

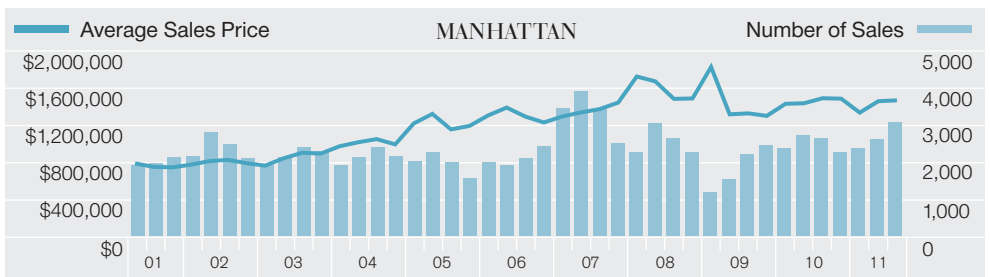


ELLIMANREPORT

CO-OPS & CONDOS

- **Price indicators continued to show stability** The median sales price for a Manhattan apartment was \$911,333, essentially unchanged from last year during the same period. The other indicators offset each other, with price per square foot edging higher and average sales price slipping.
- **Active inventory fell from last year's levels** There were 7,726 apartments available for sale at the end of the quarter, 4.9% less than the prior year quarter. The current level of active inventory is 2.7% below the 5-year quarterly average of 7,937.
- **Number of sales highest in four years** Although year-over-year co-op sales activity was unchanged, the increase in condo activity resulted in a 16.7% year-over-year increase in overall sales activity. An increase in demand from foreign buyers due to the weak US dollar is likely a key factor for the gain.

Manhattan Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$1,464,528	0.6%	\$1,455,098	-1.5%	\$1,487,472
Average Price per Sq Ft	\$1,130	5.8%	\$1,068	3.2%	\$1,095
Median Sales Price	\$911,333	7.2%	\$850,000	-0.3%	\$914,000
New Development	\$1,100,000	-2.7%	\$1,130,000	-6.1%	\$1,170,988
Re-sale	\$860,000	8.2%	\$795,000	-2.0%	\$877,200
Number of Sales	3,106	17.2%	2,650	16.7%	2,661
Days on Market (From Last List Date)	119	-12.5%	136	-4.8%	125
Listing Discount (From Last List Price)	4.4%		3.5%		5.8%
Listing Inventory (Active)	7,726	-4.3%	8,070	-4.9%	8,123
Absorption Rate (Monthly, Active)	7.5	-17.6%	9.1	-18.5%	9.2
Pending Price Index (1Q 08 base)	0.92	-11.5%	1.04	3.4%	0.89
Pending Sales Index (1Q 08 base)	0.91	-6.2%	0.97	1.1%	0.90



Housing prices in Manhattan continue to remain stable. The median sales price of a Manhattan apartment was \$911,333 in the third quarter, essentially unchanged from \$914,000 in the prior year quarter and up 7.2% from \$850,000 in the prior quarter. The other price indicators offset each other. Average sales price slipped 1.5% to \$1,464,528 from \$1,487,472 in the same period last year and edged above \$1,455,098 from the prior quarter. Price per square foot increased 3.2% to \$1,130 from \$1,095 in the prior year quarter and

increased 5.8% from \$1,068 in the prior quarter.

There were 3,106 sales in the third quarter, 16.7% more than 2,661 in the prior year quarter. While the gain is significant, the increase is partly due to the below trend level of activity in the prior year quarter after the expiration of the federal homebuyers tax credit last year. The other factor playing into the increase came from the condo market, which has gained favor in recent quarters. Part of the increase in condo sales is likely attributable to the influx of demand from foreign buyers as a result of the

continued weakness of the US dollar. Approximately 56% of all sales were below the \$1,000,000 threshold in the third quarter, unchanged from the same period last year but down sharply from the recent high of 62% in the first quarter of 2011.

