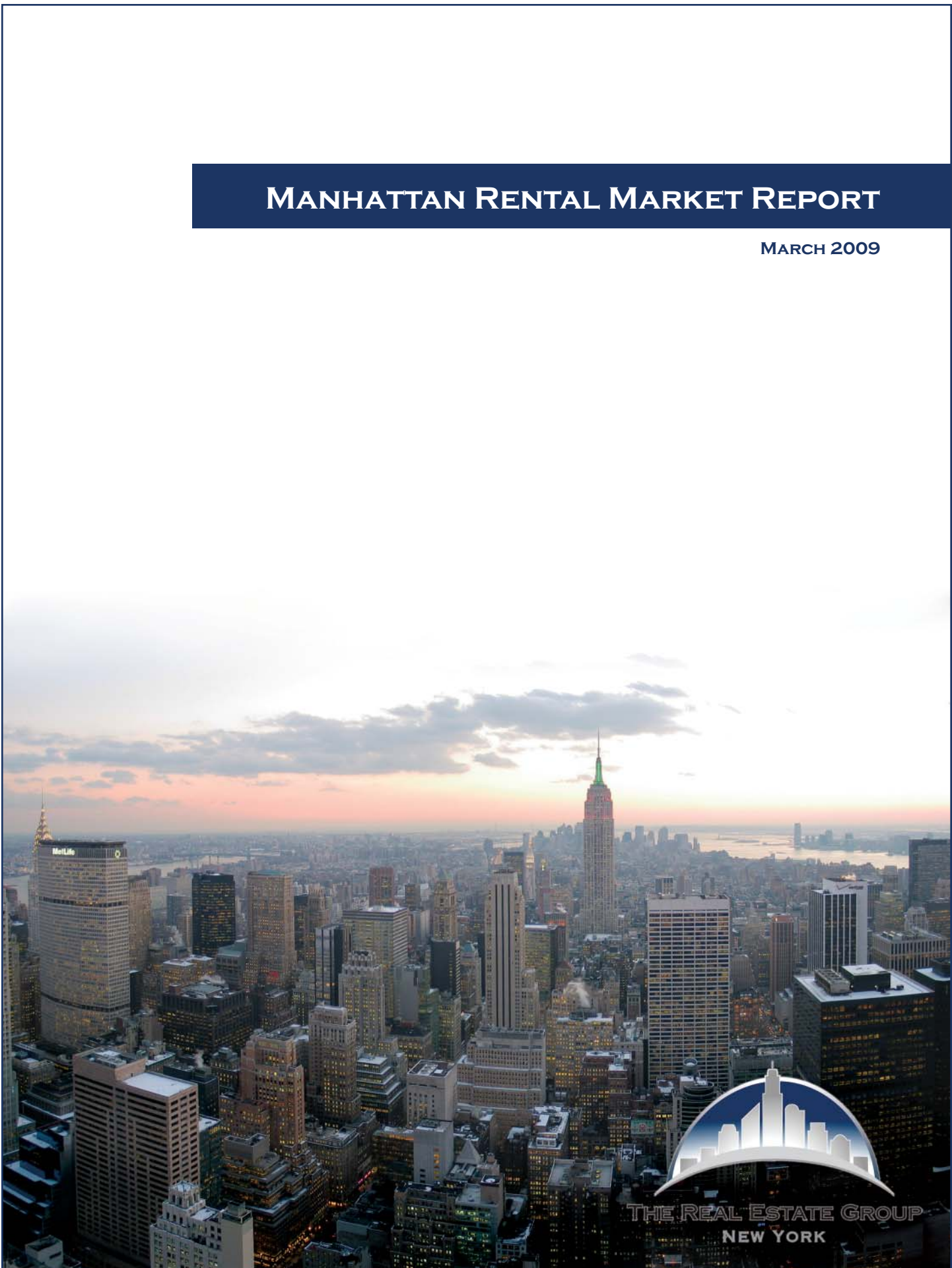


MANHATTAN RENTAL MARKET REPORT

MARCH 2009



THE REAL ESTATE GROUP
NEW YORK

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LETTER FROM OUR CHIEF OPERATING OFFICER



On behalf of The Real Estate Group, I am pleased to present the March 2009 edition of our Manhattan Rental Market Report, the only research on the city's rental rates published on a monthly basis.

As the first quarter closes, we find that prices in Manhattan continue to lag in year-over-year comparisons. The largest difference this month is in doorman studio units, which decreased 10.43%. Doorman two-bedrooms were the relative stand-outs this month, only having fallen 2.59% since this time last year. It should be noted that these numbers do not take into consideration concessions, which would likely have shown an even more prominent downward trend, especially in doorman units.

In month-to-month comparisons, non-doorman units are flat overall, while doorman units fell 2.01%. Hidden within the data was actually an increase in non-doorman two-bedroom units by 2.28%.

As for vacancies, doorman units continue to fall in price while offering aggressive concessions, and in turn, inventory levels have stopped rising and flattened out this month. This is a positive sign for doorman property owners and landlords who have been proactively attempting to fill their units via such actions. Non-doorman units, however, did not see the same price cuts and so their inventory levels actually climbed by 10% this month - illustrating just how price sensitive the current market is.

As Manhattan begins to show direct and proper responses to market actions, I am becoming ever hopeful that we are moving towards a healthier rental market, or at least, that seasonality trends will again be upon us soon. Landlords, property owners and consumers still have a long road to find the middle ground, but I am confident in the market's ability to do so.

A handwritten signature in black ink, appearing to read 'Daniel Baum'.

Daniel Baum, C.O.O.
The Real Estate Group

A QUICK LOOK

NON-DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$3,017	Harlem \$1,291
One-bedrooms	TriBeCa \$4,106	Harlem \$1,635
Two-bedrooms	TriBeCa \$6,278	Harlem \$2,100

DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$2,680	Harlem \$1,330
One-bedrooms	SoHo \$4,387	Harlem \$1,845
Two-bedrooms	TriBeCa \$6,932	Harlem \$2,717

Greatest Changes Since February:

Non-doorman studios – TriBeCa – **Up 9.54%** (\$263)

Non-doorman one-bedrooms – TriBeCa – **Up 5.44%** (\$212)

Non-doorman two-bedrooms – SoHo – **Up 7.03%** (\$264)

Doorman studios – Midtown West – **Down 9.57%** (\$225)

Doorman one-bedrooms – SoHo – **Down 7.56%** (\$359)

Doorman two-bedrooms – Lower East Side – **Down 8.41%** (\$354)

Year-over-year Changes:

Notable Trends:

MANHATTAN NON-DOORMAN RENTS: MARCH '08 vs. MARCH '09			
	March '08	March '09	Change
Studios	\$2,059	\$1,959	-4.84%
One-bedrooms	\$2,792	\$2,624	-6.03%
Two-bedrooms	\$3,858	\$3,738	-3.12%

MANHATTAN DOORMAN RENTS: MARCH '08 vs. MARCH '09			
	March '08	March '09	Change
Studios	\$2,586	\$2,316	-10.43%
One-bedrooms	\$3,578	\$3,329	-6.95%
Two-bedrooms	\$5,265	\$5,129	-2.59%

A QUICK LOOK

Non-doorman units hold prices — Non-doorman units across the city were flat on average this month, but even though prices held, vacancies rose 10%. As vacancies rise, it seems that prices may not yet have reached equilibrium levels - especially with inventory levels already high.

Service sees prices fall, but inventories hold — While non-doorman units appear to have continued disparity between supply and demand, the doorman sector seems to be working on a solution. Doorman units saw prices fall around 2% on average this month, but vacancies remained flat. As landlords continue to drop prices and offer incentives, it seems as though excess inventory is being absorbed by consumers looking to take advantage of the market.

East vs. West — In both Midtown and Uptown, the story of price drops can be told in an east vs. west battle. As the bubble began to burst, the eastside saw prices tumble first, but this month, the westside of Manhattan appears to be outpacing its counterpart for price drops. The westside is down 3% this month, while the eastside remained flat.

Where Prices Decreased:

Harlem—↓ Doorman studios (-1.64%), non-doorman one-bedrooms (-0.97%), doorman one-bedrooms (-1.79%)

Upper West Side—↓ Non-doorman studios (-0.65%), doorman studios (-2.19%), non-doorman one-bedrooms (-2.34%), doorman one-bedrooms (-0.6%), non-doorman two-bedrooms (-1.22%), doorman two-bedrooms (-0.6%)

Upper East Side—↓ Non-doorman studios (-0.67%), doorman studios (-3.28%), non-doorman one-bedrooms (-1.93%)

Midtown West—↓ Non-doorman studios (-5.98%), doorman studios (-9.57%), non-doorman one-bedrooms (-0.64%), doorman one-bedrooms (-5.12%), non-doorman two-bedrooms (-3.42%), doorman two-bedrooms (-3.89%)

Midtown East—↓ Non-doorman studios (-3.46%), non-doorman one-bedrooms (-5.06%)

Murray Hill—↓ Non-doorman studios (-0.85%), doorman studios (-3.02%), non-doorman one-bedrooms (-3.38%), doorman two-bedrooms (-0.61%)

Chelsea—↓ Doorman studios (-1.91%), non-doorman one-bedrooms (-0.66%), doorman one-bedrooms (-0.87%), doorman two-bedrooms (-1.14%)

Gramercy Park—↓ Non-doorman studios (-7.06%), doorman studios (-1.55%), doorman two-bedrooms (-4.35%)

Greenwich Village—↓ Non-doorman studios (-2.33%), non-doorman one-bedrooms (-3.37%), doorman one-bedrooms (-4.1%), non-doorman two-bedrooms (-1.16%), doorman two-bedrooms (-8.4%)

East Village—↓ Non-doorman studios (-1.85%), doorman studios (-0.47%), non-doorman one-bedrooms (-1.05%), doorman one-bedrooms (-6.27%), doorman two-bedrooms (-5.87%)

A QUICK LOOK

SoHo—↓ Non-doorman studios (-5.59%), doorman studios (-2.35%), doorman one-bedrooms (-7.56%), doorman two-bedrooms (-1.76%)

Lower East Side—↓ Non-doorman studios (-2.41%), doorman studios (-3.28%), doorman one-bedrooms (-2.56%), doorman two-bedrooms (-8.41%)

TriBeCa—↓ Doorman studios (-0.66%), doorman one-bedrooms (-1.35%), doorman two-bedrooms (-6.52%)

Financial District—↓ Non-doorman studios (0.94%), doorman studios (2.08%), doorman one-bedrooms (2.68%), non-doorman two-bedrooms (7.90%), doorman two-bedrooms (0.80%)

Battery Park City—↓ Doorman studios (-1.44%), doorman two-bedrooms (-1.41%)

Where Prices Increased:

Harlem—↑ Non-doorman studios (1.81%), non-doorman two-bedrooms (0.06%), doorman two-bedrooms (1.3%)

Upper East Side—↑ Doorman one-bedrooms (0.99%), non-doorman two-bedrooms (0.49%), doorman two-bedrooms (4.51%)

Midtown East—↑ Doorman studios (1.03%), doorman one-bedrooms (3.35%), non-doorman two-bedrooms (4.16%), doorman two-bedrooms (1.11%)

Murray Hill—↑ Doorman one-bedrooms (0.82%), non-doorman two-bedrooms (3.64%)

Chelsea—↑ Non-doorman studios (4.84%), non-doorman two-bedrooms (3.95%)

Gramercy Park—↑ Non-doorman one-bedrooms (2.8%), doorman one-bedrooms (0.08%), non-doorman two-bedrooms (1.63%)

Greenwich Village—↑ Doorman studios (1.42%)

East Village—↑ Non-doorman two-bedrooms (5.83%)

SoHo—↑ Non-doorman one-bedrooms (3.97%), non-doorman two-bedrooms (7.03%)

Lower East Side—↑ Non-doorman one-bedrooms (1.36%), non-doorman two-bedrooms (4.24%)

A QUICK LOOK

TriBeCa—↑ Non-doorman studios (9.54%), non-doorman one-bedrooms (5.44%), non-doorman two-bedrooms (4.74%)

Financial District—↑ Doorman one-bedrooms (0.65%)

Battery Park City—↑ Doorman one-bedrooms (0.49%)

Tips for Renters:

Midtown West: the destination for non-doorman units. Midtown West has long been a neighborhood known for a central location and good value, but that value has gotten even better. With non-doorman units falling over 3% this month, apartments in this area have become an even better bargain. Non-doorman studios are now the lowest priced units, with the exception of Harlem, at \$1,670.

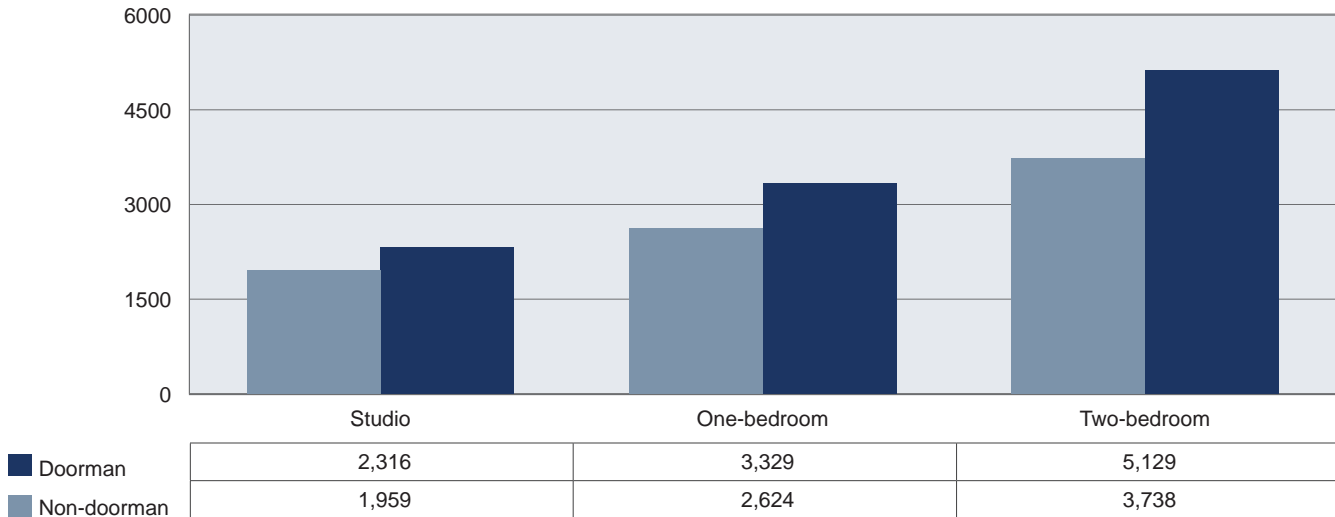
Clear choice: LES. If you're looking for a one-bedroom apartment with service, forget the rest of Manhattan, renters should be combing the LES for deals. One-bedroom units are currently averaging \$2,547 - over \$450 cheaper than any other central Manhattan location.

