

manhattan

Q3.2007

the **corcoran** report

peter comitini  **comitini.com**

peter@comitini.com ☎ 212.444.7844

corcoran

corcoran group real estate

We are pleased to present the Third Quarter Corcoran Report, an easy-to-read snapshot of the current state of the Manhattan Real Estate market. This report utilizes data based on deals that closed in 3Q 2007 (July 1 through September 30) with performance compared to that of 3Q 2006. A number of market forces have worked together to make 2007 an active one for the New York residential market. Thanks to aggressive sales during the first half of the year, closings in the third quarter of 2007 were robust and, in general, residential property values drove higher. The pace of sales was faster than ever, too; the number of closed deals in 3Q 2007 increased by 20% vs. 3Q 2006. Since the beginning of the year supply has been a diminishing commodity as buyers rapidly absorbed the available inventory and new developments came on the market at a slower pace; buyers now find 16% fewer listings this year over the same quarter a year ago.

Much media attention has been showered on the national real estate market's slower pace in the wake of the subprime mortgage situation. However, the New York market has remained largely insulated from the impact of the crisis thanks such factors as: the extra layer of financial review brought to bear by co-ops boards; the greater degree of all-cash deals in our marketplace; and the ongoing status of New York as a global city whose property is in demand from an international class of professionals and corporate clients.

One other major event in the third quarter was the reduction in interest rates by the Federal Reserve Bank. In September the Federal Reserve Bank lowered rates by .5% to 4.75%, its first cut in four years. The move was welcomed by the markets and financial analysts since the decrease helps banks to make loans, businesses to expand, and for homeowners to take out more equity, thus stimulating the overall economy.

We hope you will find this edition of the Corcoran Report useful and informative, and we welcome any questions you may have regarding it.

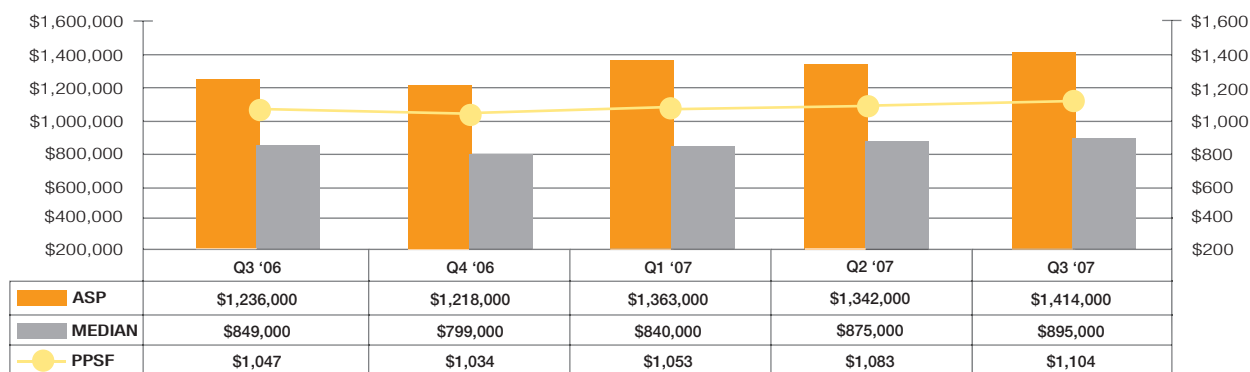


Sincerely,

Pamela Liebman

Pamela Liebman
Chief Executive Officer

Market Wide Overview (All Apartments)



In the wake of an active buying season in the Spring, Manhattan's closings in the third quarter were robust. Market-wide, the average sale price for an apartment in Manhattan in the 3Q 2007 was \$1.414 million, up 14% from 3Q 2006 and 5% over 2Q 2007. Meanwhile the median sale price - the most typical price paid by buyers - reached \$895,000, a 5% increase over 3Q 2006 and a 2% increase over 2Q 2007.

The pace of sales likewise increased this year. There were 3,588 sales tracked in 3Q 2007, 20% more than the 2,996 units tracked in 3Q 2006.

