

BROWN HARRIS STEVENS

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Manhattan Residential Market Report

Fourth Quarter 2007



A Strong Finish to 2007

The Manhattan residential market continued to buck the national trend last quarter, as prices finished the year at record levels. Apartment prices averaged \$1,430,514 in Manhattan during the fourth quarter, 34% higher than a year ago and a new record. Increases were spread throughout all size categories, but were most prevalent at the high end of the market. The median price, which represents the middle point of the market, rose 14% over the past year to a new record of \$828,000. When the average price rises at a faster pace than the median, it is usually an indication of increased activity at the top end of the market. This is also reflected by the fact that sales of apartments over \$10 million more than tripled when compared to a year ago.

Led by strong activity in new developments, condominium prices averaged \$1,851,709 during the fourth quarter. This represents a 51% jump from 2006's fourth quarter, and a new record level. While part of this increase is attributable to a 12% rise in the square footage for condos sold, the average price rose significantly during this time for all size categories of condos. The median price also set a new high, rising 13% over the past year to \$1,045,561. Another important growth factor for condo prices was closings at The Plaza and 15 Central Park West. These luxury developments accounted for 7% of condo sales in the fourth quarter, and had an average price of just over \$6.95 million.

Fueled by sharp increases in larger units, the average price for all cooperative apartments reached a record of \$1,074,369 during the fourth quarter, 21% higher than during 2006's fourth quarter. Four-bedroom and larger co-ops led the way, as their average price of \$8,543,583 was up 37% over the past year. Three-bedrooms were also particularly strong, with a 26% rise in average price during this time to \$3,016,364. Similarly to condos, all size categories of co-ops posted double-digit gains in average price compared to the fourth quarter of 2006.

The apartment market in Manhattan continues to remain strong, aided by increased foreign demand and moderate inventory. Troubles in the credit markets have yet to show any sustained impact on the local housing market, as the number of closings in the fourth quarter was only slightly below the level of a year ago. The local economy continues to grow; in the twelve months ending November, New York City added almost 55,000 jobs. After rising in the late summer in response to the credit turmoil, mortgage rates have fallen, and the 30-year conforming rate now stands at about the same level as this time last year. While some uncertainty remains in the financial markets, particularly on Wall Street, the data so far suggests a positive outlook for Manhattan apartments.

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 2,531 reported Manhattan apartment sales.

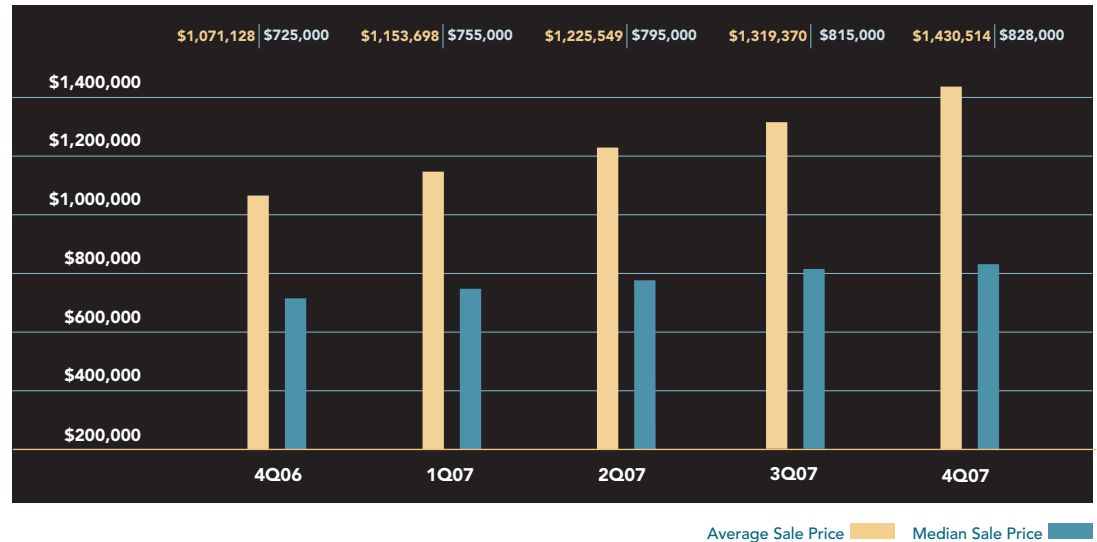
GREGORY J. HEYM

Chief Economist, Brown Harris Stevens

Manhattan Cooperatives and Condominiums*

The average price for Manhattan apartments reached a record of \$1,430,514 in the fourth quarter. This figure was 34% higher than a year ago, and was fueled by strong activity at the high end of the market.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$6,010,889	\$2,703,415	\$1,337,173	\$694,839	\$406,768	\$1,071,128

