

MANHATTAN

RENTAL MARKET OVERVIEW MID YEAR 2007



For the third consecutive time since 2004 we find increases in average and median rents occurring citywide for the first six months of 2007 versus that same period in 2006. The overall average Manhattan rental was up 10% over an 11% increase for full year 2006 v 2005.

Downtown continues to be the most expensive rental market with an average studio renting for \$2,470 per month. The average studio on the Upper West Side of Manhattan will now cost \$2,313, while the Upper East Side averages \$2,125.

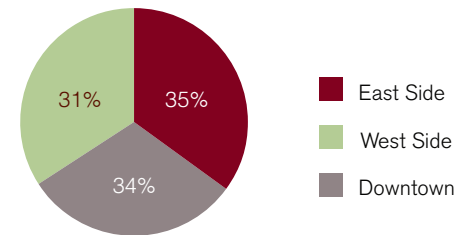
The continued strength of the rental market in Manhattan is directly attributed to the overall health of the local economy as well as a shortage of supply and the desirability of Manhattan as a place to live for a wide demographic of the population.

Interestingly the strength of the sales market has also helped fortify the rental market. With average sales prices at historic highs, sellers frequently opt to rent an apartment rather than buy immediately and adopt a wait and see attitude hoping to benefit from falling prices. Others looking to reside in Manhattan for the short term see renting as the more obvious solution.

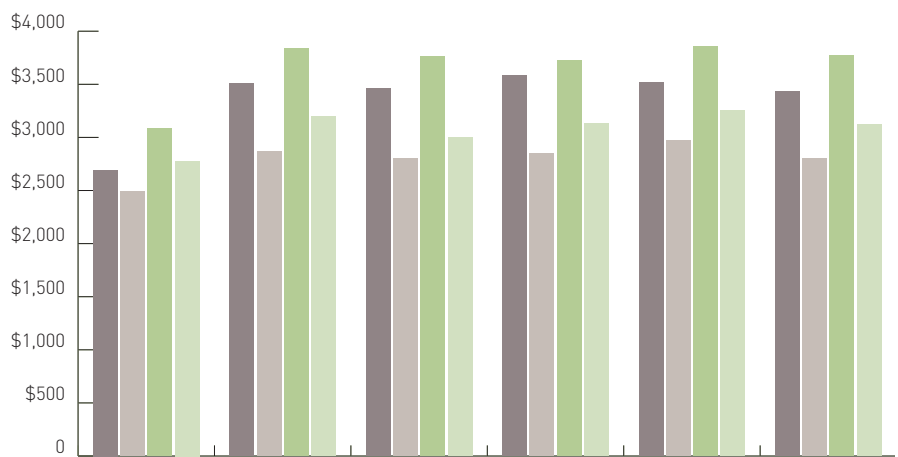
New rental construction in the areas of Clinton and the Financial District is in the pipeline but only one substantial building on Barclay Street in Lower Manhattan has begun leasing, but with not enough units to alleviate the historically low vacancy rates seen today. The several thousand units slated to come on the market over the next few years will serve to replace the same number of rental units throughout the city that have been or are being

converted to condominiums. This includes buildings such as 322 West 57th Street, 350 East 82nd Street, 212 East 47th Street, 25 Broad Street, and 88 Greenwich Street to name a few causing a major reduction to the supply side. This will, however, only partially fill the housing needs of a growing city.

The question everyone asks now is how long can this last? The market will stay strong as long as the city continues to thrive economically and culturally, universities keep growing and crime is kept in check.



