

BROWN HARRIS STEVENS

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Manhattan Residential Market Report

Third Quarter 2007



Condominiums Lead the Market Surge

The average sale price for Manhattan apartments reached \$1,319,370 in the third quarter, 26% higher than a year ago and a new record. A new record median price was also achieved, as this figure rose 12% over the past year to \$815,000. Larger apartments posted the sharpest price increases over this time, led by a 19% rise in the average price for four-bedroom and larger apartments to \$6,583,611. Another indicator of the strength of the high end of the market was a 118% increase in the number of sales of apartments priced over \$10 million from a year ago. The City's strong economy during the first half of the year combined with the decline in available apartments were important factors in these price increases, along with a surge in condo prices, particularly those in new developments.

Condo prices averaged \$1,606,219 during the third quarter, a 38% increase from the third quarter of 2006 and a new record. The median price of \$1,029,600 was also a new record, and was 20% higher than a year ago. Increased activity in new developments, which accounted for 30% of all sales in the market last quarter, helped fuel this increase. Most notable were closings at The Plaza and 15 Central Park West, which contributed to sharp increases in the average price for the three-bedroom and four-bedroom and larger categories. Also pushing this market higher was a 14% increase in the size of condos sold from a year ago. This is reflected in the fact that the average price per square foot for condos sales only rose 13%, compared to the 38% increase in the overall average price.

Cooperative apartment prices averaged \$1,055,753 last quarter, 10% more than during the third quarter of 2006. Two-bedroom co-ops led price increases, as their average price of \$1,284,901 was 12% higher than a year ago. After posting very high levels the past few quarters, the average price for four-bedroom and larger co-ops dipped to \$5,931,672, 7% less than a year ago.

A recent report from the City Comptroller stated that economic growth in New York City bettered that of the nation in the first half of the year. This has kept demand for housing very strong, reflected in the 41% increase in closed sales from the third quarter of 2006. This rise in demand has happened at a time when there are fewer available apartments in Manhattan than a year ago. While recent turmoil in the financial markets has added some uncertainty to the outlook for the real estate market, particularly on a national level, the effect on Manhattan so far has been limited.

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 3,677 reported Manhattan apartment sales.

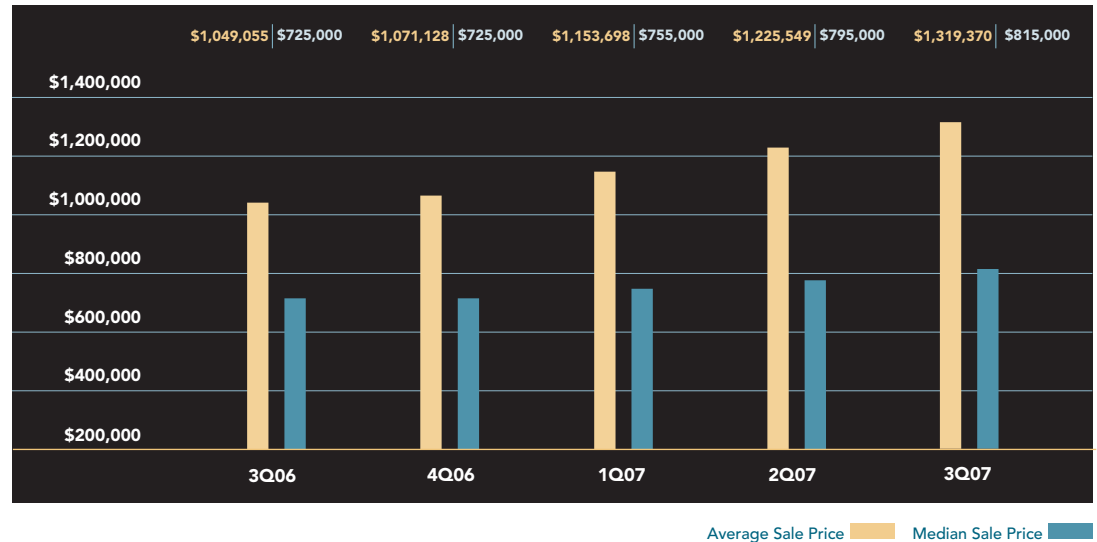
GREGORY J. HEYM

Chief Economist, Brown Harris Stevens

Manhattan Cooperatives and Condominiums*

Fueled by a strong market for new condo developments, the average price for Manhattan apartments reached \$1,319,370 during the third quarter. This was 26% higher than a year ago, and a new record.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$6,010,889	\$2,703,415	\$1,337,173	\$694,839	\$406,768	\$1,071,128
3rd Q 06	\$5,524,653	\$2,524,159	\$1,286,419	\$688,340	\$447,350	\$1,049,055

