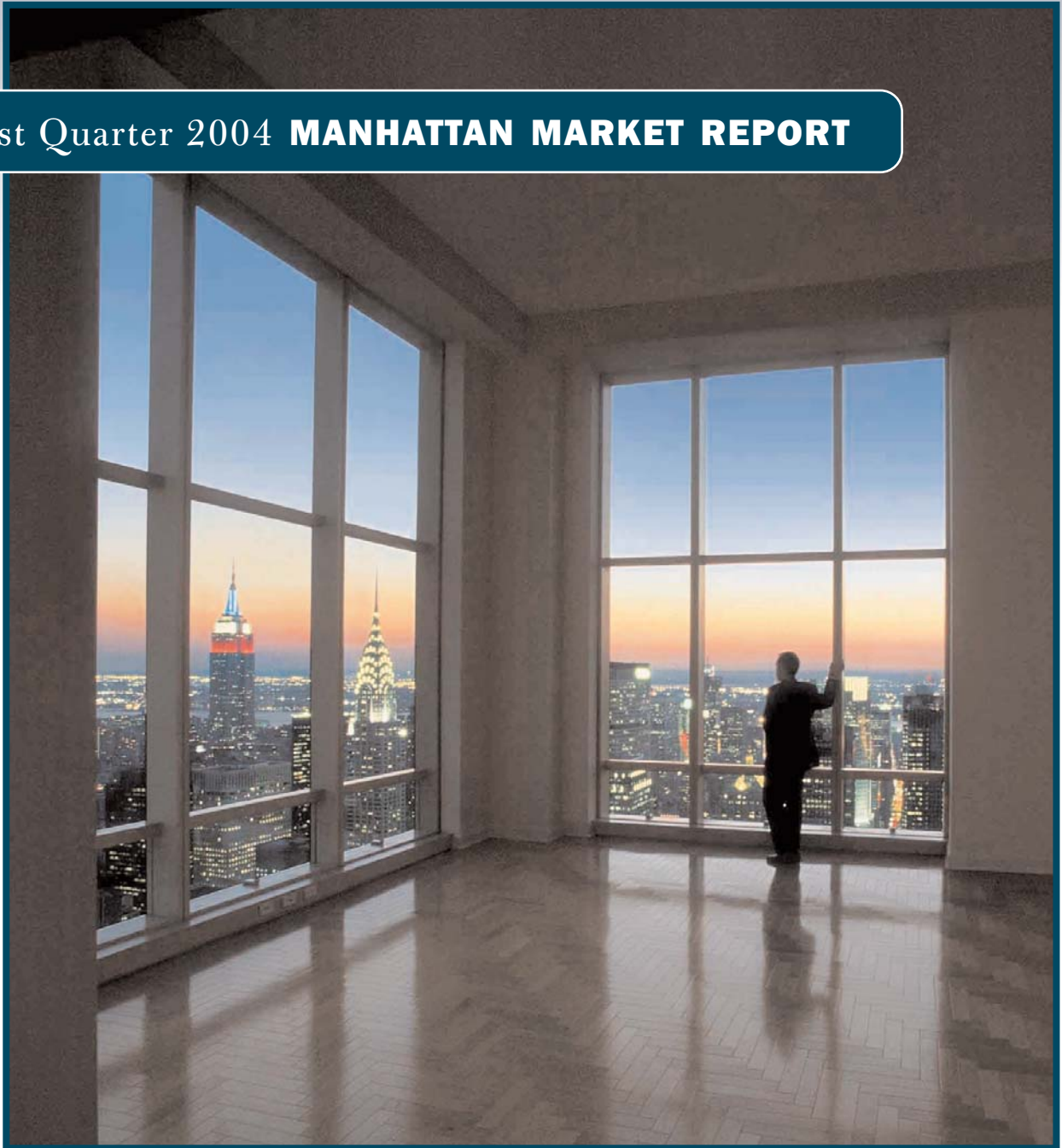


BROWN HARRIS STEVENS

E s t a b l i s h e d 1 8 7 3

First Quarter 2004 **MANHATTAN MARKET REPORT**



NEW YORK • THE HAMPTONS • PALM BEACH



Market Summary

A Great Start to the Year

We predicted real estate prices in 2004 would be dictated by the performance of the City's economy. We believe that New York's economy will continue to expand, thus leading to strong growth in housing prices. The most recent data for both has proved us correct. The City ended 2003 by posting its largest level of economic growth in over three years and the first quarterly job growth since the fourth quarter of 2002. Interest rates have remained at historical lows, and inflation continues to be tame.