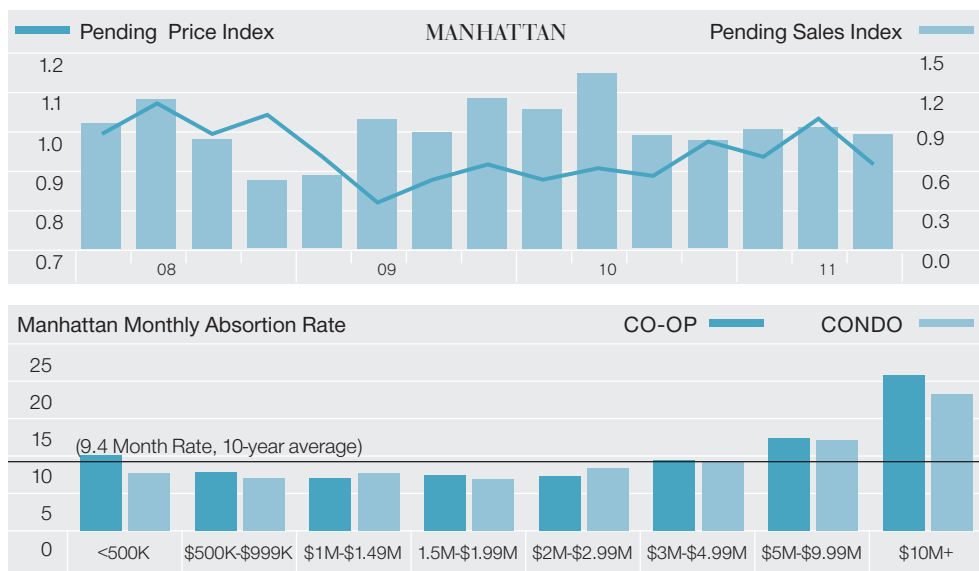
There were 7,726 active listings at the end of the third quarter, 4.9% fewer than 8,123 listings in the same period last year and 4.3% less than 8,070 listings in the prior quarter. The tightness of active inventory has been reflected in the increase in the market share of apartments that sold for list price

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or above list price to 29.6% in the third quarter from 24% in the prior year quarter. Consistent with the decline in inventory, the time to sell an apartment and the discount from list price have also declined. Days on market fell to 119 days from 125 days and the discount from the list price at time of sales slipped to 4.4% from 5.8%, both from the same period last year.

Despite the volatility of the financial markets, tight credit conditions, static unemployment levels and the ratings downgrade of US debt, the Manhattan housing market continues to fare better than most US metro markets. Financial-services-related income, falling mortgage rates, manageable inventory and the weak US dollar continue to serve as an offset for weak US economic conditions.



CO-OPS

• Number of sales remained stable

There were 1,317 sales in the quarter, essentially unchanged from 1,320 sales in the same period last year.

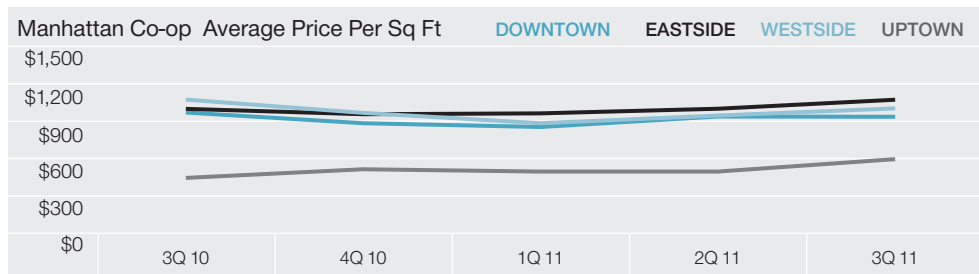
• Price indicators showed weakness

Median sales price declined 9.3% year-over-year to \$705,000, but was at its highest level over the past four quarters. Average sales price also declined while, price per square foot was unchanged.

• Active inventory and absorption rate edged higher

The number of properties on the market edged 3% higher year-over-year and the absorption rate increased to 9.5 months over the same period.

Co-op Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$1,206,770	-1.3%	\$1,222,944	-3.6%	\$1,251,959
Average Price Per Sq Ft	\$991	3.1%	\$961	0.1%	\$990
Median Sales Price	\$705,000	0.7%	\$700,000	-9.3%	\$777,500
Number of Sales	1,317	-3.6%	1,366	-0.2%	1,320
Days on Market (From Last List Date)	103	-13.4%	119	-2.8%	106
Listing Discount (From Last List Price)	2.6%		4.6%		2.8%
Listing Inventory (Active)	4,187	-3.3%	4,332	3.0%	4,065
Absorption Rate (Monthly, Active)	9.5	0.0%	9.5	3.3%	9.2



There was a shift in market share of entry-level apartments to 53.7% in the third quarter from 50.6% in the same period last year. However, the price indicators showed weakness in trend. The median sales price declined 9.3% to \$705,000 from \$777,500 in the prior year quarter. Price per square foot remained essentially unchanged at \$991 while average sales price declined 3.6% to \$1,206,770 over the same period.