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$1,513	\$1,296	\$1,055	\$940	\$904	\$1,008

Average Price Per Room

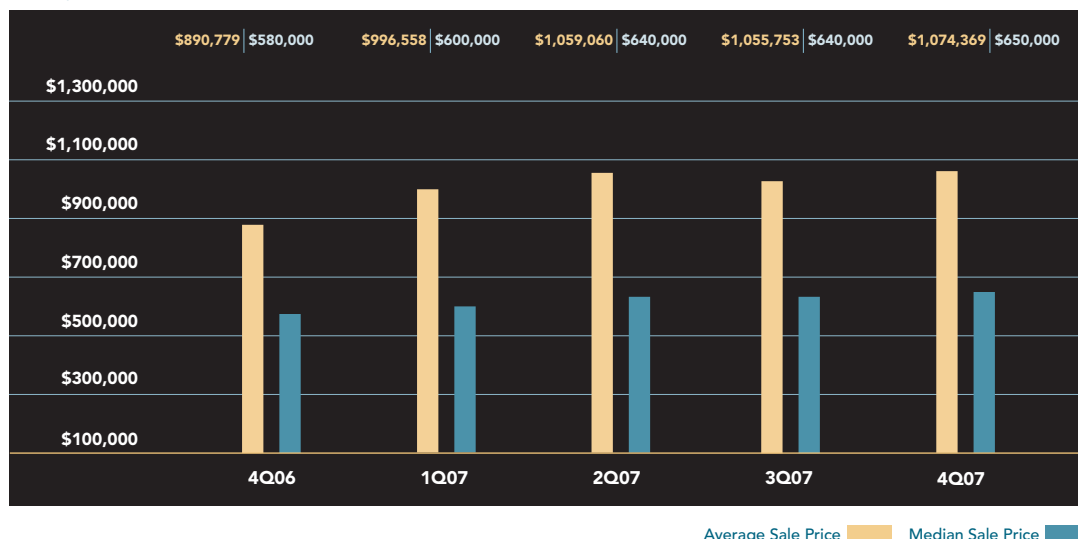
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
4th Q 07	\$752,692	\$542,661	\$371,594	\$247,876	\$205,513	\$319,591
3rd Q 07	\$714,623	\$457,714	\$321,316	\$238,262	\$209,993	\$296,577
2nd Q 07	\$659,727	\$435,517	\$319,829	\$231,930	\$209,923	\$283,384
1st Q 07	\$808,867	\$429,016	\$305,223	\$218,491	\$192,824	\$268,835
4th Q 06	\$640,040	\$436,018	\$300,540	\$218,588	\$191,204	\$261,474

* 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*

At \$1,074,369, the average co-op price was 21% higher than during the fourth quarter of 2006. Larger co-ops led the way, as the average price of \$8,543,583 for four-bedroom and larger units was 37% higher than a year ago.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$6,229,471	\$2,389,409	\$1,135,727	\$578,170	\$353,208	\$890,779

