\$408,146	\$1,212,453

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$1,869	\$1,421	\$1,181	\$1,011	\$992	\$1,122
1st Q 07	\$2,208	\$1,325	\$1,081	\$940	\$845	\$1,023
4th Q 06	\$1,581	\$1,426	\$1,114	\$958	\$921	\$1,050
3rd Q 06	\$1,587	\$1,382	\$1,057	\$956	\$925	\$1,028
2nd Q 06	\$1,462	\$1,302	\$1,078	\$925	\$861	\$999

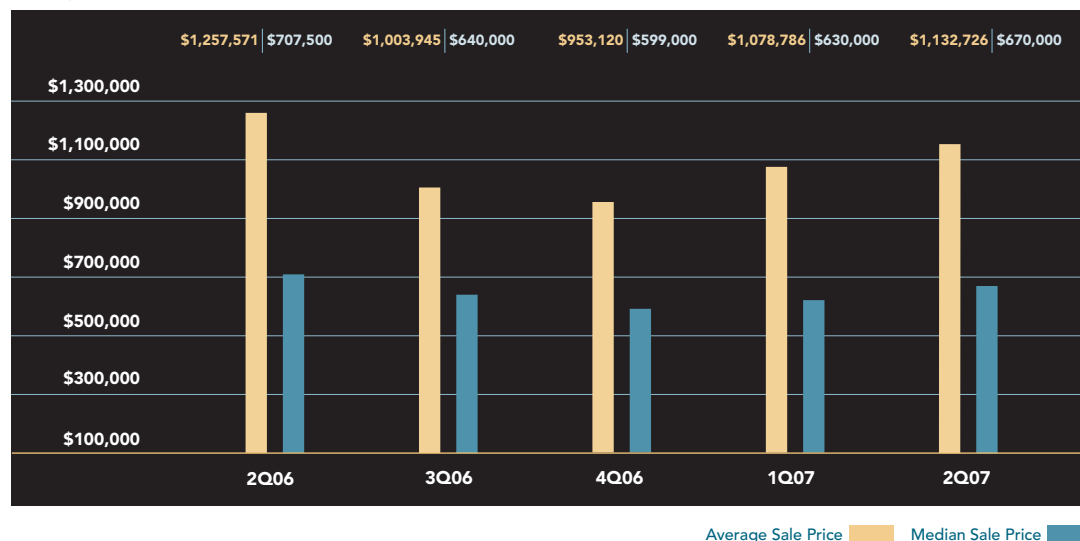
Average Price Per Room

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$698,693	\$468,123	\$344,560	\$238,621	\$210,025	\$296,554
1st Q 07	\$863,032	\$441,814	\$314,928	\$221,144	\$190,233	\$276,296
4th Q 06	\$659,867	\$485,491	\$320,429	\$222,679	\$192,439	\$273,791
3rd Q 06	\$587,851	\$407,644	\$300,381	\$220,895	\$198,305	\$265,997
2nd Q 06	\$604,113	\$446,539	\$323,942	\$221,706	\$190,315	\$274,724

Manhattan Cooperative Apartments

Four-bedroom and larger co-op prices averaged \$7,016,240, 19% higher than during 2006's second quarter.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$7,016,240	\$2,892,474	\$1,486,539	\$659,421	\$379,071	\$1,132,726
1st Q 07	\$7,332,797	\$3,037,988	\$1,306,323	\$604,824	\$367,006	\$1,078,786
4th Q 06	\$6,178,656	\$2,642,118	\$1,236,601	\$602,090	\$362,748	\$953,120
3rd Q 06	\$4,821,935	\$2,845,196	\$1,249,900	\$615,229	\$360,053	\$1,003,945
2nd Q 06	\$5,875,424	\$3,024,527	\$1,562,758	\$622,165	\$361,176	\$1,257,571