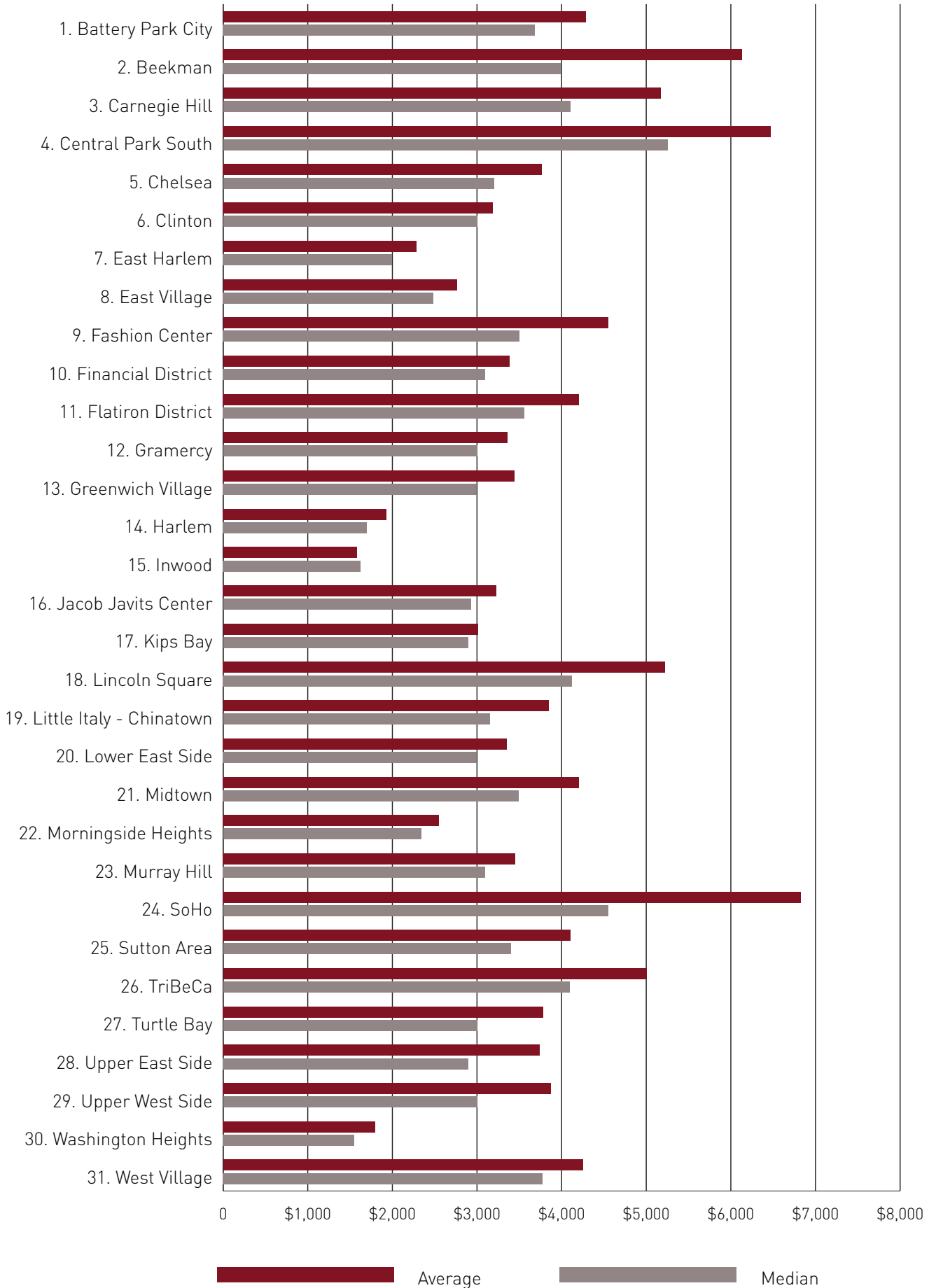
EMERGING & ESTABLISHED EAST SIDE, WEST SIDE, DOWNTOWN & ALL AREAS 2006 VS. MID 2007



