

HALSTEAD BY THE NUMBERS

MANHATTAN

THIRD QUARTER 2004

Market conditions continued to be favorable in the third quarter as interest rates remained at low levels. Despite a recent round of Fed hikes, mortgage rates have yet to rise significantly as inflation remains tame. Also helping demand is the continued strength in the City's economy, reflected in the fact that the unemployment rate is now at its lowest level since before 9/11.

Our quarterly findings include:

- At \$1,019,078, the average cost of a Manhattan apartment is 18% higher than a year ago. This is the second consecutive quarter this figure has been over \$1 million.
- Loft prices continued their sharp rise, as the average price per square foot for these apartments rose 30% from the third quarter of 2003 to \$818.
- For new construction and conversion units added to the market since 2002, the average price per square foot of \$1,007 was 25% higher than a year ago.
- On the East Side prices for all sizes of apartments were higher than a year ago. Studio and one-bedroom units led the way, rising 32% and 31% respectively. While the median price rose 70% for apartments on Park Avenue, this increase must be viewed with caution. The figure for 2003's third quarter was an aberration due to fewer sales of larger apartments than other quarters. We should also note that the slight decline in median price on Fifth Avenue is also due to a decrease the number of larger apartments sold. The median price per room for co-ops in this market is up 10% over the past year thus proving this dip is not due to a softening of the market.
- For West Side apartments, three-bedrooms led the way as their average price of \$2,441,247 was 33% higher than a year ago. Two-bedrooms were also impressive, rising 29% in average price during this time. Several high end sales at 1 Central Park West helped push up the median price on Central Park West 65% from a year ago. This is also reflected in the fact that median price per square foot rose 41% for condos there. Also of note was the performance of apartments on West End Avenue which have risen 49% in median price over the past year.
- The largest increase for any market in the third quarter was posted by two-bedroom units Downtown. The average price for these units jumped 42% from 2003's third quarter to an average of \$1,035,632. All other sizes of apartments also posted significant gains over the past year. Of the Downtown areas surveyed, Greenwich Village increased the most in median price during the past 12 months, rising 46% to \$625,000. The Lower East Side was also strong, increasing 35% during this time to a median price of \$405,000. Median price per square foot rose sharply for all four of the loft market areas featured, providing further evidence of the strength of this market.

Prepared by Gregory Heym, Chief Economist
Halstead Property Company

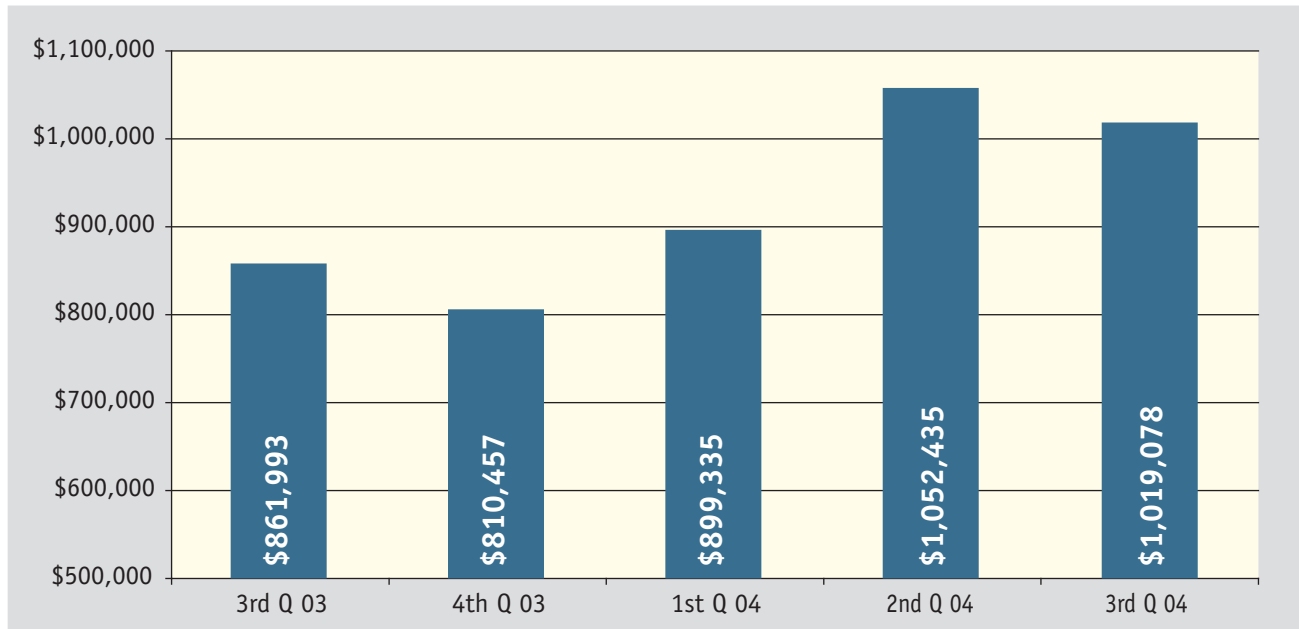
Data is provided by ValuExchange, a proprietary database that contains the transactions of all Terra Holdings companies and is the largest known survey of the Manhattan residential real estate market. For the third quarter data on 2,206 sales was provided.

