RPX MONTHLY
MANHATTAN NEIGHBORHOODS REPORT

Release Date: January 6, 2009 — **October 2008**

Key Characteristics

- **Condo prices increased between October 2007 and October 2008 in 4 of the 8 RPX Manhattan Neighborhoods, but this data may be misleading.**
  - **The largest increase was in Soho/Tribeca (23.6%) followed by the Upper East Side, the East Village/Lower East Side, and Midtown/Clinton.**
  - **As in September, the largest year-over-year price decline was in the Financial District (11.6%). The Upper West Side and Chelsea/West Village also experienced declines.**
  - **Prices in Murray Hill/Gramercy were flat.**
- **In October 2008, prices increased on a month-over-month basis in 5 neighborhoods and decreased in 3 neighborhoods. Again, beware of the underlying drivers.**
  - **The Upper East Side demonstrated the largest month-over-month price increase (10.8%).**
  - **The Financial District demonstrated the largest month-over-month price decline (2.1%).**
- **The apparent strength in the Manhattan neighborhood prices may be misleading because roughly 40% of transactions used to calculate the neighborhood prices in October were sales in new developments. Since prices for new condos are negotiated well in advance of closing, transaction prices in October may reflect market conditions in 2006 and 2007. As these transactions are completed, we could see prices decline as a result of the difficulties facing a large portion of the traditional buyers in New York City.**
- **Transaction counts in 3 neighborhoods increased between October 2007 and October 2008. Transactions declined in the other 5 neighborhoods.**
  - **The largest year-over-year increase in transactions was in Chelsea/West Village (72.2%), followed by Soho/Tribeca and Midtown/Clinton.**
  - **The largest year-over-year decline was in the East Village/Lower East Side (42.1%), followed by the Upper West Side, the Upper East Side, the Financial District and Murray Hill/Gramercy.**
- **On a month-over-month basis, 4 neighborhoods saw an increase in transactions and 4 neighborhoods saw a decline.**
  - **The greatest month-over-month increase (118.8%) was in the Financial District, followed by Midtown/Clinton, Chelsea/West Village and Murray Hill/Gramercy.**
  - **The largest decline was in the East Village/Lower East Side (54.2%), followed by Soho/Tribeca, the Upper West Side and the Upper East Side.**

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

Oct 08 Rank	Sep 08 Rank	Neighborhood	PPSF	Oct 08 vs. Oct 07	Oct 07 vs. Oct 06	Oct 08 vs. Sep 08	Oct 07 vs. Sep 07
1	4	Soho/Tribeca	$1,338.74	23.6%	-7.9%	2.2%	-24.0%
2	7	Upper East Side	$1,210.56	10.8%	10.1%	10.8%	-11.8%
3	1	East Village/Lower East Side	$1,149.64	10.6%	5.0%	-0.5%	-5.4%
4	5	Midtown/Clinton	$1,266.01	3.9%	7.3%	5.7%	-6.5%
5	3	Murray Hill/Gramercy	$1,050.67	-0.7%	2.5%	1.0%	-1.4%
6	2	Chelsea/West Village	$1,294.12	-1.5%	16.5%	7.5%	8.2%
7	6	Upper West Side	$1,072.96	-11.1%	13.3%	-1.5%	-1.9%
8	8	Financial District	$940.69	-11.6%	7.4%	-2.1%	-7.0%

Manhattan Neighborhoods are subsets of the New York MSA

= positive = neutral = negative

Exhibit 2: Transaction Counts*

	Oct 2007	Sep 2008	Oct 2008
Chelsea/West Village	18	28	31
East Village/Lower East Side	19	24	11
Financial District	43	16	35
Murray Hill/Gramercy	33	27	29
Midtown/Clinton	93	88	99
Soho/Tribeca	23	43	34
Upper East Side	63	49	44
Upper West Side	72	56	47

Exhibit 3: Transaction Counts % Change*

	Oct 2008 vs. Oct 2007	Oct 2008 vs. Sep 2008
Chelsea/West Village	72.2%	10.7%
Soho/Tribeca	47.8%	-20.9%
Midtown/Clinton	6.5%	12.5%
Murray Hill/Gramercy	-12.1%	7.4%
Financial District	-18.6%	118.8%
Upper East Side	-30.2%	-10.2%
Upper West Side	-34.7%	-16.1%
East Village/Lower East Side	-42.1%	-54.2%

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

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

Rank	MSA	% Change
1	Upper East Side	10.4%
2	East Village/Lower East Side	7.7%
3	Chelsea/West Village	7.1%
4	Soho/Tribeca	6.7%
5	Midtown/Clinton	5.6%

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

Rank	MSA	% Change
1	Financial District	-2.6%
2	Upper West Side	0.4%
3	Murray Hill/Gramercy	0.9%
4	Midtown/Clinton	5.6%
5	Soho/Tribeca	6.7%

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

Rank	MSA	% Change
1	Midtown/Clinton	14.9%
2	East Village/Lower East Side	13.1%
3	Soho/Tribeca	12.7%
4	Upper East Side	11.9%
5	Chelsea/West Village	11.1%

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

Rank	MSA	% Change
1	Financial District	4.3%
2	Murray Hill/Gramercy	9.0%
3	Upper West Side	9.0%
4	Chelsea/West Village	11.1%
5	Upper East Side	11.9%

* Source: 28-Day RPX value for each Manhattan Neighborhood as of 10/31/2008. 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 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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