

LONG ISLAND

Market Overview

A Quarterly Survey of Long Island Residential Sales
[The Hamptons and the North Fork reported separately]

3Q 10



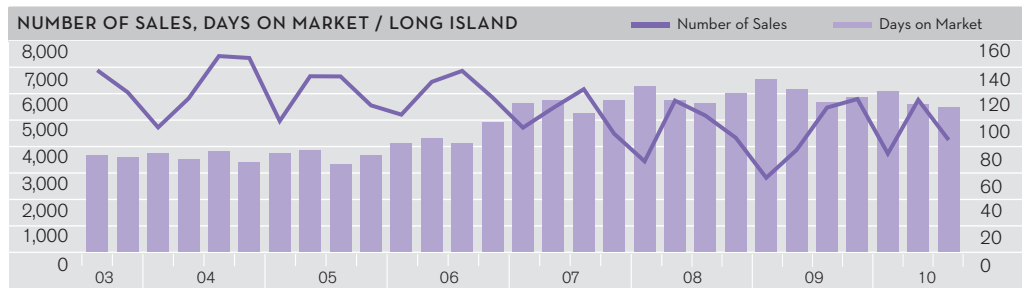
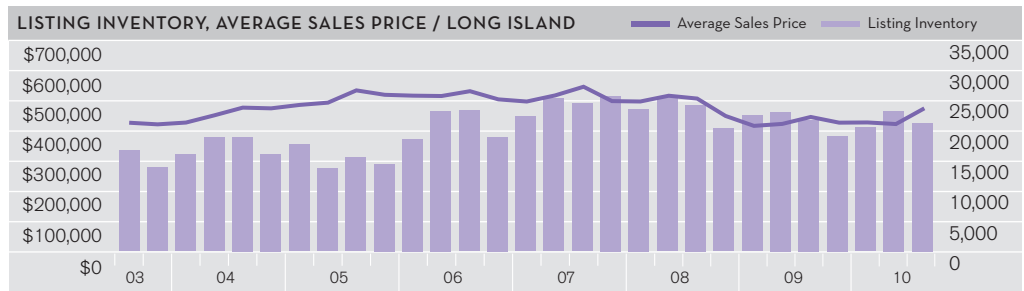
Prepared by Miller Samuel Inc.
 Appraisal and consulting services covering
 the New York City metropolitan area

Price indicators remained stable as number of sales declined

Listing inventory slipped as number of sales declined There were 4,343 sales in the third quarter, 22.5% fewer than 5,603 in the prior year quarter and 26.4% less than 5,902 sales in the prior quarter. The expiration of federal tax credits for existing homeowners and first time buyers was likely responsible for the drop in sales. For the past five years, there was a 12.3% average change in the number of sales between second and third quarters. Listing inventory declined 2.3% to 21,670 in the third quarter from 22,170 in the prior year quarter and declined 8.3% from 23,620 in the prior quarter. Listing inventory levels remain elevated, but have generally trended lower since peaking in 2007. However, the monthly absorption rate—the number of months to sell all existing inventory at the current pace of sales—increased in the third quarter to 15 months, up from 11.9 months during the same period last year and above the 12 months seen in the prior quarter.

Price indicators trended higher Median sales price for a Long Island residential property was \$377,250, up nominally from \$375,000 in the same period last year and up 4.8% from \$360,000 in the prior quarter. Average sales price showed larger increases over the same period. The average sales price was \$475,946 in the third quarter, 6.5% higher than \$446,790 in the prior year quarter and 12.6% above \$422,832 in the prior quarter. The upper quintiles of all

LONG ISLAND MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$475,946	12.6%	\$422,832	6.5%	\$446,790
Median Sales Price	\$377,250	4.8%	\$360,000	0.6%	\$375,000
Number of Sales	4,343	-26.4%	5,902	-22.5%	5,603
Days on Market (from Original List Date)	112	-2%	114	-3.7%	116
Listing Discount (from Original List Price)	6.6%		6.2%		6.5%
Listing Inventory	21,670	-8.3%	23,620	-2.3%	22,170



market segments generally showed the largest gains over the past year as well as the Luxury and North Shore sub-markets.

