



MANHATTAN SALES

Quarterly Survey of Co-op & Condo Sales

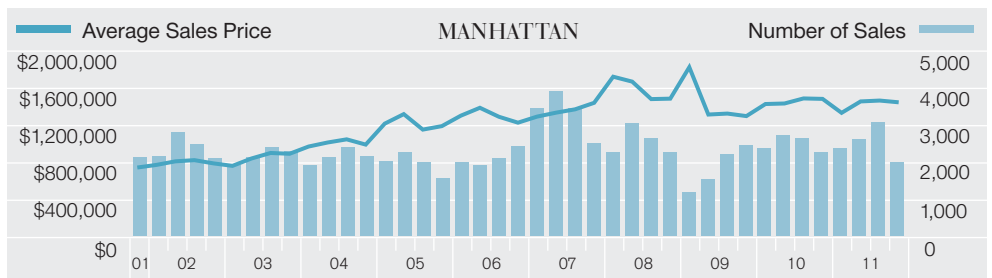
4Q-2011

ELLIMANREPORT

CO-OPS & CONDOS

- **Housing prices remained stable.** Median sales price was \$855,000, a modest 1.2% increase from \$845,000 in the prior year quarter. Price per square foot increased 5.6% to \$1,117 over the same period.
- **Number of sales less than prior year level, slowest fourth quarter in six years.** There were 2,011 sales in the fourth quarter, 12.4% less than 2,295 in the prior year quarter. The fourth quarter had the lowest number of sales since the same period six years ago, perhaps related to the unusual surge in sales in the prior quarter. Pending sales were also below the prior year level.
- **Active inventory slipped, remaining below ten-year average.** There were 7,221 active listings at the end of the fourth quarter, essentially unchanged from the same period last year, but 2.6% less than the ten-year quarterly average of 7,412.

Manhattan Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$1,445,484	-1.3%	\$1,464,528	-2.5%	\$1,482,650
Average Price per Sq Ft	\$1,117	-1.2%	\$1,130	5.6%	\$1,058
Median Sales Price	\$855,000	-6.2%	\$911,333	1.2%	\$845,000
New Development	\$1,215,790	10.5%	\$1,100,000	14.6%	\$1,060,738
Re-sale	\$800,000	-7.0%	\$860,000	0.0%	\$800,000
Number of Sales	2,011	-35.3%	3,106	-12.4%	2,295
Days on Market (From Last List Date)	130	9.2%	119	4.0%	125
Listing Discount (From Last List Price)	4.9%		4.4%		8.0%
Listing Inventory (Active)	7,221	-6.5%	7,726	-0.2%	7,232
Absorption Rate (Monthly, Active)	10.8	44.0%	7.5	13.7%	9.5
Pending Price Index (1Q 08 base)	0.89	-3.3%	0.92	-9.2%	0.98
Pending Sales Index (1Q 08 base)	0.79	-13.2%	0.91	-8.1%	0.86



After a summer and fall of mixed economic news and uncertainty caused by geo-political events including the debt ceiling debate, the S&P downgrade of US debt, and the financial crisis in Europe, the Manhattan housing market experienced a slow down in the level of activity. However, overall price retained its stability.

There were 2,011 sales in the fourth quarter, 12.4% less than 2,295 in the prior year quarter. The fourth quarter had the lowest number of sales since the same period six years ago, perhaps related to the unusual surge in sales in the third quarter. Co-op and condo sales returned to

near equilibrium with co-ops comprising 49.5% market share and condos comprising 50.5% market share. The drop in mortgage rates caused by the S&P downgrade helped shift more demand to the entry-level market, which is generally more responsive to changes in mortgage rates. Entry-level apartments, namely studio and 1-bedrooms, were 51.3%, the highest level since 2009, which readily saw market share in excess of 50%, as first time buyers entered the market after the credit crunch began.

The overall price indicators were mixed and showed continued year-over-year stability.

Median sales price was \$855,000, up 1.2% from the same period last year. Average price per square foot increased 5.6% over the same period to \$1,117 from \$1,058. Average sales price declined 2.5% to \$1,445,484 from \$1,482,650 in the same quarter last year. All three price indicators showed seasonal quarter-over-quarter declines.

