



The Black and White Report

Update 7

A Comprehensive Analysis of
the Manhattan Residential
Real Estate Market from
January-June 2005

**A Semi-Annual Report
7th Edition**

**E HABITATSSM
NEW YORK**

The Black and White Report

Update 7

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LETTER FROM OUR CHIEF OPERATING OFFICER



On behalf of Citi Habitats, Inc., it is my pleasure to present *The Black and White Report*, our comprehensive look at the economic trends of Manhattan's residential real estate market. This unparalleled, semi-annual report, compiled by the managers and staff of Citi Habitats' citywide offices, tracks, analyzes, and interprets real data based on thousands of rentals and sales transactions during the first six months of 2005.

Whether you are a renter, an investor, a buyer, seller, developer or architect, this report contains information that will empower you to make informed real estate decisions—from identifying the average rental price and price per square foot of today's most popular rentals, to identifying the neighborhoods with the most or fewest vacancies, or determining the ideal unit mix of a new development.

For years, *The Black and White Report* has been the "go-to" guide for understanding the NYC rental market. With this seventh update, we aim to make it the "go-to" guide for sales as well, giving you the best overall picture of the Manhattan real estate market. We not only have an established foothold in rentals; we also have been gaining market share in sales at an amazing pace. For the past four years, Citi Habitats has doubled its sales each year. In conjunction with our sales growth, we have expanded our offices on the Upper West Side, on the Upper East Side, and are slated to expand others in Midtown, increasing our presence in all of those areas, while maintaining 17 offices throughout the entire city. Each office expansion and each year that we increase our sales and rental volume is a testament to our commitment to serve the neighborhoods that make up this vibrant city.

A handwritten signature in black ink, consisting of a large, stylized letter 'G' followed by a horizontal stroke that loops back under the 'G'.

Gary Malin
Chief Operating Officer
Citi Habitats, Inc.

Doorman

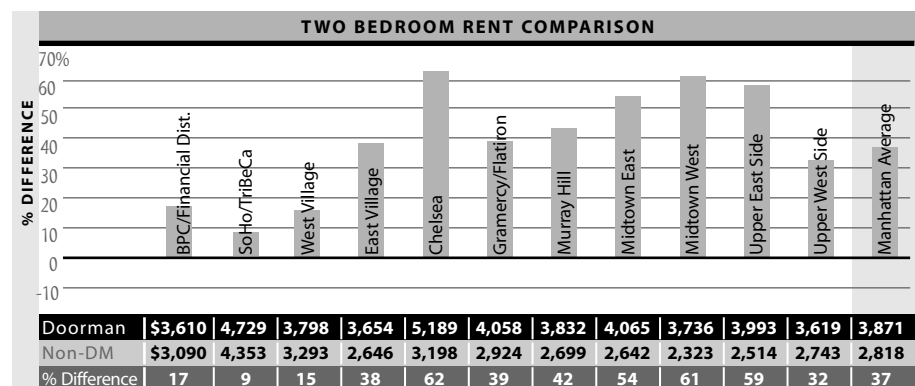
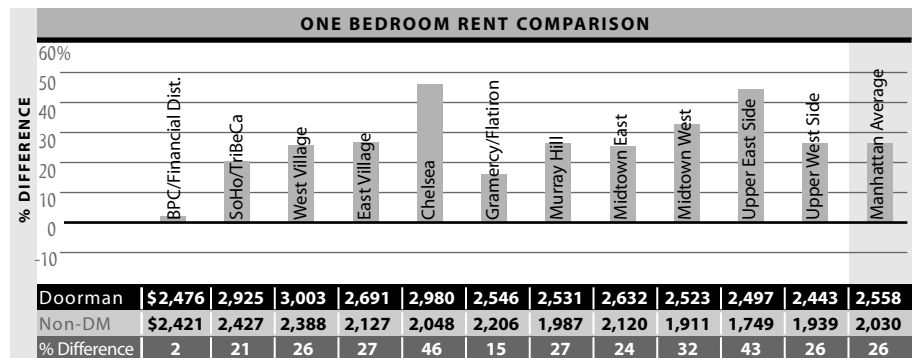
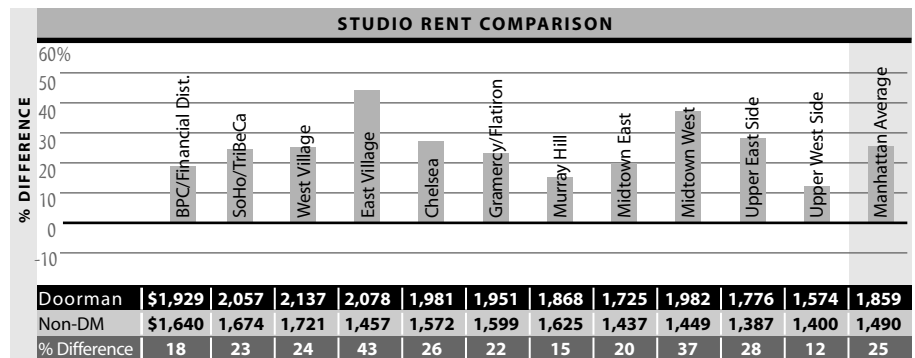
vs. non-doorman rental comparison

The following graphs compare the difference between average rental prices in doorman and non-doorman buildings in each of Manhattan's 11 neighborhoods. Each graph illustrates the difference for one of the three unit types analyzed: studio, one bedroom, and two bedrooms.

Discussion For studio apartments, the greatest differences between doorman and non-doorman rental prices are in neighborhoods where doorman buildings are scarce. Having experienced recent luxury doorman building development and general safety improvements, both the East Village and Midtown West (the neighborhoods with the greatest percentage differential) are still catching up to other neighborhoods. The scarcity of doorman buildings in these neighborhoods translates into premium prices for the benefits of doorman security and convenience.

Two other areas where there are substantial price differences between doorman and non-doorman buildings across all unit types are Chelsea and the Upper East Side. In these areas, it isn't scarcity that creates the difference, but rather the fact that the two areas' range of building types and the amenities offered is large. For example, a high-rise, luxury doorman building complete with concierge, gym, and garage can be found adjacent to a non-doorman, pre-war walk-up building. An additional factor in the disparity between doorman and non-doorman prices in these areas is the fact that there is a much greater range of prices between buildings themselves, i.e. the amenity-filled doorman building described above will be priced much higher than a neighboring mid-rise doorman building without any luxury amenities.