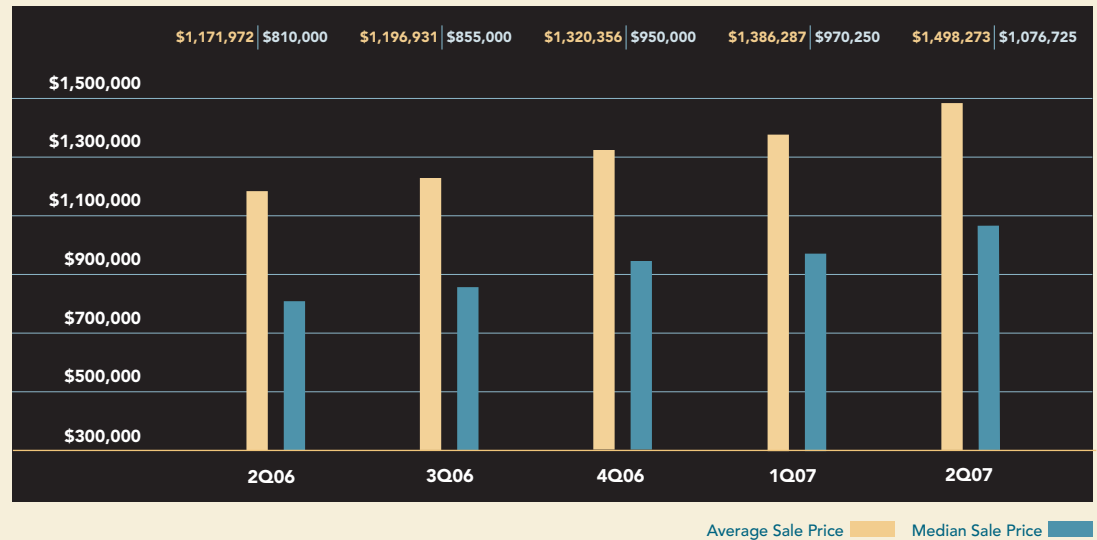
Average Price Per Room

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$663,206	\$410,699	\$299,362	\$204,171	\$173,112	\$248,937
1st Q 07	\$716,460	\$430,638	\$270,271	\$187,333	\$168,900	\$235,927
4th Q 06	\$566,987	\$384,593	\$258,976	\$186,275	\$166,569	\$221,145
3rd Q 06	\$500,984	\$388,644	\$262,169	\$188,373	\$170,580	\$227,810
2nd Q 06	\$571,432	\$409,255	\$309,073	\$196,954	\$170,346	\$257,862

Manhattan Condominium Apartments

Fueled by activity in new developments, the average condo price of \$1,498,273 in the second quarter set a new record and was up 28% from a year ago.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$6,164,238	\$3,139,239	\$1,733,920	\$918,278	\$574,197	\$1,498,273
1st Q 07	\$8,924,645	\$2,715,877	\$1,570,812	\$854,876	\$491,751	\$1,386,287
4th Q 06	\$5,814,566	\$3,204,207	\$1,594,890	\$837,887	\$499,609	\$1,320,356
3rd Q 06	\$6,132,941	\$2,586,133	\$1,483,365	\$797,779	\$504,055	\$1,196,931
2nd Q 06	\$5,287,053	\$3,025,415	\$1,508,314	\$766,910	\$457,276	\$1,171,972

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
2nd Q 07	\$1,786	\$1,494	\$1,268	\$1,128	\$1,087	\$1,224
1st Q 07	\$2,360	\$1,360	\$1,159	\$1,040	\$908	\$1,118
4th Q 06	\$1,657	\$1,487	\$1,186	\$1,059	\$1,017	\$1,141
3rd Q 06	\$1,661	\$1,426	\$1,131	\$1,045	\$997	\$1,108
2nd Q 06	\$1,614	\$1,397	\$1,136	\$987	\$918	\$1,061