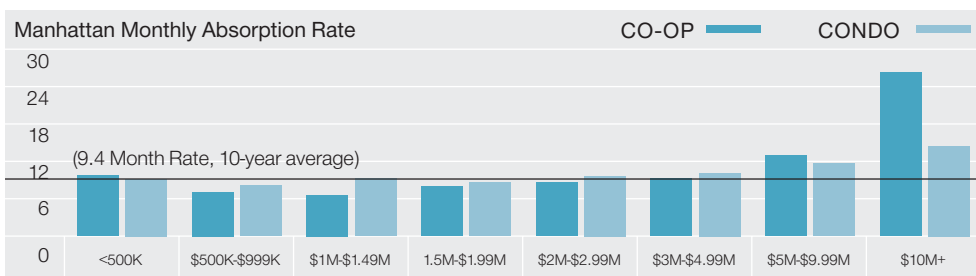
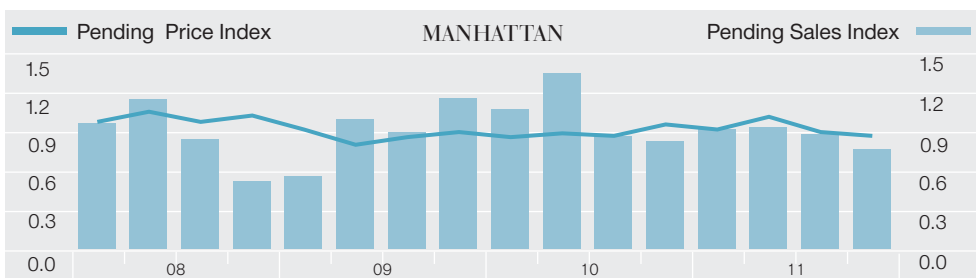
With 7,221 apartments in active inventory, levels remained 2.6% below the ten-year average of 7,412, and essentially unchanged from the same period last year. With the slow down in the number of sales and the stability in listing

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inventory, the monthly absorption rate—the number of months to sell all active inventory at the current pace of sales—increased to 10.8 from 9.5 in the same period last year, roughly one month slower than the 9.4 month average of the past decade. With the modest slowdown in the pace of the housing market in the fourth quarter, days on market expanded by 5 days to 130 days, as compared to the same period last year, but the listing discount compressed to 4.9% from 8% over the same period.

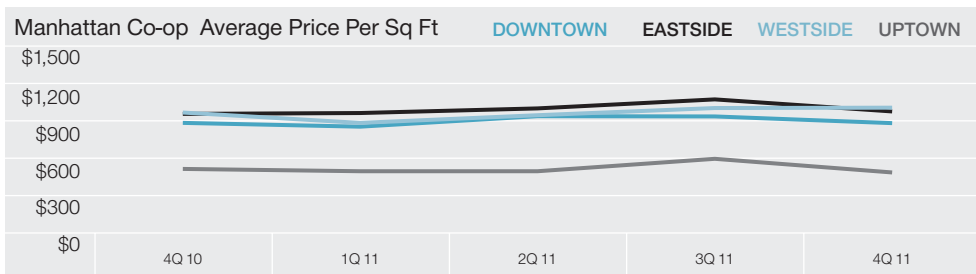
Although tight credit conditions remain, the regional economy continues to see modest improvement, the weak US dollar continues to drive international demand and the financial services sector helps contribute to economic stability, the Manhattan housing market is still outperforming most US metro housing markets.



CO-OPS

- Number of sales declined.** The number of sales fell 16% to 996 in the fourth quarter from 1,186 in the prior year quarter, the lowest quarterly total in more than 2 years.
- Price indicators generally declined.** Median sales price fell 7.1% to \$636,407 in the fourth quarter from \$685,000 in the same period last year, the lowest level in two years. Price per square foot edged up 0.9% over the same period.
- Inventory edged higher as days on market stabilized.** Listing inventory expanded 4.1% to 3,839 from 3,687 in the prior year quarter, as days on market was essentially unchanged at 117 days.

Co-op Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$1,113,522	-7.7%	\$1,206,770	-7.3%	\$1,200,589
Average Price Per Sq Ft	\$936	-5.5%	\$991	0.9%	\$928
Median Sales Price	\$636,407	-9.7%	\$705,000	-7.1%	\$685,000
Number of Sales	996	-24.4%	1,317	-16.0%	1,186
Days on Market (From Last List Date)	117	13.6%	103	-0.8%	118
Listing Discount (From Last List Price)	4.8%		2.6%		5.8%
Listing Inventory (Active)	3,839	-8.3%	4,187	4.1%	3,687
Absorption Rate (Monthly, Active)	11.6	22.1%	9.5	24.7%	9.3



The number of sales fell 16% to 996 from 1,186 in the same period last year, and 24.4% from 1,317 in the prior quarter. While there is a seasonal decline from the third to fourth quarter, the large decline was due to the surge in sales in the prior quarter from the drop in mortgage rates. While the level of sales has declined, a residual of the mortgage rate decline has been a rise in the market share of entry-level apartments. Their market share expanded to a two-year high water mark of 57.3%, as entry-level apartments respond more quickly to changes in mortgage rates.