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$1,513	\$1,296	\$1,055	\$940	\$904	\$1,008
3rd Q 06	\$1,566	\$1,244	\$1,027	\$944	\$933	\$1,002

Average Price Per Room

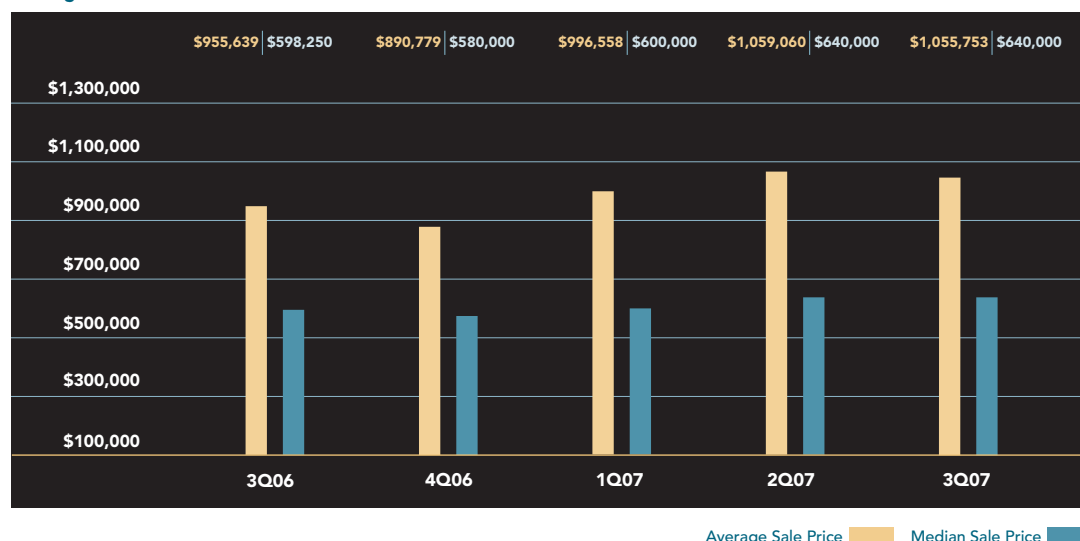
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
3rd Q 07	\$714,623	\$457,714	\$321,316	\$238,262	\$209,993	\$296,577
2nd Q 07	\$659,727	\$435,517	\$319,829	\$231,930	\$209,923	\$283,384
1st Q 07	\$808,867	\$429,016	\$305,223	\$218,491	\$192,824	\$268,835
4th Q 06	\$640,040	\$436,018	\$300,540	\$218,588	\$191,204	\$261,474
3rd Q 06	\$591,719	\$398,551	\$288,579	\$216,941	\$217,709	\$259,093

* 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.

Manhattan Cooperative Apartments*

The average co-op sale price of \$1,055,753 was down slightly from the prior quarter, but up 10% from a year ago.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$6,229,471	\$2,389,409	\$1,135,727	\$578,170	\$353,208	\$890,779
3rd Q 06	\$6,407,317	\$2,519,275	\$1,151,552	\$583,715	\$365,405	\$955,639