(continued on next page)



Source: All Citi Habitats transactions from January-June 2005. The data represents over 4,000 buildings, including 54 Citi Habitats exclusive buildings and 197 exclusive properties in doorman and non-doorman buildings. Totals over 4,500 rental transactions for the period.

The lowest percentage differences between doorman and non-doorman buildings are for one bedrooms in BPC/Financial District and for two bedrooms in SoHo/TriBeCa. In BPC/Financial District that's because nearly all of the buildings are doorman; in SoHo/TriBeCa it's because nearly all of the buildings are non-doorman. In these neighborhoods, where one building type strongly dominates, there isn't enough variety in building types to create strong price differences.

An important consideration for landlords and developers is the minimum number of units a building needs to have in order to justify the expense of employing a full-time union doorman staff. After analyzing our numbers, taking into account the cost of employing a full time door staff, measured against the blended annualized premium paid by renters in doorman buildings, we have determined that the minimum number of units to justify the expense of the door staff is 33. This is an important number to keep in mind as doorman buildings—in all neighborhoods—mean an increased perception of value for perspective renters seeking the security and convenience of doorman service.

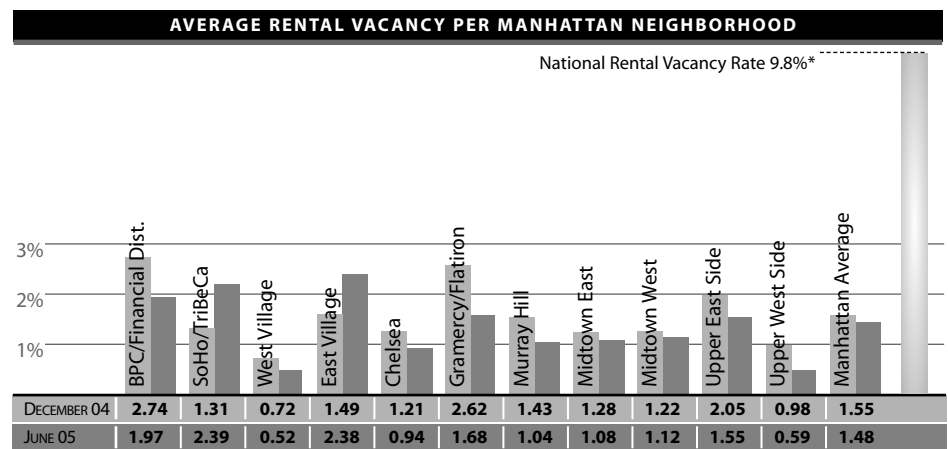
Rental vacancy rates

Discussion For landlords, developers, renters and investors alike, one of the most frequently asked questions in New York City real estate is: What are the vacancy rates in the City's various neighborhoods? For the past four *Black and White Reports*, the answer to this question has been the same: extremely low in all neighborhoods.

Not only are vacancy rates extremely low, but they are also stable. The chart to the right indicates minor fluctuations in this reporting period's rates compared to the year end rates of our last report. The largest change in rental vacancies was nominal, a little over one percentage point in SoHo/TriBeCa and just under one percentage point in Gramercy. Overall though, the average rental vacancy rate saw a mere seven hundredths of a percentage point change. At 1.48%, the current vacancy rate falls below the 2% mark, the point at which rental prices historically rise.

As many people in NYC know, real estate functions quite differently here than in other parts of the United States. This is evident from the Manhattan average rental vacancy rate, 1.48%, compared to the national rental vacancy rate, which is 9.8%*.

This graph illustrates the average rental vacancy rate in each of Manhattan's 11 neighborhoods compared to the citywide average and the national average vacancy rate. This information is useful in assessing the strength of the rental market for each neighborhood as well as for the whole of Manhattan compared to the rest of the nation.

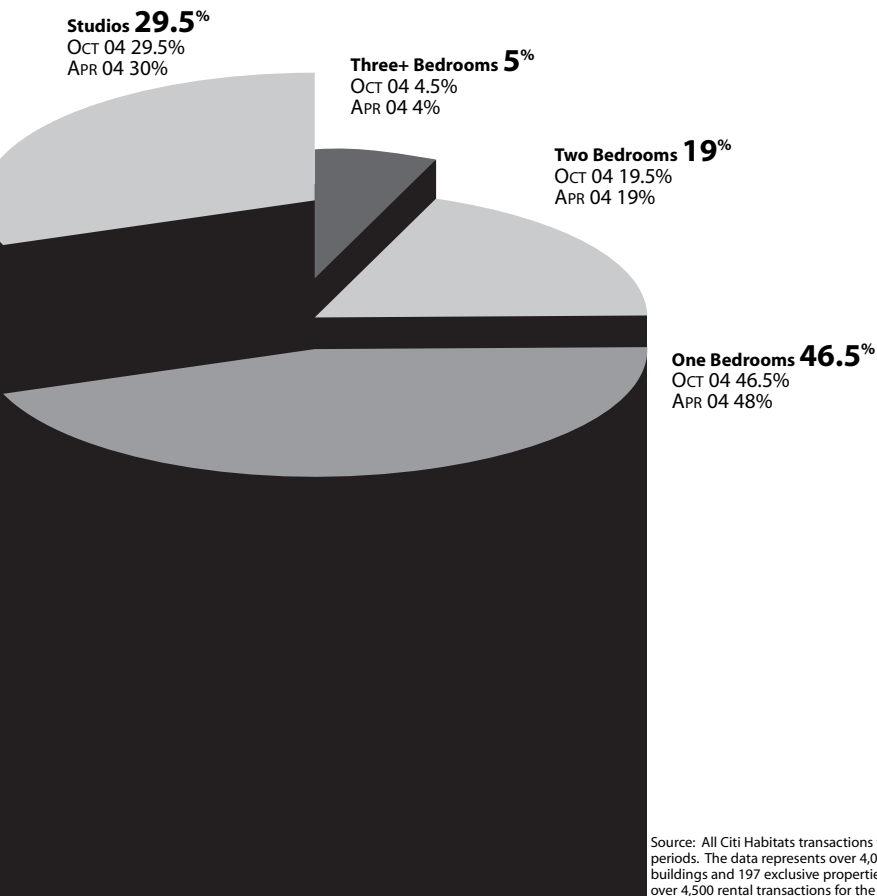


Source: A sampling of 8-10 key rental buildings in each Manhattan neighborhood below 100th Street, including doorman and non-doorman buildings.