Safety, security and service. Battery Park City prices have continued to fall from their heights of last spring and summer. Units in this area are down an average of 14% from their peaks, making them an excellent value for those looking for service and a quieter location.

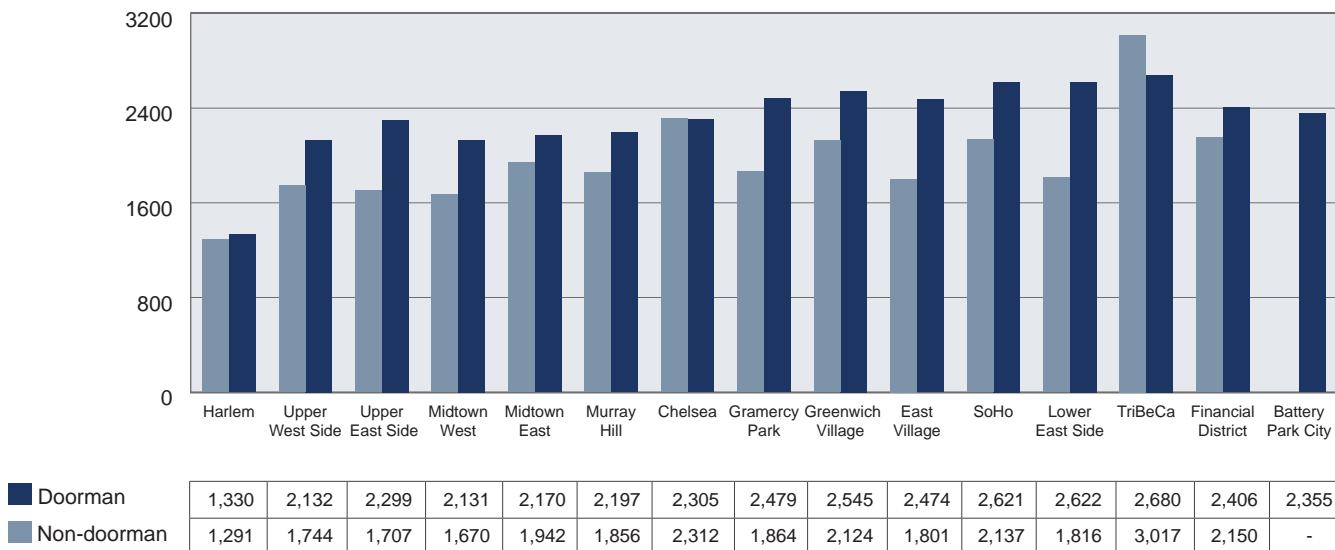
MEAN MANHATTAN RENTAL PRICES

The Mean Rental Price graphs illustrate average monthly rents for studios, one-bedrooms and two-bedrooms in doorman and non-doorman buildings for the month of March 2009. Graphs tracking citywide and neighborhood price changes over a rolling 13-month period follow.

March 2009 Mean Manhattan Rental Prices

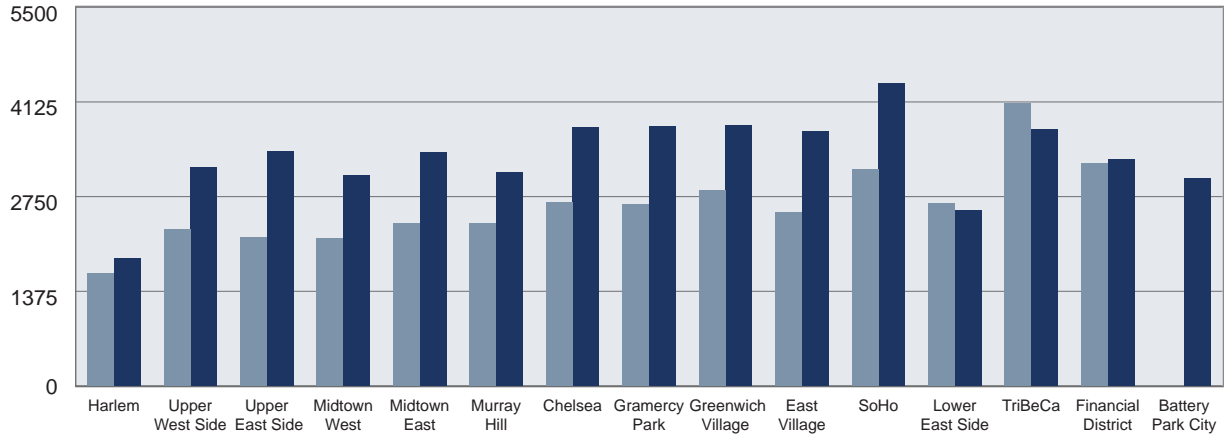


March 2009 Mean Studio Rental Prices



MEAN MANHATTAN RENTAL PRICES

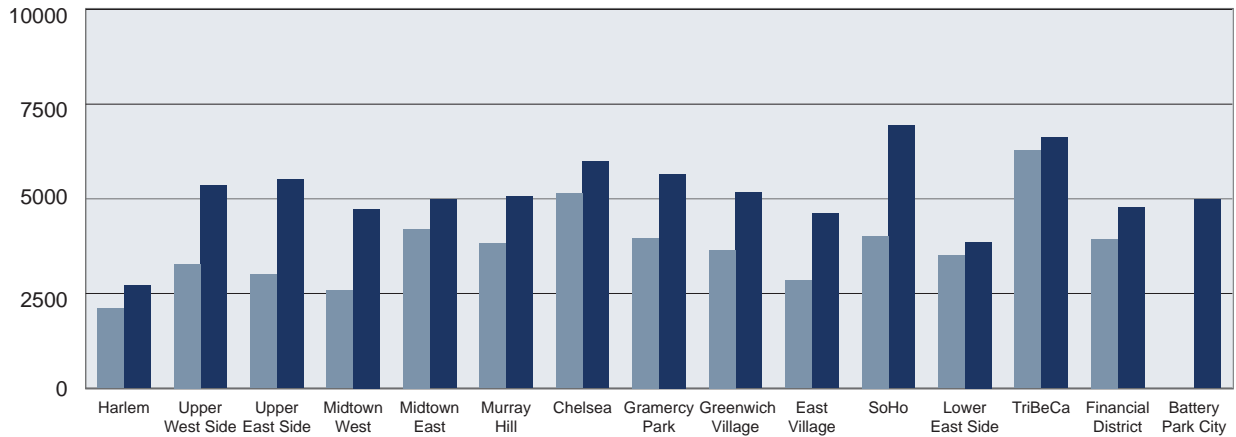
March 2009 Mean One-bedroom Rental Prices



■ Doorman
■ Non-doorman

1,845	3,173	3,410	3,055	3,388	3,095	3,748	3,772	3,789	3,701	4,387	2,547	3,730	3,286	3,016
1,635	2,277	2,156	2,142	2,367	2,356	2,670	2,633	2,838	2,523	3,144	2,654	4,106	3,232	-

March 2009 Mean Two-bedroom Rental Prices

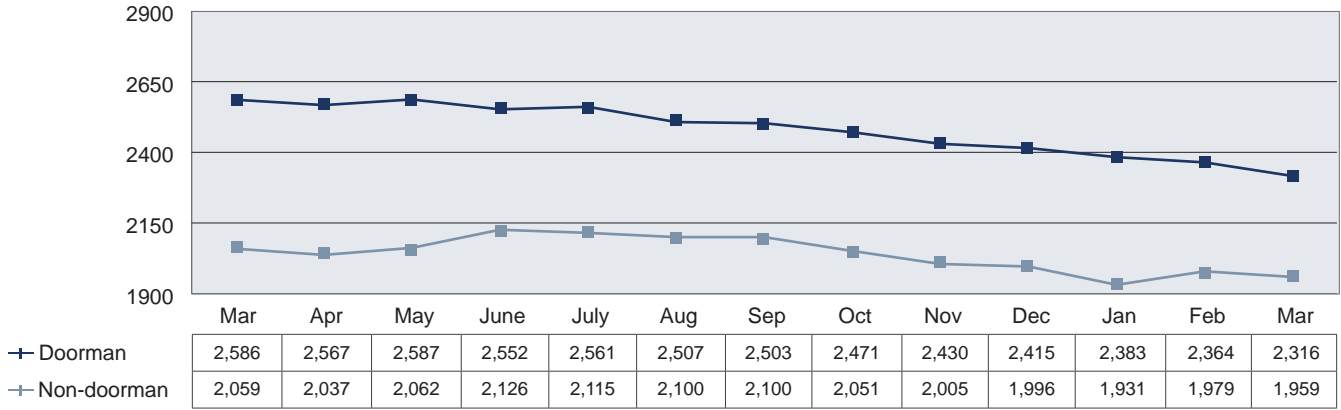


■ Doorman
■ Non-doorman

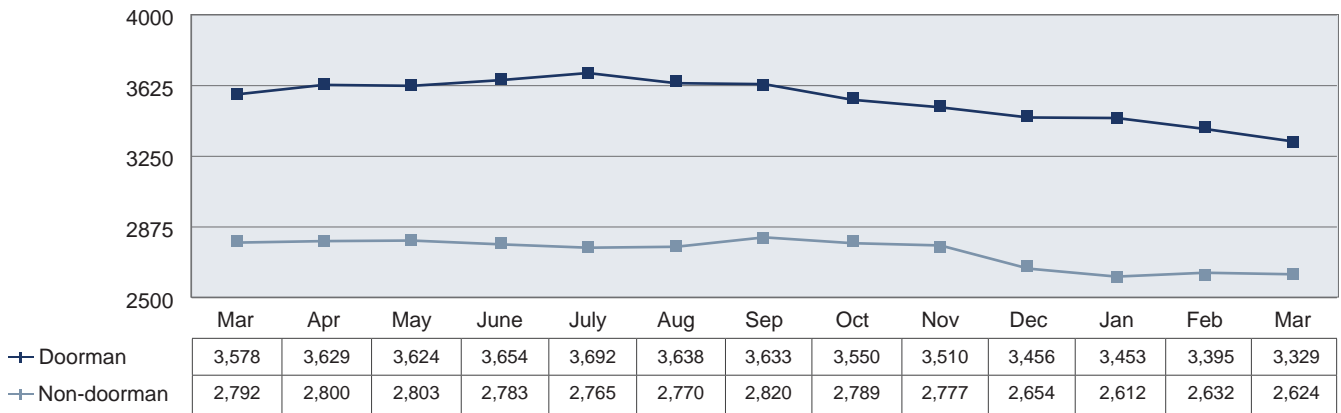
2,717	5,344	5,508	4,733	4,982	5,064	5,994	5,655	5,162	4,608	6,932	3,857	6,627	4,770	4,979
2,100	3,279	2,994	2,582	4,207	3,821	5,138	3,968	3,650	2,849	4,018	3,504	6,278	3,937	-

MANHATTAN PRICE TRENDS

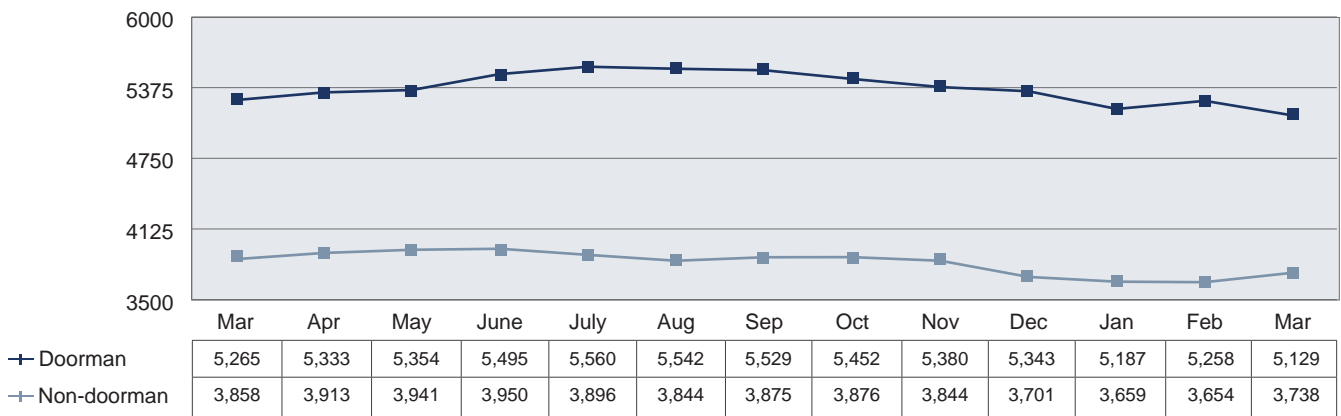
March 2009 Manhattan Studio Price Trends Over 13 Months