Average Price Per Room

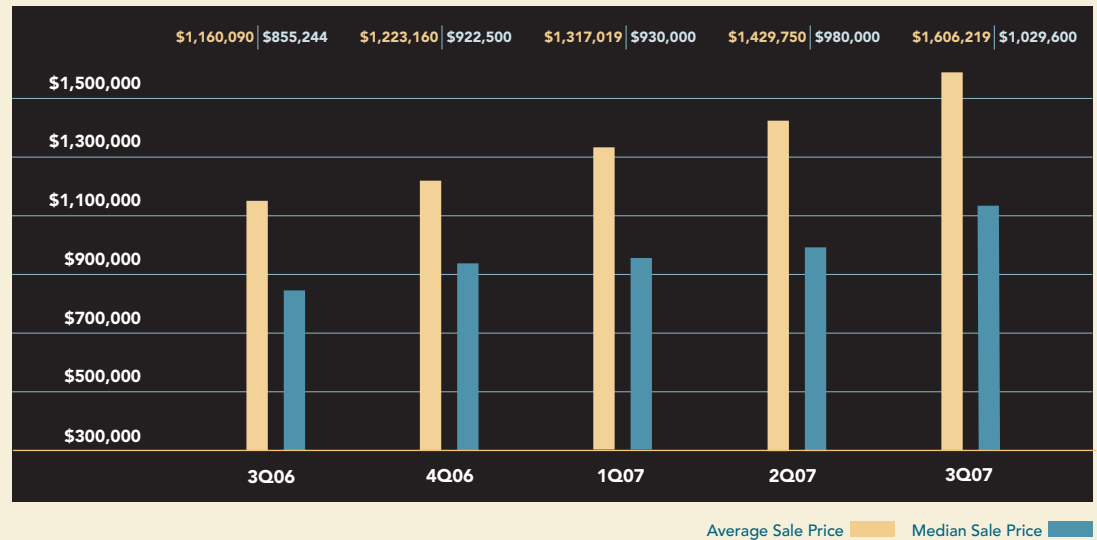
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
3rd Q 07	\$633,466	\$397,436	\$271,425	\$192,118	\$178,549	\$239,280
2nd Q 07	\$614,769	\$399,630	\$270,538	\$194,276	\$171,049	\$235,769
1st Q 07	\$680,165	\$405,682	\$255,428	\$182,455	\$168,329	\$224,944
4th Q 06	\$570,876	\$355,030	\$238,783	\$177,761	\$161,990	\$209,145
3rd Q 06	\$627,080	\$355,792	\$244,701	\$179,784	\$173,996	\$218,962

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Manhattan Condominium Apartments*

Continued growth in new developments, particularly on the high end, helped bring the average condo price up 38% over the past year to a new record of \$1,606,219.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$5,388,771	\$2,789,577	\$1,504,872	\$822,540	\$488,628	\$1,223,160
3rd Q 06	\$4,794,020	\$2,552,707	\$1,433,902	\$800,696	\$557,796	\$1,160,090

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$1,551	\$1,340	\$1,129	\$1,036	\$985	\$1,092
3rd Q 06	\$1,501	\$1,328	\$1,101	\$1,039	\$1,019	\$1,085

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EAST SIDE

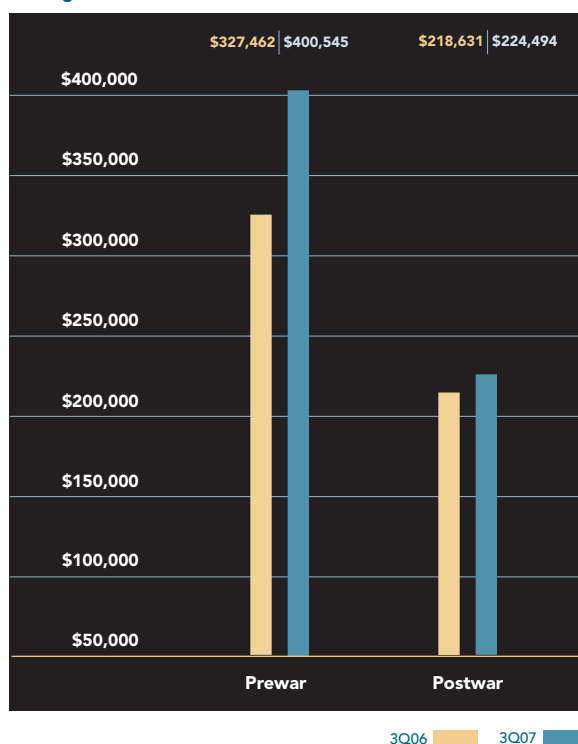
Generally 59th to 96th Street, Fifth Avenue to the East River