EAST SIDE

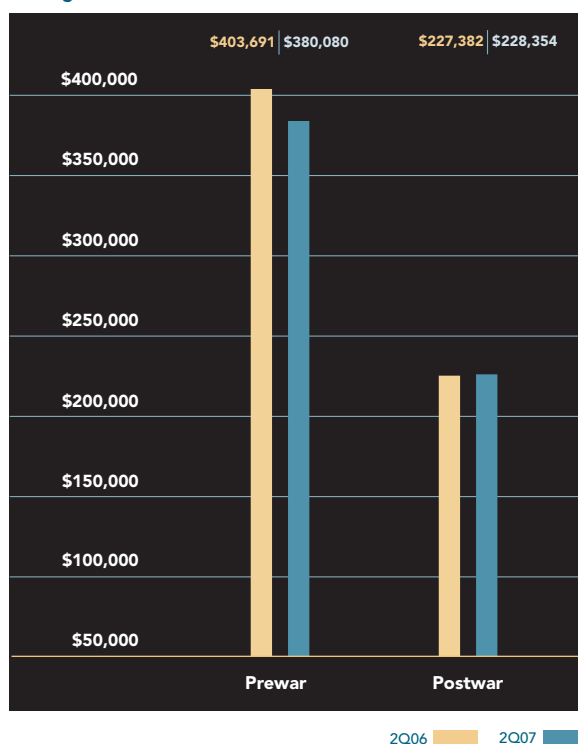
Generally 59th to 96th Street, Fifth Avenue to the East River

East Side pricing gains continue to be led by large apartments, as the average price of \$7,811,596 for four-bedroom and larger units increased 23% when compared to a year ago.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	2nd Q 06	5%	14%	36%	36%	9%
	2nd Q 07	3%	13%	30%	39%	14%
Average Price	2nd Q 06	\$6,326,258	\$3,441,605	\$1,922,110	\$669,511	\$376,288
	2nd Q 07	\$7,811,596	\$3,229,745	\$1,696,531	\$691,858	\$399,961
	% Change	23%	-6%	-12%	3%	6%

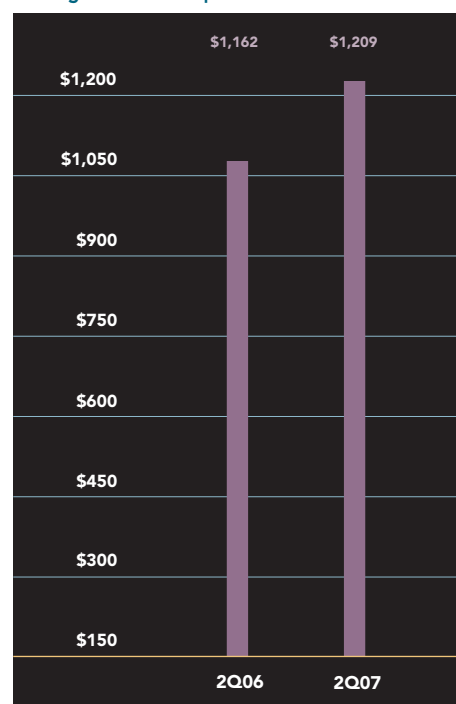
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



WEST SIDE

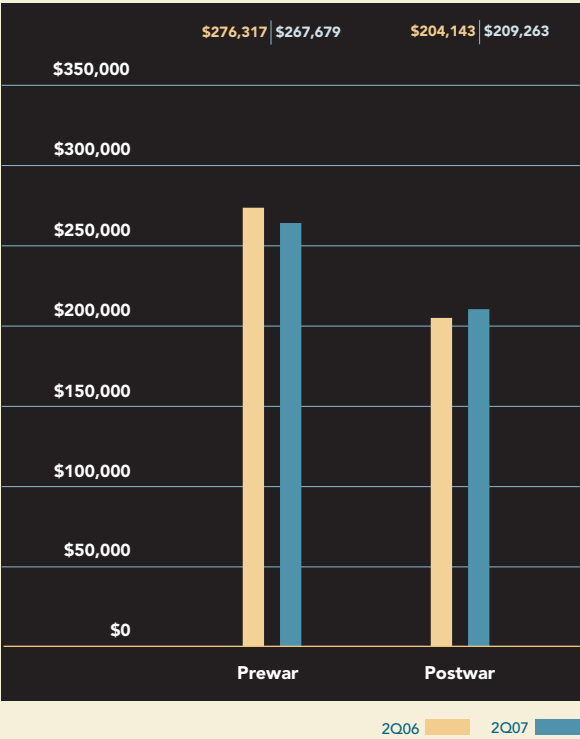
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