*National Rental Vacancy Rate, 2nd Quarter 2005. United States Department of Commerce, Census Bureau Reports on Residential Vacancies and Homeownership. July 28, 2005.

What is renting?

This chart illustrates the percentage of each unit type: studio, one bedroom, two bedroom and three bedroom apartments rented during the current report period. This information is important in determining and projecting the demand for each unit type in the rental marketplace.



Discussion For more than four *Black and White Reports* (a period of two years), the percentage of each unit type rented during the respective reporting periods has remained consistent. In part, this is because many existing and newly constructed buildings follow a unit mix of approximately 30% studios, 50% one bedrooms, and 20% two bedrooms, with a nominal amount of three+ bedrooms.

The reason that studios and one bedroom apartments comprise more than 75% of the rental market is because renters typically fall into one of three categories which lend themselves to smaller unit types. Renters are usually a) living in a temporary situation; b) not yet married, or not yet married with children; or c) have a smaller portion of their income to devote to housing. Since studios and one bedroom apartments are lower in price, renters typically choose smaller unit types.

Source: All Citi Habitats transactions from January-June 2005 versus stated time periods. The data represents over 4,000 buildings, including 54 Citi Habitats exclusive buildings and 197 exclusive properties in doorman and non-doorman buildings. Totals over 4,500 rental transactions for the period.

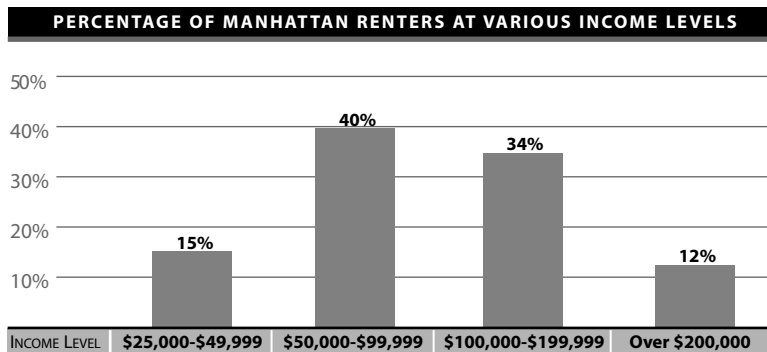
Profile of Manhattan renters

Real estate is fundamentally a customer service industry. As such, we have broadened The Black and White Report's scope to include demographic information. This glimpse into the people served by real estate and real estate services is a useful tool for understanding the types of renters seeking apartments in NYC.

Discussion According to our data, nearly 75% of renters fall in the middle of the income spectrum. This is not surprising as the majority of landlords require that tenants earn a yearly income that is 40 times their monthly rent. (Guarantors can often help those who fall below this criterion.) People with incomes over \$200,000 a year often decide to purchase an apartment in Manhattan, or a home outside the City, rather than rent one.

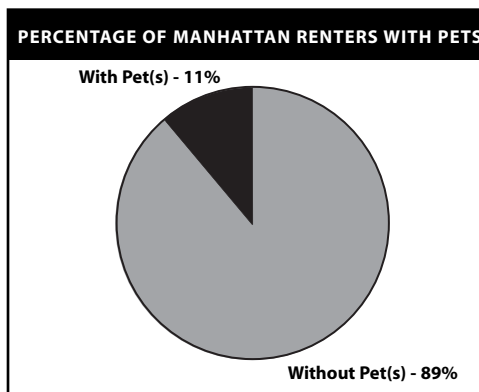
Another aspect of the renter profile that comes as little surprise is the fact that the average renter is 30 years of age. This is an indication that the typical Manhattan renter is a number of years out of college, and/or has spent a number of years in the workforce. This observation is supported by the average income level of Manhattan renters discussed above.

A third demographic factor of interest is that of renters with pets and those without. Our data indicates that a pet-friendly apartment is a draw for 11% of renters, while 89% of renters aren't looking for pet-friendly buildings. These figures roughly parallel the amount of apartment buildings that allow pets and those that do not.



AVERAGE RENTER AGE BY NEIGHBORHOOD

BPC/FINANCIAL DIST.	30 yrs
SOHO/TRIBECA	28
WEST VILLAGE	29
EAST VILLAGE	26
CHELSEA	31
GRAMERCY/FLATIRON	28
MURRAY HILL	29
MIDTOWN EAST	32
MIDTOWN WEST	30
UPPER EAST SIDE	31
UPPER WEST SIDE	31
OVERALL	30



Source: Of Citi Habitats' 4,500 rental transactions from January-June 2005; these are the percentages of customers who provided responses to the demographic categories presented in this section: income: 47%; age: 44%; pets: 41%.

Where are people renting?

This table illustrates the percentage of renters found in each one of Manhattan's 11 neighborhoods for each of the different size units studied: studios, one bedrooms, two bedrooms and three bedrooms. The data is helpful in determining and projecting the rental demand for each neighborhood.

Discussion Overall, BPC/Financial District has seen the most significant increase in rental transactions. The same was true during our last reporting period. Two factors contribute to this. Firstly, the area has seen the addition of many new, luxury residential buildings which as the industry demands are comprised of mainly studio and one bedroom unit types (see our "What is Renting" findings). This trend is reflected in the BPC/Financial District's significant increase in studio and one bedroom rentals, 10 and six percentage points respectively.

The second factor in BPC/Financial District's growth is its attractiveness to younger professionals—typical renters of studio and one bedroom apartments. The area's continued development has made it a full-service neighborhood with amenities and conveniences such as retail, dining, and entertainment. This sense of community offers an attractive alternative to other more densely populated and pricier downtown neighborhoods.