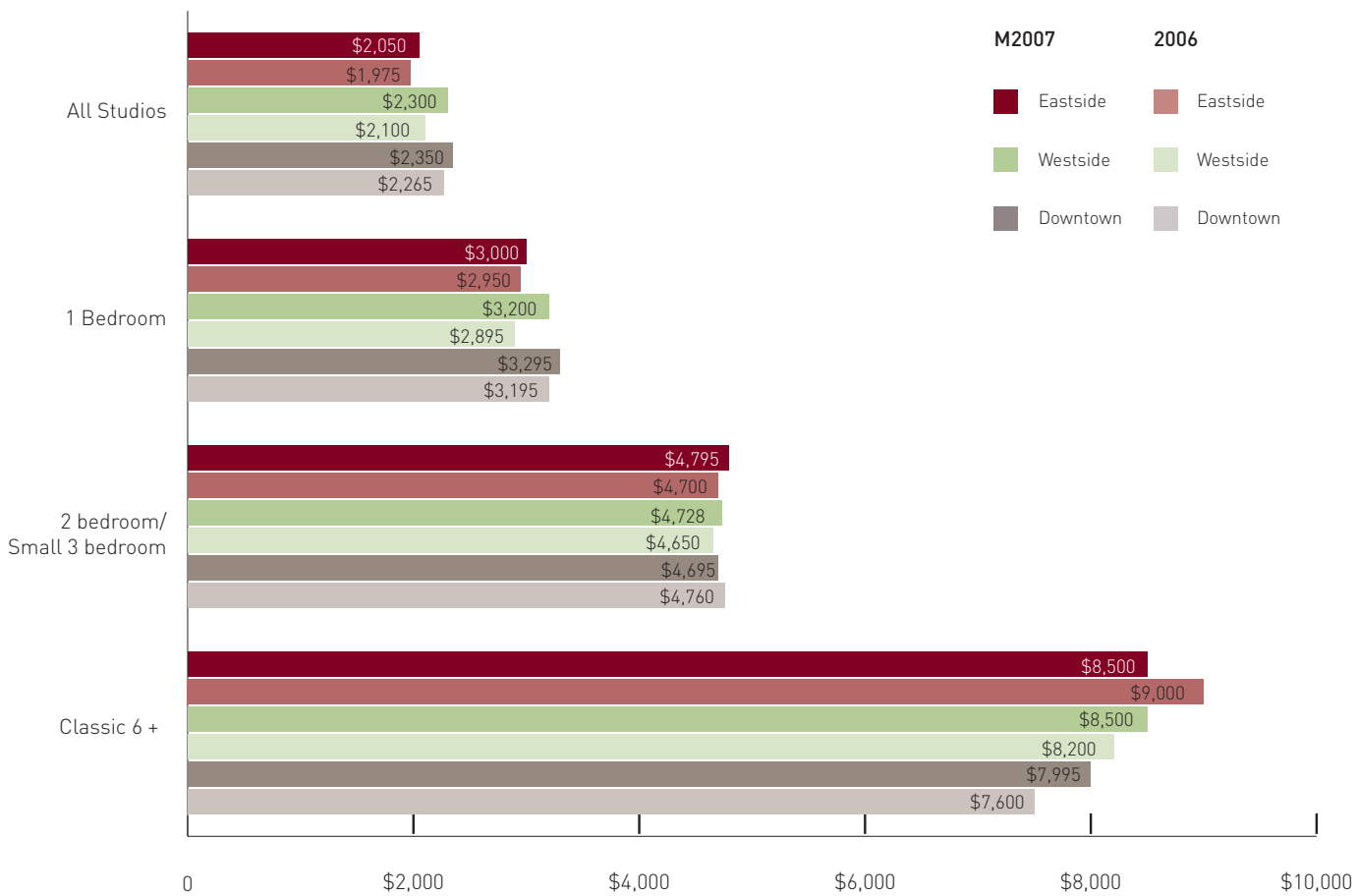
		Emerging	Established	East Side	West Side	Downtown	All Areas
2006	Average	\$2,872	\$3,679	\$3,615	\$3,728	\$3,743	\$3,599
	Median	\$2,600	\$2,995	\$2,950	\$2,950	\$3,100	\$2,950
Mid 2007	Average	\$3,087	\$3,841	\$3,760	\$3,720	\$3,854	\$3,775
	Median	\$2,778	\$3,195	\$3,000	\$3,135	\$3,250	\$3,125