Listing discount and days on market were stable The average days on market was essentially flat, slipping to 112 days in the third

quarter from 116 days in the prior year quarter and from 114 days in the prior quarter. Listing discount remained consistent as well, edging higher to 6.6% from 6.5% in the prior year quarter and up from 6.2% in the prior quarter.

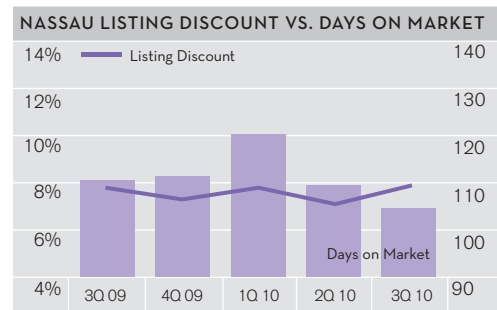
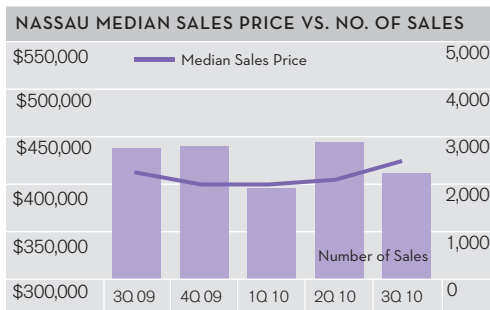
NASSAU *market*

Price indicators rose as number of sales fell

Price indicators continued to rise mainly due to gains at the high end The median sales price of a Nassau residential property was \$425,000 in the third quarter, 2.9% higher than \$413,000 in the same period last year and 4.9% above \$405,000 in the prior quarter. Average sales price followed the same pattern, but with greater upward skew caused by more activity at the upper end of the market. The average sales price was \$569,724 in the third quarter, 10.9% higher than \$513,885 in the prior year quarter and 15.1% above \$494,909 in the prior quarter.

Inventory edged higher as number of sales up declined There were 2,239 sales in the third quarter, 19% fewer than 2,765 sales in the prior year quarter and 22.8% less than 2,902 sales in the prior quarter. The sharp drop from the prior quarter was caused by the aftermath of the federal tax credit expiration. Nassau sales accounted for 51.6% of all Long Island sales

NASSAU MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$569,724	15.1%	\$494,909	10.9%	\$513,885
Median Sales Price	\$425,000	4.9%	\$405,000	2.9%	\$413,000
Number of Sales	2,239	-22.8%	2,902	-19%	2,765
Days on Market (from Original List Date)	105	-4.7%	110	-5.5%	111
Listing Discount (from Original List Price)	7.9%		7.1%		7.8%
Listing Inventory	9,989	-1.2%	10,110	5.3%	9,485



excluding the East End market. A significant portion of the sales that occurred in the second quarter would have occurred in the third quarter absent the tax credit. Listing inventory rose 5.3% to 9,989 from 9,485 in the prior year quarter, but slipped 1.2% from 10,110 in the prior quarter.

QUINTILES / Median Sales Price by No. of Sales / NASSAU	Current Qtr	% Chg Prior Year Qtr
5/5	\$995,000	17.1%
4/5	\$570,000	8.8%
3/5	\$425,000	2.9%
2/5	\$345,000	0%
1/5	\$230,000	-2.9%