Co-op sales accounted for 42.4% of all apartment sales in the quarter, the lowest market share since the first quarter of 2009 as condo sales activity surged. Active listings accounted for 54.2% of all apartment inventory. Only 2.1% of active inventory

Quintiles	Med. Sales Price	% Chg (YR)
5/5	\$2,311,250	-3.6%
4/5	\$1,065,000	-7.8%
3/5	\$685,000	-9.3%
2/5	\$460,000	-10.7%
1/5	\$300,000	-8.4%

was considered new development. Sales activity continued to remain stable. There were 1,317 sales in the third quarter, similar to the 1,320 sales total in the prior year quarter. Because active inventory expanded 3% to 4,187 in the third quarter over the same period, the absorption rate slowed to 9.5 months from 9.2 months.

Co-op Mix	Sales Share	Med. Sales Price
Studio	19.6%	\$345,000
1 bedroom	34.1%	\$563,500
2 bedroom	37.9%	\$1,211,600
3 bedroom	6.0%	\$2,600,000
4+ bedroom	2.4%	\$5,325,000

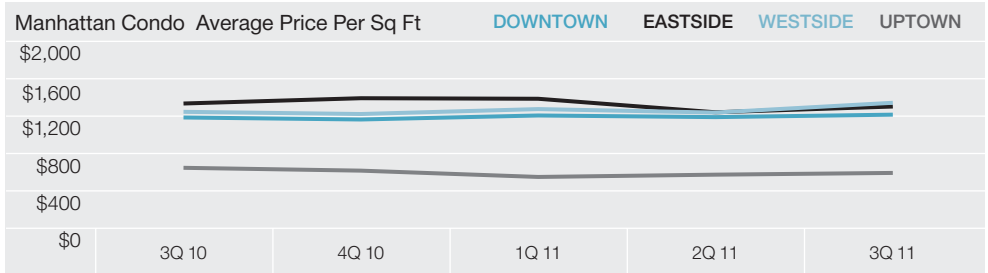
Both the average number of days on market and listing discount remained relatively stable over the past year. The time to sell an apartment slipped 3 days to 103 and the discount between the list price at time of contract and the contract price was down nominally to 2.6% from 2.8% last year during the same period.

CONDOS

- **Sales and market share jumped** Condos captured 57.6% of apartment sales and sales increased 33.4% year-over-year to 1,789, the highest total since the second quarter of 2008.
- **Price indicators were mixed** Median sales price slipped 6.3% year-over-year to \$1,050,000. Price per square foot increased 2.8% and average sales price declined 3.8% over the same period.
- **Top tier showed price weakness** Although this segment is subject to the most volatility, the top price quintile and 4-bedrooms showed most weakness in year-over-year change in median price.

After three consecutive quarters with less than half the sales activity of all apartments, condos accounted for a 57.6% market share in the third quarter, the highest since the first quarter of 2009, shortly after the Lehman "credit crunch" tipping point near the end of 2008. There were 1,789 sales in the third quarter, 33.4% more than the prior year quarter total of 1,341. Over the same period, active inventory fell 12.8% to 3,539 in the third quarter from 4,058 in the same period last year. Condo inventory was 45.8% of all active apartment inventory in the third quarter and accounted for the sharp drop in the absorption rate to 5.9 months from 9.1 months over the same period.

Condo Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$1,654,280	-2.8%	\$1,702,079	-3.8%	\$1,719,296
Average Price Per Sq Ft	\$1,233	4.3%	\$1,182	2.8%	\$1,199
Median Sales Price	\$1,050,000	-1.9%	\$1,070,000	-6.3%	\$1,120,000
Number of Sales	1,789	39.3%	1,284	33.4%	1,341
Days on Market (From Last List Date)	131	-15.5%	155	-8.4%	143
Listing Discount (From Last List Price)	5.7%		2.3%		8.8%
Listing Inventory (Active)	3,539	-5.3%	3,738	-12.8%	4,058
Absorption Rate (Monthly, Active)	5.9	-32.2%	8.7	-35.2%	9.1