March 2009 Manhattan One-bedroom Price Trends Over 13 Months



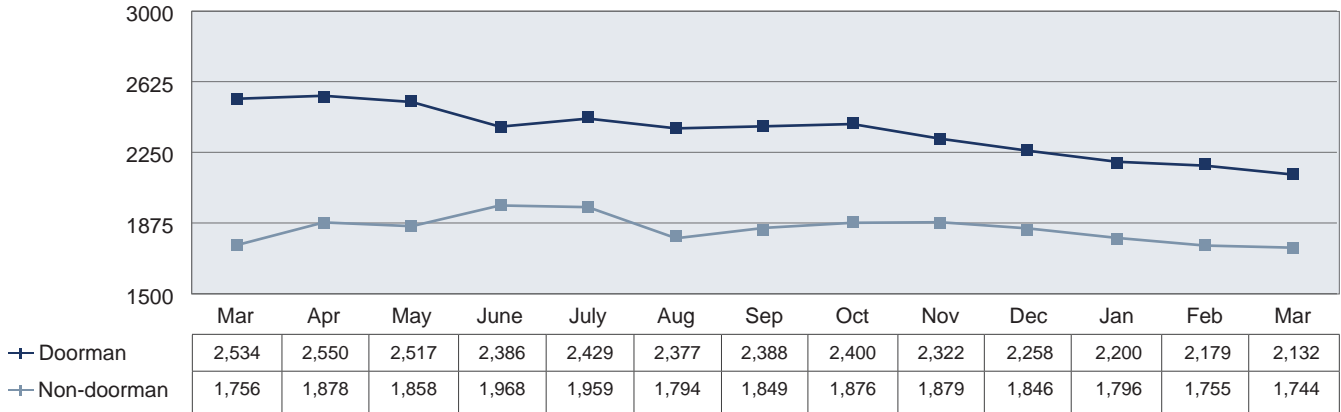
March 2009 Manhattan Two-bedroom Price Trends Over 13 Months



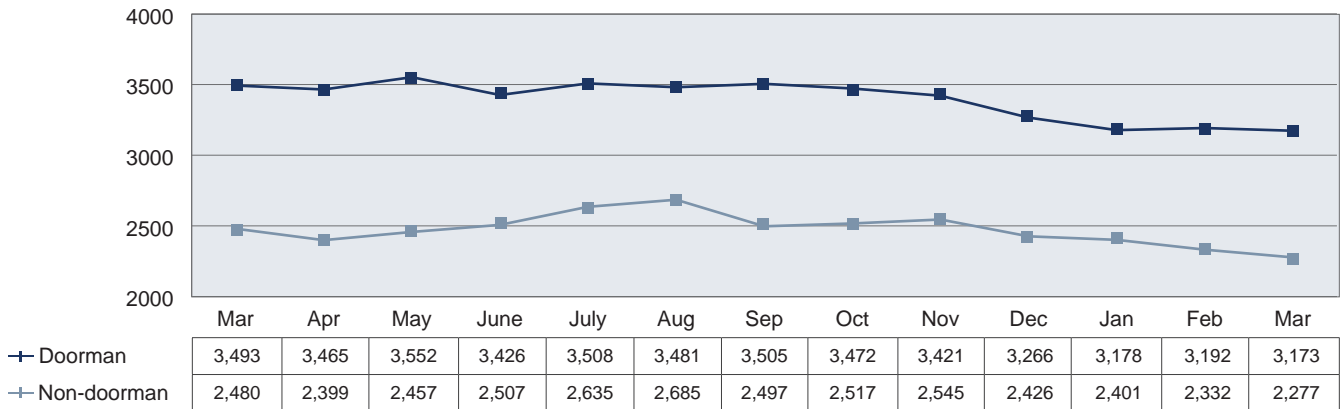
NEIGHBORHOOD PRICE TRENDS

UPPER WEST SIDE

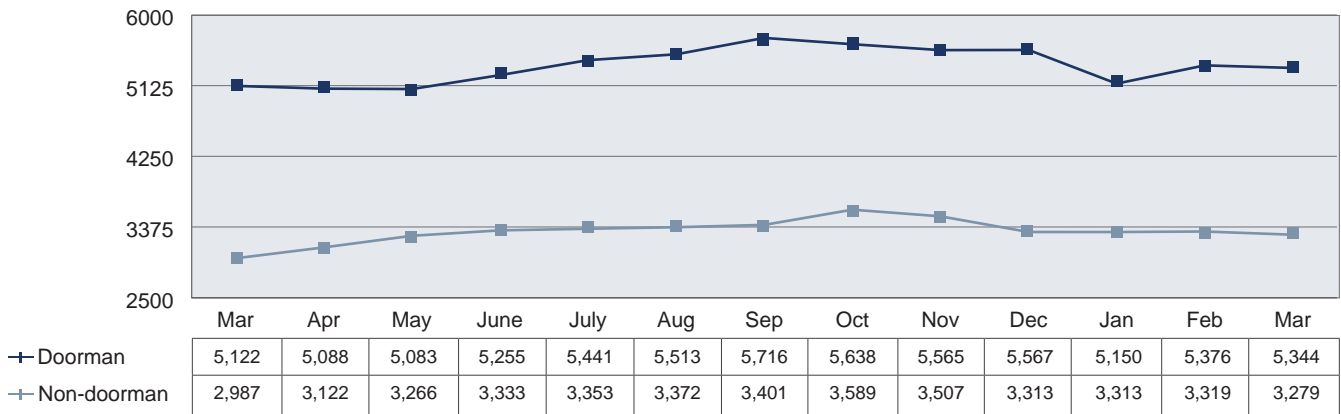
Upper West Side Studio Price Trends Over 13 Months



Upper West Side One-bedroom Price Trends Over 13 Months



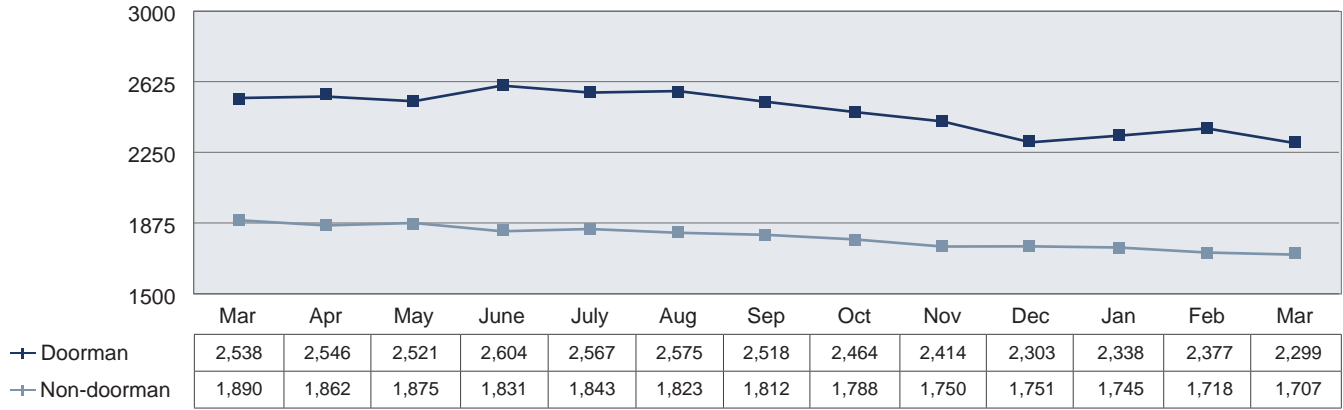
Upper West Side Two-bedroom Price Trends Over 13 Months



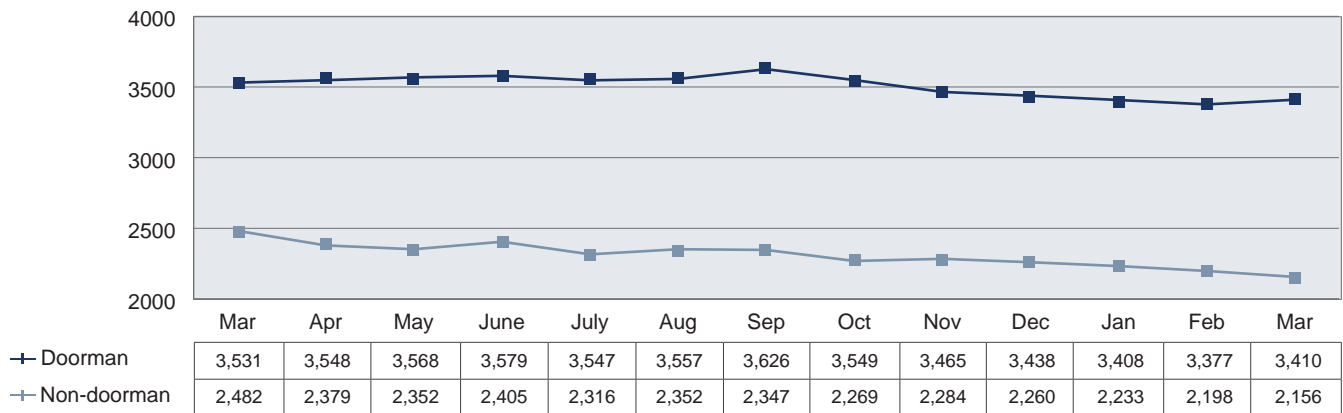
NEIGHBORHOOD PRICE TRENDS

UPPER EAST SIDE

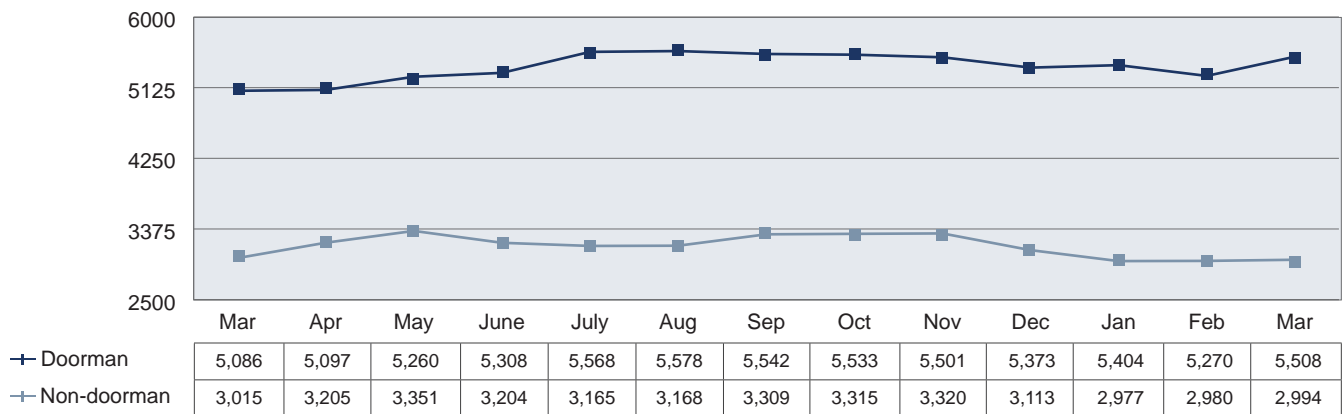
Upper East Side Studio Price Trends Over 13 Months



Upper East Side One-bedroom Price Trends Over 13 Months



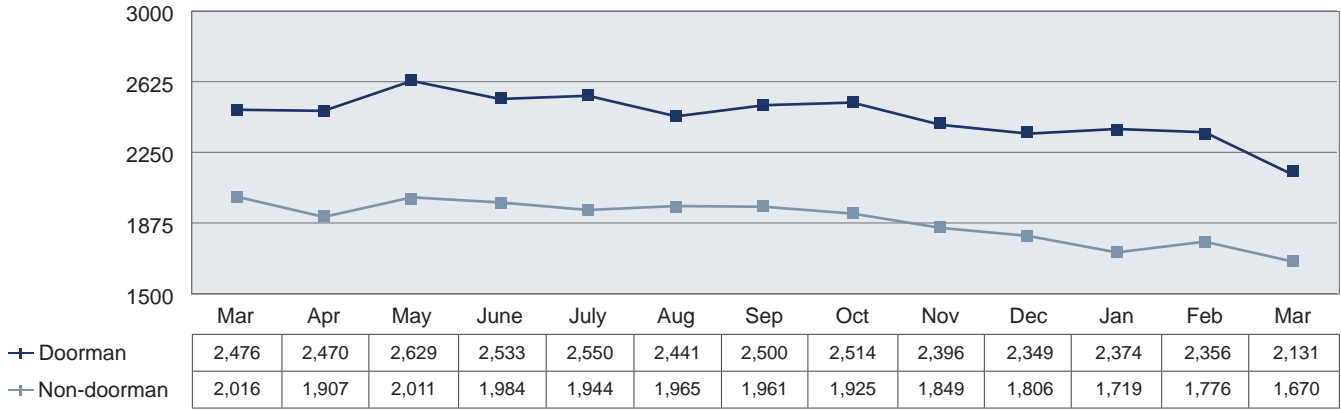
Upper East Side Two-bedroom Price Trends Over 13 Months