All Apts	All Apts			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.414M	895K	1,104	467K	425K	789K	695K	1.522M	1.305M	3.477M	2.679M
2006	1.236M	849K	1,047	450K	403K	762K	665K	1.463M	1.372M	3.053M	2.448M
% Change	+14%	+5%	+5%	+4%	+5%	+4%	+5%	+4%	-5%	+14%	+9%

Market Wide: Co-ops & Condos

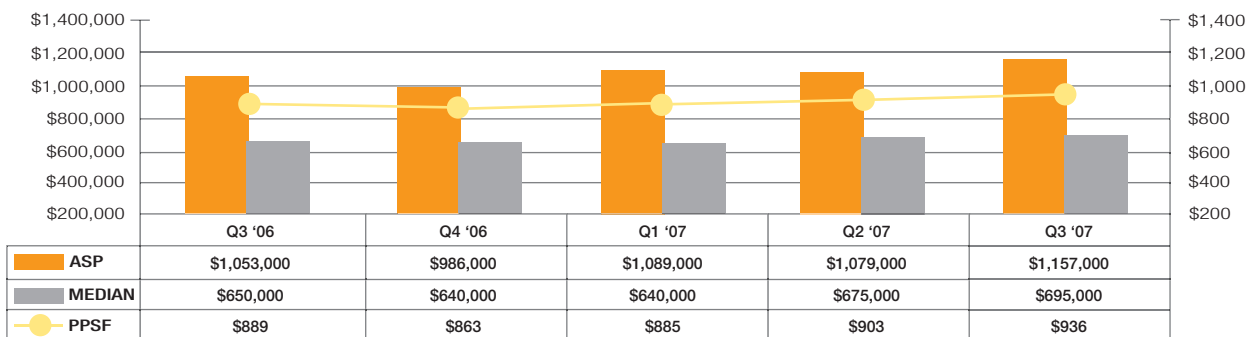
The overall picture for Manhattan real estate in the third quarter was an increase for both co-ops and condos. Average sale prices for co-operative apartments increased by 10% over 3Q 2006; the PPSF was up 5%. Likewise, condos increased 18% in average sale price and 5% in price per square foot over that period.

Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.157M	695K	936	404K	395K	656K	597K	1.308M	1.150M	3.307M	2.298M
2006	1.053M	650K	889	361K	349K	643K	560K	1.241M	1.100M	3.127M	2.195M
% Change	+10%	+7%	+5%	+12%	+13%	+2%	+7%	+5%	+5%	+6%	+5%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.654M	1.145M	1,216	578K	530K	923K	825K	1.692M	1.449M	3.599M	2.882M
2006	1.399M	995K	1,156	578K	495K	872K	795K	1.630M	1.550M	3.033M	2.525M
% Change	+18%	+15%	+5%	0%	+7%	+6%	+4%	+4%	-7%	+19%	+14%

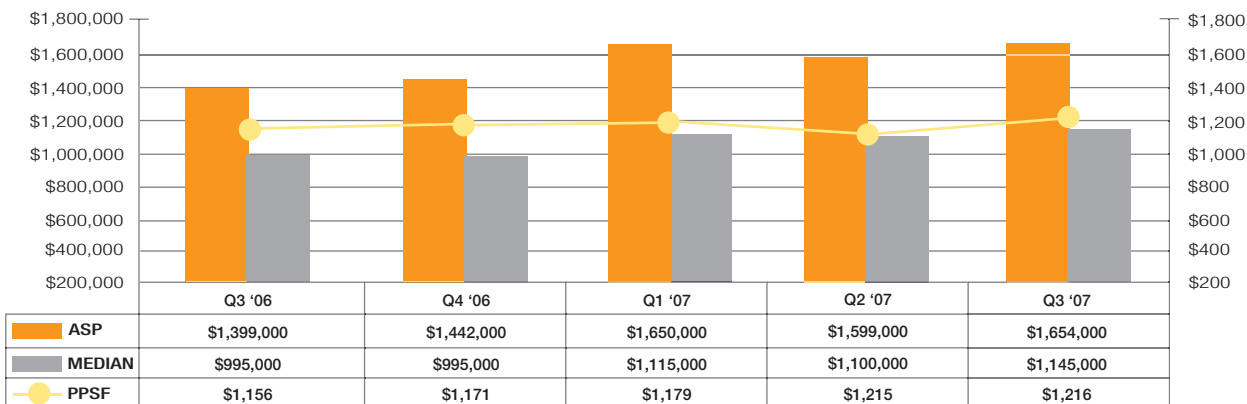
Market Wide: Co-ops

The appreciation of price in co-operative apartments has been less meteoric than that of condominiums, but nevertheless they have also sown the seeds of increased demand and short supply that have worked together to push property values in Manhattan upwards. Co-ops increased 10% in average sale price over 3Q 2006. On a price per square foot basis, co-ops were up 5% over 3Q 2006. Co-op prices were also up from 2Q 2007, up 7% in average sale price and up 4% in price per square foot.