HALSTEAD BY THE NUMBERS

AVERAGE SALE PRICE

THIRD QUARTER 2004

ALL APARTMENTS



COOPERATIVES

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
3rd Quarter 03	\$236,879	\$398,815	\$973,854	\$1,857,007	\$4,559,139	\$808,188
4th Quarter 03	\$236,704	\$425,676	\$951,263	\$1,825,066	\$3,293,864	\$758,476
1st Quarter 04	\$236,864	\$438,149	\$969,221	\$2,045,945	\$4,902,273	\$822,785
2nd Quarter 04	\$263,130	\$468,612	\$1,066,555	\$2,419,584	\$5,400,900	\$983,244
3rd Quarter 04	\$283,958	\$483,163	\$1,120,269	\$2,272,196	\$4,533,319	\$950,706

CONDOMINIUMS

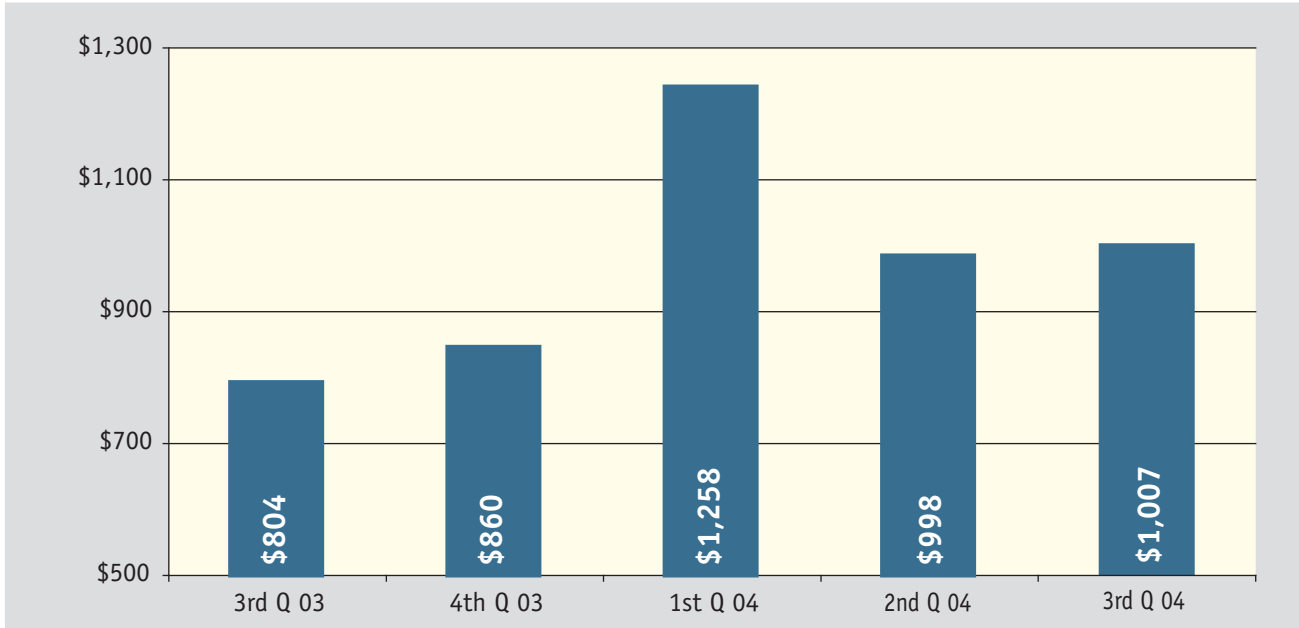
	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4+Bedroom	All
3rd Quarter 03	\$302,776	\$524,206	\$1,040,306	\$2,003,974	\$4,696,240	\$986,540
4th Quarter 03	\$319,888	\$527,988	\$1,075,171	\$2,022,382	\$4,119,466	\$913,149
1st Quarter 04	\$336,852	\$544,044	\$1,197,529	\$2,426,436	\$5,643,799	\$1,052,534
2nd Quarter 04	\$361,341	\$609,898	\$1,296,831	\$2,421,250	\$4,739,793	\$1,174,948
3rd Quarter 04	\$389,662	\$636,023	\$1,275,785	\$2,402,263	\$5,619,304	\$1,125,474

HALSTEAD BY THE NUMBERS

AVERAGE PRICE PER SQ. FT.