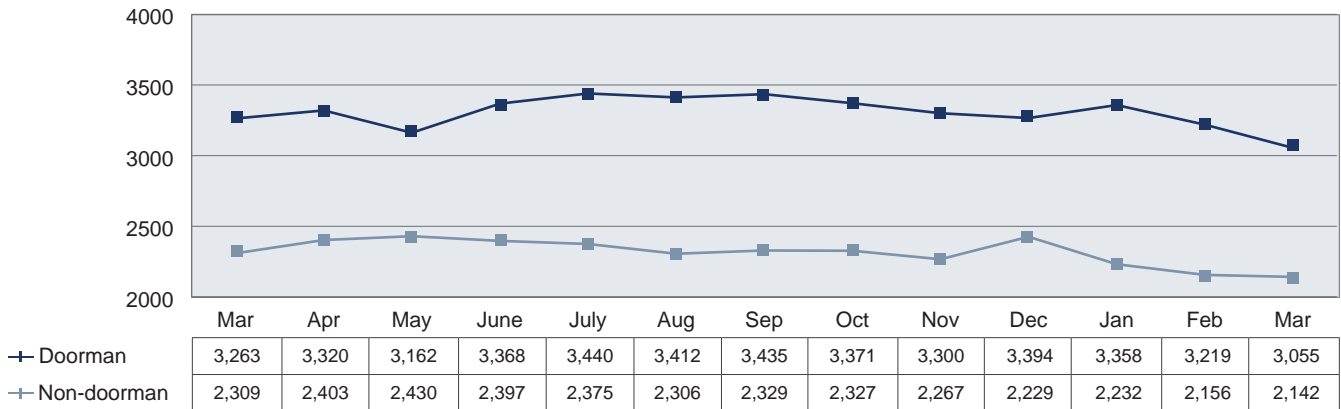
NEIGHBORHOOD PRICE TRENDS

MIDTOWN WEST

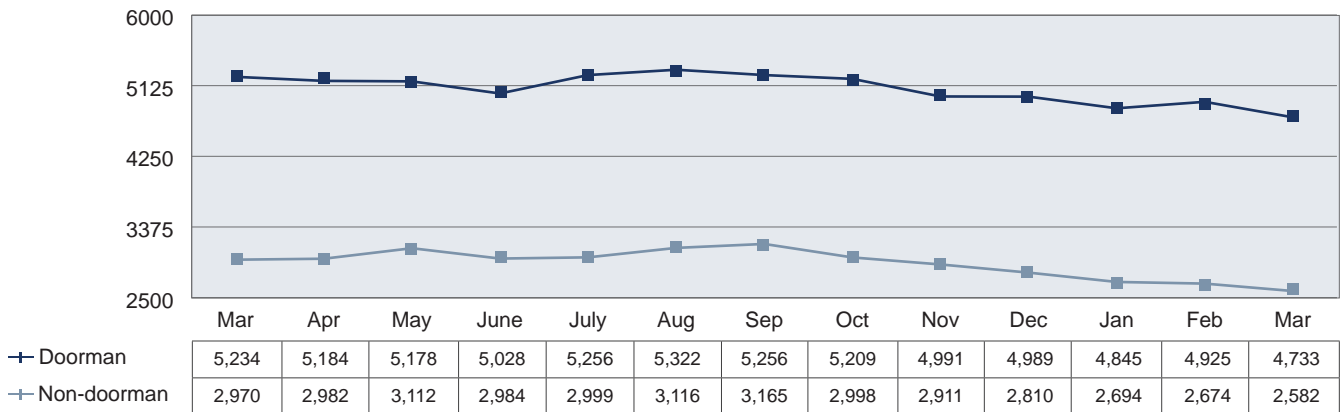
Midtown West Studio Price Trends Over 13 Months



Midtown West One-bedroom Price Trends Over 13 Months



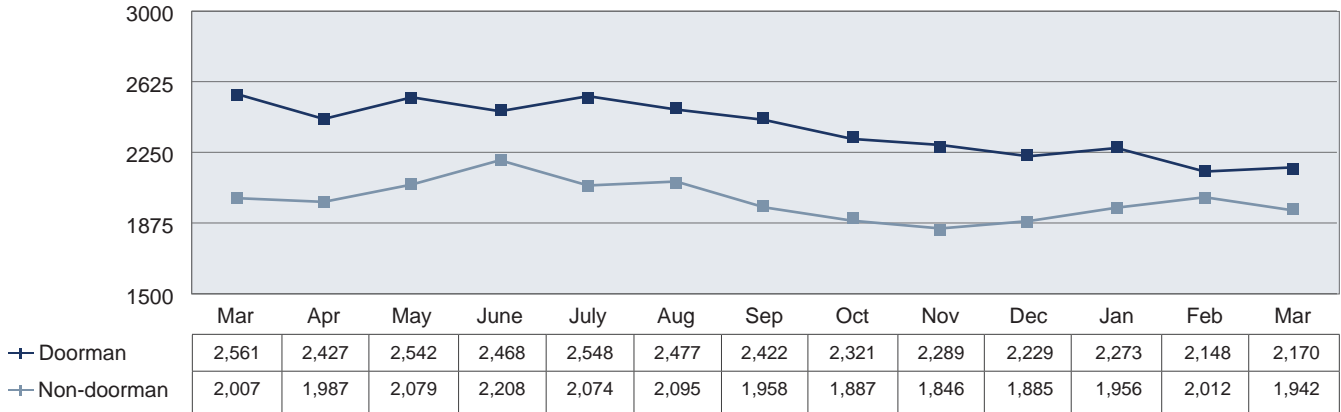
Midtown West Two-bedroom Price Trends Over 13 Months



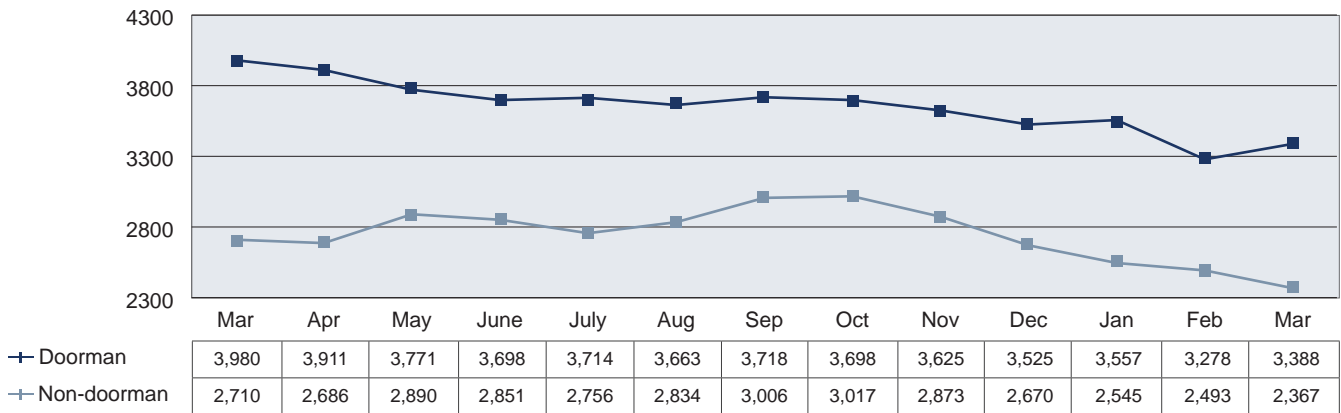
NEIGHBORHOOD PRICE TRENDS

MIDTOWN EAST

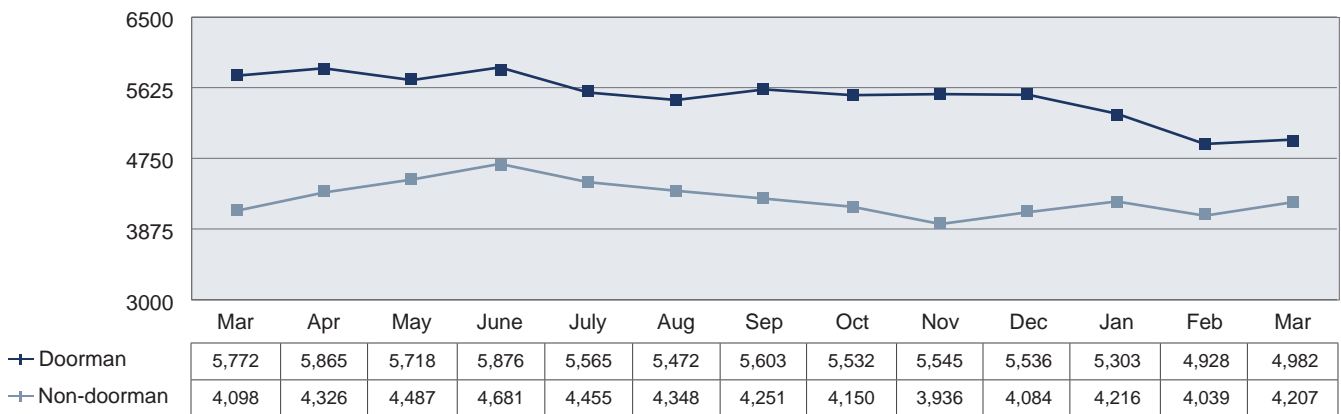
Midtown East Studio Price Trends Over 13 Months



Midtown East One-bedroom Price Trends Over 13 Months



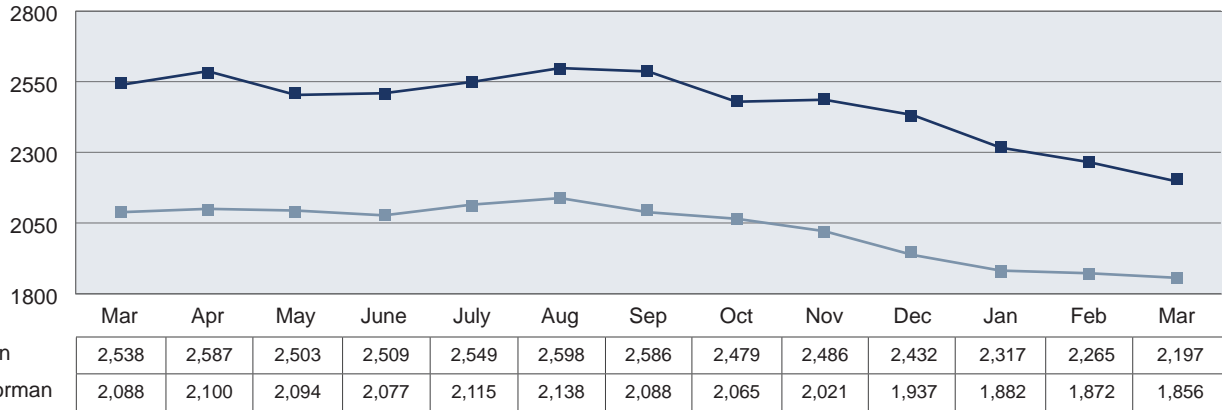
Midtown East Two-bedroom Price Trends Over 13 Months



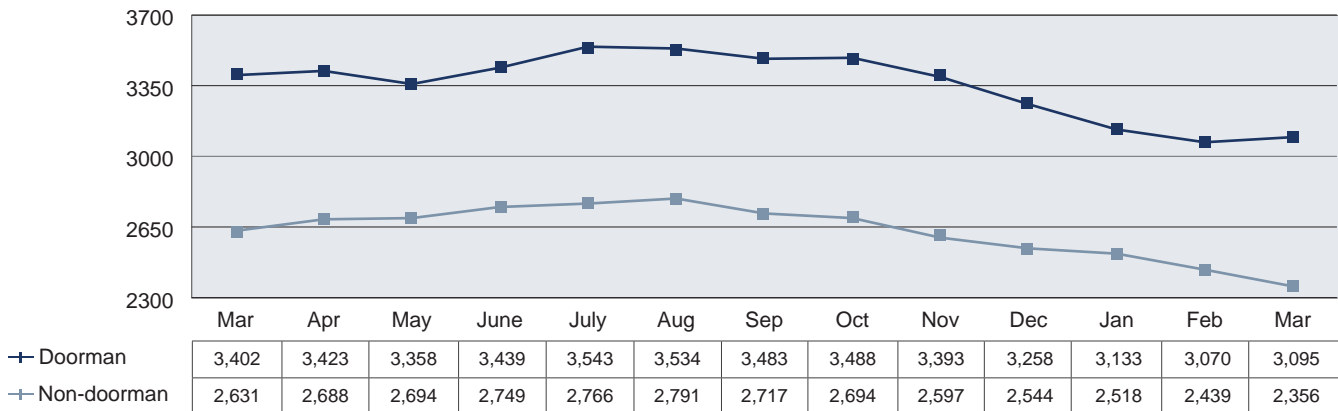
NEIGHBORHOOD PRICE TRENDS

MURRAY HILL

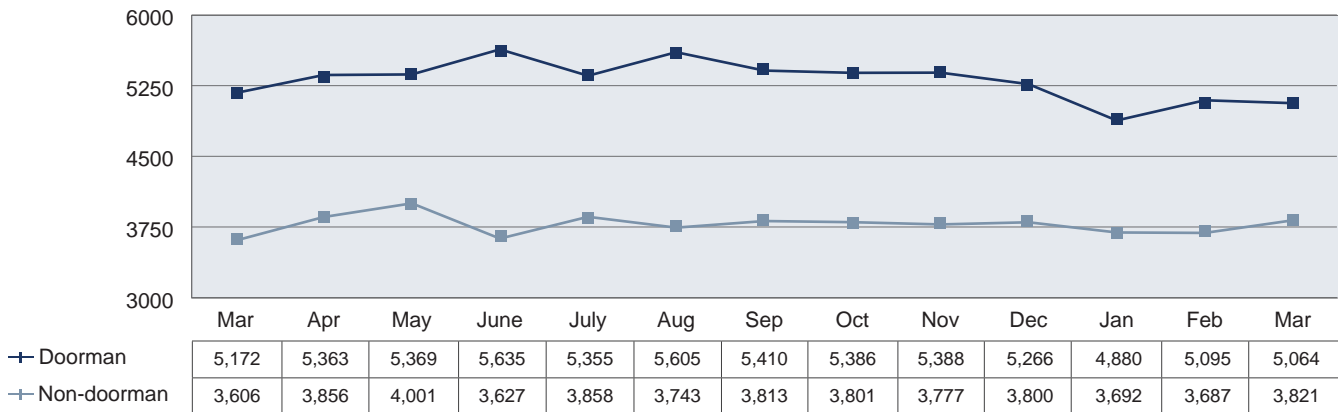
Murray Hill Studio Price Trends Over 13 Months