While the average price rose from a year ago for all size categories on the West Side, four-bedroom and larger apartments posted the biggest increase, rising 25% to \$5,446,474.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	2nd Q 06	3%	11%	38%	37%	11%
	2nd Q 07	3%	12%	30%	41%	13%
Average Price	2nd Q 06	\$4,350,707	\$3,148,759	\$1,558,808	\$689,670	\$391,296
	2nd Q 07	\$5,446,474	\$3,181,128	\$1,583,565	\$728,057	\$406,017
	% Change	25%	1%	2%	6%	4%

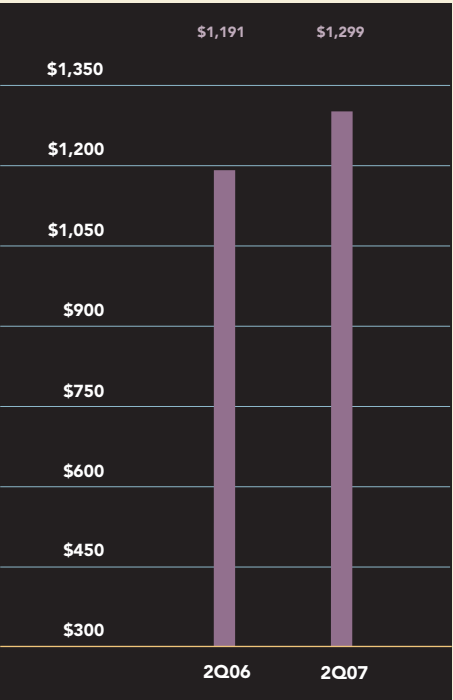
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

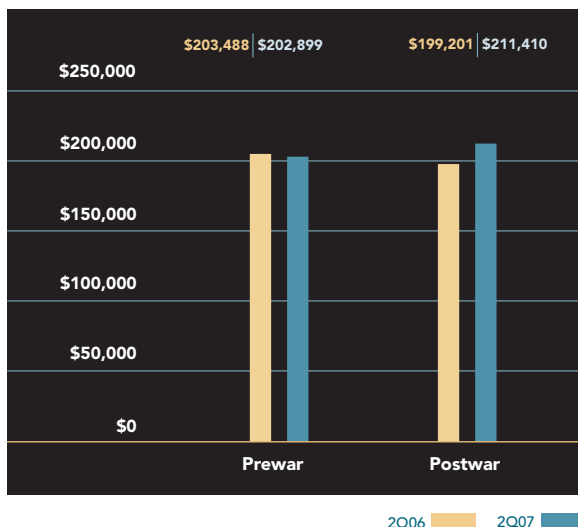


MIDTOWN

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

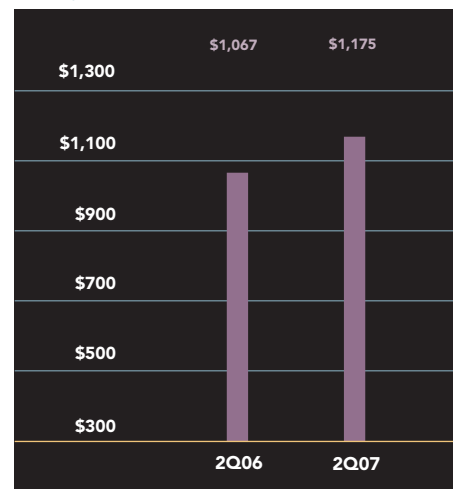
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

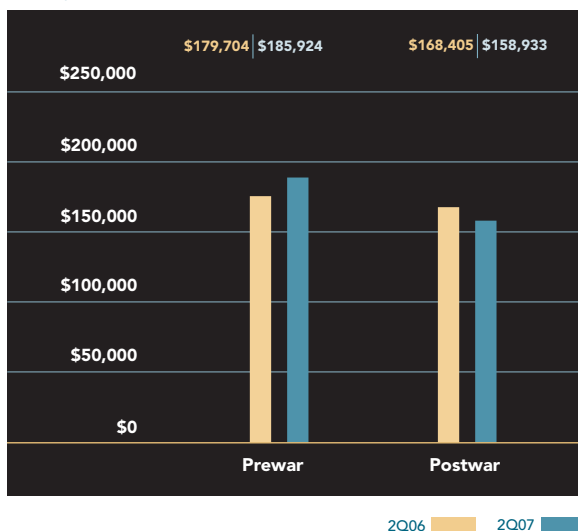


In the Midtown East market, the average condo price of \$1,175 per square foot was a 10% gain from the second quarter of 2006.