Besides BPC/Financial District, the rest of Manhattan's studio, one bedroom and two bedroom apartments saw minimal, if any, change in rental activity. However, Manhattan's three bedroom apartments have seen fairly notable increases and decreases. Lack of inventory makes this size category a difficult one to study. Those neighborhoods with the least inventory of three bedroom rentals saw decreases in people moving there for that sized apartment. On the Upper East and Upper West Sides where there is a greater number of three bedroom apartments, the opposite has occurred; the Upper East and Upper West Sides have seen increases in rental activity, five and six percentage points respectively. It is possible that some families looking for these residential neighborhoods got priced out of buying three bedroom apartments due to the hot sales market, and decided to rent.

PERCENTAGE OF RENTERS IN EACH NEIGHBORHOOD					
	All Units	Studios	1 Bedroom	2 Bedroom	3 Bedroom
BPC/FINANCIAL DIST.					
JUNE 05	15%	22%	14%	10%	7%
JUNE 04	10%	12%	8%	10%	11%
SOHO/TRIBECA					
JUNE 05	4%	2%	4%	4%	4%
JUNE 04	2%	1%	2%	3%	6%
WEST VILLAGE					
JUNE 05	7%	6%	7%	7%	5%
JUNE 04	8%	7%	10%	8%	8%
EAST VILLAGE					
JUNE 05	9%	7%	8%	12%	10%
JUNE 04	8%	7%	6%	10%	10%
CHELSEA					
JUNE 05	4%	4%	5%	4%	4%
JUNE 04	8%	9%	9%	6%	6%
GRAMERCY/FLATIRON					
JUNE 05	5%	5%	5%	4%	8%
JUNE 04	5%	6%	6%	4%	5%
MURRAY HILL					
JUNE 05	6%	7%	5%	6%	3%
JUNE 04	8%	8%	8%	7%	6%
MIDTOWN EAST					
JUNE 05	5%	7%	4%	4%	2%
JUNE 04	5%	7%	5%	3%	4%
MIDTOWN WEST					
JUNE 05	6%	7%	7%	6%	5%
JUNE 04	7%	7%	7%	7%	6%
UPPER EAST SIDE					
JUNE 05	21%	19%	21%	23%	30%
JUNE 04	22%	21%	22%	22%	25%
UPPER WEST SIDE					
JUNE 05	18%	14%	20%	20%	22%
JUNE 04	17%	15%	18%	19%	14%

Source: All Citi Habitats' transactions from January-June 2005. The data represents over 4,000 buildings, including 54 Citi Habitats exclusive buildings and 197 exclusive properties in both doorman and non-doorman buildings. Totals over 4,500 rental transactions for the period.

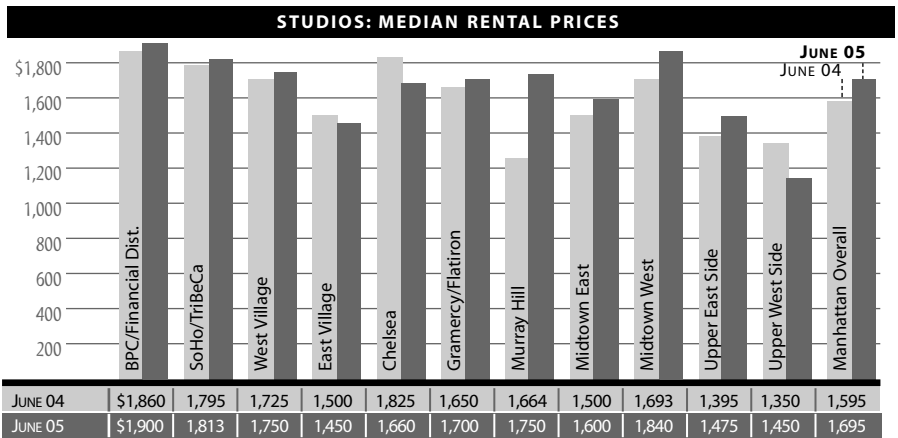
Rental prices

The following graphs illustrate the median rents for studio, one bedroom, two bedroom and three bedroom apartments in Manhattan's 11 different neighborhoods. Beneath each graph, the average rental price and average rental price per square foot for all neighborhoods is indicated.

Discussion The median rental price of a Manhattan apartment has remained nearly the same (an increase of \$25) since the same reporting period last year. This indicates a strong market, but one that has stabilized from the previous years' upward surge in rental prices.

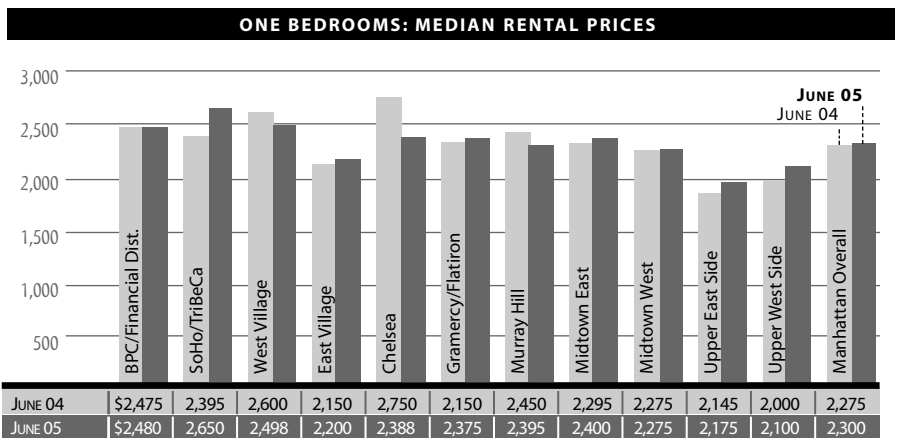
While the Manhattan median has remained the same, there are a few neighborhoods and a few unit types that have seen notable price increases. Studios for example have seen increased rental prices in all neighborhoods save for two; one bedrooms in SoHo/TriBeCa have seen a median increase of \$255—the most of any neighborhood for that unit type; two bedrooms in the East Village saw a \$350 increase and three bedrooms saw a \$325 increase indicating the premium price two and three bedrooms command in the neighborhood.