Murray Hill One-bedroom Price Trends Over 13 Months



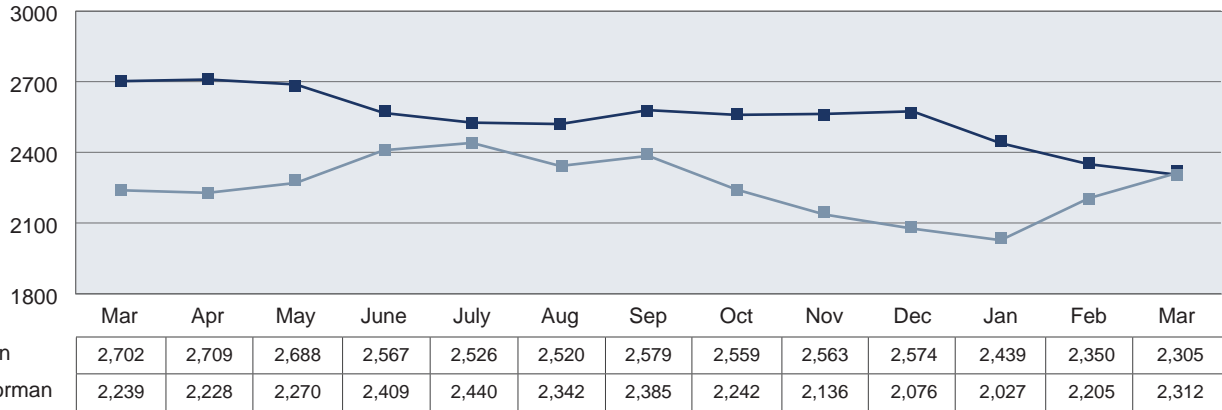
Murray Hill Two-bedroom Price Trends Over 13 Months



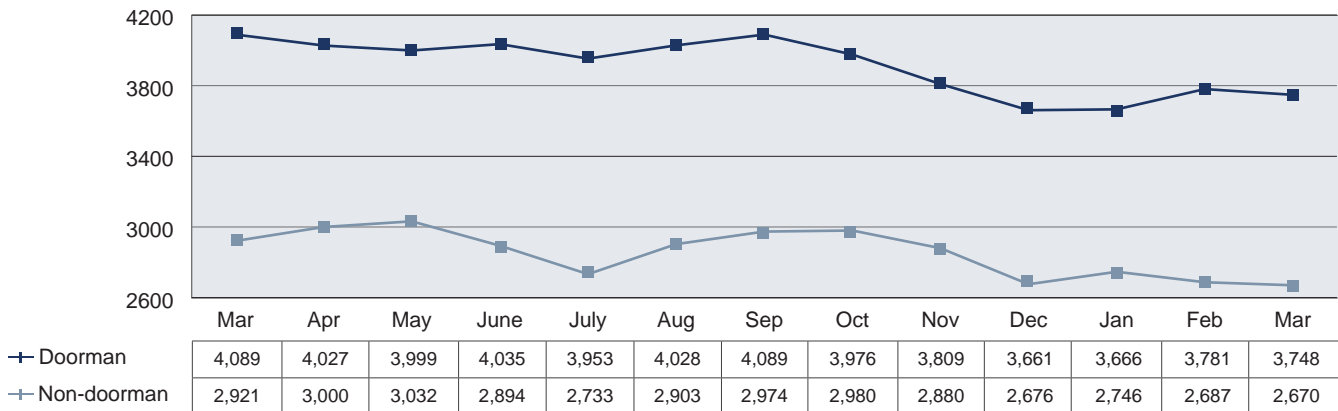
NEIGHBORHOOD PRICE TRENDS

CHELSEA

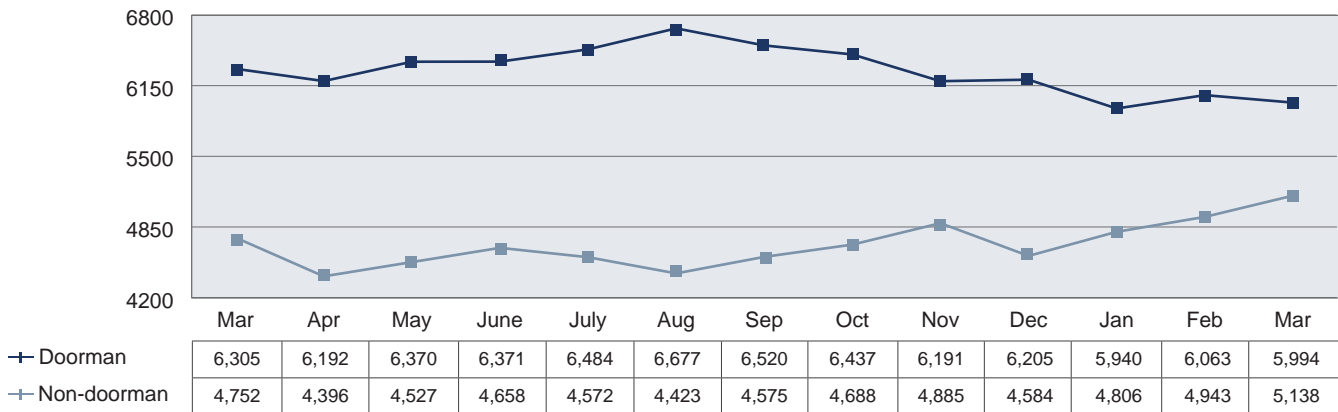
Chelsea Studio Price Trends Over 13 Months



Chelsea One-bedroom Price Trends Over 13 Months



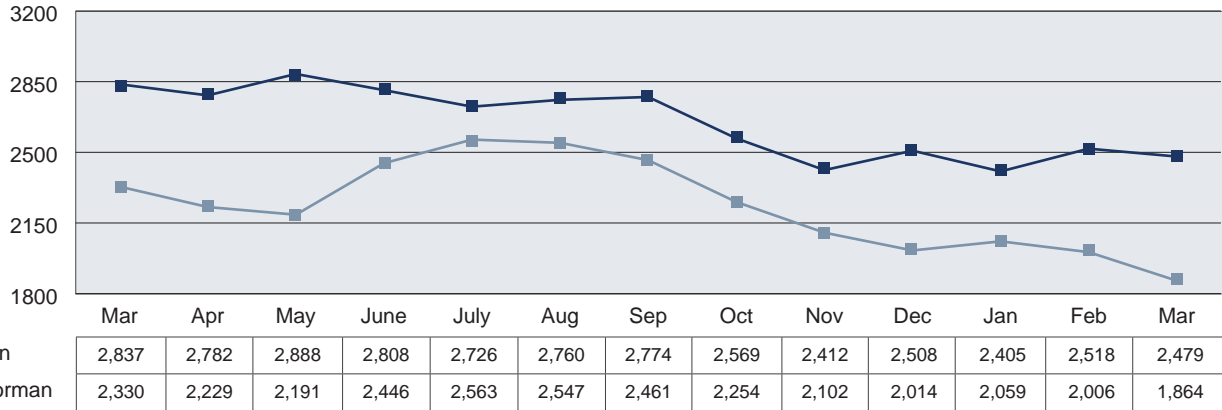
Chelsea Two-bedroom Price Trends Over 13 Months



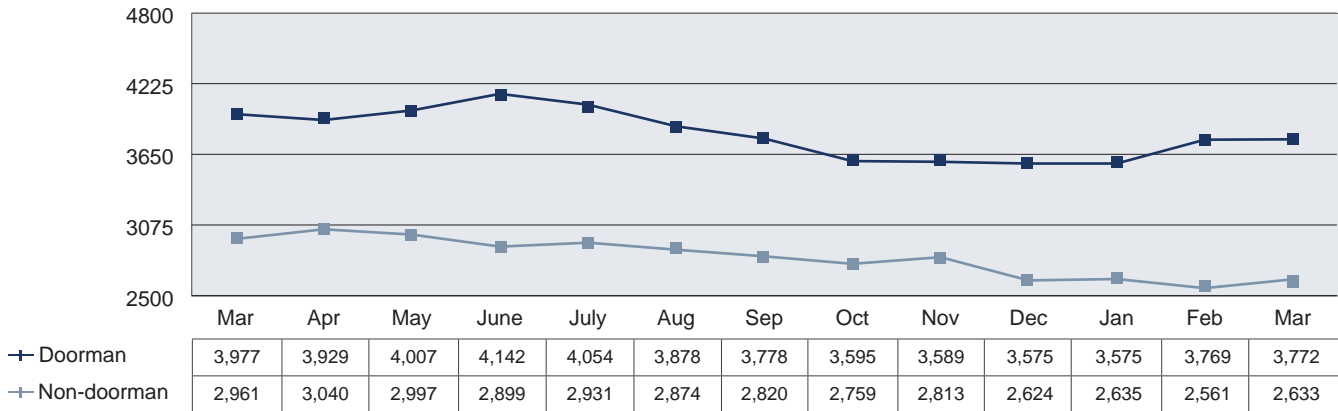
NEIGHBORHOOD PRICE TRENDS

GRAMERCY PARK

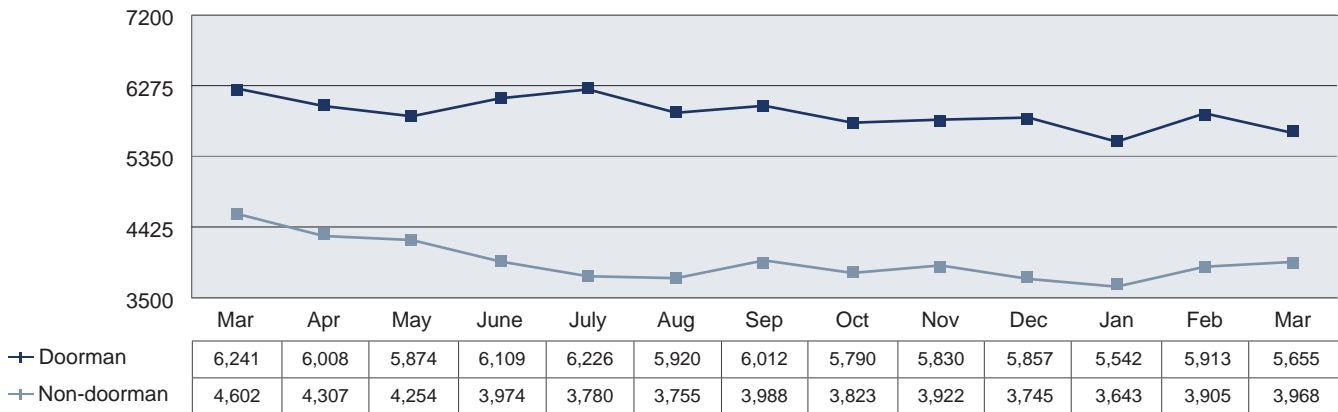
Gramercy Park Studio Price Trends Over 13 Months



Gramercy Park One-bedroom Price Trends Over 13 Months



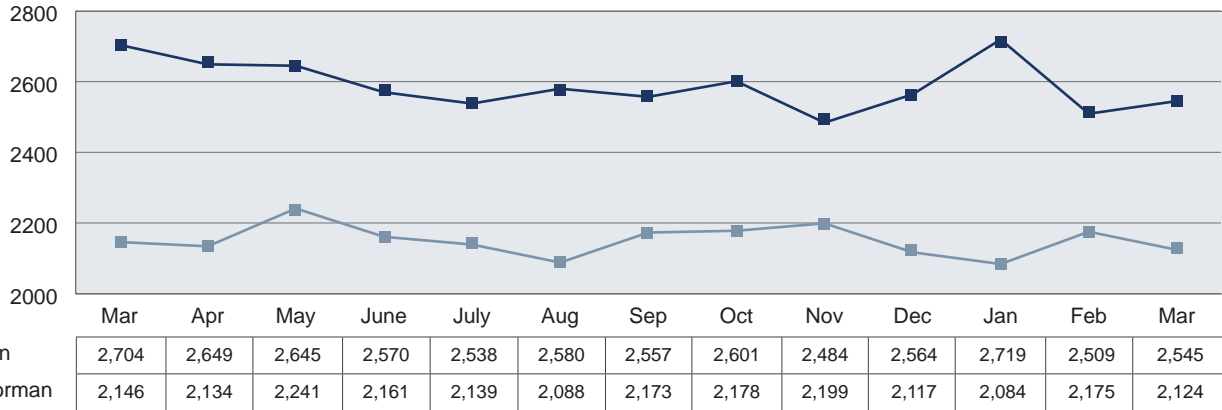
Gramercy Park Two-bedroom Price Trends Over 13 Months