These positive developments were not lost on the Manhattan real estate market in the first quarter. The average price of \$899,335 for an apartment was 20 percent higher than the first quarter of 2003. Driving this increase were condominiums, whose average price topped \$1 million at \$1,052,534. This was a 40% increase over a year ago and is due in large part to sales at the Time Warner Center. Cooperatives also posted strong pricing gains, increasing 10% during the past 12 months to an average of \$822,785.

Other findings include:

- Of the major market areas, the West Side was the hottest in the first quarter. Led by the Time Warner Center the average price per square foot for condominiums jumped to \$1,020 from \$703 a year ago. Cooperative apartments on the West Side also rose in price, to \$178,013 per room for prewar and \$139,458 for postwar units.
- On the East Side condominiums rose 15% in price from an average of \$702 per square foot a year ago to \$806. Prewar cooperative apartments were unchanged at an average price of \$247,526 per room while postwar prices fell slightly to \$152,733 per room.
- Condominium prices Downtown rose 17% over the last 12 months, to an average of \$730 per square foot. Cooperatives in this market also fared well, as the average price per room rose 7% to \$159,545 for prewar and 20% to \$144,918 for postwar units.

Improving economic conditions will continue to fuel demand for Manhattan apartments in 2004. As demand for housing has risen, supply continues to fall. Available listings are currently down approximately 20% from a year ago, and bidding wars have become the norm again. We do not see a change in this trend for at least the first half of the year.

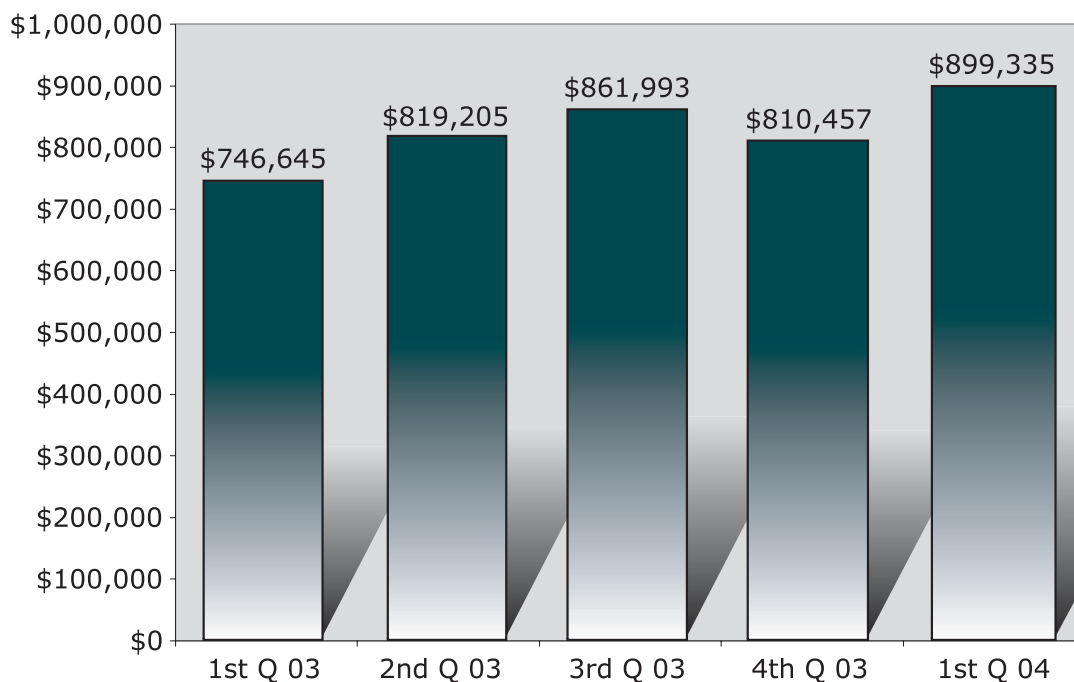
Transaction data for this market report is provided by ValuExchange, a proprietary database that contains the transactions of all Terra Holdings companies. For the first quarter data on 2,573 sales was provided.



