

manhattan

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the **corcoran** report

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corcoran group real estate

We are pleased to present the Second Quarter Corcoran Report, an easy to read snapshot of the current state of the Manhattan Real Estate Market. The report utilizes data based on deals that closed in 2Q 2007 (04/01/07-06/30/07) with performance compared to that of 2Q 2006 (04/01/06-06/30/06). The second quarter heated up with the number of closed deals increasing by 12% vs. 2Q 2006. Potential buyers found 6% fewer listings this year over the same quarter a year ago, intensifying competition and generally driving prices higher in most segments of the market. Moreover, those looking for luxury properties found limited inventory in the co-op market and gravitated heavily towards new development condominiums.

The increasing number of condominiums in the market has also changed the complexion of Manhattan residential real estate in other ways. Where Manhattan was once an environment dominated by co-operative apartments, the phenomenal building activity of developers over the past several years has ushered in a sea change in which appealing condominium properties are plentiful and sell in quantities at least equal to co-ops. The excitement that surrounds the opening of buildings designed by world renowned architects has lent our market a glamorous cache that has buoyed New York even as the broader American real estate economy has slowed. The proof is in the pudding: the number of condo deals in Manhattan was up 25% this quarter vs. 2Q 2006. In addition, for every two co-ops that sold in the second quarter of 2007, there were three condo sales.

In the face of the slowdown in real estate markets around the country, there has been an ongoing reluctance by the Federal Reserve Bank to raise interest rates; the rates have remained unchanged since June 2006. The economy's restraint of inflation has kept federal fund rates at 5.25 percent. Commercial banks likewise have kept prime lending rates at 8.25 percent. The action to leave rates unchanged has been widely expected but is lending a sense of stability and, if it continues, will be a positive sign for the real estate market.

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

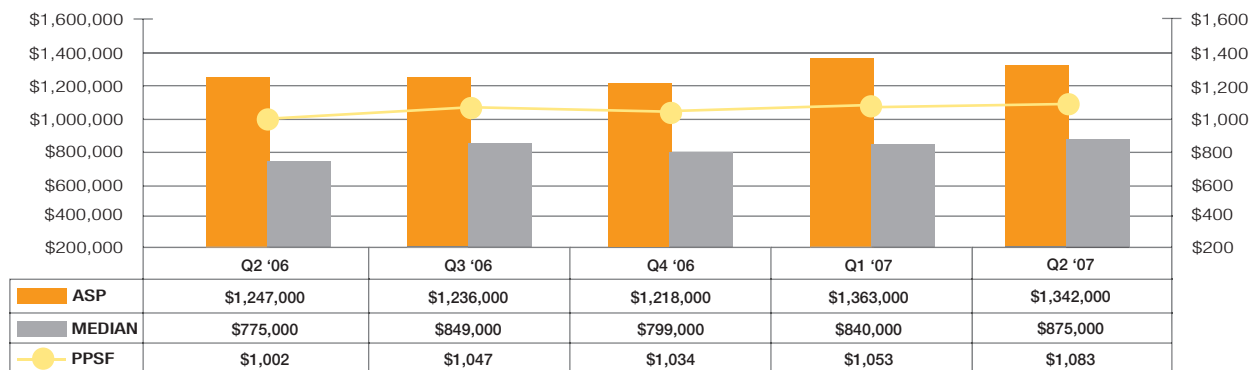
Sincerely,

Pamela Lieberman

Pamela Lieberman
Chief Executive Officer



Market Wide Overview (All Apartments)



As expected, the second quarter proved a busy one for the Manhattan real estate market, thanks in large part to strong sales of condominiums. Market-wide, the average sale price for an apartment in Manhattan in the 2Q 2007 was \$1.342 million, up 8% from 2Q 2006 and down 2% over 1Q 2007.

Meanwhile the median sale price - theoretically the price most commonly paid by buyers - reached \$875,000, a 13% increase over 2Q 2006 and a 4% increase over 1Q 2007. There were 3,185 sales tracked in 2Q 2007, 12% more than the 2,840 units tracked in 2Q 2006.