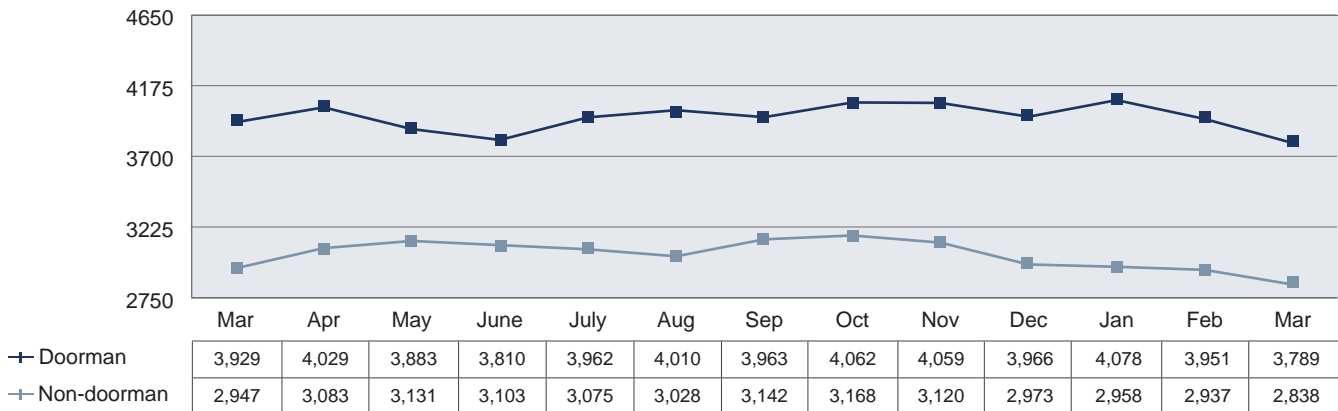
NEIGHBORHOOD PRICE TRENDS

GREENWICH VILLAGE

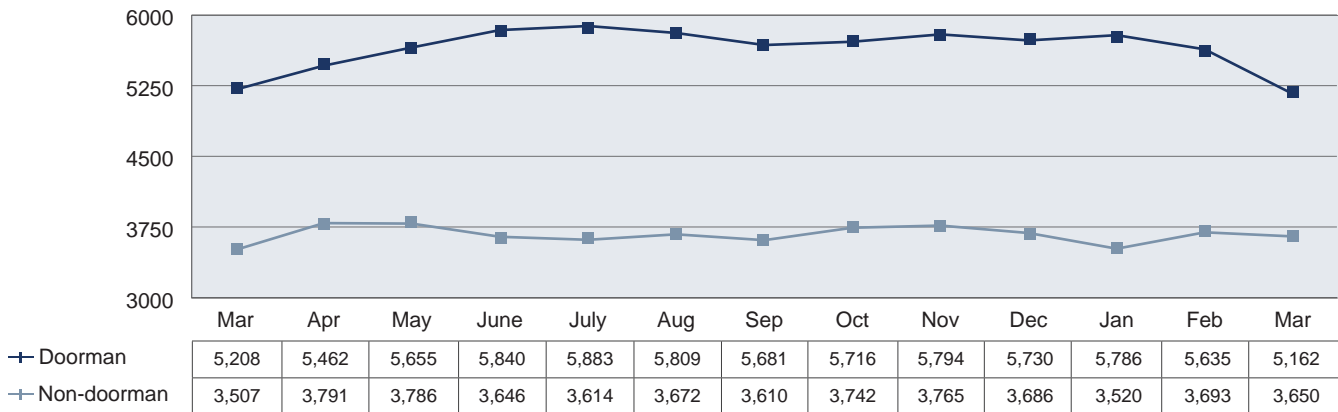
Greenwich Village Studio Price Trends Over 13 Months



Greenwich Village One-bedroom Price Trends Over 13 Months



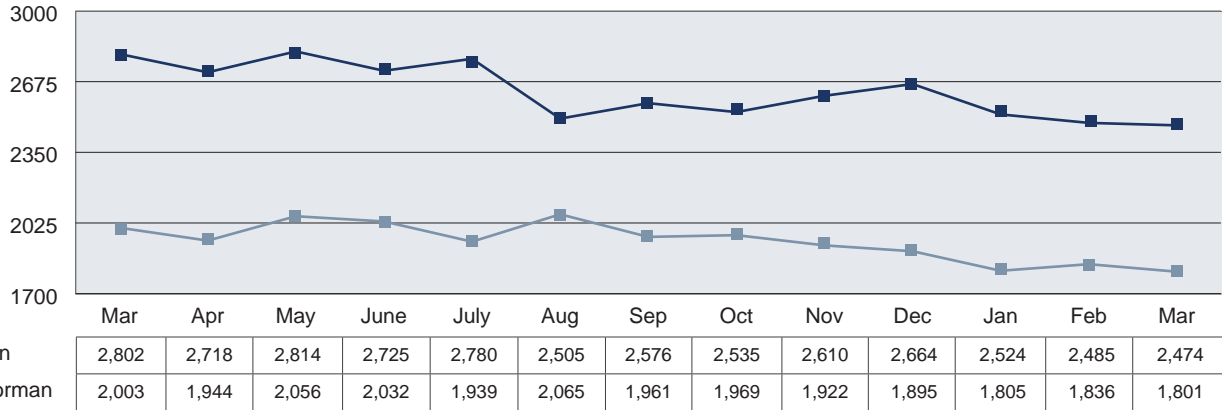
Greenwich Village Two-bedroom Price Trends Over 13 Months



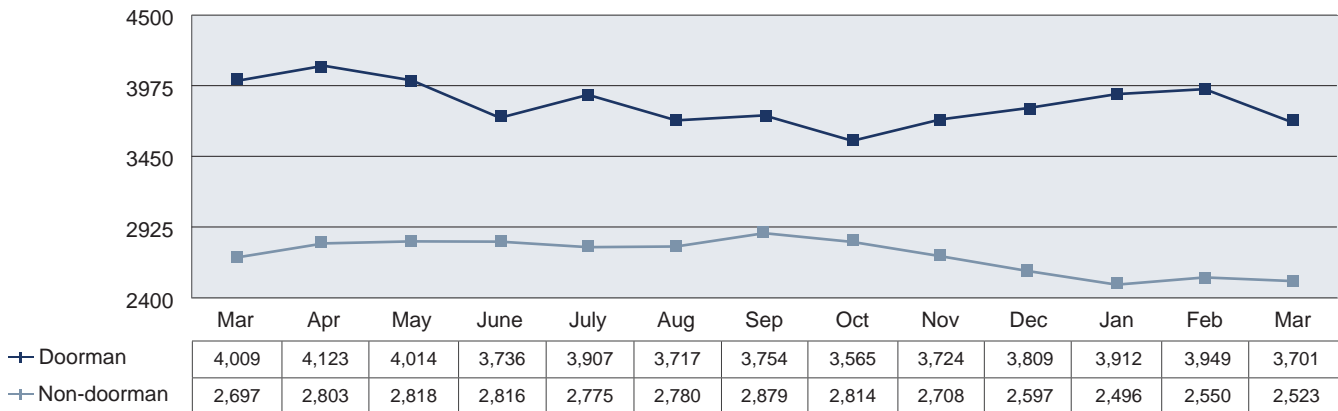
NEIGHBORHOOD PRICE TRENDS

EAST VILLAGE

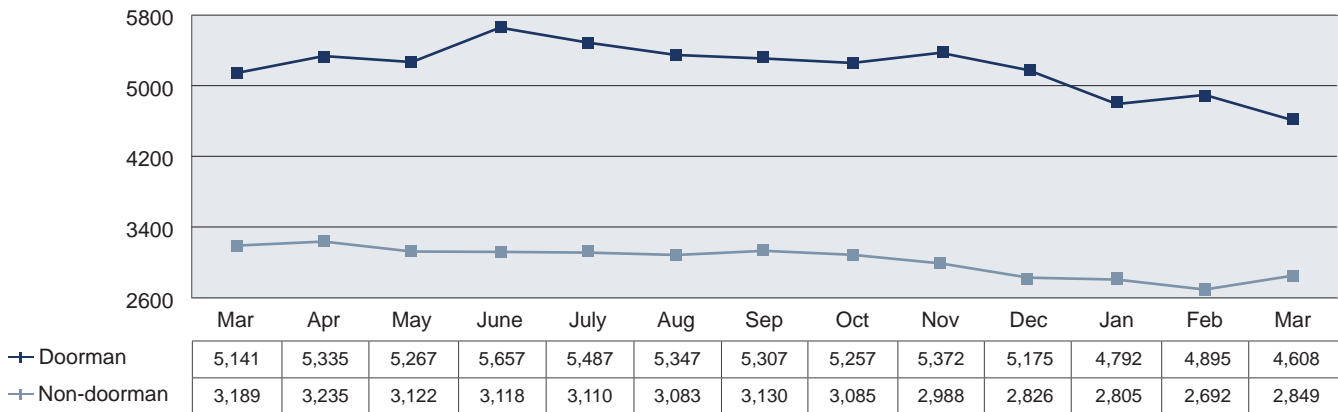
East Village Studio Price Trends Over 13 Months



East Village One-bedroom Price Trends Over 13 Months



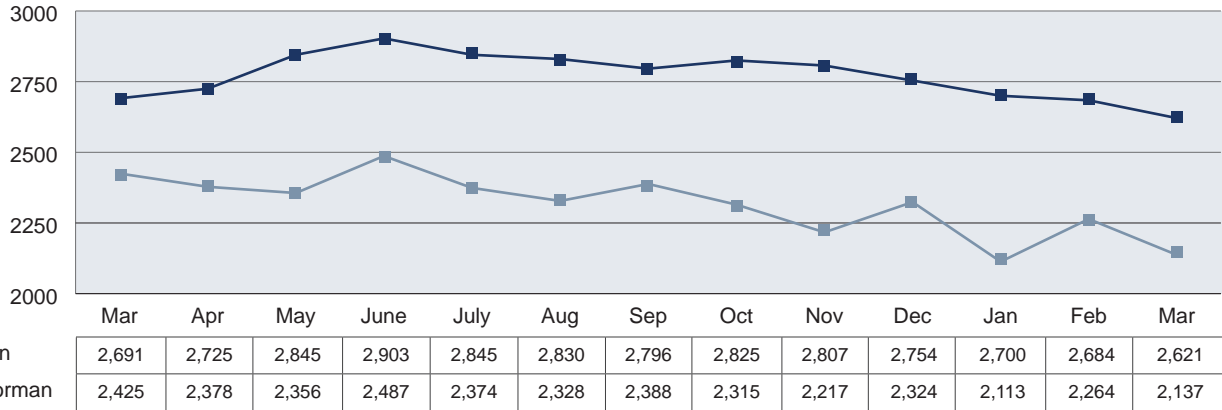
East Village Two-bedroom Price Trends Over 13 Months



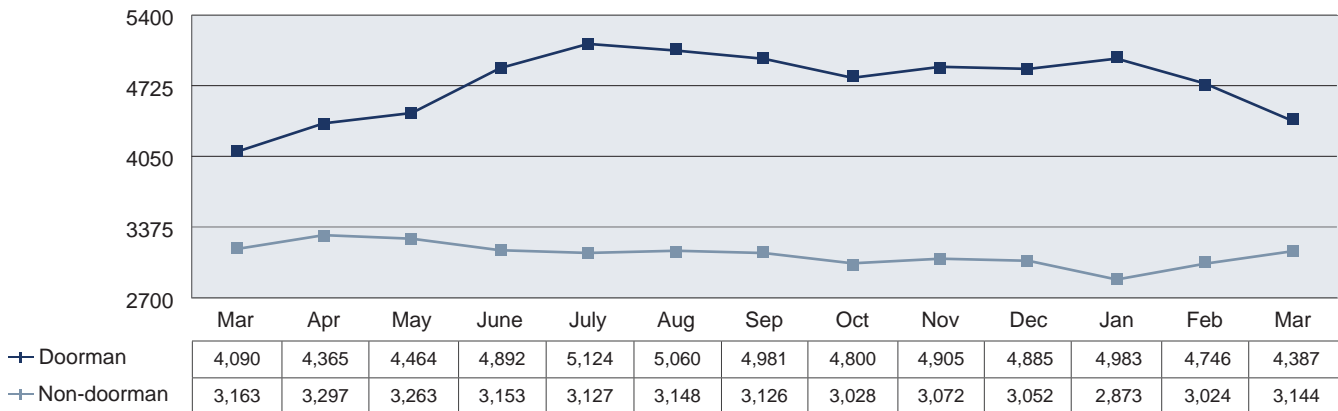
NEIGHBORHOOD PRICE TRENDS

SoHo

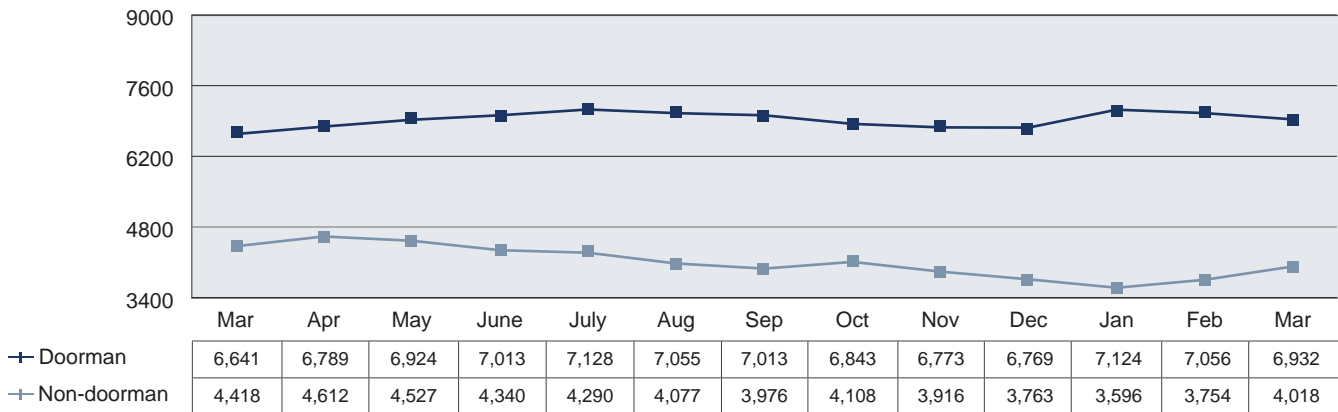
SoHo Studio Price Trends Over 13 Months



SoHo One-bedroom Price Trends Over 13 Months



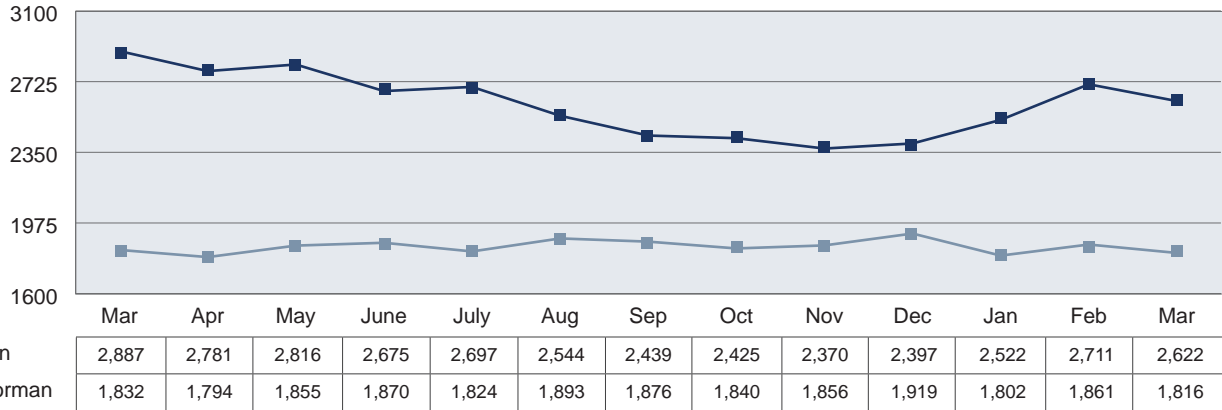
SoHo Two-bedroom Price Trends Over 13 Months