Gregory J. Heym
Chief Economist, Brown Harris Stevens

All Cooperatives and Condominiums

Average Sale Price



	4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 04	\$5,091,421	\$2,191,806	\$1,050,598	\$475,513	\$266,630	\$899,335
4th Q 03	\$3,550,914	\$1,885,836	\$990,971	\$461,925	\$266,628	\$810,457
3rd Q 03	\$4,613,979	\$1,918,039	\$995,086	\$442,645	\$256,319	\$861,993
2nd Q 03	\$4,563,266	\$1,996,042	\$973,627	\$445,837	\$253,739	\$819,205
1st Q 03	\$4,512,997	\$1,822,091	\$997,433	\$456,624	\$269,426	\$746,645

All Cooperatives and Condominiums

Average Price Per Square Foot

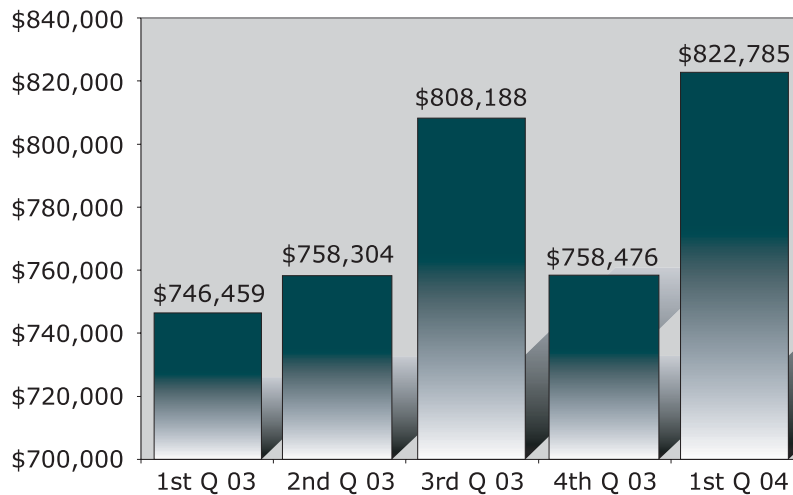
	4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 04	\$1,226	\$982	\$882	\$623	\$561	\$743
4th Q 03	\$1,053	\$879	\$703	\$603	\$552	\$667
3rd Q 03	\$1,153	\$866	\$698	\$691	\$528	\$704
2nd Q 03	\$1,045	\$914	\$715	\$594	\$546	\$671
1st Q 03	\$1,190	\$806	\$723	\$600	\$561	\$654

Average Price Per Room

	4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 04	\$520,374	\$328,851	\$223,899	\$149,452	\$123,086	\$195,350
4th Q 03	\$390,886	\$288,689	\$210,524	\$144,861	\$122,795	\$182,118
3rd Q 03	\$461,063	\$284,736	\$206,967	\$138,478	\$117,113	\$181,448
2nd Q 03	\$461,278	\$298,124	\$209,068	\$139,834	\$115,748	\$179,801
1st Q 03	\$478,425	\$280,706	\$213,804	\$144,163	\$117,613	\$175,432

Cooperative Apartments

Average Sale Price



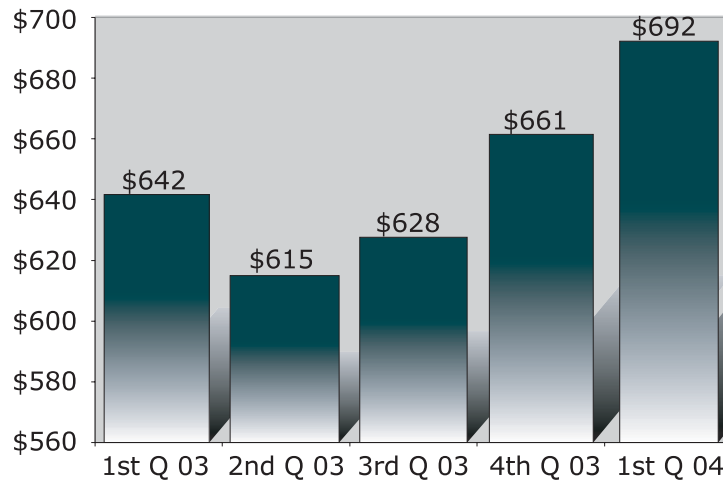
	4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 04	\$4,902,273	\$2,045,945	\$969,221	\$438,149	\$236,864	\$822,785
4th Q 03	\$3,293,864	\$1,825,066	\$951,263	\$425,676	\$236,704	\$758,476
3rd Q 03	\$4,559,139	\$1,857,007	\$973,854	\$398,815	\$236,879	\$808,188
2nd Q 03	\$5,677,824	\$2,058,435	\$922,184	\$417,381	\$234,159	\$758,304
1st Q 03	\$5,617,357	\$2,130,422	\$993,630	\$396,187	\$225,050	\$746,459