All Apts	All Apts			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.342M	875K	1,083	454K	433K	762K	685K	1.539M	1.300M	3.329M	2.750M
2006	1.247M	775K	1,002	410K	395K	706K	650K	1.440M	1.265M	3.522M	2.700M
% Change	+8%	+13%	+8%	+11%	+10%	+8%	+5%	+7%	+3%	-5%	+2%

Market Wide: Co-ops & Condos

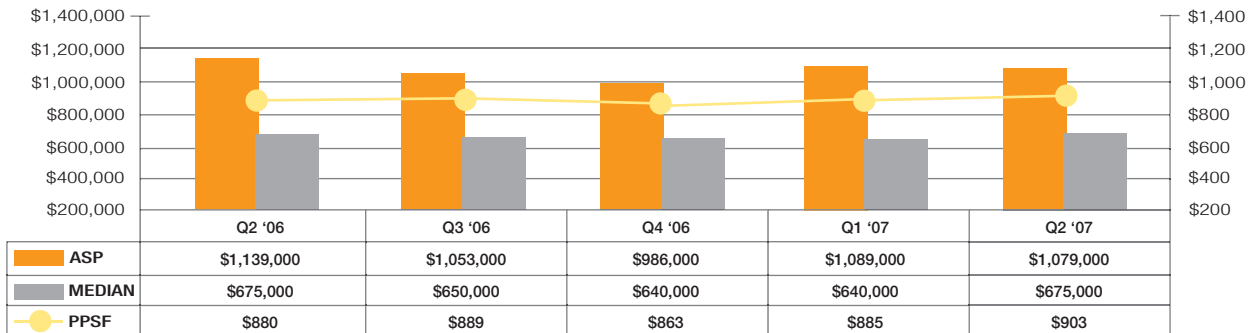
The overall picture for Manhattan real estate in the second quarter was characterized by a modest decrease for co-ops but an increase for condos. The drop in the number of luxury co-op sales coupled with the burgeoning dominance of the condo market conspired to push average sale prices down by 5% while simultaneously increasing the cost of property on a price per square foot basis. The latter statistic increased by 3% over 2Q 2006. Condo prices were up significantly, increasing 20% 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	1.079M	675K	903	384K	369K	633K	595K	1.294M	1.085M	2.960M	2.350M
2006	1.139M	675K	880	358K	355K	613K	570K	1.254M	1.100M	3.382M	2.500M
% Change	-5%	0%	+3%	+7%	+4%	+3%	+4%	+3%	-1%	-12%	-6%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.599M	1.100M	1,215	531K	499K	909K	820K	1.734M	1.510M	3.588M	3.013M
2006	1.334M	896K	1,090	483K	467K	805K	745K	1.556M	1.395M	3.596M	2.815M
% Change	+20%	+23%	+11%	+10%	+7%	+13%	+10%	+11%	+8%	0%	+7%

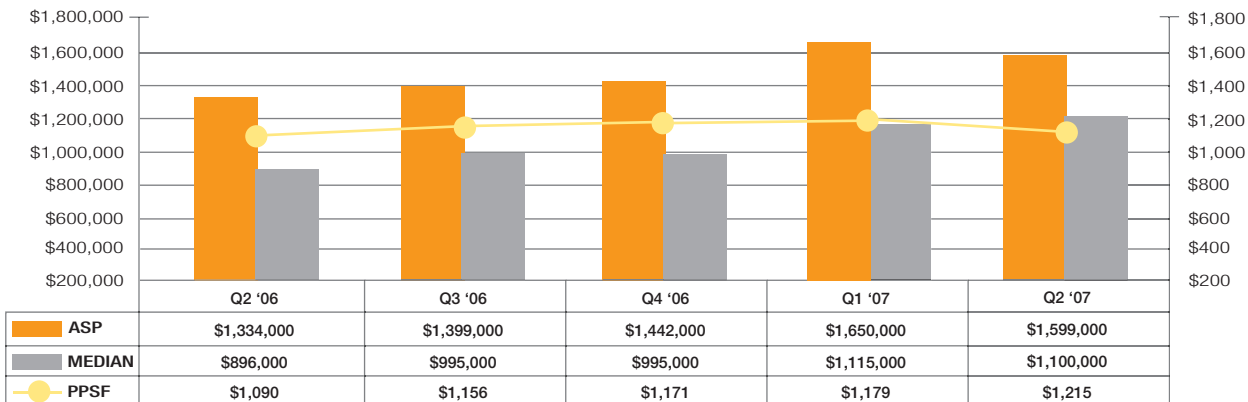
Market Wide: Co-ops

With luxury apartment buyers focusing their energy on the crop of new development properties, cooperative prices decreased 5% in average sale price over 2Q 2006. Nevertheless, co-ops generally continued to hold their value and were higher by 3% on a price per square foot basis over 2Q 2006. Co-op prices were virtually unchanged from 1Q 2007, down just 1% in average sale price and up a mere 2% in price per square foot.