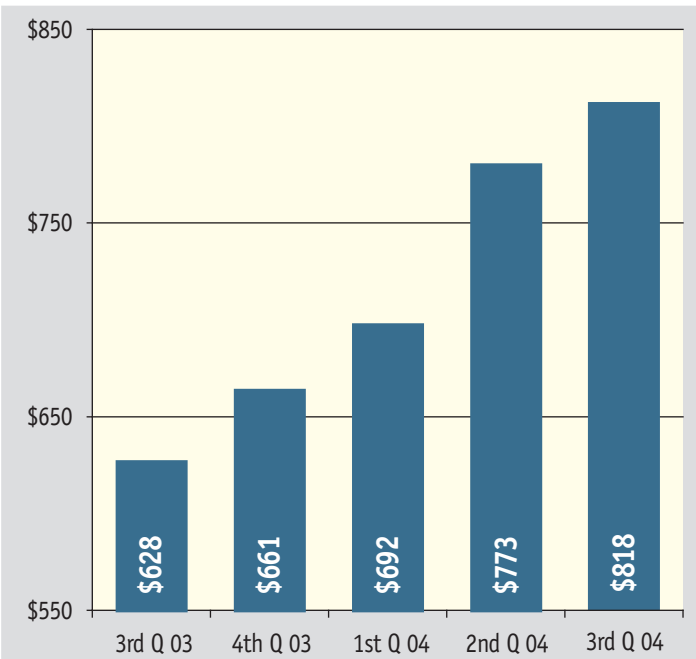
THIRD QUARTER 2004

NEW CONSTRUCTION & CONVERSIONS

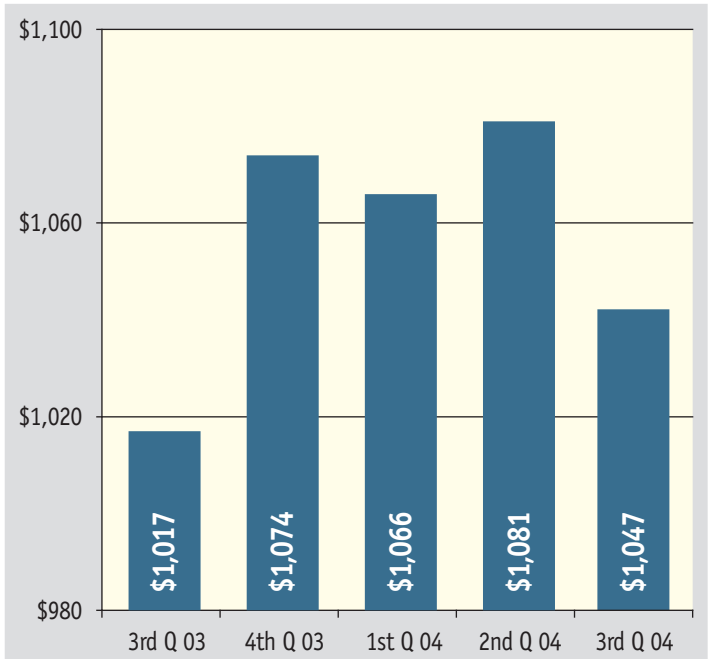


Includes apartments added to the market since the beginning of 2002.