Average Price Per Room

	4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio	All
1st Q 04	\$451,732	\$287,808	\$195,660	\$136,062	\$108,467	\$171,569
4th Q 03	\$347,355	\$261,572	\$192,410	\$132,501	\$107,761	\$164,748
3rd Q 03	\$449,659	\$262,417	\$194,911	\$124,108	\$107,483	\$166,233
2nd Q 03	\$497,840	\$280,630	\$185,483	\$129,234	\$106,183	\$160,272
1st Q 03	\$520,021	\$304,576	\$197,543	\$123,624	\$103,750	\$160,399

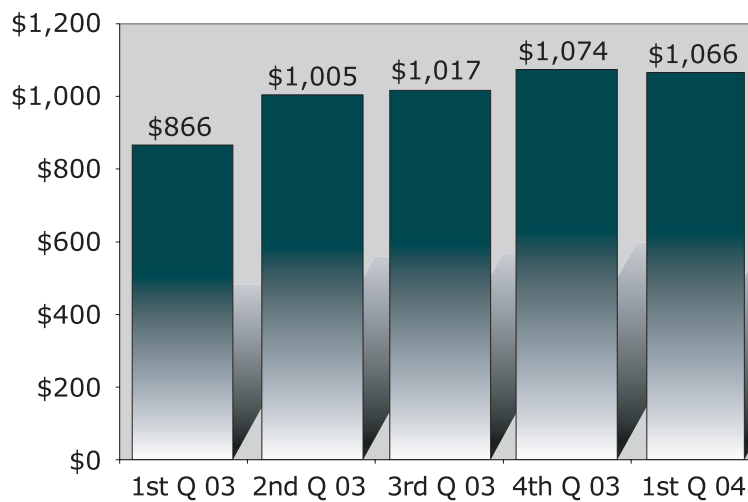
Lofts

Average Price Per Square Foot



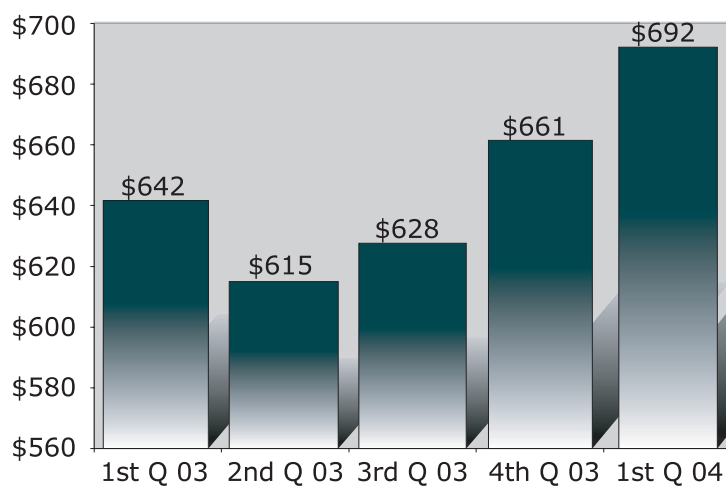
Townhouses

Average Price Per Square Foot



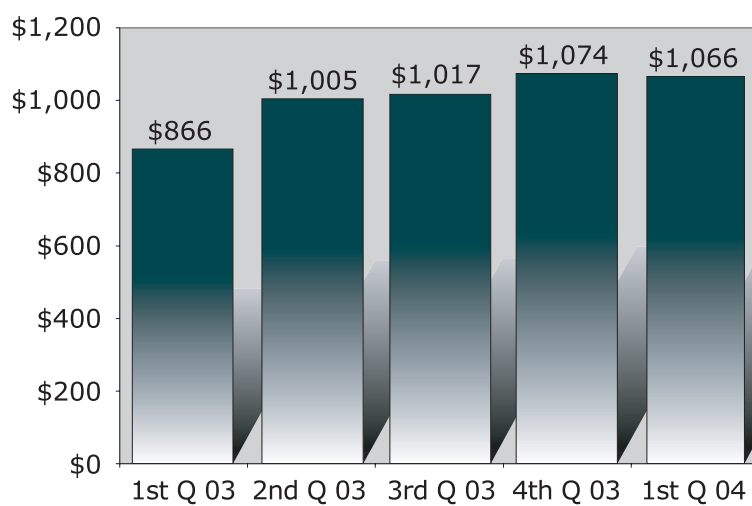
Lofts

Average Price Per Square Foot



Townhouses

Average Price Per Square Foot



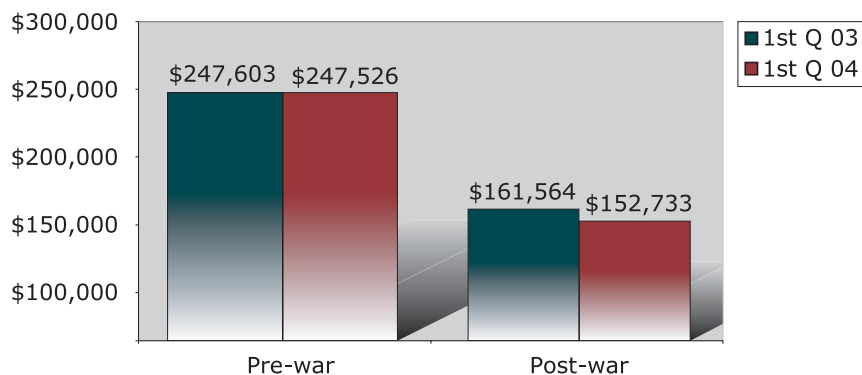
East Side

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