Quintiles	Med. Sales Price	% Chg (YR)
5/5	\$3,310,000	-5.4%
4/5	\$1,725,000	-0.2%
3/5	\$1,075,000	-4.4%
2/5	\$750,000	0.0%
1/5	\$490,000	1.7%

Condo Mix	Sales Share	Med. Sales Price
Studio	12.4%	\$503,000
1 bedroom	31.9%	\$775,000
2 bedroom	39.4%	\$1,425,000
3 bedroom	12.6%	\$3,049,672
4+ bedroom	3.9%	\$4,582,125

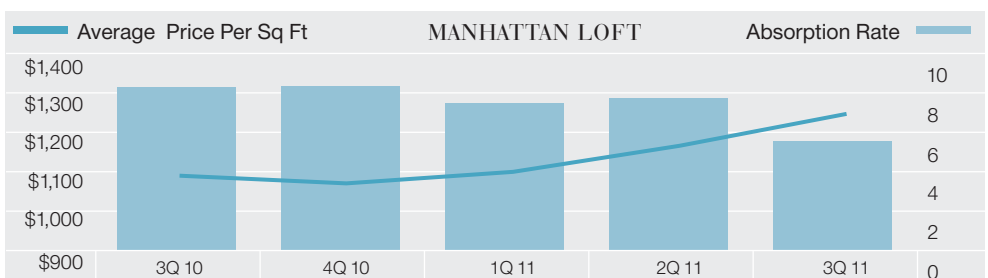
The price indicators were mixed as entry-level units gained market share, reaching 44.3%, up from 38.5% in the prior year quarter, marking a return to levels more consistent with historic patterns. Median sales

price was \$1,050,000, down 6.3% from \$1,120,000 in the prior year quarter. Price per square foot increased 2.8% to \$1,233 while average sales price declined 3.8% to \$1,654,280 over the same period.

LOFTS

- **Highest number of sales in more than three years** There were 264 sales in the third quarter, 38.9% more than the same period last year. Market emphasis on larger units is being felt in the loft market.
- **Price indicators were mixed** While median sales price slipped 2.1% year-over-year, average sales price and price per square foot increased.
- **Absorption rate fastest in nearly 8 years** The combination of rising sales and falling inventory resulted in a 5.5 month absorption rate, the fastest pace since fourth quarter of 2003.

Loft Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$2,075,718	-6.7%	\$2,225,812	4.8%	\$1,981,389
Average Price Per Sq Ft	\$1,252	7.1%	\$1,169	14.8%	\$1,091
Median Sales Price	\$1,625,000	-3.0%	\$1,675,000	-2.1%	\$1,660,000
Number of Sales	264	28.2%	206	38.9%	190
Days on Market (From Last List Date)	126	14.5%	110	21.2%	104
Listing Discount (From Last List Price)	3.5%		1.9%		5.6%
Listing Inventory (Active)	487	-7.9%	529	-6.5%	521
Absorption Rate (Monthly, Active)	5.5	-28.6%	7.7	-32.9%	8.2

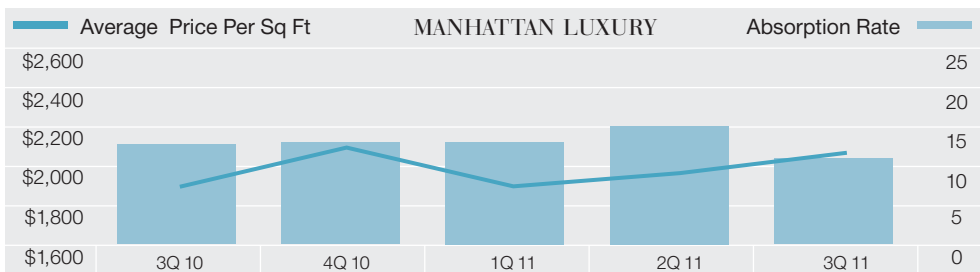


Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

LUXURY

- **Absorption rate fastest in more than three years** With 1,124 apartments in active inventory, the absorption rate fell to 10.8 months, the fastest rate since the second quarter of 2008.
- **Price indicators were mixed** While price per square foot increased 9.3% year-over-year to \$2,074, median sales price and average sales price declined.
- **New development luxury market share consistent with overall market** 18.4% of all luxury sales were new development, consistent with 18.5% of the entire market.