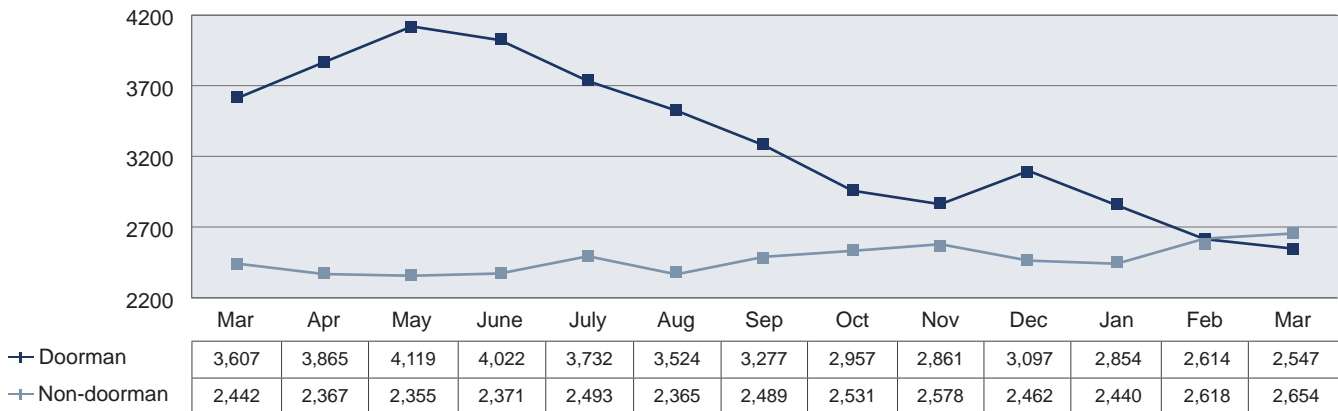
NEIGHBORHOOD PRICE TRENDS

LOWER EAST SIDE

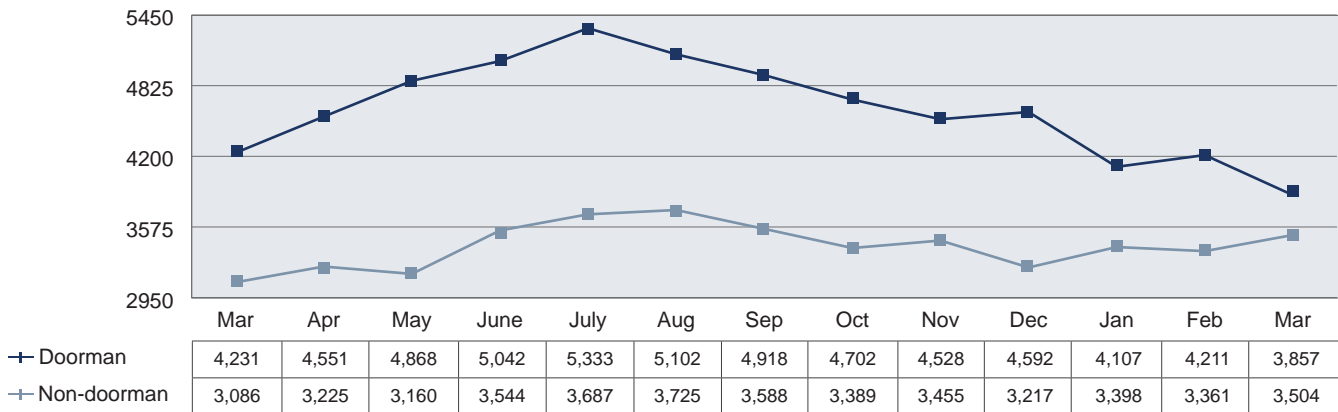
Lower East Side Studio Price Trends Over 13 Months



Lower East Side One-bedroom Price Trends Over 13 Months



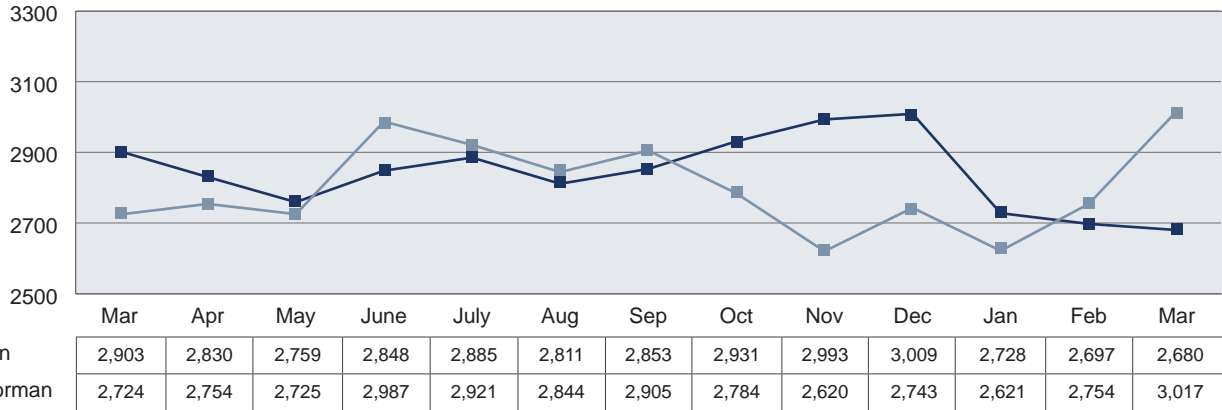
Lower East Side Two-bedroom Price Trends Over 13 Months



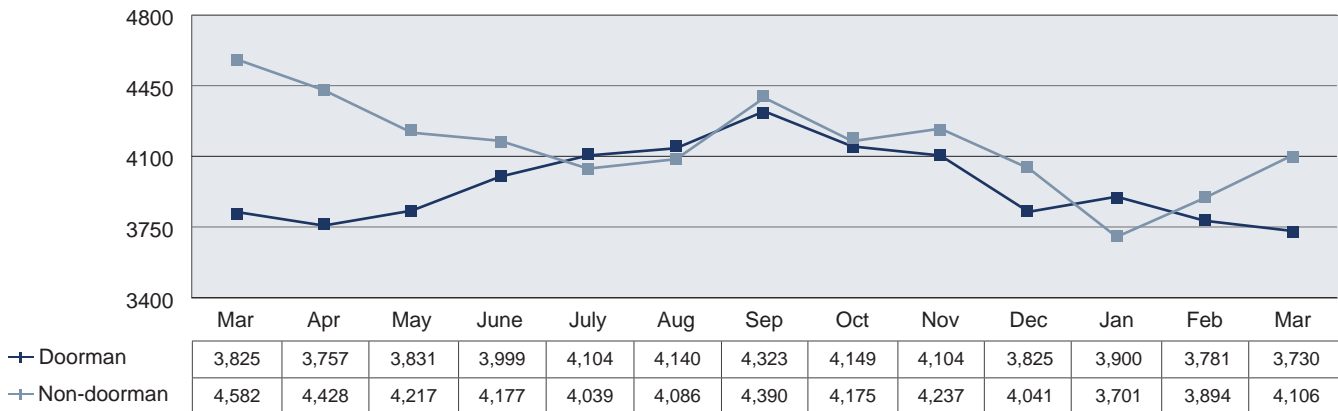
NEIGHBORHOOD PRICE TRENDS

TRIBECA

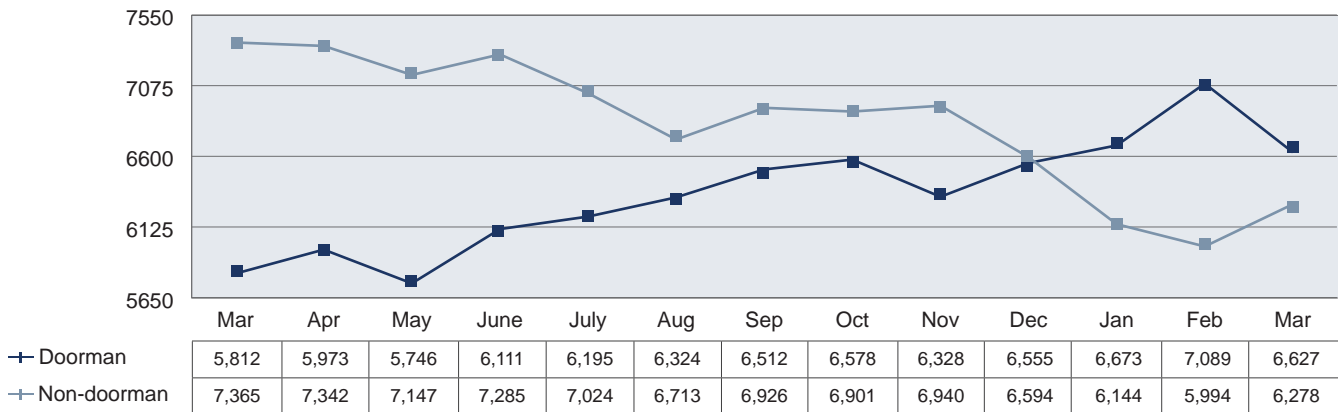
TriBeCa Studio Price Trends Over 13 Months



TriBeCa One-bedroom Price Trends Over 13 Months



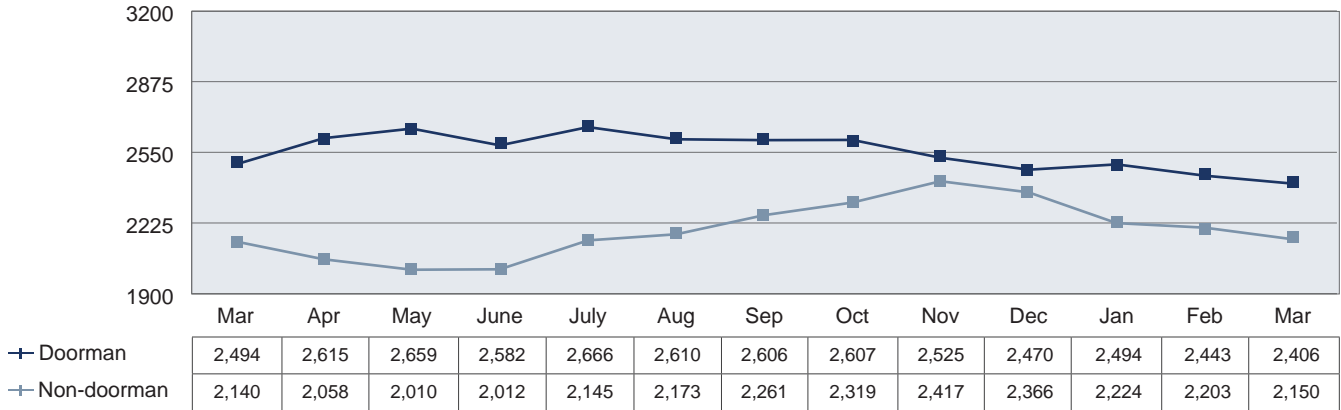
TriBeCa Two-bedroom Price Trends Over 13 Months