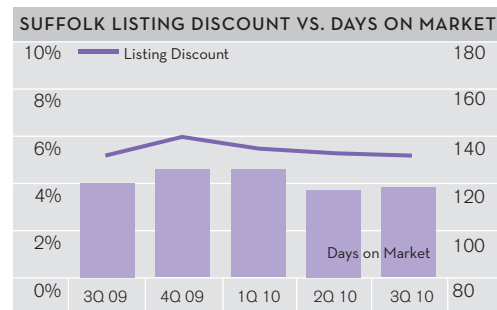
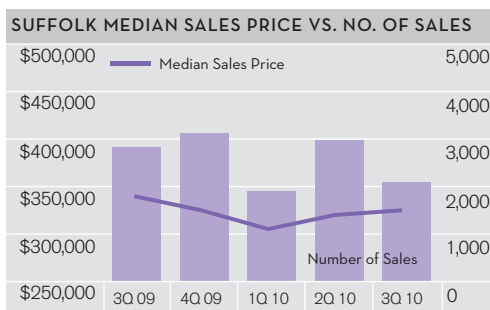
SUFFOLK *market*

Fewer sales after expiration of federal tax credit

Price indicators slid The median sales price of a Suffolk property excluding the East End which is analyzed in a separate report, was \$325,000, down 4.4% from \$340,000 in the prior year quarter, but up 1.6% from \$320,000 in the prior quarter. Average sales price followed the same pattern with a 1.4% decline to \$376,151 from \$381,420 in the prior year quarter and a 6.5% increase from \$353,111 in the prior quarter..

Number of sales fell There were 2,104 sales in the third quarter, down 25.9% from 2,838 in the same period last year and down 29.9% from 3,000 in the prior quarter. Despite the decline in the number of sales, listing inventory declined as well. There were 11,681 listings in the third quarter, 7.9% less than 12,685 in the prior year quarter and 13.5% fewer than 13,510 in the prior quarter. The time to market a property remained stable with a 119 days on market average for the third quarter, nominally different than the 121 days on

SUFFOLK MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$376,151	6.5%	\$353,111	-1.4%	\$381,420
Median Sales Price	\$325,000	1.6%	\$320,000	-4.4%	\$340,000
Number of Sales	2,104	-29.9%	3,000	-25.9%	2,838
Days on Market (from Original List Date)	119	0.9%	118	-1.6%	121
Listing Discount (from Original List Price)	5.2%		5.3%		5.2%
Listing Inventory	11,681	-13.5%	13,510	-7.9%	12,685



market of the prior year quarter and 118 days of the prior quarter. Listing discount followed the same pattern with a 5.2% difference between original list price and contract price in the third quarter, virtually unchanged from prior periods.

QUINTILES / Median Sales Price by No. of Sales / SUFFOLK	Current Qtr	% Chg Prior Year Qtr
5/5	\$660,000	10%
4/5	\$420,000	0%
3/5	\$325,000	-4.4%
2/5	\$243,500	-11.5%
1/5	\$141,357	-16.8%

Note: The data in the Suffolk Market is comprised of residential sales in Suffolk County with the exception of The Hamptons and the North Fork, which are analyzed in a separate report. Listing inventory includes all of Suffolk County.

Nassau NORTH SHORE

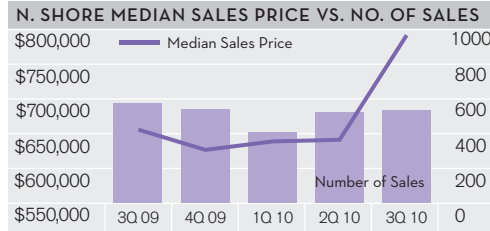
Price indicators surged with increase in high-end sales

Shift in mix skewed price indicators up sharply

There were more high-end property sales in the third quarter. As a result, both price indicators posted double digit increases over the prior year quarter and prior quarter. Median sales price for a North Shore property was \$795,000, the highest in four years. It was 21.4% above \$655,000 in the prior year quarter and 24.2% higher than \$795,000 in the prior quarter.