Average Price Per Room

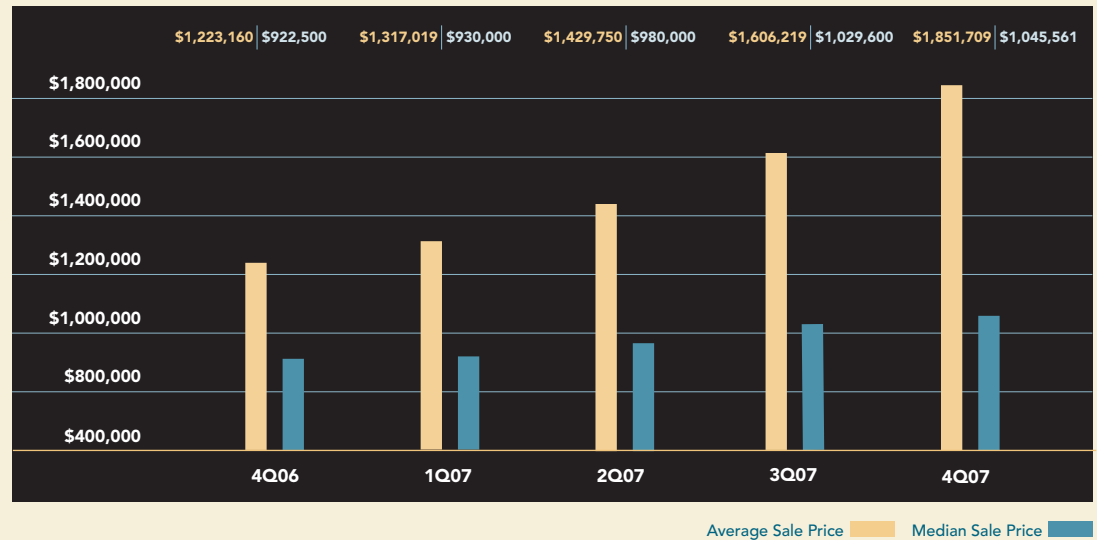
	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
4th Q 07	\$781,006	\$418,670	\$276,890	\$206,412	\$180,825	\$244,111
3rd Q 07	\$633,466	\$397,436	\$271,425	\$192,118	\$178,549	\$239,280
2nd Q 07	\$614,769	\$399,630	\$270,538	\$194,276	\$171,049	\$235,769
1st Q 07	\$680,165	\$405,682	\$255,428	\$182,455	\$168,329	\$224,944
4th Q 06	\$570,876	\$355,030	\$238,783	\$177,761	\$161,990	\$209,145

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Manhattan Condominium Apartments*

Driven by increased activity in new developments, most notably at The Plaza and 15 Central Park West, the average condo price rose 51% over the past year. The median price, which is not as influenced by the high end, posted a milder increase, rising 13% over this time to \$1,045,561.

Average and Median Sale Price



Average Sale Price

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$5,388,771	\$2,789,577	\$1,504,872	\$822,540	\$488,628	\$1,223,160

Average Price Per Square Foot

	4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
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
4th Q 06	\$1,551	\$1,340	\$1,129	\$1,036	\$985	\$1,092

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EAST SIDE

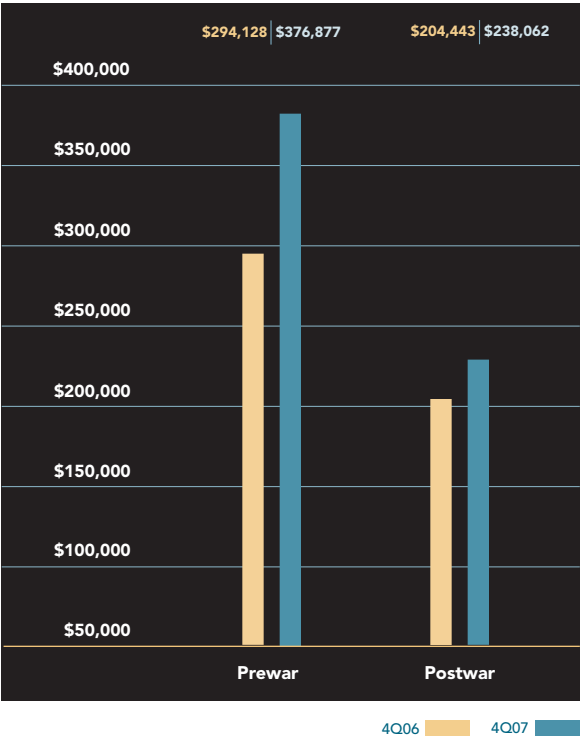
Generally 59th to 96th Street, Fifth Avenue to the East River