LOFTS



TOWNHOUSES

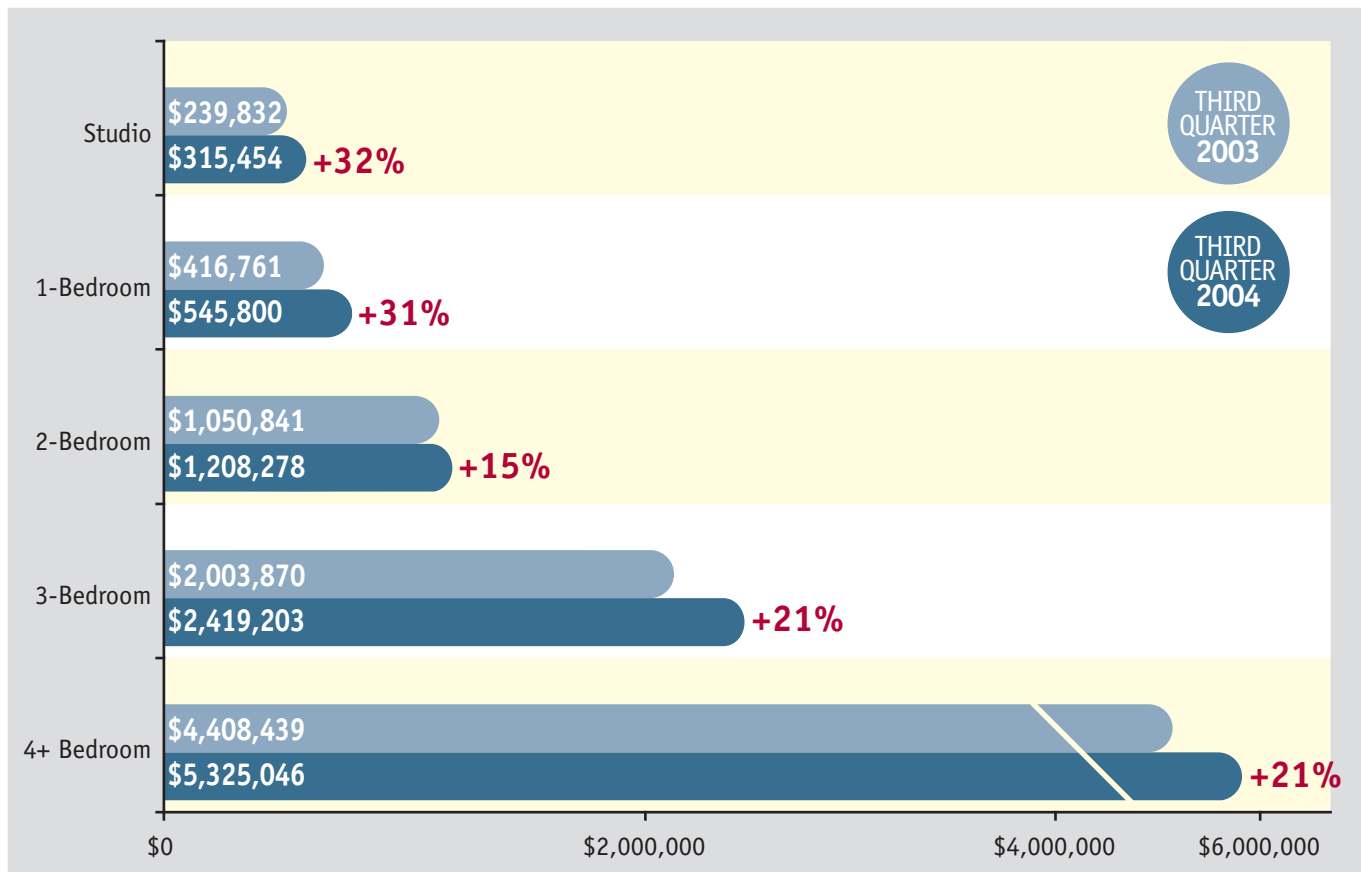


HALSTEAD BY THE NUMBERS

EAST SIDE

THIRD QUARTER 2004

Average Sale Price



Selected Market Areas

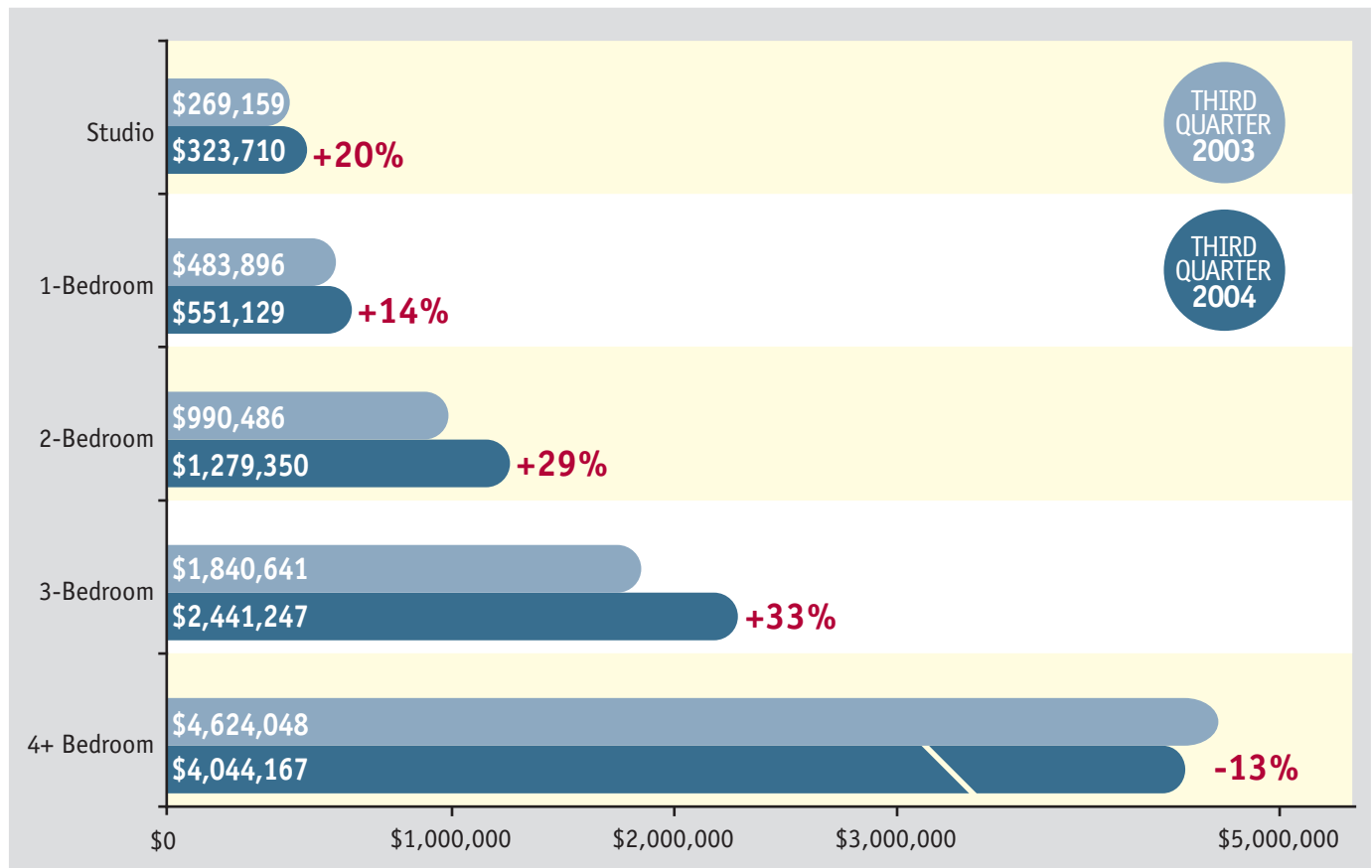
	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM		
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.		
	3Q '03	3Q '04	3Q '03	3Q '04	3Q '03	3Q '04	
Fifth Avenue, 59th-96th Street	\$2,250,000	\$2,150,000	\$375,000	\$414,167			
Park Avenue, 59th-96th Street	\$1,462,500	\$2,495,000	\$281,389	\$370,000			
Between Fifth & Lexington Ave.	59th-79th Street	\$1,118,750	\$1,425,000	\$202,411	\$279,583		
	80th-96th Street	\$905,000	\$975,000	\$181,250	\$199,778		
Lexington Ave. to the East River	59th-79th Street	\$525,000	\$590,000	\$131,056	\$149,036	\$736	\$865
	80th-96th Street	\$405,000	\$526,000	\$110,000	\$137,500	\$602	\$732
Midtown East, 34th-58th Street	\$430,000	\$599,000	\$118,000	\$149,500	\$636	\$810	