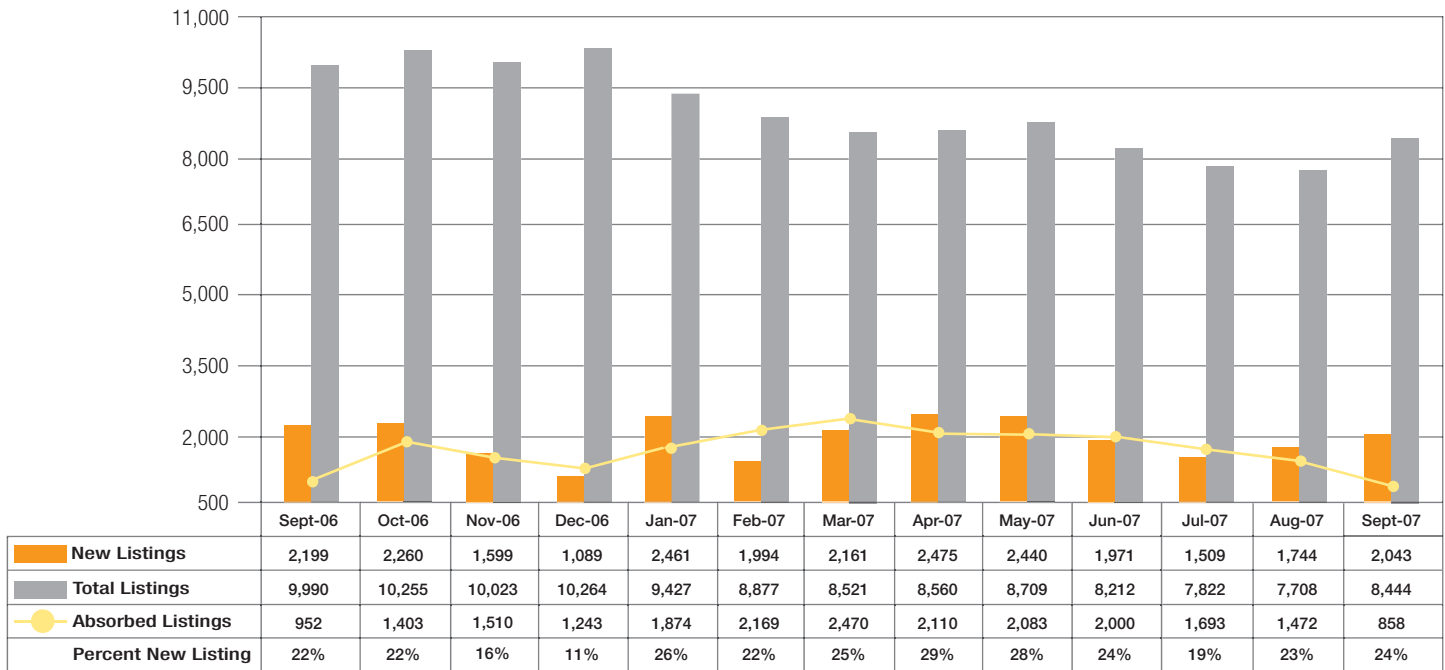
Market Wide: Condos

With so much attention on new developments (27% of all condo sales were in brand new buildings), there has been intense demand for condos over the last several years, resulting in soaring prices. This quarter continued the trend not only of higher prices, but also of a greater proportion of the market devoted to condo sales. While condos represent fewer than 30% of the available inventory in Manhattan, they now account for slightly more than 50% of all sales. Condo prices finished the quarter up 18% in average sale price over 3Q 2006. On a price per square foot basis, condos were more expensive in 3Q 2007 by 5% over 3Q 2006.