Prices rose throughout the East Side market over the past year, led by a 28% increase in the average price per room for prewar co-ops. While the average price rose 41% over this time for three-bedroom and larger apartments on the East Side, it should be noted that this statistic can fluctuate from quarter to quarter based on the depth of units that fall into this category.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	4th Q 06	13%	30%	39%	18%
	4th Q 07	15%	30%	36%	19%
Average Price	4th Q 06	\$3,795,691	\$1,461,579	\$667,623	\$371,749
	4th Q 07	\$5,354,633	\$1,720,636	\$717,660	\$413,787
	% Change	41%	18%	7%	11%

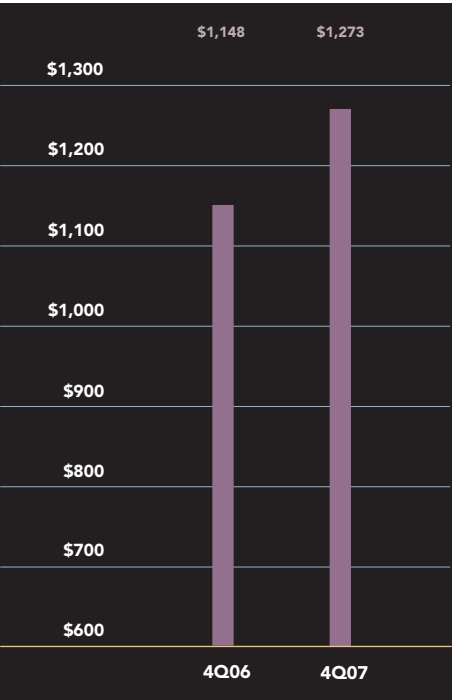
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



WEST SIDE

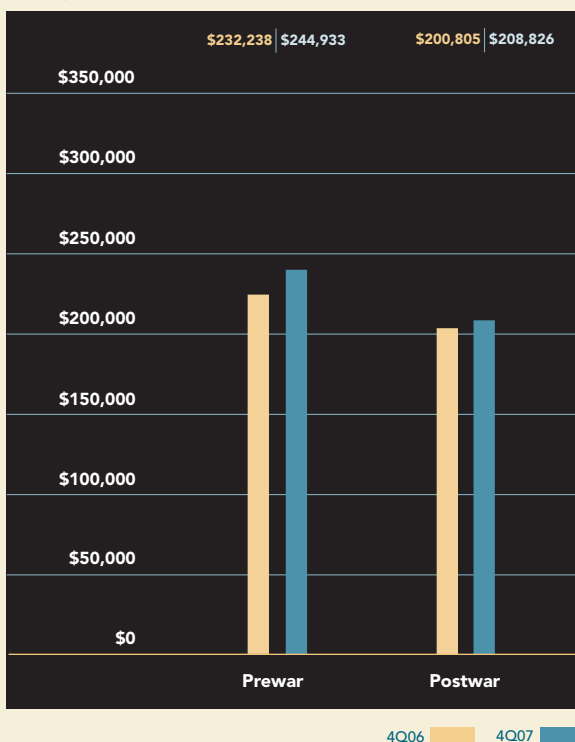
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

On the West Side, price increases were most prevalent in the condo market, where the average price per square foot rose 31% over the past year to \$1,536. This figure, as well as the sharp increases in average prices for each size category, is attributable in part to the closings at 15 Central Park West during the quarter.

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	4th Q 06	3%	10%	33%	37%	17%
	4th Q 07	5%	13%	34%	34%	14%
Average Price	4th Q 06	\$5,762,953	\$2,806,844	\$1,321,218	\$650,849	\$387,824
	4th Q 07	\$7,130,097	\$4,024,097	\$1,761,942	\$771,928	\$433,175
	% Change	24%	43%	33%	19%	12%

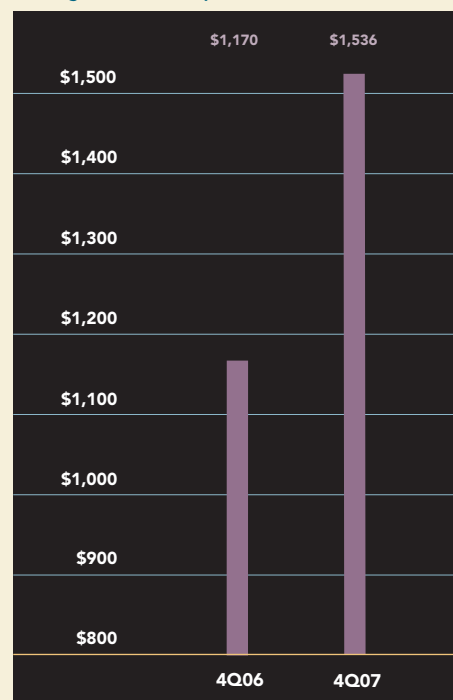
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