MEDIAN RENTAL PRICES BY MANHATTAN NEIGHBORHOOD		
	Jan-Jun 2004	Jan-Jun 2005
BPC/FINANCIAL DIST.	\$2400	\$2295
SOHO/TRIBECA	\$3000	\$2740
WEST VILLAGE	\$2400	\$2375
EAST VILLAGE	\$2095	\$2200
CHELSEA	\$2500	\$2300
GRAMERCY/FLATIRON	\$2050	\$2250
MURRAY HILL	\$2250	\$2238
MIDTOWN EAST	\$1900	\$2050
MIDTOWN WEST	\$2198	\$2130
UPPER EAST SIDE	\$1965	\$2100
UPPER WEST SIDE	\$1950	\$2025
MANHATTAN TOTAL	\$2175	\$2200



STUDIOS: AVERAGE RENTAL PRICES												
JUNE 04	\$1,927	1,791	1,796	1,580	1,917	1,677	1,716	1,504	1,704	1,487	1,406	1,643
JUNE 05	\$1,920	1,837	1,839	1,619	1,740	1,767	1,771	1,663	1,793	1,559	1,712	1,695

STUDIOS: AVERAGE RENTAL PRICES PER SQ. FT.												
JUNE 04	\$46.25	47.76	47.90	42.12	51.11	44.72	45.75	36.10	40.91	35.69	37.50	42.12
JUNE 05	\$46.08	49.00	49.04	43.18	46.40	47.13	47.23	39.91	43.04	37.42	39.96	43.89



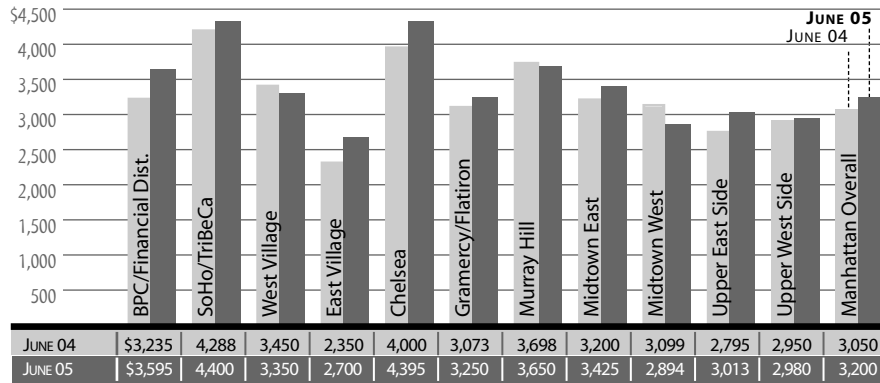
ONE BEDROOMS: AVERAGE RENTAL PRICES												
JUNE 04	\$2,497	2,518	2,556	2,175	2,652	2,270	2,442	2,332	2,274	2,179	2,082	2,312
JUNE 05	\$2,464	2,769	2,583	2,222	2,467	2,407	2,408	2,441	2,304	2,200	2,194	2,339

ONE BEDROOMS: AVERAGE RENTAL PRICES PER SQ. FT.												
JUNE 04	\$48.33	48.07	49.48	42.09	51.32	43.94	47.26	41.15	40.13	38.46	36.76	43.22
JUNE 05	\$47.70	53.60	49.99	43.01	47.75	46.58	46.60	43.08	40.65	38.82	38.72	43.73

Source: All Citi Habitats' transactions from June 2005 vs. June 2004. The data represents over 4,000 buildings, including 54 Citi Habitats exclusive buildings and 197 exclusive properties in both doorman and non-doorman buildings. Totals over 4,500 rental transactions for the period.

Rental prices (continued)

TWO BEDROOMS: MEDIAN RENTAL PRICES



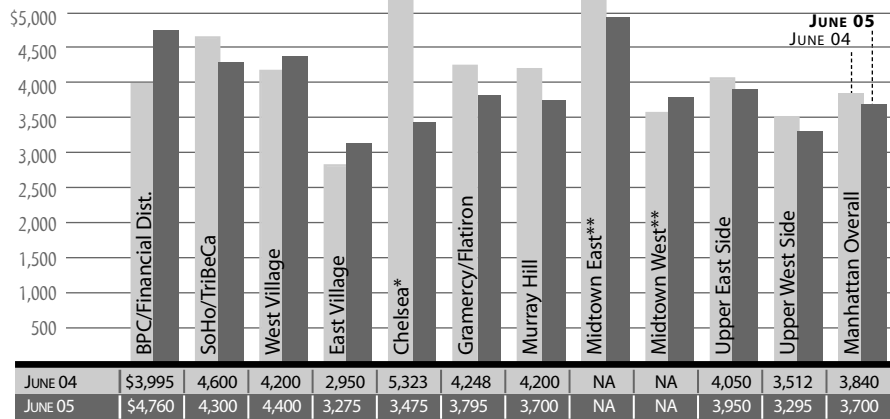
TWO BEDROOMS: AVERAGE RENTAL PRICES

Neighborhood	JUNE 04	JUNE 05
BPC/Financial Dist.	\$3,386	\$3,559
SoHo/TriBeCa	4,364	4,536
West Village	3,642	3,381
East Village	2,527	2,920
Chelsea	3,889	4,115
Gramercy/Flatiron	3,087	3,482
Murray Hill	3,518	3,647
Midtown East	3,185	3,508
Midtown West	3,062	3,018
Upper East Side	3,052	3,295
Upper West Side	3,157	3,179
Manhattan Overall	3,231	3,365

TWO BEDROOMS: AVERAGE RENTAL PRICES PER SQ. FT.

Neighborhood	JUNE 04	JUNE 05
BPC/Financial Dist.	\$38.69	\$40.67
SoHo/TriBeCa	49.85	51.84
West Village	41.62	38.64
East Village	28.88	35.65
Chelsea	44.44	47.03
Gramercy/Flatiron	35.28	39.80
Murray Hill	40.21	41.67
Midtown East	36.40	40.09
Midtown West	34.99	36.96
Upper East Side	34.88	37.65
Upper West Side	36.08	36.33
Manhattan Overall	36.93	38.96

THREE BEDROOMS: MEDIAN RENTAL PRICES



THREE BEDROOMS: AVERAGE RENTAL PRICES

Neighborhood	JUNE 04	JUNE 05
BPC/Financial Dist.	\$4,071	\$4,812
SoHo/TriBeCa	5,968	4,721
West Village	4,683	5,085
East Village	3,187	3,457
Chelsea*	5,329	3,525
Gramercy/Flatiron	4,614	4,364
Murray Hill	4,131	3,740
Midtown East**	5,571	4,923
Midtown West**	3,546	3,749
Upper East Side	4,626	5,196
Upper West Side	4,249	3,408
Manhattan Overall	4,460	4,324

THREE BEDROOMS: AVERAGE RENTAL PRICES PER SQ. FT.