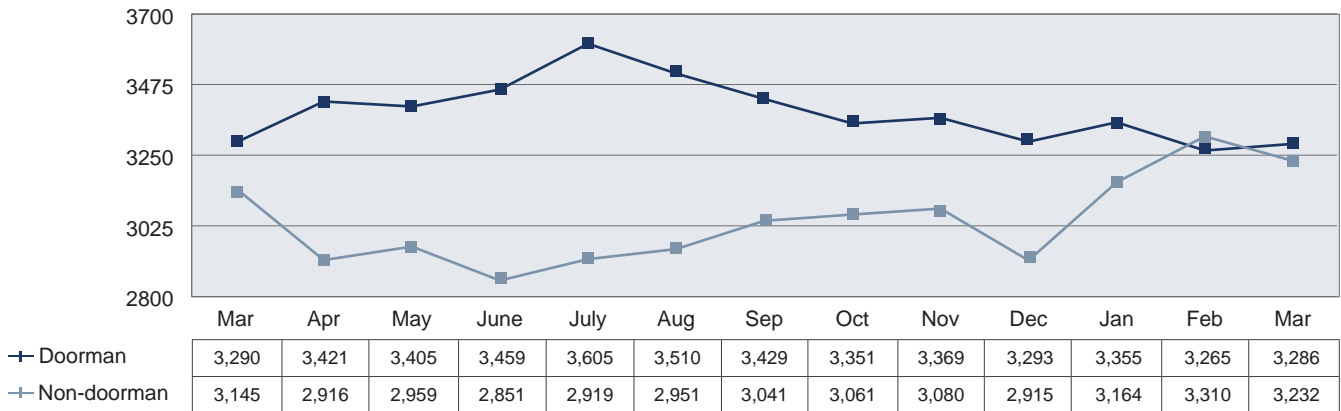
NEIGHBORHOOD PRICE TRENDS

FINANCIAL DISTRICT

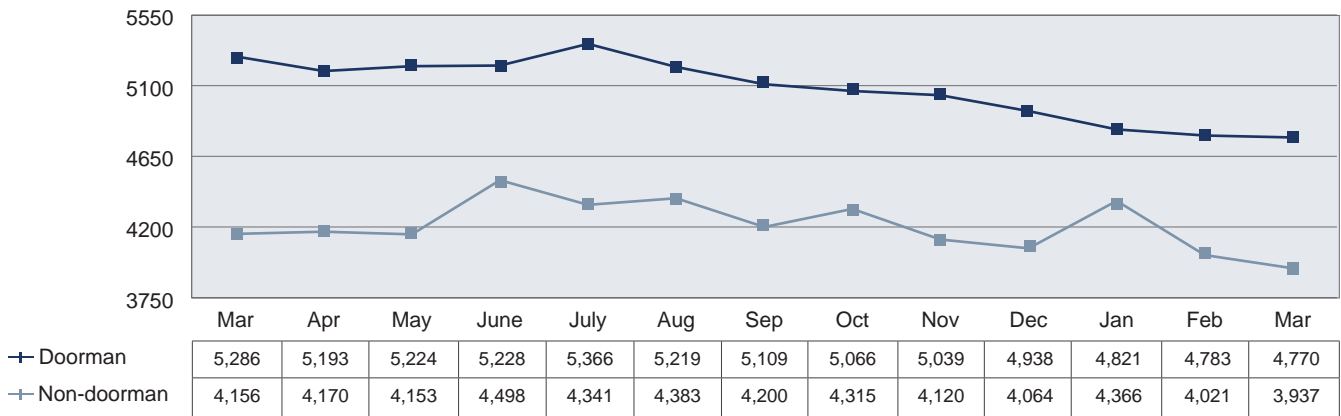
Financial District Studio Price Trends Over 13 Months



Financial District One-bedroom Price Trends Over 13 Months



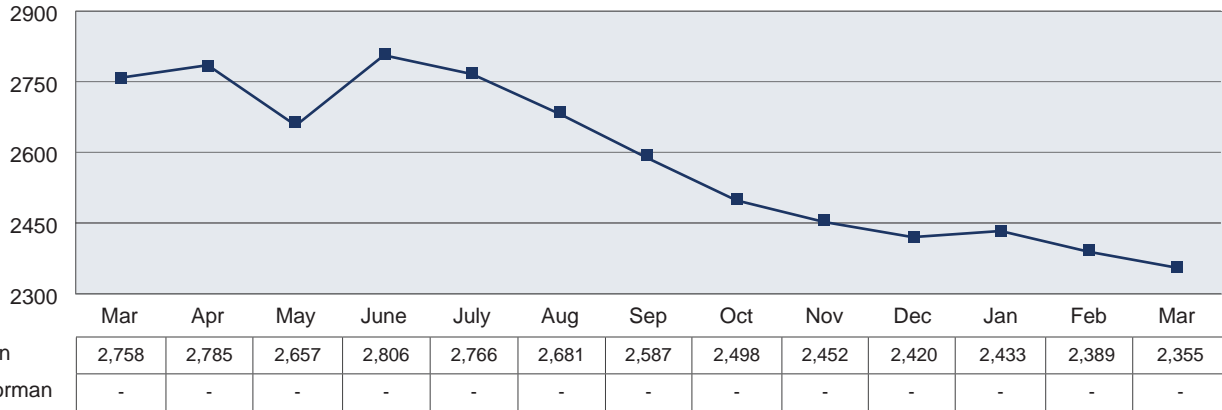
Financial District Two-bedroom Price Trends Over 13 Months



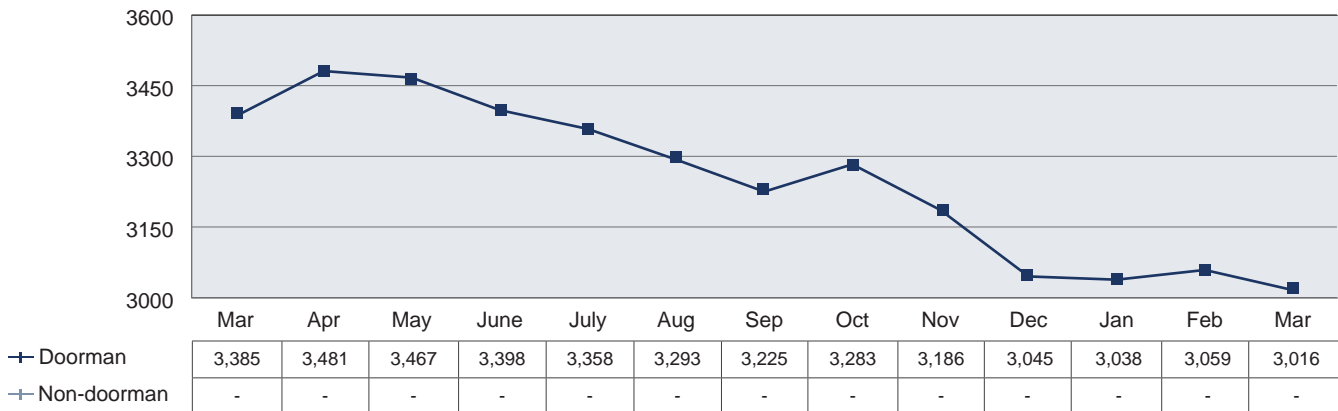
NEIGHBORHOOD PRICE TRENDS

BATTERY PARK CITY

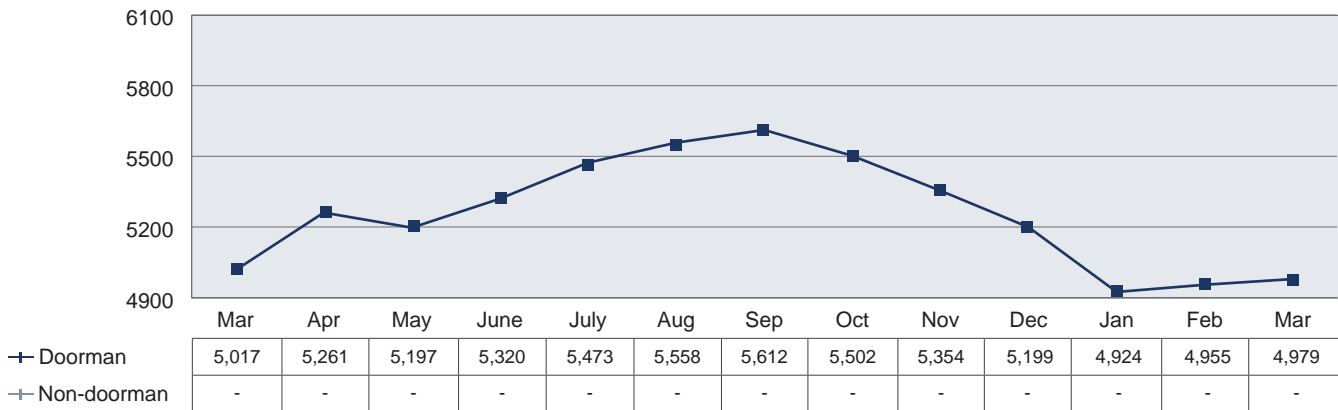
Battery Park City Studio Price Trends Over 13 Months



Battery Park City One-bedroom Price Trends Over 13 Months



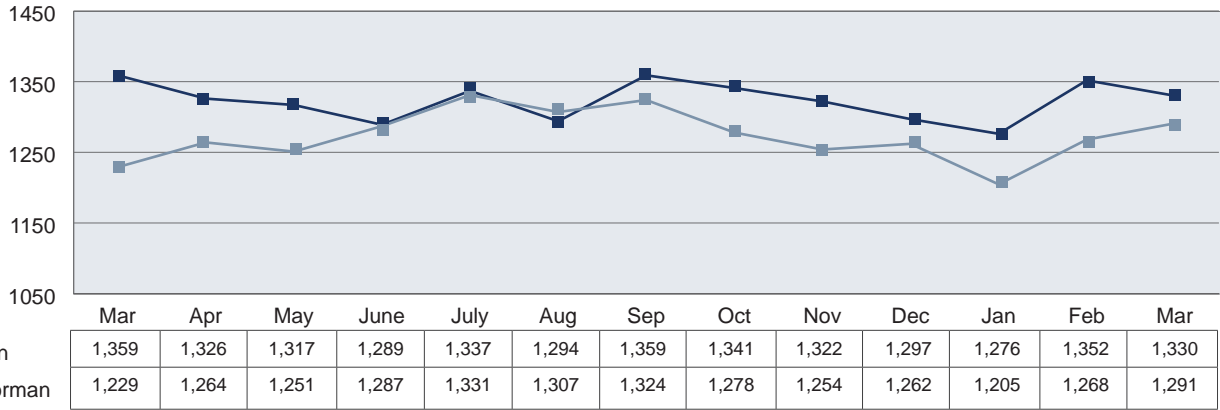
Battery Park City Two-bedroom Price Trends Over 13 Months



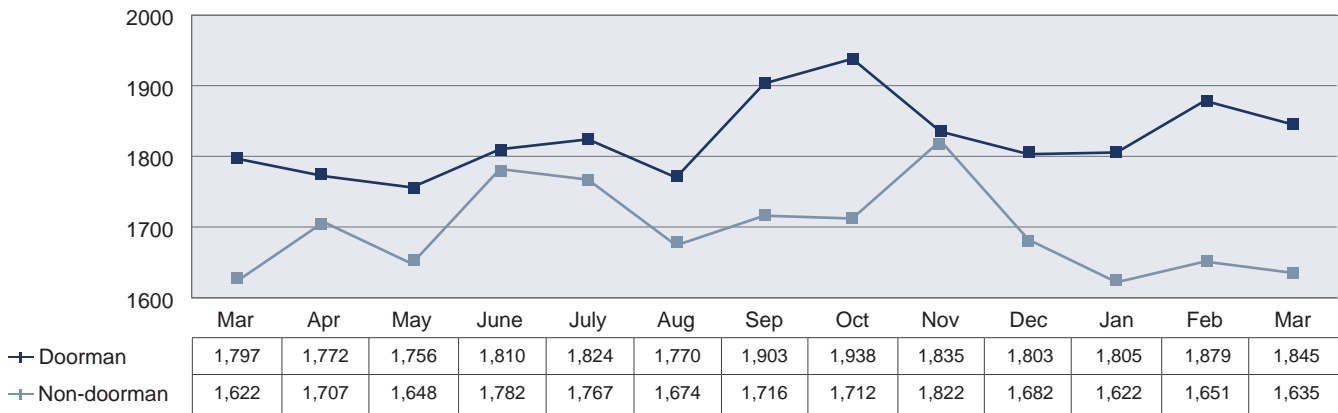
NEIGHBORHOOD PRICE TRENDS

HARLEM

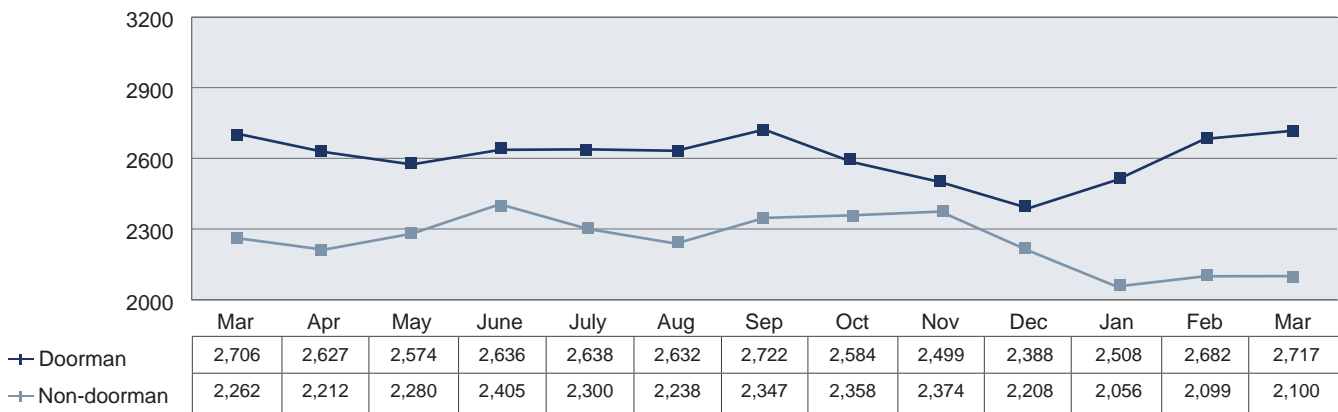
Harlem Studio Price Trends Over 13 Months



Harlem One-bedroom Price Trends Over 13 Months



Harlem Two-bedroom Price Trends Over 13 Months



THE REPORT EXPLAINED

The Manhattan Rental Market Report is the **only report that compares fluctuation in the city's rental data on a monthly basis**. It is an essential tool for potential renters seeking transparency in the NYC apartment market and a benchmark for landlords to efficiently and fairly adjust individual property rents in Manhattan.

The Manhattan Rental Market Report is based on data cross-sectioned from over 10,000 currently available listings located below 155th Street and priced under \$10,000, with ultra-luxury property omitted to obtain a true monthly rental average. Our data is aggregated from the TREGNY proprietary database and sampled from a specific mid-month point to record current rental rates offered by landlords during that particular month. It is then combined with information from the REBNY Real Estate Listings Source (RLS), OnLine Residential (OLR.com) and R.O.L.E.X. (Real Plus).

Contact us now: 212.475.9000

Note: All market data is collected and compiled by The Real Estate Group's marketing department and is overseen by C.O.O. Daniel Baum. The information presented here is intended for instructive purposes only and has been gathered from sources deemed reliable, though it may be subject to errors, omissions, changes or withdrawal without notice.

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