Median sales price was \$636,407 in the fourth quarter, 7.1% below \$685,000 in the prior year quarter, the lowest level in two years, and 9.7%

Quintiles	Med. Sales Price	% Chg (YR)
5/5	\$2,100,000	-6.7%
4/5	\$969,000	-7.7%
3/5	\$622,000	-7.9%
2/5	\$437,500	-11.6%
1/5	\$302,500	-8.3%

less than \$705,000 in the prior quarter. Average sales price followed the same trend. Price per square foot was \$936, 0.9% higher than \$928 in the same period last year, and 5.5% below \$991 in the prior quarter.

There were 3,839 listings at the end of the fourth quarter, 4.1% more than 3,687 in the prior

Co-op Mix	Sales Share	Med. Sales Price
Studio	19.7%	\$345,000
1 bedroom	37.6%	\$555,000
2 bedroom	28.4%	\$1,050,000
3 bedroom	11.8%	\$2,135,000
4+ bedroom	2.5%	\$4,660,000

year quarter. Despite the increase in inventory, days on market was essentially unchanged at 117 days from the prior year quarter and listing discount declined to 4.8% from 5.8% over the same period. Co-ops comprised 53.2% of all active apartment inventory, and 49.5% of all apartment sales.

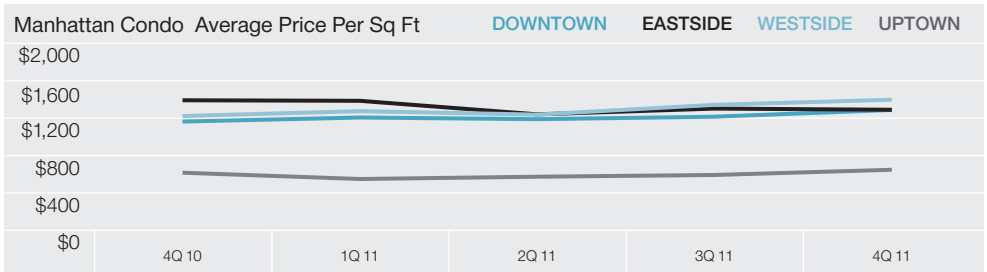
CONDOS

- **Number of sales and market share expanded year-over-year.** There were 1,015 sales in the fourth quarter, 8.5% less than the 1,109 sales in prior year quarter, and market share expanded to 50.5% from 48.3% over the same period.
- **Price indicators increased.** Nearly all price indicators expanded from the prior year quarter, and prior quarter results. Median sales price was \$1,165,000, 16.7% above \$997,885 in the same quarter last year.
- **Listing inventory and listing discount declined.** There were 3,382 listings available at the end of the quarter, down 4.6% from 3,545 in the prior year quarter. The listing discount fell sharply to 4.9% from 10.4% over the same period.

After the atypical surge of condo sales in the third quarter largely related to foreign buyers, condo sales declined 43.3%, returning to a more consistent level of activity. There were 1,015 sales in the fourth quarter, 8.5% below the same period last year, resulting in a 50.5% market share. Condo market share was 48.3% in the prior year quarter and 57.6% in the prior quarter.

Price indicators were generally above prior year quarter and prior quarter results. Median sales price was \$1,165,000, up 16.7% from \$997,885 in the same period last year, and up 11% from \$1,050,000 in the prior quarter. Price per square foot followed the same pattern. Average sales

Condo Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$1,771,232	7.1%	\$1,654,280	-0.7%	\$1,784,296
Average Price Per Sq Ft	\$1,295	5.0%	\$1,233	8.1%	\$1,198
Median Sales Price	\$1,165,000	11.0%	\$1,050,000	16.7%	\$997,885
Number of Sales	1,015	-43.3%	1,789	-8.5%	1,109
Days on Market (From Last List Date)	143	9.2%	131	8.3%	132
Listing Discount (From Last List Price)	4.9%		5.7%		10.4%
Listing Inventory (Active)	3,382	-4.4%	3,539	-4.6%	3,545
Absorption Rate (Monthly, Active)	10.0	69.5%	5.9	4.2%	9.6



