RPX MONTHLY
MANHATTAN NEIGHBORHOODS REPORT

Release Date: April 3, 2009 — January 2009

Key Characteristics

- At the end of January 2009, the RPX Manhattan Condominium price was 0.1% higher than it was a year prior, despite a 56% year-over-year decline in sales.
- The stability in the aggregate price for Manhattan condos was due to a year-over-year increase in closing prices for units in new developments, and relative strength in new-unit sales compared to sales of existing units. However, prices for new construction may not accurately reflect current market conditions because they are based on closings of sales negotiated months or even years prior.
- Condo sales declined significantly on a year-over-year basis in each of the eight Manhattan neighborhoods tracked by Radar Logic.
- Three neighborhoods displayed year-over-year price increases, and in two of these neighborhoods, Soho/Tribeca (+21.8%) and the Financial District (+4.4%), new-unit sales increased to over 50% of total sales.
- The neighborhoods with the largest year-over-year price declines - the Upper West Side (-14.3%) and the East Village/Lower East Side (-11.2%) – were those in which the share of new-unit sales was smallest and had fallen the most over the preceding year.

Discussion

In January, the RPX Manhattan Condominium price was at essentially the same level as January 2008, despite a steep decline in sales. The stability in the aggregate price for Manhattan condominiums was due to a year-over-year increase in closing prices for units in new developments, and relative strength in new unit sales compared to sales of existing units. However, prices for new construction may not accurately reflect current market conditions because they typically reflect closings of sales in which prices were negotiated 12 to 18 months prior.

Total condo sales in Manhattan fell 56% in the year ending January 30, 2009, with resales of existing units declining faster than sales of units in new developments. Resales of existing condos decreased 59% year-over-year, while sales in new developments decreased 50%. As a result, sales in new developments increased to 38% of total sales from 33% in January 2008. Over the same period, prices for new construction in

Manhattan increased 4% while prices for existing condos decreased 6%, increasing the premium for new construction from 4% to 16%. The increase in new unit prices and the shift in the mix of transactions toward sales of new units contributed to a 0.1% increase in the Radar Logic Daily Price for Manhattan Condominiums compared to January 2008.

Similar patterns were observed in the Manhattan neighborhoods tracked by Radar Logic. While condo sales declined in each of the eight neighborhoods, year-over-year changes in price were mixed. Three neighborhoods displayed year-over-year price increases, and five displayed price declines. In two of the neighborhoods that displayed price improvement - the Financial District (+4.4%) and Soho/Tribeca (+21.8%) – sales of units in new developments rose to over 50% of total sales. In the Financial District, new-unit sales increased 11% year-over-year while existing-unit sales decreased 63%, causing new-unit sales to increase from 53% of total sales in January 2008 to 77% of sales in January 2009. In Soho/Tribeca, both sales of new units and sales of existing units declined year-over-year, but sales of existing units declined more, causing new-condo sales to increase from 34% to 54% of total sales.

The neighborhoods with the largest year-over-year price declines - the Upper West Side (-14.3%) and the East Village/Lower East Side (-11.2%) – were those in which the share of total sales attributable to new-unit sales was smallest and had fallen the most over the preceding year. On the Upper West Side, sales of new units decreased 93% year-over year while sales of existing units decreased 40%, resulting in a decline in the share of new-unit sales from 22% of total sales in January 2008 to 3% in January 2009. In the East Village/Lower East Side, new-unit sales decreased 83% year-over-year while existing-unit sales decreased 53%, causing the percentage of new unit sales to fall from 29% of sales to 14%.

Exhibit 1: Manhattan Neighborhoods Ranked by 1-Year % Change*

Jan 09 Rank	Dec 08 Rank	Neighborhood	PPSF	Jan 09 vs. Jan 08	Jan 08 vs. Jan 07	Jan 09 vs. Dec 08	Jan 08 vs. Dec 07
1	2	Soho/Tribeca	$1,441.07	21.8%	12.9%	-3.0%	-12.0%
2	6	Upper East Side	$1,168.61	9.8%	13.6%	9.2%	-3.6%
3	5	Financial District	$1,039.19	4.4%	10.2%	7.3%	2.1%
4	7	Midtown/Clinton	$1,206.44	-2.5%	11.1%	3.0%	0.9%
5	1	Chelsea/West Village	$1,218.83	-6.0%	15.8%	-10.1%	12.3%
6	8	Murray Hill/Gramercy	$1,180.56	-7.2%	22.3%	19.2%	7.3%
7	4	East Village/Lower East Side	$999.23	-11.2%	22.2%	-17.7%	-5.0%
8	3	Upper West Side	$965.59	-14.3%	24.9%	-19.2%	-2.0%