Number of sales below prior year level There were 545 sales in the region, 7.5% less than 589 sales in the same period last year, but 2.3%

NORTH SHORE MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$986,621	16.9%	\$843,651	17.5%	\$839,699
Median Sales Price	\$795,000	24.2%	\$640,000	21.4%	\$655,000
Number of Sales	545	2.3%	533	-7.5%	589
Days on Market (from Original List Date)	112	-10.6%	125	-2%	114
Listing Discount (from Original List Price)	10%		9.7%		10.5%



QUINTILES / Median Sales Price by No. of Sales / NORTH SHORE	Current Qtr	% Chg Prior Year Qtr
5/5	\$1,780,000	13.2%
4/5	\$1,080,000	20%
3/5	\$795,000	21.4%
2/5	\$567,500	9.1%
1/5	\$355,000	22%

higher than 533 sales in the prior quarter. Days on market was 112 days in the third quarter, down nominally from 114 days in the prior year quarter, but nearly 2 weeks faster than 125 days in the

prior quarter. Listing discount was 10% in the third quarter, nominally changed from 10.5% in the prior year quarter and 9.7% in the prior quarter.

Note: The North Shore Market is a submarket of Nassau County, extending from Kings Point to Laurel Hollow, North of the LIE and Route 25.

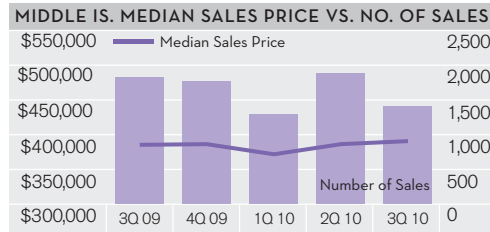
Nassau MIDDLE ISLAND

Price indicators remained stable as number of sales dropped

Price indicators showed nominal change The median sales price in the third quarter was \$389,500, up 1.4% from \$384,000 in the prior year quarter and up 1.2% from \$385,000 in the prior quarter. Average sales price was \$437,094 in the third quarter, up 3.4% from \$422,687 in the prior year quarter and up 4.8% from \$416,980 in the prior quarter.

Number of sales dropped as days on market edged lower There were 1,438 sales in the third quarter, 23.1% less than 1,871 sales in the prior

MIDDLE ISLAND MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$437,094	4.8%	\$416,980	3.4%	\$422,687
Median Sales Price	\$389,500	1.2%	\$385,000	1.4%	\$384,000
Number of Sales	1,438	-25.3%	1,926	-23.1%	1,871
Days on Market (from Original List Date)	99	-8.5%	108	-7.6%	107
Listing Discount (from Original List Price)	6.1%		5.7%		6.2%



QUINTILES / Median Sales Price by No. of Sales / MIDDLE ISLAND	Current Qtr	% Chg Prior Year Qtr
5/5	\$697,000	8.9%
4/5	\$472,000	4.9%
3/5	\$389,500	1.4%
2/5	\$329,000	-1.8%
1/5	\$215,000	-8.5%

year quarter and 25.3% less than 1,926 in the prior quarter. Days on market was a week faster at 99 days from 107 in the same period last year and from 108 days in the prior quarter. Listing

discount remained stable at 6.1% in the third quarter as compared to 6.2% in the same period last year and 5.7% in the prior quarter.

Note: refer to town list on back page.

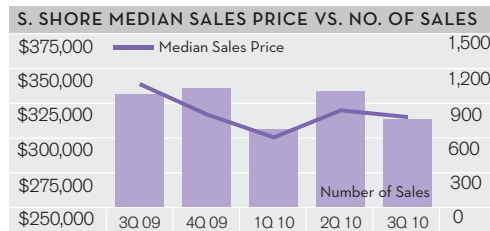
Nassau and Suffolk SOUTH SHORE

Number of sales and price indicators declined

Price indicators declined The median sales price in the third quarter was \$315,000, down 7.2% from \$339,495 in the prior year quarter and down 1.6% from \$320,000 in the prior quarter. Average sales price was \$352,909 in the third quarter, down 5% from \$371,659 in the prior year quarter, but up 0.8% from \$349,987 in the prior quarter.