Manhattan Absorption vs. New & Total Listings

Supply and demand are analyzed in our Inventory and Absorption chart. For most of 2006, the level of available inventory hovered around 10,000 active listings as sellers sought to take advantage of strong property values and developers delivered a large quantity of new inventory to the marketplace. However, in 2007 that number has dwindled as aggressive buying and a decrease in residential new developments brought active inventory down 16% since third quarter 2006.



Luxury Market

Manhattan's Luxury Market has been extremely active in 2007 and the closings in the third quarter were testament to the energy of high-end buyers so far this year. Defining the category as the top ten percent of all co-op and condo sales, we saw the average sale price increase to \$5.115 million; up 27% from 3Q 2006 in average sale price and up 18% in price per square foot. In 3Q 2007, a property had to sell for at least \$2.805 million to achieve this category.

Condo & Co-op	Condos & Co-ops		
	Average	Median	ppsf
2007	5.115M	3.950M	1,930
2006	4.037M	3.050M	1,639
% Change	+27%	+30%	+18%

Co-ops	All Co-ops		
	Average	Median	ppsf
2007	5.178M	3.950M	1,668
2006	4.694M	3.600M	1,635
% Change	+10%	+10%	+2%

Condos	All Condos		
	Average	Median	ppsf
2007	5.085M	3.975M	2,009
2006	3.734M	2.932M	1,640
% Change	+36%	+36%	+23%

Townhouses

Townhouses remain some of the most cherished and exciting residential properties in the city and the sale of one or two significant properties has the power to shift the average markedly. Nevertheless, buyers for these properties were generally willing to offer higher prices than ever before. The East Side saw an increase of 14% in average sale price. The West Side - with a wide variety of townhouse types - experienced average price drops of 14%. The greatest appreciation in townhouse price was downtown, where these properties were up 16%.

Townhouses	Eastside		Westside		Downtown	
	Average	Median	Average	Median	Average	Median
2007	10.639M	7.900M	4.610M	3.943M	5.814M	4.725M
2006	9.369M	7.100M	5.372M	5.000M	4.994M	4.488M
% Change	+14%	+11%	-14%	-21%	+16%	+5%

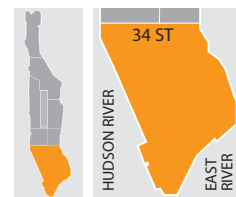
Lofts

On average, the city's loft market, centered in the prime Downtown enclaves of SoHo, Tribeca, Greenwich Village and Chelsea saw price increases to \$2.502 million and price per square foot up 3%. Prices in the 1500-2000 square foot category were the only one to be down in average sale price, down 9%. Prices in all other size categories saw increases from 7-39%.

Lofts	All Lofts			1,000 -1,500 sf		1,500 -2,000 sf		2,000 -2,500 sf		2,500+ sf	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	2.502M	2.089M	1,209	1.724M	1.460M	1.902M	1.925M	2.737M	2.499M	4.523M	4.063M
2006	1.620M	1.395M	1,175	1.465M	1.502M	2.086M	1.900M	2.547M	2.525M	3.244M	2.795M
% Change	+54%	+50%	+3%	+18%	-3%	-9%	+1%	+7%	-1%	+39%	+45%

Downtown

Neighborhoods south of 34th Street continued their run, undergoing significant increases. The downtown co-op market increased 13% and price per square foot increased 10%. Meanwhile, condos increased 30% in average sale price and price per square foot increased 17%, much of that thanks to the popularity of newly developed buildings.

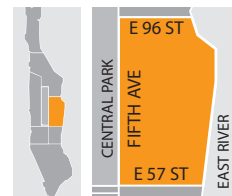


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	784K	575K	951	454K	438K	658K	600K	1.378M	1.175M	2.637M	2.289M
2006	696K	592K	866	392K	398K	595K	590K	1.042M	865K	2.048M	1.548M
% Change	+13%	-3%	+10%	+16%	+10%	+11%	+2%	+32%	+36%	+29%	+48%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.518M	999K	1,229	658K	555K	969K	888K	1.707M	1.538M	3.289M	2.800M
2006	1.164M	829K	1,048	527K	491K	787K	713K	1.411M	1.326M	2.631M	2.123M
% Change	+30%	+21%	+17%	+25%	+13%	+23%	+25%	+21%	+16%	+25%	+32%

Eastside

The Eastside co-op market posted average sale price increases of 4% and 5% in price per square foot. Condos closed the quarter at \$1.885 million in average sale price, a 6% decrease but were up 7% in price per square foot.