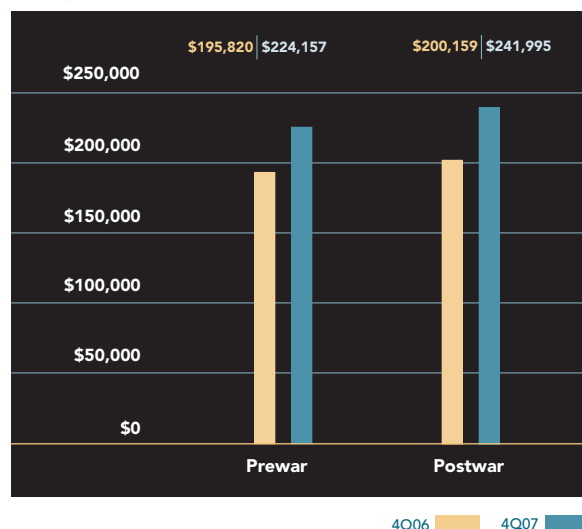


MIDTOWN

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

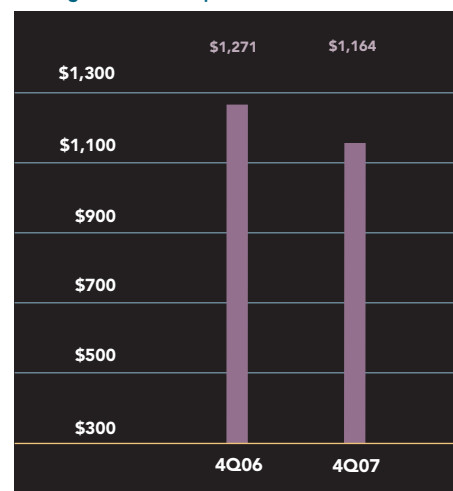
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

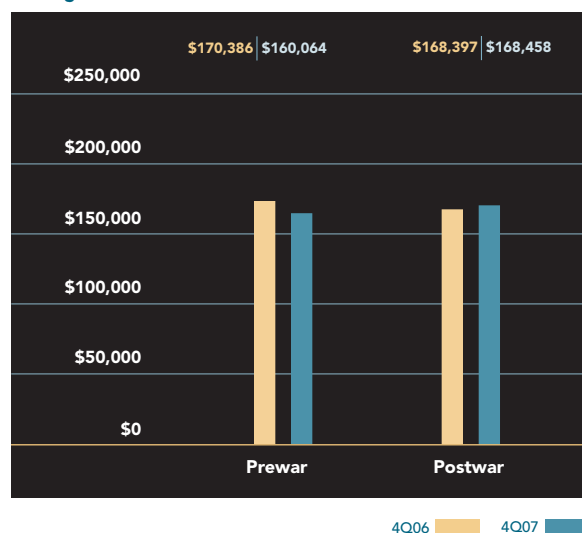


The average price rose sharply for co-ops in the Midtown East market over the past year, increasing 21% for postwar and 14% for prewar units.

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

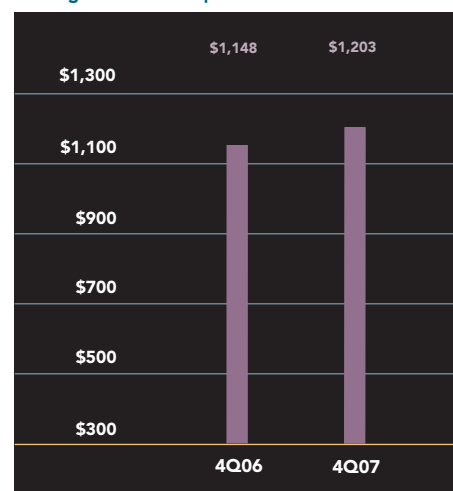
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



Condos in the Midtown West market sold for an average of \$1,203 per square foot in the fourth quarter, 5% higher than a year ago.