Luxury Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$5,442,521	-5.8%	\$5,776,825	-3.4%	\$5,636,600
Average Price Per Sq Ft	\$2,074	5.4%	\$1,968	9.3%	\$1,897
Median Sales Price	\$4,174,825	-8.2%	\$4,550,000	-5.0%	\$4,393,749
Number of Sales	311	17.4%	265	16.9%	266
Days on Market (From Last List Date)	126	-8.7%	138	-7.4%	136
Listing Discount (From Last List Price)	4.4%		2.3%		7.3%
Listing Inventory (Active)	1,124	-14.3%	1,312	1.1%	1,112
Absorption Rate (Monthly, Active)	10.8	-27.5%	14.9	-13.6%	12.5

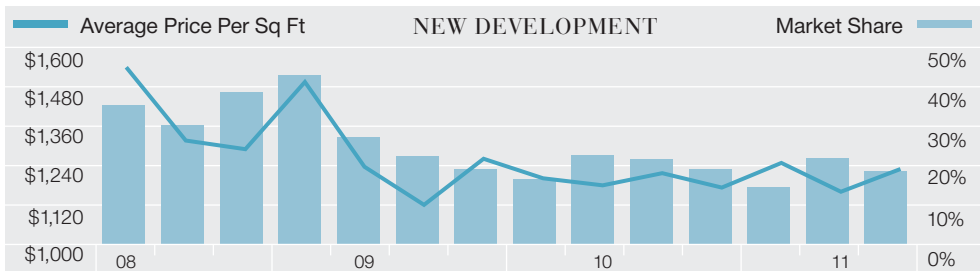


Note: This sub-category analyzes the top 10% of all co-op & condo sales. Data is also contained within the co-op and condo markets presented.

NEW DEVELOPMENT

- **New development activity kept pace with re-sales** Despite the tightness of credit, new development market share, currently at 18.5%, has remained remarkably stable for 3 years.
- **Price per square foot consistent with 3 year average** The average price per square foot for the third quarter was \$1,231, just above the \$1,210 per square foot three year average.
- **Active inventory fell sharply from prior year** There were 1,507 active listings at the end of the quarter, 23% below the same period last year and down 44% from the 2008 peak of 2,691.

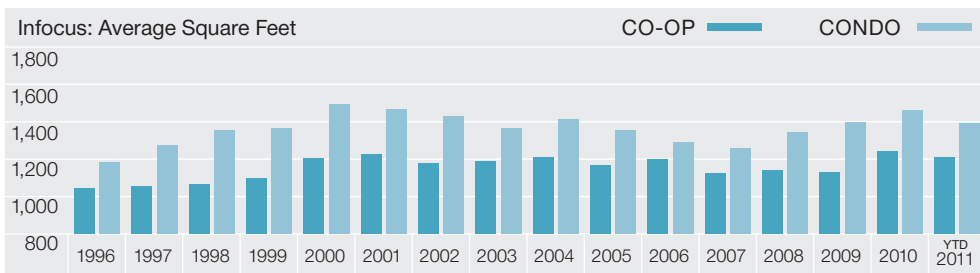
New Development Market Matrix	3Q-2011	% Chg (QTR)	2Q-2011	% Chg (YR)	3Q-2010
Average Sales Price	\$1,624,996	-0.5%	\$1,633,367	-6.1%	\$1,731,015
Average Price Per Sq Ft	\$1,231	6.1%	\$1,160	1.1%	\$1,218
Median Sales Price	\$1,100,000	-2.7%	\$1,130,000	-6.1%	\$1,170,988
Number of Sales	574	-0.5%	577	0.0%	574
Days on Market (From Last List Date)	144	-27.6%	199	-15.3%	170
Listing Discount (From Last List Price)	6.1%		6.2%		11.4%
Listing Inventory (Active)	1,507	-7.3%	1,626	-23.0%	1,958
Absorption Rate (Monthly, Active)	7.9	-7.1%	8.5	-22.5%	10.2



Note: This sub-category analyzes new development co-op & condo sales. Data is also contained within the co-op and condo markets presented.

IN-FOCUS

- **Larger condos gained momentum** Over the past 5 years, the average size of a condo sale increased 7.8% to 1,398 square feet while co-ops sales saw a nominal 1.1% rise to 1,218.
- **Dotcom boom set bar for large apartments** Condo sales from 1998-2000 were an average of 25.3% larger than co-ops.



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