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

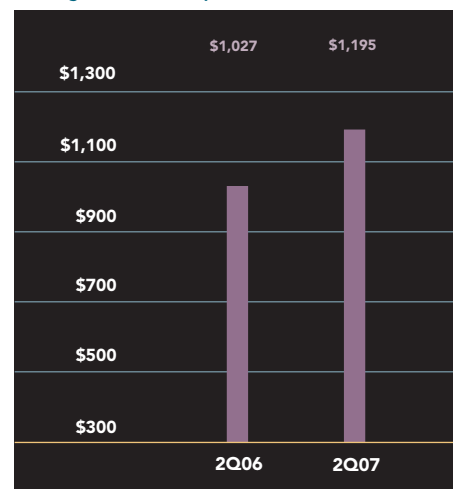
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



Midtown West condo prices averaged \$1,195 per square foot in the second quarter, up 16% from a year ago.

DOWNTOWN

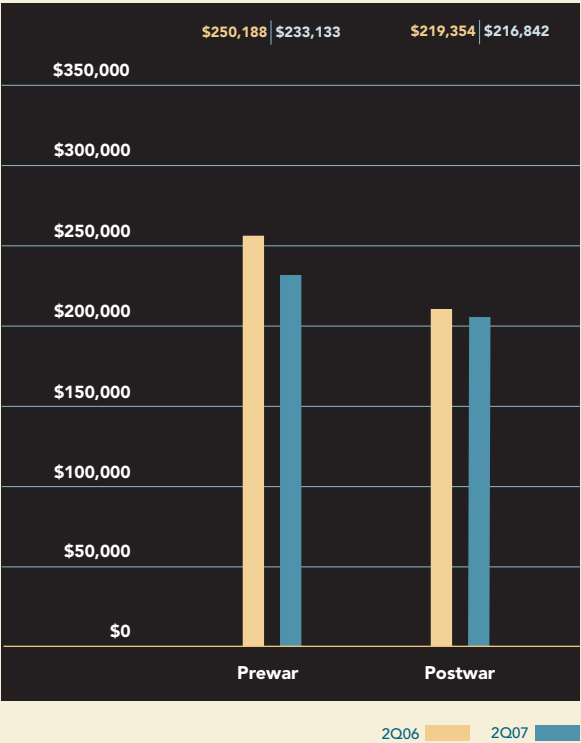
South of 34th Street

All sizes of apartments in the Downtown market posted double-digit increases in their average price from the second quarter of 2006, fueled by the strength of new development condos.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	2nd Q 06	6%	26%	51%	17%
	2nd Q 07	11%	28%	37%	24%
Average Price	2nd Q 06	\$2,261,237	\$1,262,572	\$699,773	\$415,660
	2nd Q 07	\$3,065,052	\$1,597,116	\$790,795	\$493,620
	% Change	36%	26%	13%	19%