DOWNTOWN

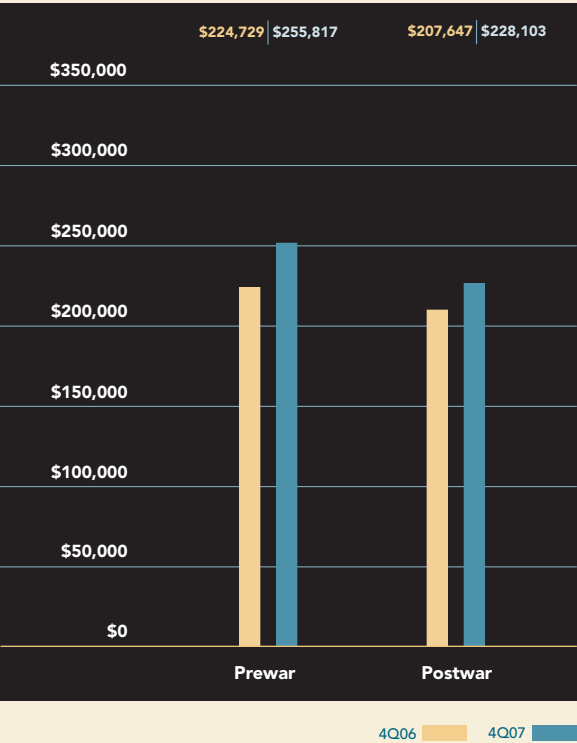
South of 34th Street

Downtown pricing gains were led by two-bedroom apartments, which reflected an average price of \$1,644,691, 28% higher than during 2006's fourth quarter. While the average price fell 17% for three-bedroom and larger apartments in this market from a year ago, this is a broad category that can experience large fluctuations from quarter to quarter.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	4th Q 06	7%	26%	44%	23%
	4th Q 07	8%	25%	44%	23%
Average Price	4th Q 06	\$3,687,909	\$1,299,425	\$730,229	\$444,559
	4th Q 07	\$3,052,773	\$1,664,691	\$836,257	\$476,721
	% Change	-17%	28%	15%	7%

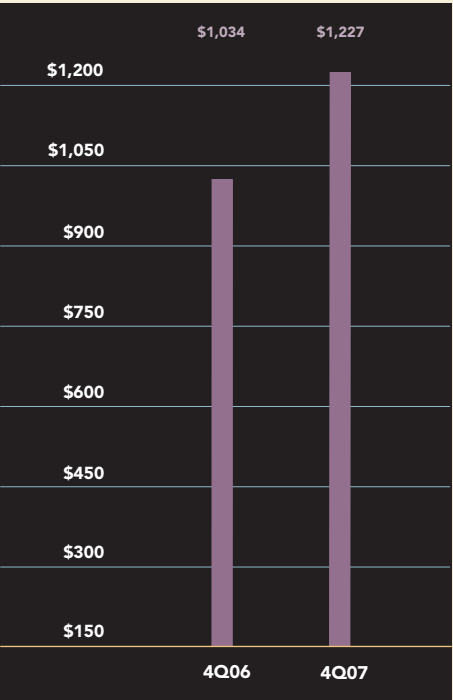
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



NORTHERN MANHATTAN

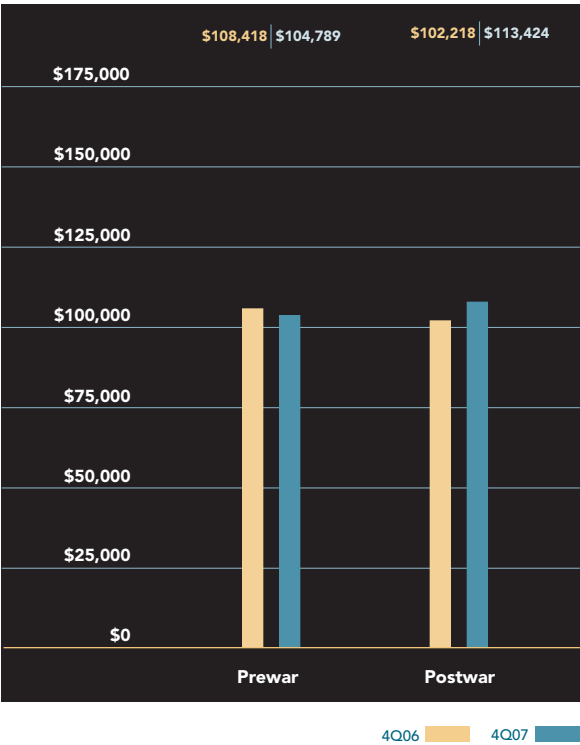
Generally North of 96th Street on the East Side, and 110th Street on the West Side