Price increases on the East Side were led by four-bedroom and larger apartments, whose average price of \$6,600,294 was 17% higher than a year ago. The market was also strong for prewar co-ops, as their average price per room rose 22% during this time to \$400,545.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	3rd Q 06	3%	14%	36%	32%	14%
	3rd Q 07	4%	13%	32%	34%	16%
Average Price	3rd Q 06	\$5,653,553	\$3,337,562	\$1,481,518	\$660,843	\$351,429
	3rd Q 07	\$6,600,294	\$3,191,973	\$1,629,347	\$708,974	\$396,333
	% Change	17%	-4%	10%	7%	13%

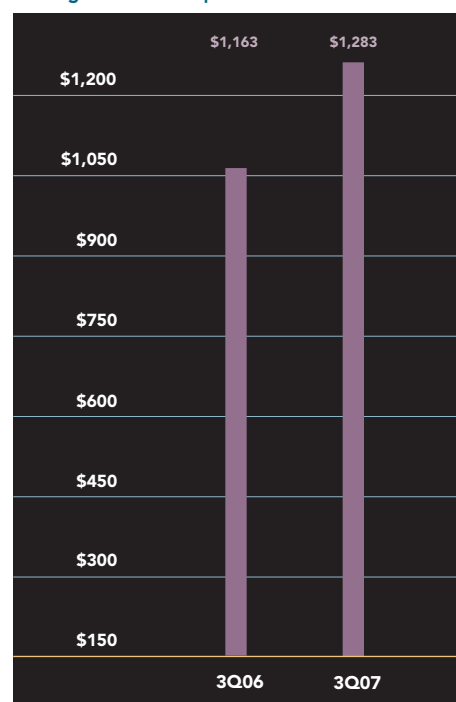
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



WEST SIDE

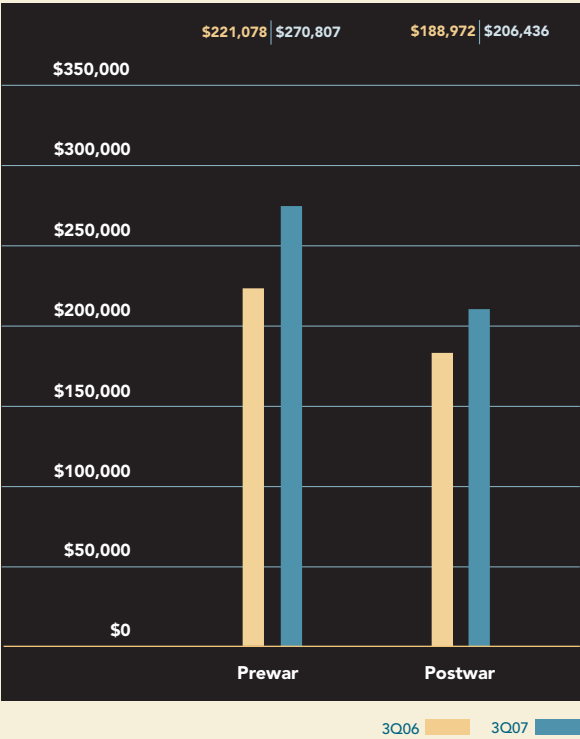
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

Prices rose sharply for all sizes of apartments on the West Side, but most notably for three-bedroom and larger units. Their average price, aided by increased luxury condo sales, rose 46% from a year ago to \$4,050,609.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	3rd Q 06	10%	33%	41%	16%
	3rd Q 07	13%	34%	39%	14%
Average Price	3rd Q 06	\$2,778,796	\$1,239,324	\$660,173	\$397,991
	3rd Q 07	\$4,050,609	\$1,626,342	\$735,691	\$432,201
	% Change	46%	31%	11%	9%

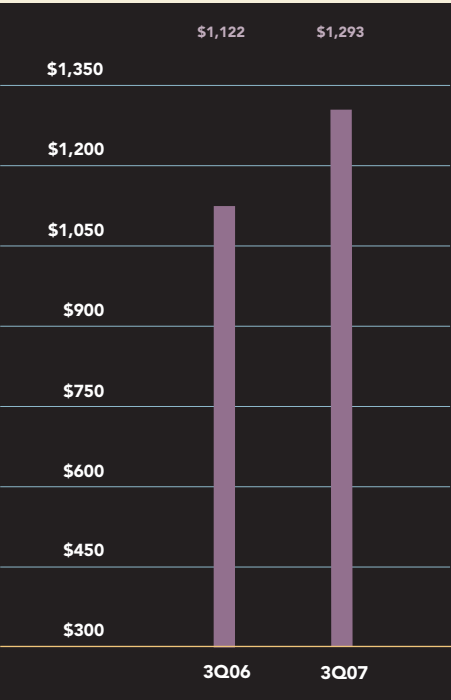
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