Quintiles	Med. Sales Price	% Chg (YR)	Condo Mix	Sales Share	Med. Sales Price
5/5	\$3,375,000	-1.1%	Studio	8.5%	\$484,000
4/5	\$1,800,000	7.2%	1 bedroom	37.0%	\$765,000
3/5	\$1,150,311	12.8%	2 bedroom	26.2%	\$1,364,455
2/5	\$760,000	6.3%	3 bedroom	24.4%	\$2,500,000
1/5	\$480,840	4.5%	4+ bedroom	3.8%	\$6,160,412

price slipped 0.7% to \$1,771,232 in the fourth quarter from \$1,784,296 in the prior year quarter, but increased 7.1% from \$1,654,280 in the prior quarter. Monthly carry costs per square foot, including common charges and real estate taxes, were \$1.54.

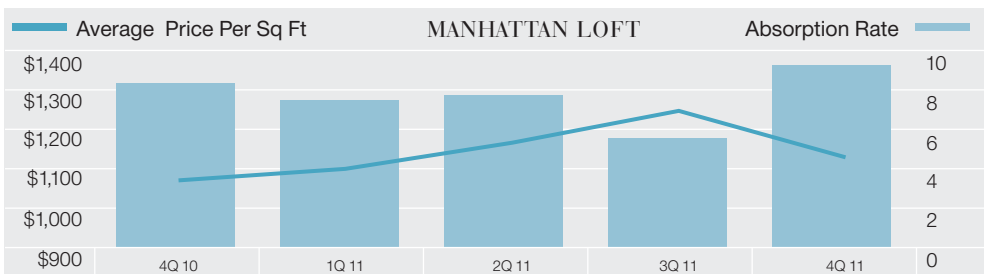
Listing inventory declined 4.6% to 3,382 listings,

and the listing discount declined to 4.9% from 10.4% both from the prior year quarter. Despite the decline in listing inventory, and decline in listing discount, days on market expanded to 143 days from 132 days over the same period. Limited inventory has resulted in sales of properties that had longer marketing times.

LOFTS

- **Listing inventory and number of sales declined.** There were 413 listings in the end of the fourth quarter, 11.6% fewer than the same period last year. The number of sales fell 20.7% to 134 over the same period.
- **Market share declined.** Loft sales fell to 6.7% of total sales, less than the 8.1%, 20-year average, and 7.4% in the same period last year.
- **Price indicators were mixed.** Price per square foot increased 5.6% to \$1,131 from the prior year quarter. Median sales price jumped 10.4%, and average sales price slipped 2.4% over the same period.

Loft Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$2,035,508	-1.9%	\$2,075,718	-2.4%	\$2,086,120
Average Price Per Sq Ft	\$1,131	-9.7%	\$1,252	5.6%	\$1,071
Median Sales Price	\$1,725,000	6.2%	\$1,625,000	10.4%	\$1,563,013
Number of Sales	134	-49.2%	264	-20.7%	169
Days on Market (From Last List Date)	136	7.9%	126	3.8%	131
Listing Discount (From Last List Price)	8.2%		3.5%		5.8%
Listing Inventory (Active)	413	-15.2%	487	-11.6%	467
Absorption Rate (Monthly, Active)	9.2	67.3%	5.5	10.8%	8.3

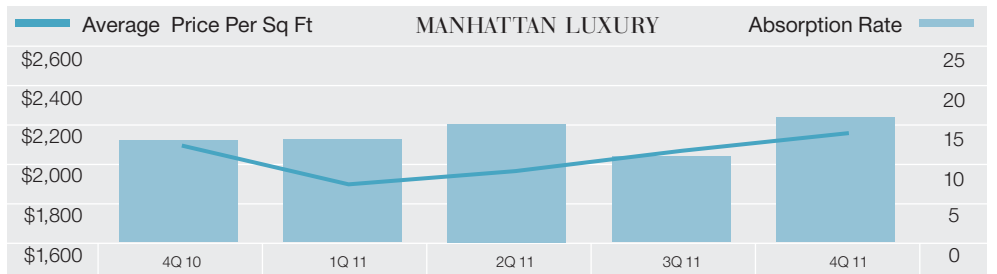


Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

LUXURY

- **Price indicators were mixed.** Price per square foot increased 3.1% to \$2,166 per square foot from the prior year quarter, as median and average sales price posted declines over same period.
- **Listing inventory edged higher.** There were 1,054 listings in the fourth quarter, 7.7% more than 979 in the same period last year. The luxury market began at \$2,975,000 in the fourth quarter.
- **Days on market expanded and listing discount dropped.** Because high-end sales have maintained a brisk pace, properties with longer marketing times are being absorbed.