Number of sales dropped as days on market edged lower There were 771 sales in the third quarter, 22.4% less than 994 sales in the prior year quarter and 24.9% less than 1,027 in the

SOUTH SHORE MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$352,909	0.8%	\$349,987	-5%	\$371,659
Median Sales Price	\$315,000	-1.6%	\$320,000	-7.2%	\$339,495
Number of Sales	771	-24.9%	1,027	-22.4%	994
Days on Market (from Original List Date)	129	4.8%	123	0.7%	128
Listing Discount (from Original List Price)	6.6%		6.3%		6.4%



QUINTILES / Median Sales Price by No. of Sales / SOUTH SHORE	Current Qtr	% Chg Prior Year Qtr
5/5	\$575,000	-0.9%
4/5	\$401,250	-2.6%
3/5	\$315,000	-7.2%
2/5	\$244,844	-11%
1/5	\$135,750	-17.7%

prior quarter. Days on market remained stable at 129 days compared to 128 days in the same period last year and up from 123 days in the prior quarter. Listing discount remained stable at

6.6% in the third quarter as compared to 6.4% in the same period last year and 6.3% in the prior quarter.

Note: refer to town list on back page. Boundaries were expanded and historical data updated.

CONDO *market*

Price indicators rose as number of sales fell

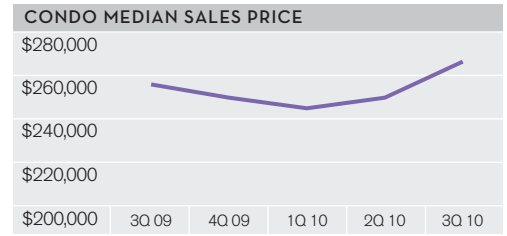
Price indicators increased The medians sales price of a Long Island condo was \$267,000, up 4.2% from \$256,250 in the prior year quarter and up 6.8% from \$250,000 in the prior quarter. Average sales price was \$349,285 in the third quarter, up 10.1% from \$317,154 in the prior year

Note: The Condo Market includes residential sales in Nassau & Suffolk Counties. Suffolk condo data excludes sales in The Hamptons and The North Fork which are analyzed in a separate report.

CONDO MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$349,285	14.5%	\$305,116	10.1%	\$317,154
Median Sales Price	\$267,000	6.8%	\$250,000	4.2%	\$256,250
Number of Sales	601	-29.3%	850	-14.4%	702
Days on Market (from Original List Date)	135	-7.9%	147	-1.9%	138
Listing Discount (from Original List Price)	6.5%		6.4%		6.2%

quarter and up 14.5% from \$305,116 in the prior quarter.

Number of sales declined There were 601 sales in the third quarter, down 14.4% from 702 sales in the prior year quarter. Both days on market at 135 days and listing discount at 6.5% were essentially stable over the year.



1-3 FAMILY *market*

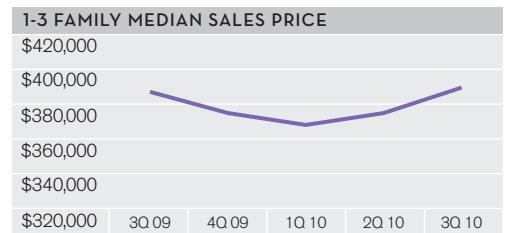
Price indicators were stable as number of sales fell

Price indicators remained stable Median sales price was \$390,000, up a nominal 0.6% from \$387,500 in the same period last year and up 4% from \$375,000 in the prior quarter. Average sales price was \$496,289 in the third quarter, up 6.6% from \$465,358 in the prior year quarter and up 12.1% from \$442,638 in the prior quarter.