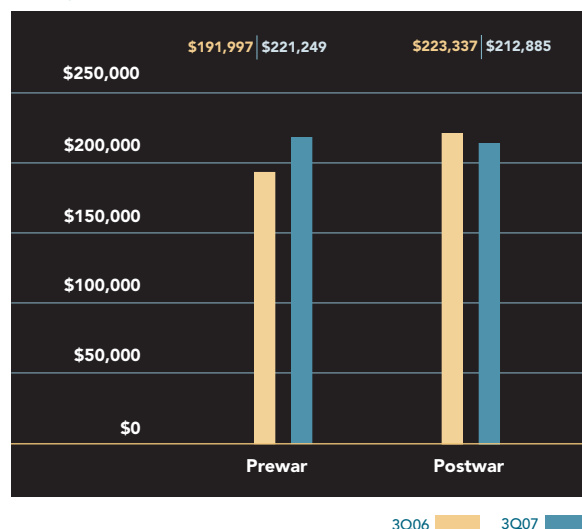


MIDTOWN

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

Cooperative

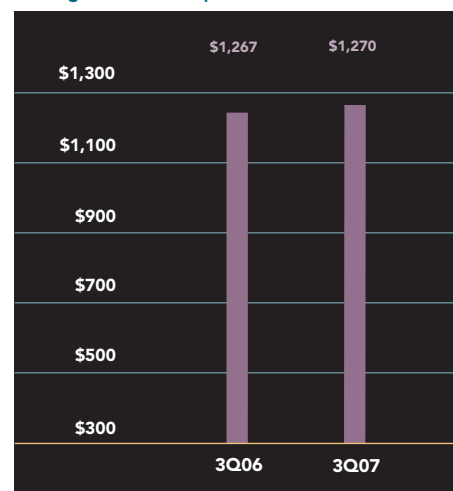
Average Price Per Room



The average price per room for prewar co-ops in the Midtown East market of \$221,249 was 15% higher than a year ago. The comparable figure for postwar co-ops fell 4% over this time.

Condominium

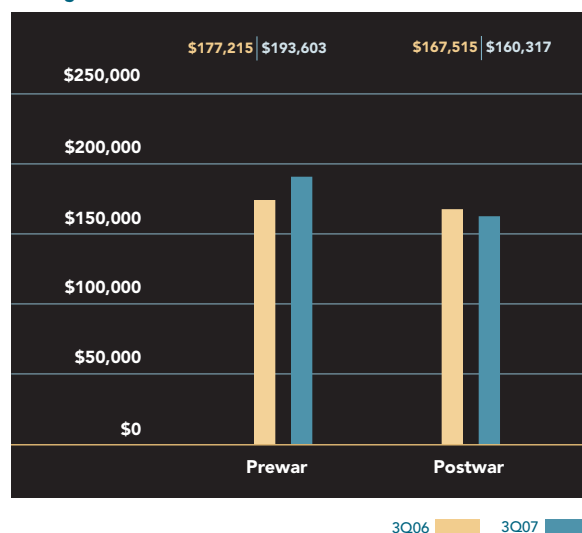
Average Price Per Square Foot



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

Cooperative

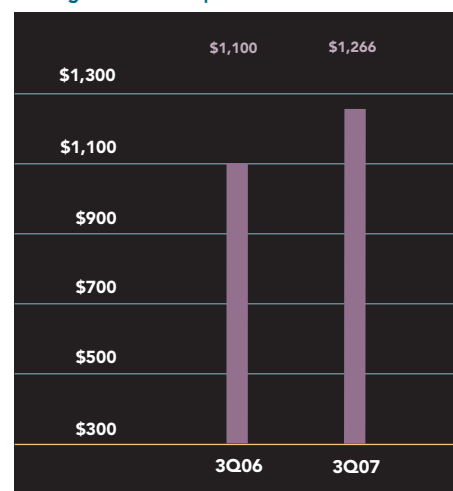
Average Price Per Room



Midtown West condo prices averaged \$1,266 per square foot in the third quarter, a 15% improvement from 2006's third quarter.