		4+ Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
<i>Percent of Sales</i>	1st Q 03	4%	12%	33%	39%	12%
	1st Q 04	4%	16%	32%	37%	11%
<i>Average Price</i>	1st Q 03	\$5,224,600	\$1,996,714	\$1,147,639	\$420,698	\$225,685
	1st Q 04	\$4,941,500	\$2,277,411	\$1,090,366	\$456,315	\$243,845
	% Change	-5.4%	14.1%	-5.0%	8.5%	8.0%

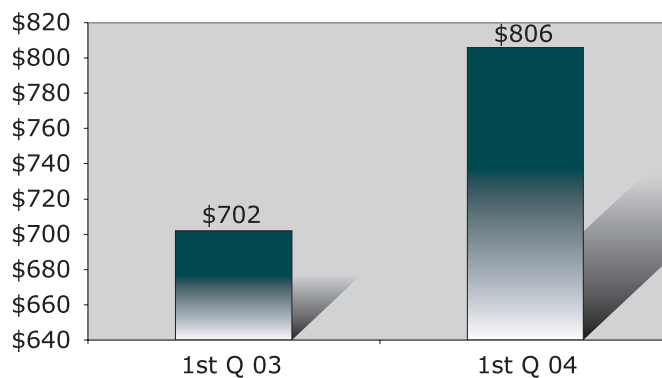
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



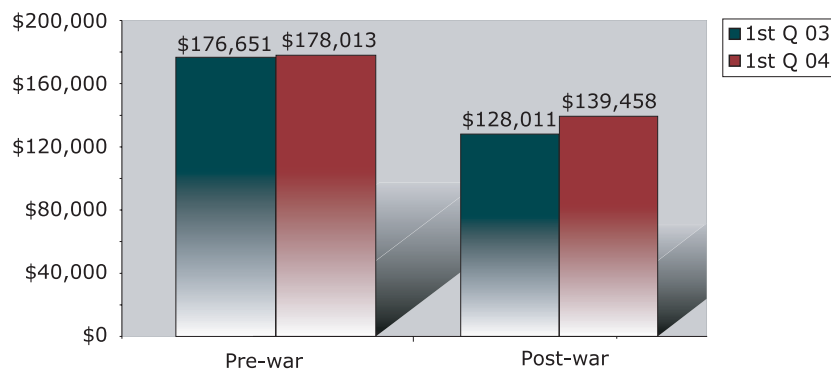
West Side

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

		4+Bedroom	3-Bedroom	2-Bedroom	1-Bedroom	Studio
<i>Percent of Sales</i>	1st Q 03	2%	8%	30%	49%	11%
	1st Q 04	3%	11%	39%	35%	12%
<i>Average Price</i>	1st Q 03	\$3,663,175	\$1,670,872	\$964,599	\$483,058	\$267,081
	1st Q 04	\$6,140,227	\$2,147,905	\$1,114,874	\$495,093	\$301,609
	% Change	67.6%	28.5%	15.6%	2.5%	12.9%