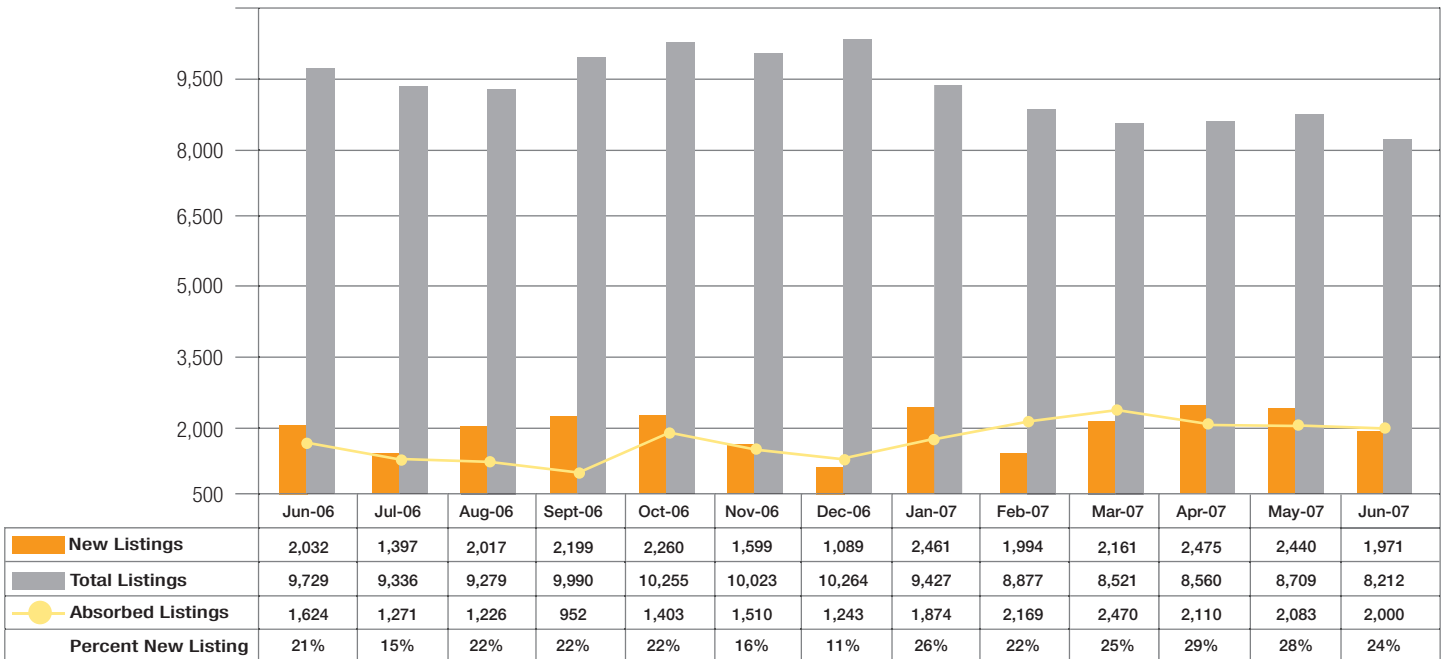
Market Wide: Condos

The single greatest factor impacting Manhattan residential real estate has been the growing influence of the condominium market. Where condo sales once represented a mere 10-15% of all apartment sales, we now regularly see them have an equal or slightly better-than-even share in comparison with co-ops. Condos finished the quarter up 20% in average sale price and 11% in price per square foot over 2Q 2006. Condos numbers decreased minimally from 1Q 2007 with an average sale price down 3% but up 3% in price per square foot.