HALSTEAD BY THE NUMBERS

WEST SIDE

THIRD QUARTER 2004

Average Sale Price



Selected Market Areas

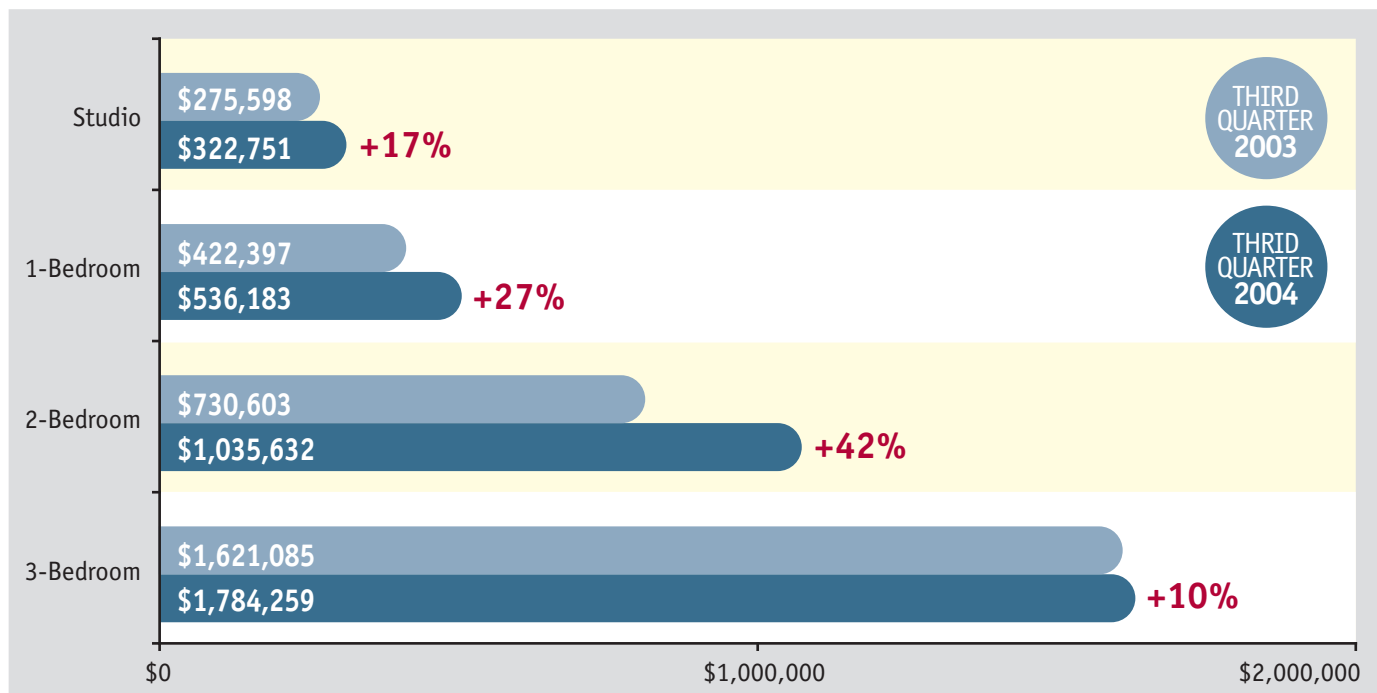
	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3Q '03	3Q '04	3Q '03	3Q '04	3Q '03	3Q '04
Central Park West, 59th-110th St.	\$760,000	\$1,250,000	\$236,674	\$279,083	\$640	\$905
Riverside Drive/Boulevard, 59th-116th St.	\$862,500	\$907,500	\$157,750	\$185,714	\$802	\$976
West End Avenue, 59th-105th Street	\$495,000	\$736,000	\$132,500	\$175,000		
Between CPW & Columbus Ave., 59th-110th St.	\$599,000	\$639,000	\$147,250	\$173,333	\$725	\$924
Columbus Ave. to East of West End Ave. 59th-86th St.	\$565,000	\$689,000	\$138,452	\$158,333	\$754	\$1,020
		87th-110th St.	\$440,000	\$649,000	\$110,000	\$173,486
Between Riverside Drive & West End Ave., 59th-110th St.	\$485,000	\$592,000	\$120,280	\$156,875		