Neighborhood	JUNE 04	JUNE 05
BPC/Financial Dist.	\$38.47	\$45.47
SoHo/TriBeCa	56.39	44.61
West Village	44.25	48.05
East Village	30.12	32.66
Chelsea*	55.22	29.24
Gramercy/Flatiron	43.60	41.23
Murray Hill	39.04	35.34
Midtown East**	52.64	46.51
Midtown West**	33.51	35.42
Upper East Side	43.71	49.10
Upper West Side	40.15	32.20
Manhattan Overall	42.14	40.86

Source: All Citi Habitats' transactions from June 2005 vs. June 2004. The data represents over 4,000 buildings, including 54 Citi Habitats exclusive buildings and 197 exclusive properties in both doorman and non-doorman buildings. Totals over 4,500 rental transactions for the period.

*Due to a larger than usual inventory of high-end 3BR apartments during this period, the rental prices for Chelsea may be higher than expected.
 **For Midtown East and Midtown West 3BRs the information in the chart represents the average rental prices.

Rental Internet

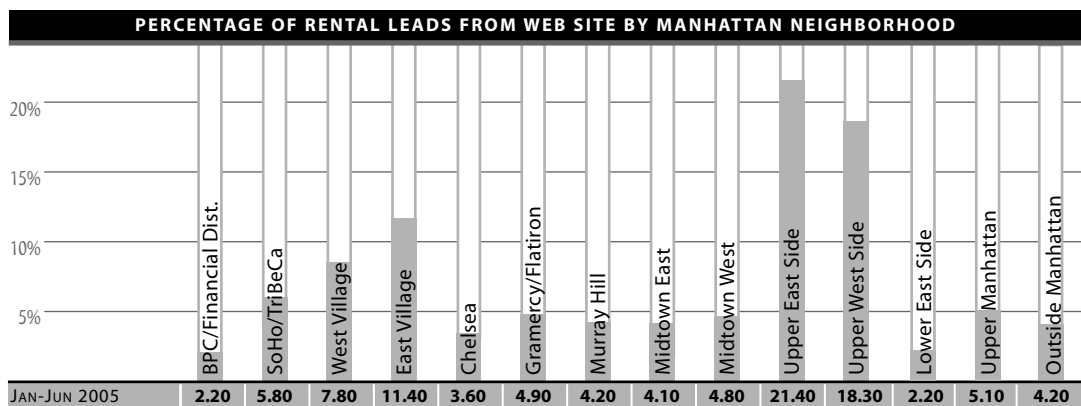
search data

The two charts below represent the tremendous power of the Internet to capture data about prospective renters. The top chart shows the difference between what renters expect to pay versus what they will pay. The bottom chart shows the percentage of rental leads from the Citi Habitats web site by neighborhood.

Citi Habitats has one of the most heavily trafficked web sites in the industry, making the charts below indicative of perceptions and behaviors of real estate customers in Manhattan and beyond.

	Studios	One Bedrooms	Two Bedrooms	Three Bedrooms
WEB SITE VISITORS' RENT EXPECTATIONS VS. ACTUAL MANHATTAN RENTS				
Expected Rent	\$1,434	\$1,914	\$2,721	\$3,727
Median Rent	\$1,695	\$2,300	\$3,200	\$3,700
Average Rent	\$1,712	\$2,339	\$3,365	\$4,324

Source: Citi Habitats' web site visitors at www.citihabitats.com from January 2005 through June 2005.



Source: Citi Habitats' web searches for rentals from January 2005 through June 2005.

Sales *the state of the market*

A number of factors—low interest rates, a stronger national economy despite periodic volatility, and new construction developments, for example—have made the Manhattan sales market an exciting scene to watch over the past few years. While co-ops have and will continue to be extremely sought-after investments, condos are in the spotlight, especially when it comes to new development. The interconnected relationship between sales and rentals in the marketplace means that condo trends are of significant importance to everyone who is professionally and financially invested in New York City real estate, whether they are a buyer, a seller, a renter, a developer, or a landlord. What follows is a brief overview of what's going on in the market in regards to new construction and conversions.

NEW DEVELOPMENTS

New condominium development is taking place on two distinct ends of the market: 1. higher-end product in established and up-and-coming neighborhoods; 2. mid-priced product that is designed for more obtainable prices for people who have turned to lesser established neighborhoods.

The majority of the highest-end condominium development taking place in Manhattan is downtown in SoHo/TriBeCa, on the West Side above 14th Street in Chelsea and Midtown West, and on the East Side in Madison Square Park North. This growth has not only been explosive, but it also continues to evolve and transform once commercial neighborhoods into residential havens. Competition has driven developers to bring on internationally acclaimed architects and designers, and use new and exotic finishes from around the world.

In the middle of the market, new developments are styled and priced to appeal to buyers priced out of Manhattan's upper luxury level condominiums. These buyers may be looking to outer boroughs and secondary neighborhoods. Most of these developments are taking place in the Financial District, Lower East Side and Upper Manhattan.

“Competition has driven developers to bring on internationally acclaimed architects and designers, and use new and exotic finishes from around the world.”

CONDOS INFLUENCE OTHER MARKETS

How does this affect the rental market? With the surge in condominium development and the sharp increase of land value, the development of new rental buildings has slowed considerably. In fact, many new developments that were slated to become rentals only a few years ago, have changed gears midstream and converted to condominiums. However, the few rentals that do exist in the market are not only extremely up market, but have been performing exceptionally well due to an overall lack of inventory and historically low vacancy rates.

There is very little development of rental buildings for 2005/2006 with a larger selection being planned for 2007/2008.

The standards of new developments influences rental standards. Aside from an increase in the amount of “designer” condominiums with hotel caliber amenities and exotic finishes, rental buildings have taken on the standards formerly associated with condominiums. Granite countertops, state-of-the-art appliances, glamorous amenities, and custom designed interiors are now commonplace in almost all new developments.