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. However, aggressive buying in the second quarter coupled with the introduction of fewer new development properties brought active inventory down 20% since December and may produce a more competitive atmosphere for buyers in the short term.



Luxury Market

Perhaps the clearest indication of the impact of condominium sales is their buoying effect on the luxury market. Manhattan's Luxury Market - comprised of the top 10 percent of all co-op and condo sales - saw its average sale price increase to \$4.606 million, up 3% from 2Q 2006. More impressive was the rise in price per square foot, which was up by 15%. The breakdown of luxury sales by property type illuminates the story even further, with condos generally up by large margins and co-ops flat or down. In 2Q 2007, a property had to sell for at least \$2.750 million to achieve this category.

Condo & Co-op	Condos & Co-ops		
	Average	Median	ppsf
2007	4.606M	3.725M	1,807
2006	4.459M	3.438M	1,574
% Change	+3%	+8%	+15%

Co-ops	All Co-ops		
	Average	Median	ppsf
2007	4.532M	3.700M	1,552
2006	4.725M	3.498M	1,487
% Change	-4%	+6%	+4%

Condos	All Condos		
	Average	Median	ppsf
2007	4.639M	3.745M	1,887
2006	4.225M	3.381M	1,625
% Change	+10%	+11%	+16%

Townhouses

Like rare works of art, townhouses remain some of the most cherished and exciting residential properties in the city. Because they represent only a small percentage of the total properties sold in a given quarter, sales of just a few significant trophy properties can swing the overall averages markedly. For example, the East Side, with some particularly grand sales, saw an increase of 46% in average sale price. The West Side enjoys more variety in townhouse prices and average sale prices there were up 16%. With a number of record-breaking sales closing in 2Q 2006, prices downtown came back to earth a bit, falling by 8%.

Townhouses	Eastside		Westside		Downtown	
	Average	Median	Average	Median	Average	Median
2007	7.723M	6.525M	6.472M	4.950M	5.048M	4.450M
2006	5.282M	5.600M	5.596M	5.008M	5.478M	4.300M
% Change	+46%	+17%	+16%	-1%	-8%	+3%

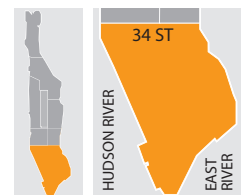
Lofts

On average, the city's coveted loft market, centered in the prime Downtown enclaves of SoHo, Tribeca, Greenwich Village and Chelsea saw its sale price increase to \$2.062 million. Meanwhile, the price per square foot for these properties was up 20%. Across the board, prices in all size categories rose by at least 17%, with lofts measuring 2,000-2,500 square feet increasing the most by 36%.

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	2.062M	1.600M	1,178	1.436M	1.460M	2.052M	1.956M	2.915M	2.900M	4.991M	4.250M
2006	1.605M	1.350M	980	1.230M	1.290M	1.661M	1.600M	2.143M	1.925M	3.759M	2.993M
% Change	+28%	+19%	+20%	+17%	+13%	+24%	+22%	+36%	+51%	+33%	+42%

Downtown

With most of the quarter's excitement and prominent closings taking place uptown, neighborhoods south of 34th street underwent a comparatively modest change. The downtown co-op market increased by a quiet 2% and price per square foot rose 3%. Meanwhile, condos increased 20% in average sale price and price per square foot increased 5%.

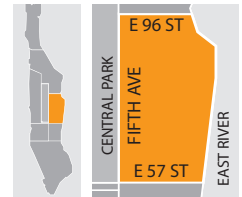


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	727K	588K	914	434K	435K	681K	655K	1.058M	901K	2.070M	2.450M
2006	712K	575K	886	383K	385K	623K	590K	1.079M	873K	1.899M	1.898M
% Change	+2%	+2%	+3%	+13%	+13%	+9%	+11%	-2%	+3%	+9%	+29%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.255M	825K	1,118	533K	497K	790K	712K	1.633M	1.560M	2.919M	2.645M
2006	1.046M	771K	1,061	484K	480K	752K	715K	1.476M	1.264M	2.704M	2.555M
% Change	+20%	+7%	+5%	+10%	+4%	+5%	0%	+11%	+23%	+8%	+4%

Eastside

As its luxury co-ops took a breather from the action, East Side co-ops market posted average sale price declines by 14% but held their value with a 3% rise in price per square foot. Condos here followed suit with the rest of the borough and increased 13% in average sale price and 12% in price per square foot.