Manhattan Neighborhoods are subsets of the New York MSA

= positive = neutral = negative

Exhibit 2: Transaction Counts*

	Jan 2008	Dec 2008	Jan 2009
Chelsea/West Village	25	16	21
East Village/Lower East Side	21	3	7
Financial District	28	16	26
Murray Hill/Gramercy	65	23	19
Midtown/Clinton	92	42	28
Soho/Tribeca	29	37	13
Upper East Side	79	29	36
Upper West Side	59	30	31

Exhibit 3: Transaction Counts % Change*

	Jan 2009 vs. Jan 2008	Jan 2009 vs. Dec 2008
Financial District	-7.1%	62.5%
Chelsea/West Village	-16.0%	31.3%
Upper West Side	-47.5%	3.3%
Upper East Side	-54.4%	24.1%
Soho/Tribeca	-55.2%	-64.9%
East Village/Lower East Side	-66.7%	133.3%
Midtown/Clinton	-69.6%	-33.3%
Murray Hill/Gramercy	-70.8%	-17.4%

Exhibit 4: Manhattan Neighborhoods Ranked by 2-Year and 5-Year Annualized Change*

Leading 5 Manhattan Neighborhoods (2-Year Annualized % Change)

Rank	Neighborhood	% Change
1	Soho/Tribeca	17.3%
2	Upper East Side	11.7%
3	Financial District	7.2%
4	Murray Hill/Gramercy	6.5%
5	Chelsea/West Village	4.3%

Trailing 5 Manhattan Neighborhoods (2-Year Annualized % Change)

Rank	Neighborhood	% Change
1	Upper West Side	3.5%
2	Midtown/Clinton	4.1%
3	East Village/Lower East Side	4.2%
4	Chelsea/West Village	4.3%
5	Murray Hill/Gramercy	6.5%

Leading 5 Manhattan Neighborhoods (5-Year Annualized % Change)

Rank	Neighborhood	% Change
1	Murray Hill/Gramercy	14.1%
2	Soho/Tribeca	13.5%
3	Financial District	12.2%
4	Midtown/Clinton	11.8%
5	Upper East Side	9.7%

Trailing 5 Manhattan Neighborhoods (5-Year Annualized % Change)

Rank	Neighborhood	% Change
1	Upper West Side	5.1%
2	East Village/Lower East Side	9.0%
3	Chelsea/West Village	9.4%
4	Upper East Side	9.7%
5	Midtown/Clinton	11.8%

* Source: 28-Day RPX value for each Manhattan Neighborhood as of 1/30/2009. Please refer to www.radarlogic.com/disclosure_disclaimer.html for more information.

About Radar Logic

Radar Logic Incorporated, a real estate data and analytics company, calculates and publishes the Radar Logic Daily™ Prices. The prices track housing values for major U.S. metropolitan areas and are the basis of the Residential Property Index™ (RPX™), a market that enables real estate to be traded as a liquid asset, via property derivatives marketed by major financial institutions.

RPX allows real estate and financial professionals to manage opportunity and risk, invest in real estate values without owning physical assets and effectively analyze markets using a consistent metric: price per square foot. Data in the RPX Monthly Manhattan Neighborhoods Report reflect the 28-day aggregated value of Radar Logic Daily Prices. The price per square foot metric used significantly reduces the influence of property sizes on overall housing price trends, which can skew results.

The Daily Prices are not adjusted for seasonal variations. In some cases, Daily Prices may vary based on reporting characteristics within individual markets. The RPX Monthly Manhattan Neighborhoods Report is published 63 days after the last transaction date of every month.

RPX Analytics & Research

Radar Logic offers specialized analytic services which allow real estate and financial professionals to view current and historical price per square foot and transaction count trends for all markets and sub-markets we track. MSAs and neighborhoods can be segmented by location (zip code and county), property type (single family, multi-family and condo), property size, date range, and sale price. The database is derived from our neutral, public source records.

Our web-based tools provide a means for all entities associated with or affected by housing prices to maintain market data streams on a constant, neutral and daily updated basis.

For additional insight on this report or for inquiries about research or analytic products, please contact:

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