Condominium

Average Price Per Square Foot



DOWNTOWN

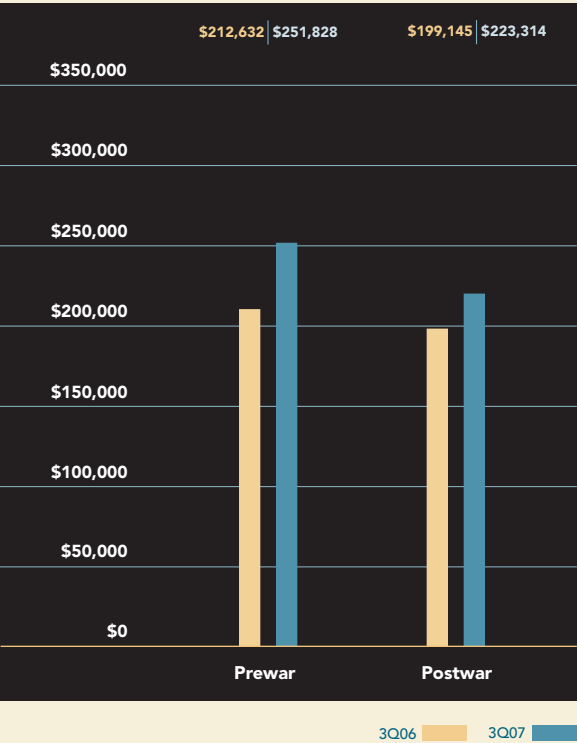
South of 34th Street

New developments, which accounted for 40% of the market Downtown, helped push prices up sharply over the past year. This is also reflected in the 22% increase in the average condo price per square foot Downtown from the third quarter of 2006.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	3rd Q 06	6%	25%	47%	22%
	3rd Q 07	15%	26%	40%	19%
Average Price	3rd Q 06	\$2,244,945	\$1,194,626	\$675,478	\$445,834
	3rd Q 07	\$3,551,669	\$1,524,910	\$821,502	\$488,717
	% Change	58%	28%	22%	10%

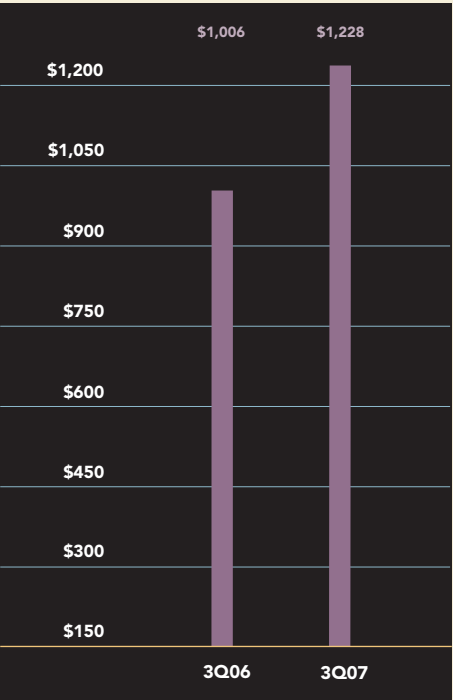
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



NORTHERN MANHATTAN

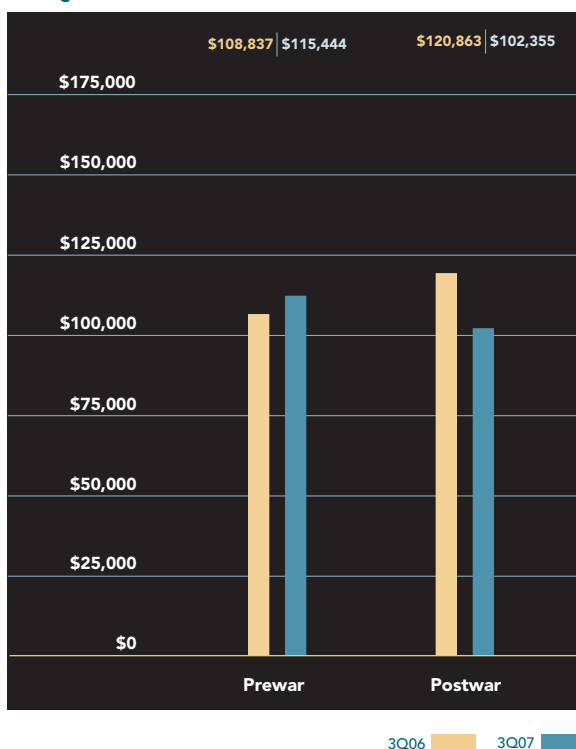
Generally North of 96th Street on the East Side, and 110th Street on the West Side