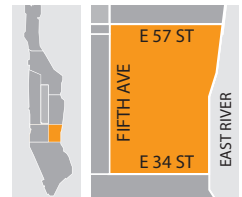


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.352M	760K	929	372K	378K	624K	594K	1.444M	1.195M	3.392M	2.550M
2006	1.579M	795K	911	341K	328K	607K	550K	1.432M	1.200M	4.370M	3.400M
% Change	-14%	-4%	+2%	+9%	+15%	+3%	+8%	+1%	0%	-22%	-25%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.817M	1.275M	1,318	534K	533K	870K	757K	1.847M	1.540M	3.601M	2.950M
2006	1.605M	1.100M	1,180	532K	525K	809K	729K	1.673M	1.553M	3.789M	2.923M
% Change	+13%	+16%	+12%	0%	+2%	+8%	+4%	+10%	-1%	-5%	+1%

Midtown East

Co-ops in the area encompassing Murray Hill, the East 50's, and the United Nations were relatively unchanged, bumping up by a modest 1% in average sale price. On the other hand, strong sales in the condo market resulted in huge increases for those properties here: 37% in average sale price and 20% in price per square foot.

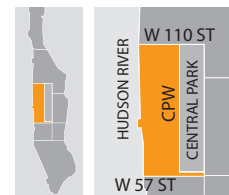


Co-ops	All Co-ops			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	804K	625K	792	350K	349K	593K	570K	1.169M	1.200M	1.864M	1.795M
2006	795K	570K	733	346K	340K	564K	540K	995K	955K	2.682M	2.173M
% Change	+1%	+10%	+8%	+1%	+3%	+5%	+6%	+17%	+26%	-30%	-17%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.723M	1.385M	1,318	491K	493K	925K	770K	2.285M	1.900M	3.063M	2.683M
2006	1.260M	1.048M	1,094	424K	399K	913K	750K	1.599M	1.388M	2.702M	2.500M
% Change	+37%	+32%	+20%	+16%	+24%	+1%	+3%	+43%	+37%	+13%	+7%

Westside

The overall average price for co-ops was up a modest 1% while the price per square foot rose 3%. With a strong crop of sales among luxury properties, condos on the Westside saw substantial gains of 12% in average sale price and 17% 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	1.163M	700K	967	385K	365K	636K	591K	1.357M	1.185M	3.365M	2.641M
2006	1.147M	722K	937	352K	350K	614K	570K	1.252M	1.155M	3.111M	2.595M
% Change	+1%	-3%	+3%	+9%	+4%	+4%	+4%	+8%	+3%	+8%	+2%

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.996M	1.108M	1,487	500K	475K	897K	799K	2.204M	1.500M	4.693M	3.850M
2006	1.785M	1.171M	1,266	577K	545K	885K	825K	1.766M	1.525M	4.879M	3.498M
% Change	+12%	-5%	+17%	-13%	-13%	+1%	-3%	+25%	-2%	-4%	+10%

Midtown West

Midtown West co-ops' average sale price for co-ops increased to \$644K. Their price per square foot remained unchanged at \$757. One-bedroom apartments reigned in the largest average sale price increase: a comfortable 19%. Meanwhile, much sought-after condos in the area increased 41% in average sale price and up 26% in price per square foot thanks to significant closings of one- and two-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	644K	617K	757	349K	299K	613K	635K	872K	580K	N/A	N/A
2006	621K	560K	756	305K	330K	516K	520K	854K	949K	1.250M	1.250M
% Change	+4%	+10%	0%	+14%	-9%	+19%	+22%	+2%	-39%	N/A	N/A

Condos	All Condos			Studio		1 BR		2 BR		3BR	
	Average	Median	ppsf	Average	Median	Average	Median	Average	Median	Average	Median
2007	1.121M	939K	1,211	607K	602K	917K	906K	1.525M	1.350M	4.521M	4.250M
2006	794K	600K	962	435K	418K	687K	618K	1.129M	886K	3.075M	3.000M
% Change	+41%	+57%	+26%	+40%	+44%	+33%	+47%	+35%	+52%	+47%	+42%