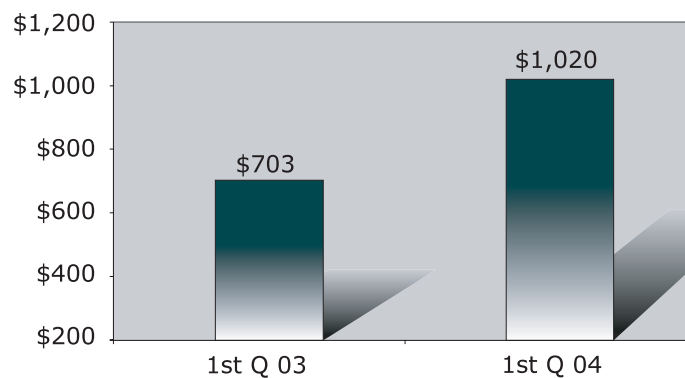
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



Midtown East

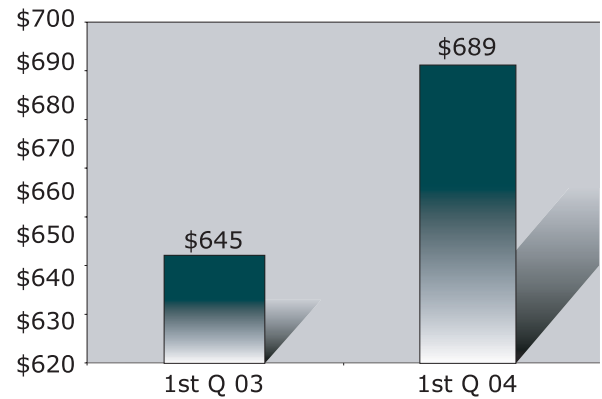
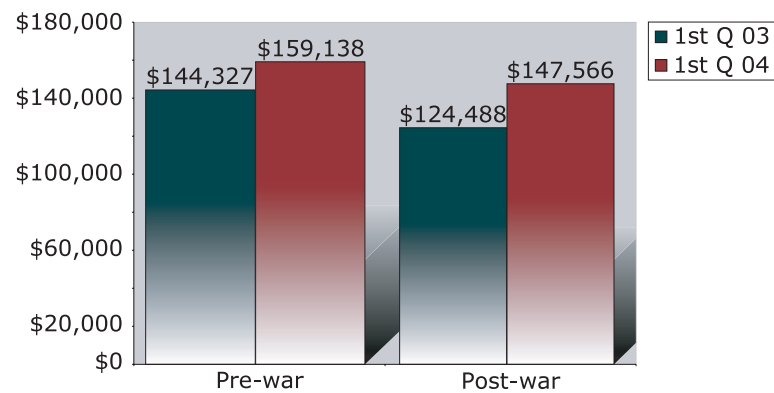
34th to 58th Street, Fifth Avenue to the East River