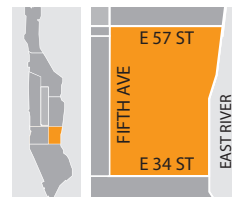


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.474M	835K	973	362K	339K	669K	589K	1.472M	1.153M	4.111M	2.995M
2006	1.420M	783K	924	348K	342K	613K	549K	1.400M	1.218M	4.138M	2.898M
% Change	+4%	+7%	+5%	+4%	-1%	+9%	+7%	+5%	-5%	-1%	+3%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.885M	1.150M	1,342	447K	430K	839K	750K	2.102M	1.965M	4.150M	3.459M
2006	1.999M	1.650M	1,254	491K	455K	803K	739K	1.748M	1.627M	3.336M	2.759M
% Change	-6%	-30%	+7%	-9%	-5%	+4%	+1%	+20%	+21%	+24%	+25%

Midtown East

Co-ops in the area encompassing Murray Hill, the East 50s, and the United Nations saw an increase of 26% in average sale price. On the other hand, the condo market underwent a decrease of 4% in average sale price and 11% in price per square foot.

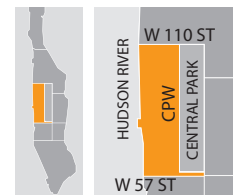


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.051M	650K	834	331K	323K	646K	630K	1.122M	1.185M	3.313M	2.625M
2006	837K	574K	791	321K	315K	592K	535K	1.172M	1.070M	3.059M	1.975M
% Change	+26%	+13%	+5%	+3%	+3%	+9%	+18%	-4%	+11%	+8%	+33%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.596M	1.275M	1,318	579K	532K	928K	788K	2.003M	1.673M	4.355M	3.995M
2006	1.658M	1.263M	1,486	518K	458K	1.269M	800K	2.307M	1.723M	3.026M	2.548M
% Change	-4%	+1%	-11%	+12%	+16%	-27%	-2%	-13%	-3%	+44%	+57%

Westside

With many prominent trophy properties finding buyers, the overall picture for co-ops on the Westside was up a tremendous 32% in average sale price and 9% in price per square foot. Condos on the Westside saw substantial gains of 18% in average sale price and 11% in price per square foot thanks in part to the many closings at 10 West End Avenue.

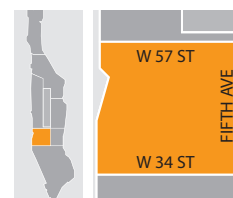


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.261M	762K	978	422K	390K	652K	594K	1.405M	1.205M	3.135M	1.813M
2006	957K	673K	897	363K	334K	597K	563K	1.207M	1.049M	2.313M	1.915M
% Change	+32%	+13%	+9%	+16%	+17%	+9%	+6%	+16%	+15%	+36%	-5%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.887M	1.182M	1,359	604K	531K	910K	825K	1.953M	1.466M	5.400M	3.650M
2006	1.605M	1.050M	1,222	469K	480K	846K	813K	1.660M	1.395M	4.433M	3.275M
% Change	+18%	+13%	+11%	+29%	+11%	+8%	+1%	+18%	+5%	+22%	+11%

Midtown West

Average sale prices for Midtown West co-ops remained unchanged at \$726k. The PPSF likewise remained the same, selling at \$794. Condos however increased 36% in average sale price and were up 13% in price per square foot thanks to the many new developments in the West 40s and 50s and the large number of closings among three bedroom apartments.



Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	726K	564K	794	402K	395K	630K	600K	1.195M	875K	1.650M	1.650M
2006	726K	599K	794	327K	325K	570K	581K	839K	860K	1.404M	1.723M
% Change	0%	-6%	0%	+23%	+22%	+11%	+3%	+42%	+2%	+18%	-4%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.206M	951K	1,245	547K	545K	833K	820K	1.509M	1.391M	8.850M	7.625M
2006	890K	779K	1,103	538K	499K	822K	780K	1.430M	1.450M	N/A	N/A
% Change	+36%	+22%	+13%	+2%	+9%	+1%	+5%	+6%	-4%	N/A	N/A