HALSTEAD BY THE NUMBERS

DOWNTOWN

THIRD QUARTER 2004

Average Sale Price



Selected Market Areas

	ALL APARTMENTS		COOPERATIVE		CONDOMINIUM	
	Median Sale Price		Median Price per Room		Median Price per Sq. Ft.	
	3Q '03	3Q '04	3Q '03	3Q '04	3Q '03	3Q '04
Chelsea/Flatiron	\$505,000	\$619,500	\$137,500	\$147,500	\$768	\$965
Gramercy Park	\$367,000	\$467,500	\$114,000	\$149,667		
Greenwich Village	\$428,000	\$625,000	\$132,000	\$172,232		
Lower East Side	\$300,000	\$405,000	\$91,833	\$120,000		
Battery Park City	\$355,000	\$410,000			\$534	\$637
Loft Apartments	LOFT		LOFT			
	Median Sale Price		Median Price per Sq. Ft.			
	3Q '03	3Q '04	3Q '03	3Q '04		
Chelsea/Flatiron	\$1,065,000	\$1,100,000	\$607	\$747		
Greenwich Village	\$749,000	\$975,000	\$643	\$901		
Noho/Soho	\$999,495	\$1,700,000	\$638	\$885		
Tribeca	\$1,093,750	\$1,666,250	\$617	\$849		