Cooperative

Condominium

Average Price Per Room

Average Price Per Square Foot



Midtown West

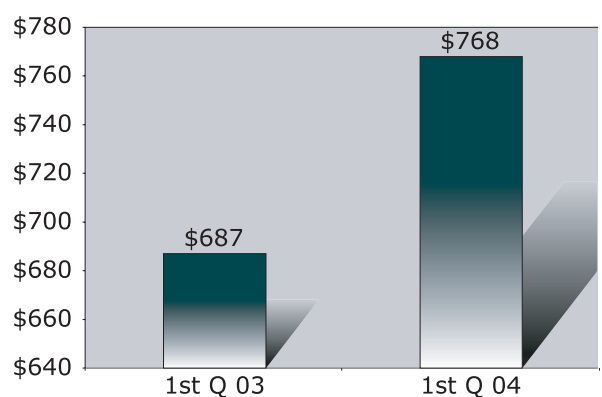
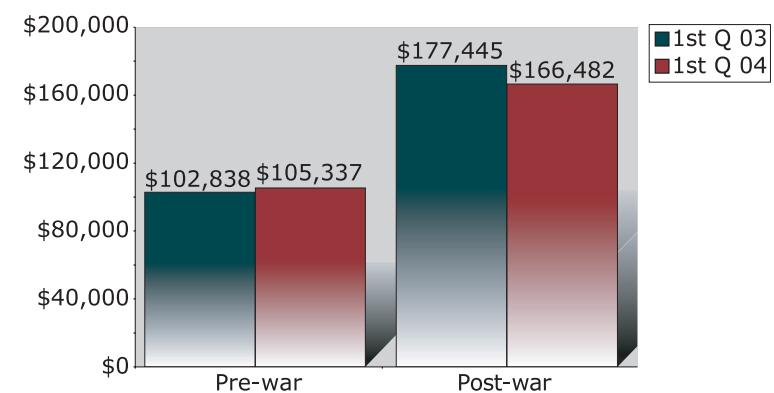
34th to 58th Street, Hudson River to West of Fifth Avenue

Cooperative

Condominium

Average Price Per Room

Average Price Per Square Foot



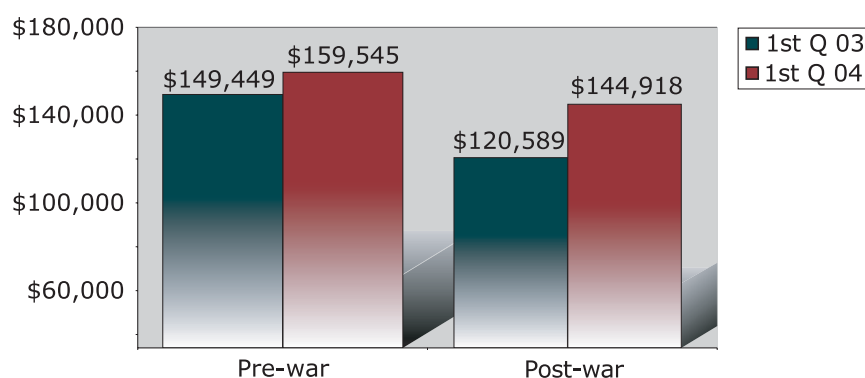
Downtown

South of 34th Street

		3-Bedroom	2-Bedroom	1-Bedroom	Studio
<i>Percent of Sales</i>	1st Q 03	4%	23%	53%	20%
	1st Q 04	5%	28%	47%	20%
<i>Average Price</i>	1st Q 03	\$1,726,933	\$834,982	\$422,551	\$256,756
	1st Q 04	\$1,454,500	\$910,228	\$480,361	\$271,999
	% Change	-15.8%	9.0%	13.7%	5.9%

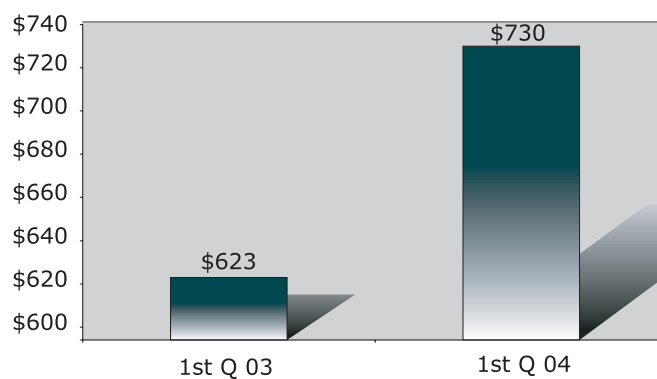
Cooperative

Average Price Per Room



Condominium

Average Price Per Square Foot



BROWN HARRIS STEVENS

E s t a b l i s h e d 1 8 7 3

East Side
655 Madison Avenue
Hall F. Willkie

Upper East Side
1121 Madison Avenue
Ruth McCoy

West Side
2112 Broadway
Anne S. Young

Downtown
2 Fifth Avenue
Kurt D. Weyrauch

NEW YORK • THE HAMPTONS • PALM BEACH



212 906 9200 brownharrisstevens.com fax 212 906 9288