Note: The Condo Market includes residential sales in Nassau & Suffolk Counties. Suffolk condo data excludes sales in The Hamptons and The North Fork, which are analyzed in a separate report.

1-3 FAMILY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$496,289	12.1%	\$442,638	6.6%	\$465,358
Median Sales Price	\$390,000	4%	\$375,000	0.6%	\$387,500
Number of Sales	3,742	-25.9%	5,052	-23.7%	4,902
Days on Market (from Original List Date)	108	-0.9%	109	-4.4%	113
Listing Discount (from Original List Price)	6.9%		6.4%		6.7%

Number of sales fell There were 3,742 sales in the third quarter, down 23.7% from 4,902 sales in the prior year quarter and down 25.9% from 5,052 in the prior quarter. Days on market was 108 days in the third quarter, down slightly from 113 days in the same period last year while listing discount was 6.9% up slightly from 6.7% in the prior year quarter.



LUXURY *market*

Price indicators jumped with more high-end activity

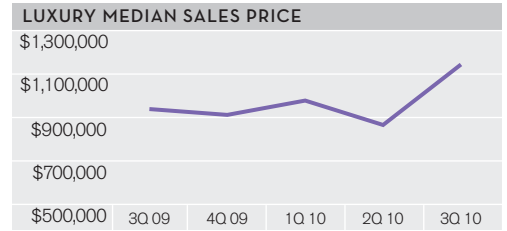
Price indicators showed prior and prior year quarter increases

Median sales price was at its highest level in two years at \$1,150,000, up 22.3% from \$940,000 in the prior year quarter and increased 32.9% from \$865,000 in the prior quarter.

Note: The Luxury Market includes residential sales in Nassau & Suffolk Counties. Suffolk data excludes sales in The Hamptons and The North Fork, which are analyzed in a separate report.

LUXURY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,379,690	24.5%	\$1,108,272	18.1%	\$1,167,917
Median Sales Price	\$1,150,000	32.9%	\$865,000	22.3%	\$940,000
Number of Sales	434	-26.4%	590	-22.5%	560
Days on Market (from Original List Date)	122	-3.7%	127	-5.2%	129
Listing Discount (from Original List Price)	10.2%		9.2%		9.6%

Listing discount and days on market remained stable Along with the shift in the mix to more high-end sales, days on market slipped to 122 days from 129 days in the prior year quarter and declined from 127 days in the prior quarter. Listing discount was 10.2% up nominally from 9.6% in the prior year quarter and up from 9.2% in the prior quarter.



MARKET AREA GROUPINGS OF TOWNS IN LONG ISLAND

Nassau NORTH SHORE Baxter Estates Bayville Brookville Centre Island Cove Neck East Hills East Norwich Flower Hill Glen Cove Glen Head Glenwood Landing Great Neck	Great Neck Estates Great Neck Plaza Greenvale Harbor Hills Kensington Kings Point Lake Success Lattingtown Laurel Hollow Locust Valley Manhasset Manhasset Hills Matinecock Mill Neck	Munsey Park Muttontown North Hills Old Brookville Old Westbury Oyster Bay Oyster Bay Cove Plandome Plandome Heights Plandome Manor Port Washington Port Washington N. Roslyn Roslyn Estates	Roslyn Harbor Roslyn Heights Russell Gardens Saddle Rock Sands Point Sea Cliff Syosset Thomaston Upper Brookville	NASSAU MIDDLE ISLAND Albertson Baldwin Bellerose Terrace	Garden City S. Hempstead Hewlett Minola Carle Place Cedarhurst East Meadow East Rockaway East Williston Elmont Farmingdale Franklin Park Franklin Square Garden City Garden City Park	Bellerose Village Bellmore Bethpage Inwood Island Park Jericho Lake Success Lawrence Levittown Lynbrook Malverne Massapequa	Massapequa Park Merrick Mineola New Hyde Park North Baldwin N. Bellmore N. Massapequa N. Merrick N. Woodmere N. Valley Stream Old Bethpage Plainview Rockville Centre Roosevelt	Seaford Searingtown S. Floral Park S. Hempstead Stewart Manor Uniondale Valley Stream Wantagh W. Hempstead Westbury Williston Park Woodbury Woodmere Woodsburgh	Nassau & Suffolk SOUTH SHORE Amity Harbor Amityville Atlantic Beach Babylon Baldwin Harbor Bay Shore Bayport Bellport Blue Point Brightwaters Brookhaven Center Moriches	Copiague East Atlantic Beach East Islip East Moriches East Patchogue Freeport Great River Hewlett Bay Park Hewlett Harbor Hewlett Neck Islip Islip Terrace Lido Beach Lindenhurst	Long Beach Mastic Mastic Beach Moriches Oakdale Oceanside Patchogue Point Lookout Sayville South Bellmore South Merrick West Bay Shore West Islip West Sayville
--	--	--	---	--	---	--	--	--	---	--	--