Legend: Average 2006 (Dark Grey), Median 2006 (Light Grey), Average 2005 (Dark Green), Median 2005 (Light Green)

MANHATTAN RENTALS BY NEIGHBORHOOD 2006 & MID 2007



MEDIAN RENTAL PRICES BY APARTMENT TYPE & AREA 2006 & MID 2007

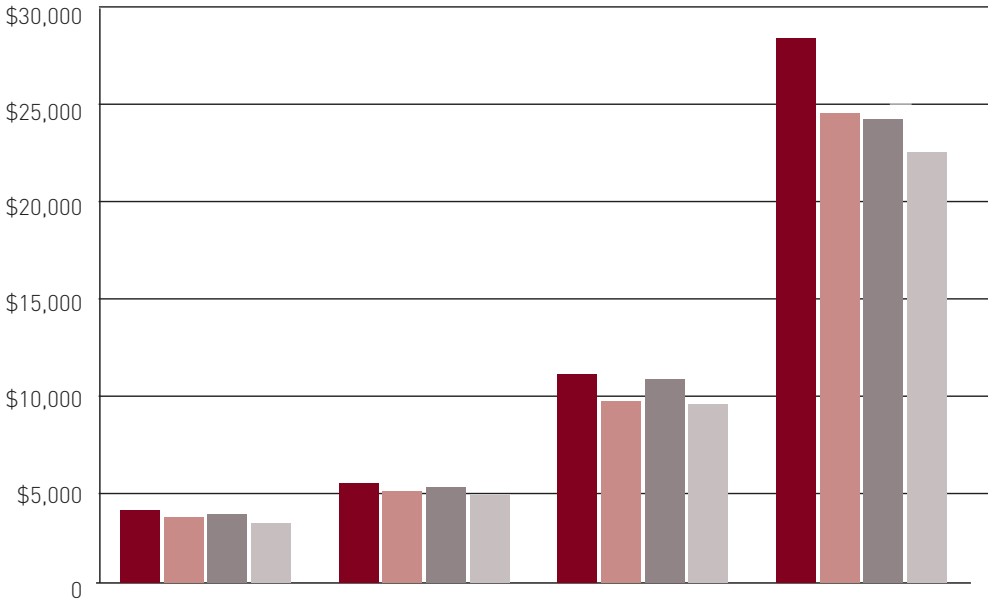


	Average Prices	Studio M2007 vs. 2006	Studio % Change	1BR M2007 vs. 2006	1 BR % Change	2BR & Small 3BR M2007 vs. 2006	2BR & Small 3BR % Change	Classic 6+ M2007 vs. 2006	Classic 6 % Change
Entry Level*	\$1,654	\$1,586	4%	\$2,256	\$1,950	16%	\$3,214	\$3,173	1%
East Side Mid Range**	\$2,045	\$1,973	4%	\$2,995	\$2,482	21%	\$4,791	\$4,711	2%
Averages Upper End***	\$2,680	\$2,593	3%	\$4,065	\$3,431	18%	\$7,540	\$7,338	3%
Overall Average	\$2,125	\$2,051	4%	\$3,105	\$2,621	18%	\$5,184	\$5,074	2%
Entry Level	\$1,775	\$1,629	9%	\$2,424	\$2,211	10%	\$3,325	\$3,234	3%
West Side Mid Range	\$2,299	\$2,089	10%	\$3,193	\$2,879	11%	\$4,794	\$4,691	2%
Averages Upper End	\$2,869	\$2,633	9%	\$4,213	\$3,854	9%	\$7,779	\$7,863	-1%
Overall Average	\$2,313	\$2,117	9%	\$3,277	\$2,981	10%	\$5,299	\$5,263	1%
Entry Level	\$1,836	\$1,757	4%	\$2,550	\$2,463	4%	\$3,117	\$3,042	2%
Downtown Mid Range	\$2,345	\$2,265	4%	\$3,291	\$3,162	4%	\$4,769	\$4,773	0%
Averages Upper End	\$3,224	\$3,178	1%	\$4,385	\$4,343	1%	\$8,233	\$8,090	2%
Overall Average	\$2,470	\$2,400	3%	\$3,408	\$3,323	3%	\$5,370	\$5,302	1%