THE BOTTOM LINE

The rising number of condominium conversions from rentals coupled with the lack of new construction has contributed greatly to the already large housing shortage that exists in the New York marketplace. This has also eliminated the amount of owner paid concessions and give-aways that developers are offering in established areas and greatly reduced them in secondary areas. This has also contributed to the increase in prices of luxury rentals. Over the last three years, low vacancy rates, decreased supply, and increased population have led prices of luxury rentals to increase 10%, arriving at numbers that mirror the “peak” of the market in early 2000.

Overall, when speaking about new developments, today's market has shown us that location matters far less than it ever has. It is the amenities, attention to detail, and overall identity of a building that has brought about record prices per square foot in both rental buildings and condominiums.

Sales prices

The following tables illustrate the median and average prices for studio, one bedroom, two bedroom, and three bedroom apartments in both cooperative and condominium buildings throughout Manhattan.

Discussion The premium price condos command in today's market is significant. Studio, one bedroom, and two bedroom buyers will pay a third more for a condo than for a co-op. A striking way to look at these figures is to see it from a size and price perspective: a buyer will spend nearly as much on a two bedroom condo as they would on a three bedroom co-op. This indicates that for condo buyers, the eased purchasing process and ownership advantages that come with condos trump the issues of price and size that attract co-op buyers.

When shifting the condo versus co-op focus to an area versus area focus, it is no surprise to see that downtown properties are at the high end of the Manhattan price spectrum. This area has been in favor for a number of years and there's no indication that that trend will change.

From the data, we also see higher prices on the West Side than on the East. This is true for every unit type, except for one bedrooms which are competitive in the condo category. The West Side versus East Side difference is caused by the West Side's substantially lower inventory and the lower amount of owners selling in the area. Two bedroom co-ops are the exception to this trend. On the East Side, premium luxury pre-war co-ops sell for much more than condos. This is mainly due to the high prices that co-ops west of Third Avenue command.

CO-OPS CITYWIDE					
	OVERALL	STUDIOS	1 BRs	2 BRs	3 BRs
AVERAGE PRICE	\$528k	\$319k	\$500k	\$936k	\$1.308m
MEDIAN PRICE	\$427k	\$323k	\$480k	\$830k	\$1.065m
AVERAGE PRICE PER SQ FT=\$722					

CONDOS CITYWIDE					
	OVERALL	STUDIOS	1 BRs	2 BRs	LOFTS
AVERAGE PRICE	\$826k	\$421k	\$669k	\$1.205m	\$1.746m
MEDIAN PRICE	\$635k	\$430k	\$625k	\$1.100m	\$1.610m
AVERAGE PRICE PER SQ FT=\$904					

STUDIOS - CO-OPS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$354k	\$269k	\$337k	NA	\$255k
MEDIAN PRICE	\$356k	\$255k	\$324k	NA	\$235k

STUDIOS - CONDOS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$418k	\$406k	\$509k	NA	\$398k
MEDIAN PRICE	\$427k	\$405k	\$469k	NA	\$398k

1 BRs - CO-OPS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$554k	\$435k	\$531k	NA	\$456k
MEDIAN PRICE	\$530k	\$390k	\$525k	NA	\$423k

1 BRs - CONDOS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$652k	\$658k	\$650k	NA	\$840k
MEDIAN PRICE	\$580k	\$637k	\$638k	NA	\$700k

2 BRs - CO-OPS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$982k	\$757k	\$1.071m	NA	NA
MEDIAN PRICE	\$770k	\$725k	\$969k	NA	NA

2 BRs - CONDOS					
	DOWNTOWN	EAST SIDE	WEST SIDE	MTWN WEST	MTWN EAST
AVERAGE PRICE	\$1.257m	\$692k	\$1.275m	NA	\$1.755m
MEDIAN PRICE	\$1.290m	\$630k	\$1.275m	NA	\$1.390m

Source: All Citi Habitats sales transactions January-June 2005. Totals nearly 500 closed sales.

Sales Internet

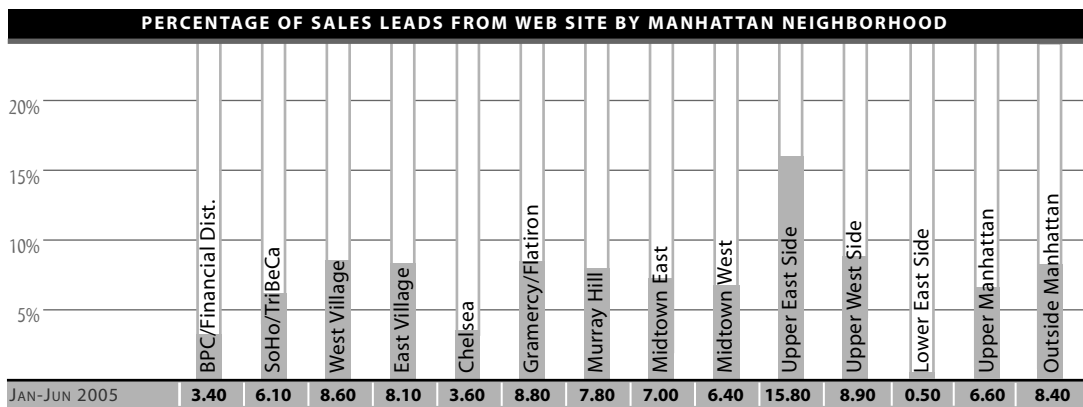
search data

The two charts below represent the tremendous power of the Internet to capture data about prospective buyers. The top chart shows the difference between what purchasers expect to pay versus what they will pay. The bottom chart shows the percentage of sales leads from the Citi Habitats web site by neighborhood.

Citi Habitats has one of the most heavily trafficked web sites in the industry, making the charts below indicative of perceptions and behaviors of real estate customers in Manhattan and beyond.

	Studios	One Bedrooms	Two Bedrooms	Three Bedrooms
WEB SITE VISITORS' SALES PRICE EXPECTATIONS VS. ACTUAL MANHATTAN PRICES				
Expected Price	\$306k	\$445k	\$610k	\$1.195m
Co-op Average	\$319k	\$500k	\$936k	\$1.308m
Co-op Median	\$323k	\$480k	\$830k	\$1.065m
Condo Average	\$421k	\$669k	\$1.205m	NA
Condo Median	\$430k	\$625k	\$1.100m	NA

Source: Citi Habitats' web site visitors at www.cithabitats.com from January 2005 through June 2005.