Luxury Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$5,621,335	3.3%	\$5,442,521	-8.5%	\$6,141,426
Average Price Per Sq Ft	\$2,166	4.4%	\$2,074	3.1%	\$2,101
Median Sales Price	\$4,150,000	-0.6%	\$4,174,825	-4.6%	\$4,350,000
Number of Sales	201	-35.4%	311	-12.6%	230
Days on Market (From Last List Date)	186	47.6%	126	31.0%	142
Listing Discount (From Last List Price)	1.0%		4.4%		11.0%
Listing Inventory (Active)	1,054	-6.2%	1,124	7.7%	979
Absorption Rate (Monthly, Active)	15.7	45.4%	10.8	22.7%	12.8

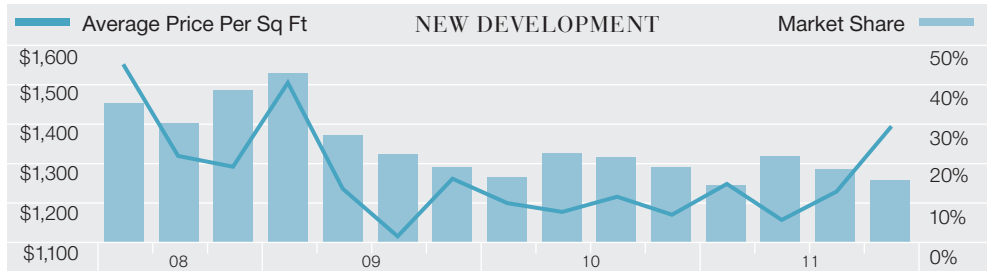


Note: This sub-category analyzes the top 10% of all co-op & condo sales. Data is also contained within the co-op and condo markets presented.

NEW DEVELOPMENT

- **Market share slipped to 14.5%, consistent with seasonal trends.** Since the credit crunch, new development sales appear to have established market share with seasonal patterns.
- **Price per square foot spiked, due to higher-end sales.** The average price per square foot was \$1,394, the highest level in two and a half years and 11.7% higher than the \$1,248 per square foot average in three years.
- **Active inventory dropped from last year, but is beginning to stabilize.** There were 1,490 active new development listings, 9.1% fewer than the same period last year, and 1.1% less than the prior quarter.

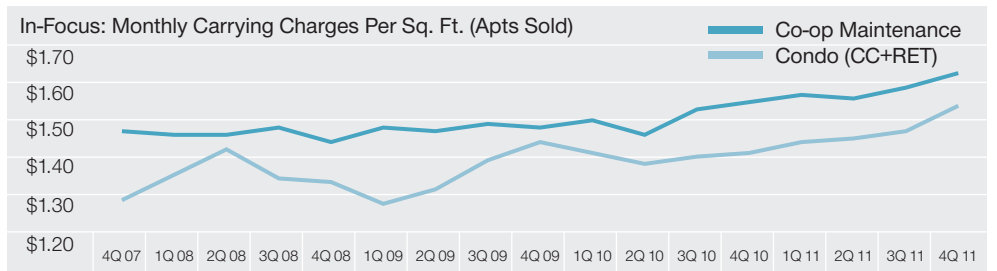
New Development Market Matrix	4Q-2011	% Chg (QTR)	3Q-2011	% Chg (YR)	4Q-2010
Average Sales Price	\$1,962,397	20.8%	\$1,624,996	8.2%	\$1,812,912
Average Price Per Sq Ft	\$1,394	13.2%	\$1,231	18.8%	\$1,173
Median Sales Price	\$1,215,790	10.5%	\$1,100,000	14.6%	\$1,060,738
Number of Sales	315	-45.1%	574	-27.8%	436
Days on Market (From Last List Date)	165	14.6%	144	-11.8%	187
Listing Discount (From Last List Price)	2.9%		6.1%		12.7%
Listing Inventory (Active)	1,490	-1.1%	1,507	-9.1%	1,640
Absorption Rate (Monthly, Active)	14.2	79.7%	7.9	25.7%	11.3



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

- **Monthly carrying costs trended with inflation.** The rise in monthly carrying charges per square foot in sales has been in line with inflation.
- **Condo costs more volatile.** New development sales and their use of 421a tax abatements resulted in more cost volatility just before and just after Lehman "tipping" point.



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