© 2010 Prudential Douglas Elliman and Miller Samuel Inc. All worldwide rights reserved.

MILLER SAMUEL REAL ESTATE APPRAISERS
21 West 38th St., New York, NY 10018
212.768.8100 | millersamuel.com

PRUDENTIAL DOUGLAS ELLIMAN REAL ESTATE
110 Walt Whitman Rd., Huntington Sta., NY 11746
631.549.7401 | prudentialelliman.com

BABYLON 124 East Main St. 631.422.7510 **CHERRY GROVE** Ocean/Bay Walk 631.597.3100 **DIX HILLS** 1772 East Jericho Tnkp. 631.499.9191 **EAST ISLIP** 100 West Main St. 631.581.8855 **EAST MEADOW** 2373 Hempstead Tnkp. 516.796.4000 **EAST NORWICH** 6326 Northern Blvd. 516.624.9000 **FRANKLIN SQUARE** 390 Franklin Ave. 516.354.6500 **GREAT NECK** 11 Bond St. 516.466.2100 **HUNTINGTON** 156 East Main St. 631.549.4400 **LOCUST VALLEY** 71 Forest Ave. 516.759.0400 **LONG BEACH** 30A West Park Ave. 516.432.3400 **MANHASSET** 154 Plandome Rd. 516.627.2800 **MASSAPEQUA** 5066 Sunrise Hwy. 516.795.3456 **MASSAPEQUA SOUTH** 4804 Merrick Rd. 516.798.1353 **MEDFORD** 2222 Route 112. 631.758.2552 **MERRICK** 2300 Merrick Rd. 516.623.4500 **MILLER PLACE** 275-23 Route 25A 631.474.4242 **NORTHPORT** 700 Fort Salonga Rd. 631.261.6800 **PLAINVIEW** 998A Old Country Rd. 516.681.2600 **PORT WASHINGTON** 475 Port Washington Blvd. 516.883.5200 **RONKONKOMA** 4949 Express Dr. North 631.585.8500 **ROSLYN** 1528 Old Northern Blvd. 516.621.3555 **SAYVILLE** 150 Main St. 631.589.8500 **SETAUKET** 750 Route 25A 631.751.6000 **SMITHTOWN** 996 Jericho Tnkp. 631.543.9400 **SYOSSET** 317 Jackson Ave. 516.921.2262

For more information or electronic copies of this report please visit prudentialelliman.com. Email report author Jonathan J. Miller at jmillersamuel.com with questions or comments. Report methodology: <http://www.millersamuel.com/reports/methodology.php>

©2010. An Independently owned and operated member of the Prudential Real Estate Affiliates, Inc. is a service mark of Prudential Insurance Company of America Equal Housing Opportunity. All material presented herein is intended for information purposes only. While this information is believed to be correct, it is represented subject to errors, omissions, changes or withdrawal without notice. All property outlines and square footage in property listings are approximate.