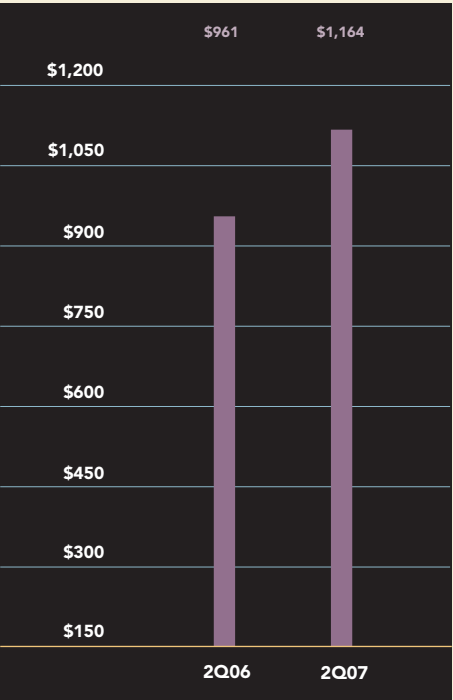
Cooperative

Average Price Per Room



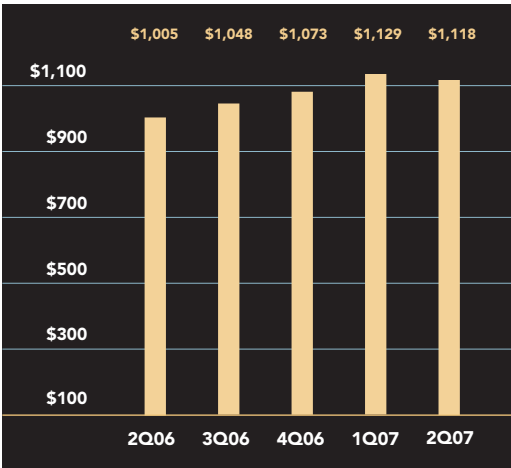
Condominium

Average Price Per Square Foot



Manhattan Lofts

Average Price Per Square Foot

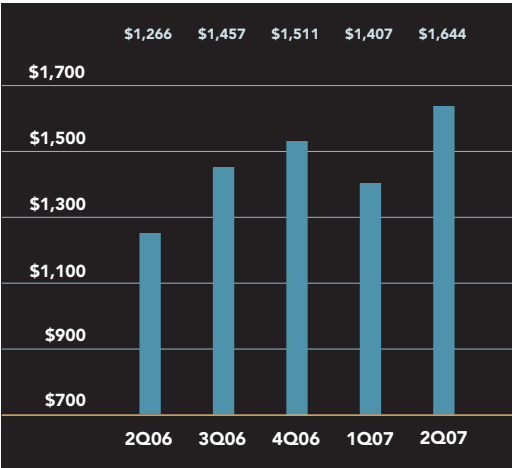


Loft prices averaged \$1,118 per square foot during the second quarter, 11% more than during 2006's second quarter.

Townhouse prices rose sharply over the past year, as their average price per square foot of \$1,644 was 30% higher than the second quarter of 2006.

Manhattan Townhouses

Average Price Per Square Foot



Brooklyn Heights and Park Slope

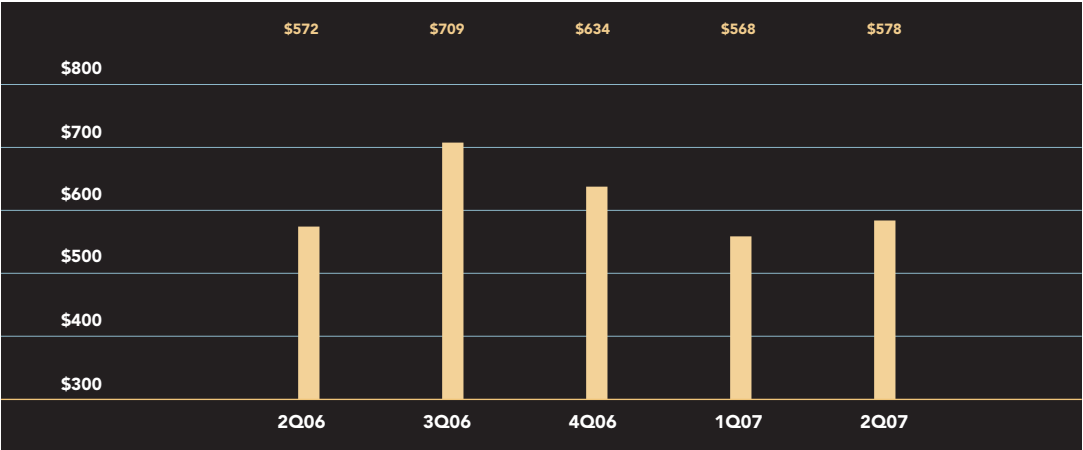
Cooperatives and Condominiums

		2-Bedroom	1-Bedroom	Studio	All
Average Price	2nd Q 06	\$750,845	\$465,652	\$307,082	\$671,269
	2nd Q 07	\$724,420	\$473,439	\$318,964	\$631,440
	% Change	-4%	2%	4%	-6%

The average price for studio apartments in Brooklyn Heights and Park Slope of \$318,964 was 4% higher than during the second quarter of 2006. At \$578 per square foot, the average price for townhouses in this area was virtually unchanged from a year ago.

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 twelve 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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