Sales at the new development 111 Central Park North caused the average price for three-bedroom and larger apartments to more than double from the fourth quarter of 2006. These sales also helped bring the average price per square foot for condos up 27% during this time, to \$712.

		3+Bedroom	2-Bedroom	1-Bedroom	Studio
Percent of Sales	4th Q 06	10%	43%	36%	11%
	4th Q 07	17%	44%	31%	8%
Average Price	4th Q 06	\$778,971	\$503,327	\$341,872	\$235,219
	4th Q 07	\$1,617,440	\$556,048	\$378,248	\$243,641
	% Change	108%	10%	11%	4%

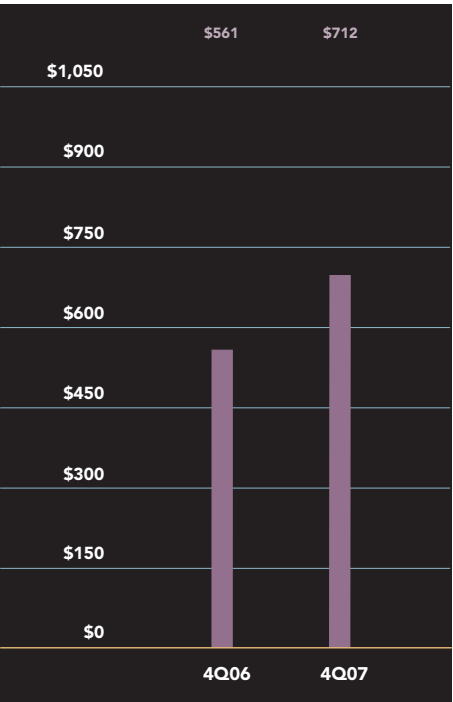
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot

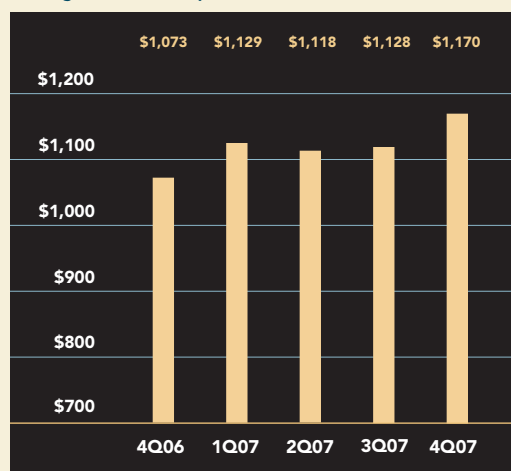


MANHATTAN

LOFTS AND TOWNHOUSES*

Manhattan Lofts

Average Price Per Square Foot

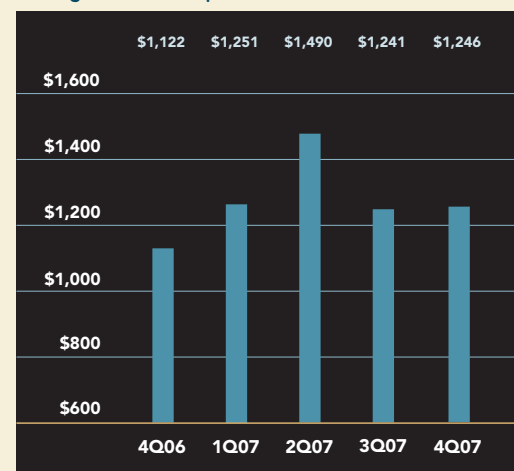


At \$1,170 per square foot, the average loft price was 9% higher than during 2006's fourth quarter.

The average townhouse price per square foot rose 11% over the past year, reaching \$1,246.

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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