Studio apartments in Northern Manhattan sold for an average price of \$286,516, 16% higher than during the third quarter of 2006. The average co-op price per room in this market rose 6% for prewar apartments, but fell 15% for postwar units over this time.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	3rd Q 06	14%	38%	40%	7%
	3rd Q 07	14%	49%	31%	5%
Average Price	3rd Q 06	\$946,737	\$539,111	\$366,328	\$246,419
	3rd Q 07	\$891,888	\$592,575	\$373,538	\$286,516
	% Change	-6%	10%	2%	16%

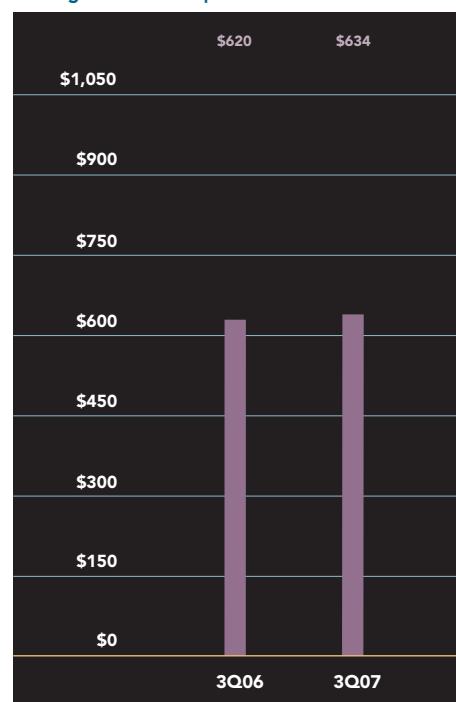
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

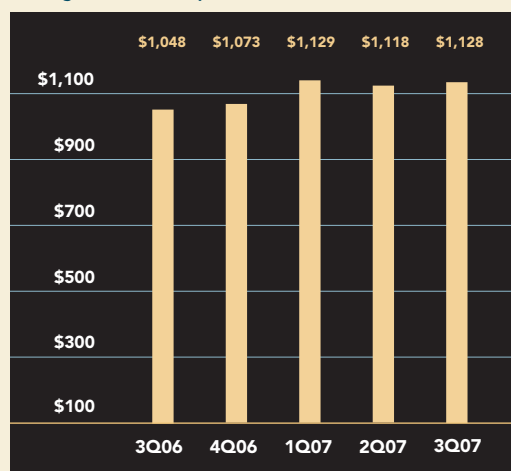


MANHATTAN

LOFTS AND TOWNHOUSES*

Manhattan Lofts

Average Price Per Square Foot

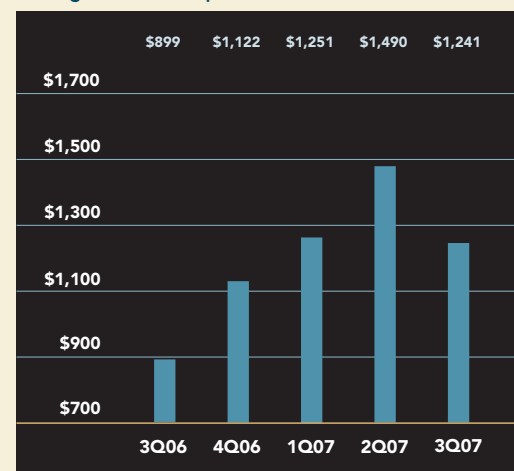


Loft prices averaged \$1,128 per square foot last quarter, 8% higher than during the third quarter of 2006.

Townhouse prices rose sharply over the past year, as their average price per square foot of \$1,241 was 38% higher than a year ago.

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 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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