*Entry Level category includes properties priced from \$914 to \$2,595 per month
 **Mid Range category includes properties priced from \$2,595 to \$3,495 per month
 ***Upper End category includes properties priced from \$3,495 to \$55,000 per month

THE LAST WORD ON LUXURY

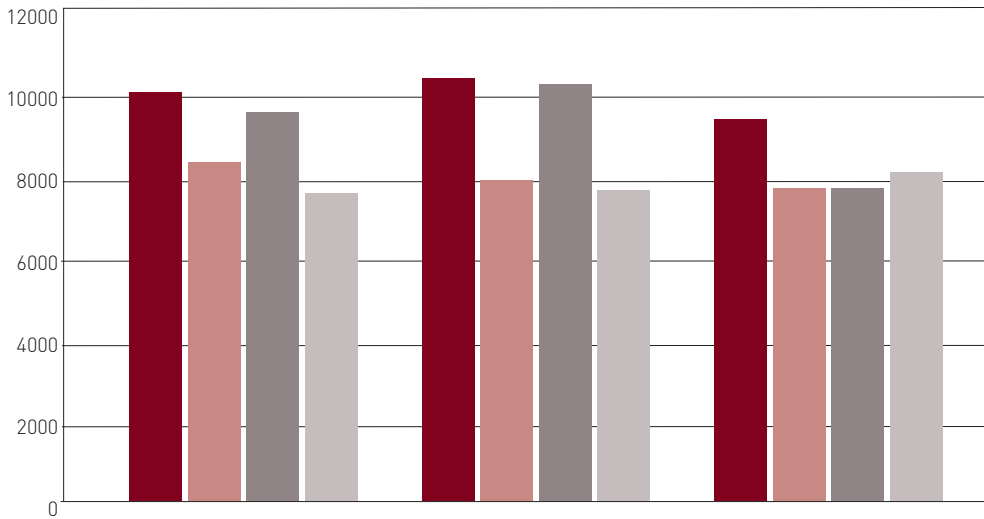
LUXURY RENTALS BY APARTMENT TYPE



Year	Studio (\$)		% chng	1 BR (\$)		% chng	2 BR and Small 3BR (\$)		% chng	Classic 6 Rooms + (\$)		% chng
	M2007	2006		M2007	2006		M2007	2006		M2007	2006	
Average	3,794	3,599	5%	5,210	4,965	5%	10,896	10,627	3%	28,430	24,190	18%
Median	3,400	3,095	10%	4,800	4,545	6%	9,500	9,325	2%	24,500	22,500	9%

Home to some of the wealthiest Americans, New York boasts a significant and growing number of luxury apartments. This report defines luxury buildings as the top 10% of transactions in any given price range—a premium justified by magnificent views, distinctive finishes, top-of-the-line appliances and amenities. High-end buildings increasingly are outdoing themselves to offer the best in fitness centers, concierge services, conference facilities and elegant party rooms. Downtown surpassed the West Side in most expensive median rents.

LUXURY RENTALS BY AREA



M2007 **2006**
■ Average ■ Average
■ Median ■ Median

Year	East Side (\$)		% chng	Westside (\$)		% chng	Downtown (\$)		% chng
	M2007	2006		M2007	2006		M2007	2006	
Average	9,959	9,454	5%	10,291	10,148	1%	9,300	9,158	2%
Median	8,250	7,500	9%	7,800	7,560	3%	7,600	8,000	-5%