Source: Citi Habitats' web searches for sales from January 2005 through June 2005.

Introducing...

Landlord Services Division

Citi Habitats is excited to announce its latest division: Landlord Services, a one-of-a-kind division solely dedicated to providing superior consulting and involvement to owners and developers. The division is headed up by Michael Regan, a 10-year veteran of NYC real estate and graduate of New York University Real Estate Institute's master's program in Real Estate Finance and Development.

In collaboration with Gary Malin, Citi Habitats' COO, Regan established the Landlord Services Division to provide landlords with the same personal touch and attention to superior results that Citi Habitats provides to its sales and rental clients. As such, Landlord Services offers owners and developers the following: a high level of personalized service; all of the added benefits that are available as a result of the volume of business Citi Habitats conducts; and a suite of comprehensive services and market data it can provide as a result.

The Landlord Services Division's ultimate goal is to ensure that its clients' properties are well positioned for any changes in the marketplace. Today's white hot real estate market has attracted a lot of new capital with small syndications and investors who have

limited real estate experience. Citi Habitats is committed to ensuring that any landlord, big or small, that aligns itself with its Landlord Services Division will have equal access to a professional, informed review of their property's performance—whether they are an owner of investment properties, a few small buildings, or a large residential portfolio.

The Landlord Services Division is structured into various tiers with an opportunity to meet the needs of any property owner. Under the Silver Tier Service for example, the Division provides a basic analysis, while landlords under the Gold Tier Service have a senior account manager oversee their properties and have instant access to critical market data with the click of a button. The Platinum Tier offers even further benefits and added marketing exposure for the properties. Additionally, Landlord Services provides a monthly e-newsletter to all affiliated landlords with updates on vacancy rates, market trends, and current news stories that are critical to New York City's residential real estate industry.

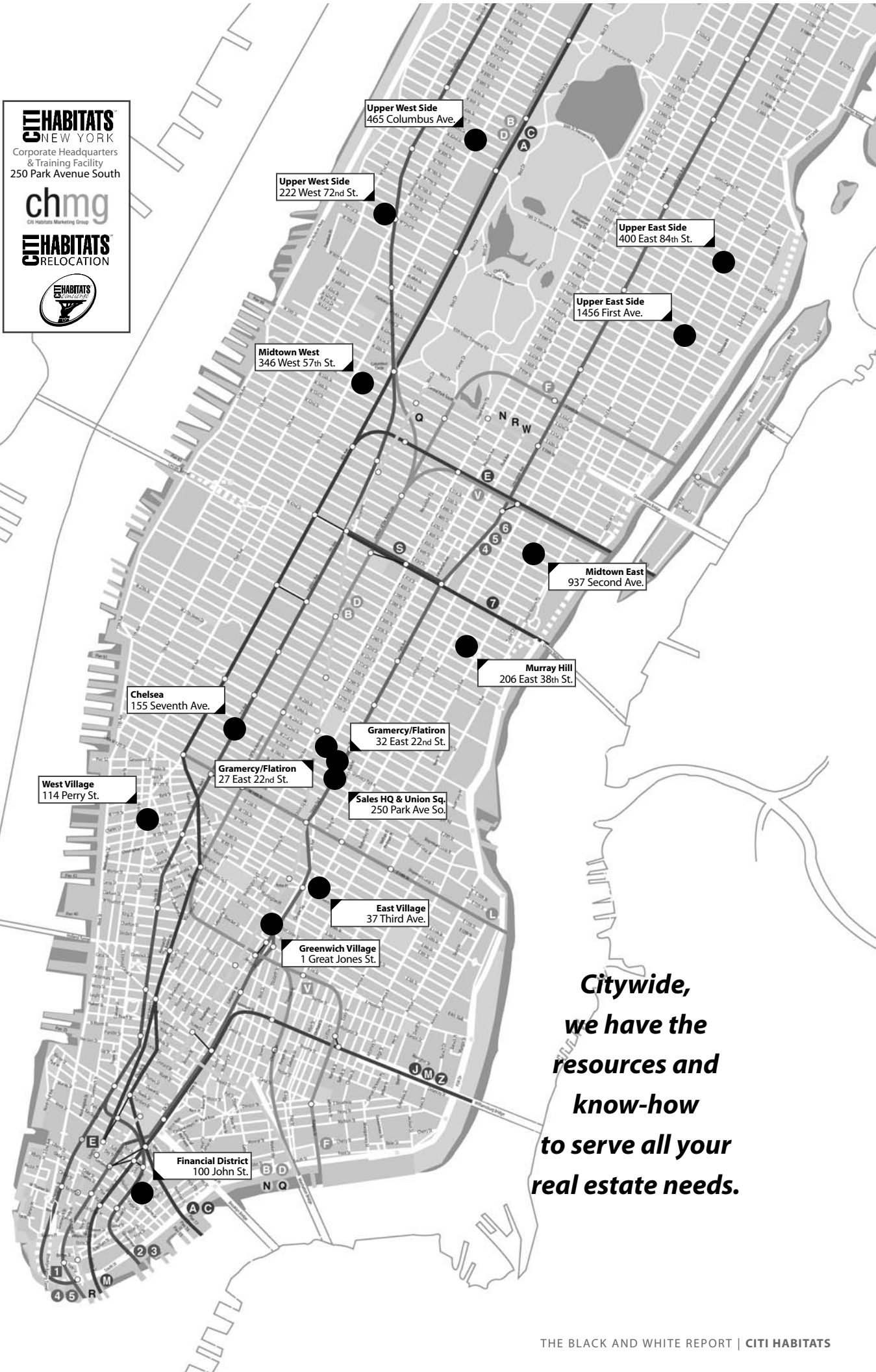
For further information contact Michael Regan at the Citi Habitats Corporate Headquarters: 212.685.7777.



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Through Citi Outreach, Citi Habitats agents and staff give back to the community by supporting a number of local and national charity organizations. We routinely and systematically rise to the challenge of making our city, and our country, a better place for all to live in.

www.citihabitats.com/community.php

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