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INTRODUCTION

MNS is proud to present the Third Quarter 2012 edition of our New Development Market Report.



New Development Sales data, defined as such "Arms-Length" first offering transactions where the seller is considered a "Sponsor", was compiled from the Automated City Register Information System (ACRIS) for sponsor sales that traded during the Third Quarter of 2012 (07/01/12 - 09/30/12).

All data summarized is on a median basis.

MARKET SNAPSHOT

Market Snapshot

Year-Over-Year
Median PPSF

↓ 15%

Quarter-Over-Quarter
Median PPSF

↓ 9%

Year-Over-Year
Median Sales Price

↓ 30%

Quarter-Over-Quarter
Median Sales Price

↑ 2%

Manhattan New Development Sales Inventory

↑ 11% from last quarter

Neighborhood with the Most New Dev Sales

Harlem 17% of Manhattan new development sales

Total New Development Sales Volume

↑ 1% to \$608M from \$602M in 2Q12

Largest Quarterly Up-Swing

SoHo

PPSF \$1,939/SF from \$1,605/SF

Largest Quarterly Down-Swing

Lower East Side

PPSF \$861 from \$1,300

Sales Price \$787K from \$999K

Highest New Development Sale

130 West 12th – PH – \$13,084,152

Highest New Development Sale PPSF

200 East 66th – 804 – \$3,735/SF

Market Summary

The Manhattan New Development market saw prices drop this past quarter in most neighborhoods in both sales price and price per square foot. Some of these decreases can be attributed to the strong rental market which we all saw this past summer. Even though reports suggest the economy has slightly improved, many people felt safer renting as some believe we are still in "unknown territory" in terms of the economy.

Total amount of sales for this past quarter were higher by 11%, an increase of 37 more units being sold. This increase means that 379 units were sold over the past three months. Averaging the total amount of new development sales comes to 4 new sales per day. Sale prices ranged across the board from \$200K in Harlem all the way up to \$13 Million in Greenwich Village.

Looking back over the past year sales price dropped 30%, \$1.5M in the third quarter of 2011 to \$1,075,00 this past quarter. The price per square foot from last years quarter dropped 15%, from \$1,243 to \$1,062. On a quarterly sales basis, prices dropped only 2% from \$1,099,855 to \$1,075,000. Price per square foot fell 9% from the second quarter, a \$103 decline.

MARKET SNAPSHOT

Market Up-Swings

Greenwich Village had the highest new development sale this past month for \$13M located at 130 West 12th Street. One Thirty West 12th Street had another sale this past quarter, a penthouse sold for \$8,095,087. The Upper West Side was another area that produced a large new development sale. The building located at 535 West End Avenue had a \$8,858,775 sale. It is interesting to note that the three sales mentioned above all occurred in September. Out of the 379 unit sales, half of them were over one million dollars.

In Midtown West, The Sheffield at 322 West 57th Street produced 20 new development sales ranging from \$700K to \$3 Million. Trump Parc at 160 Central park South had a large sale of \$6.1M. Midtown West saw an improvement of 8.5% increase price per square foot for new development sales this quarter. Median price per square foot was \$1,436, up \$113 from the previous quarters number of \$1,323.

Market Down-Swings

Last quarter we made mention of the Manhattan median price per foot being on a decline from the previous three quarters in a row. This downward trend continued this past quarter due in part to more people renting and a lack of inventory. Price per foot is down 9% from the second quarter, a \$103 decline from \$1,165 in second quarter to \$1,062 in the third quarter.

On a quarterly comparison, Murray Hill posted a decline in price per foot of 7%, down \$98. The bigger decline came in sales, down 42%, a \$783,200 decrease from second quarter data. An explanation for these numbers was a lack of inventory as Murray Hill only had 5 new development sales this past quarter. All of these sales took place on East 29th Street.

Inventory Analysis

Analyzing the data showed that 18% of all new development sales came from The Upper East and Upper West sides. Midtown East and Midtown West contributed another 10% of sales. Once we add in the 17% of sales that occurred in Harlem we are at 45% of total sales for the quarter. Harlem had 11 more sales than last quarter bringing the number to a total of 66 sales in Harlem alone.

The remaining 55% of sales was split up among the other ten neighborhoods MNS tracks. Low inventory in certain areas and neighborhoods such as Gramercy Park, Murray Hill and the East Village continue to contribute to the decline we are seeing in both price per square foot and sales.

In tracking the neighborhoods that sold the most amount of 3Q12 new development inventory per unit size:

22%
Studios
Financial District

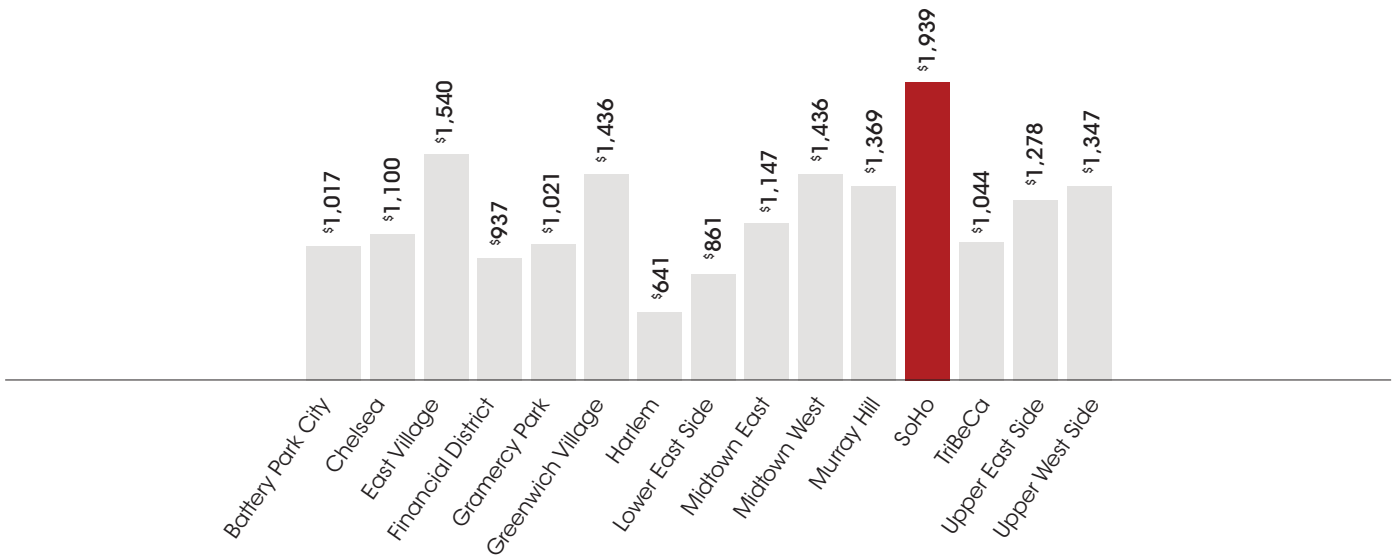
20%
One Bedrooms
Harlem

22%
Two Bedrooms
Harlem

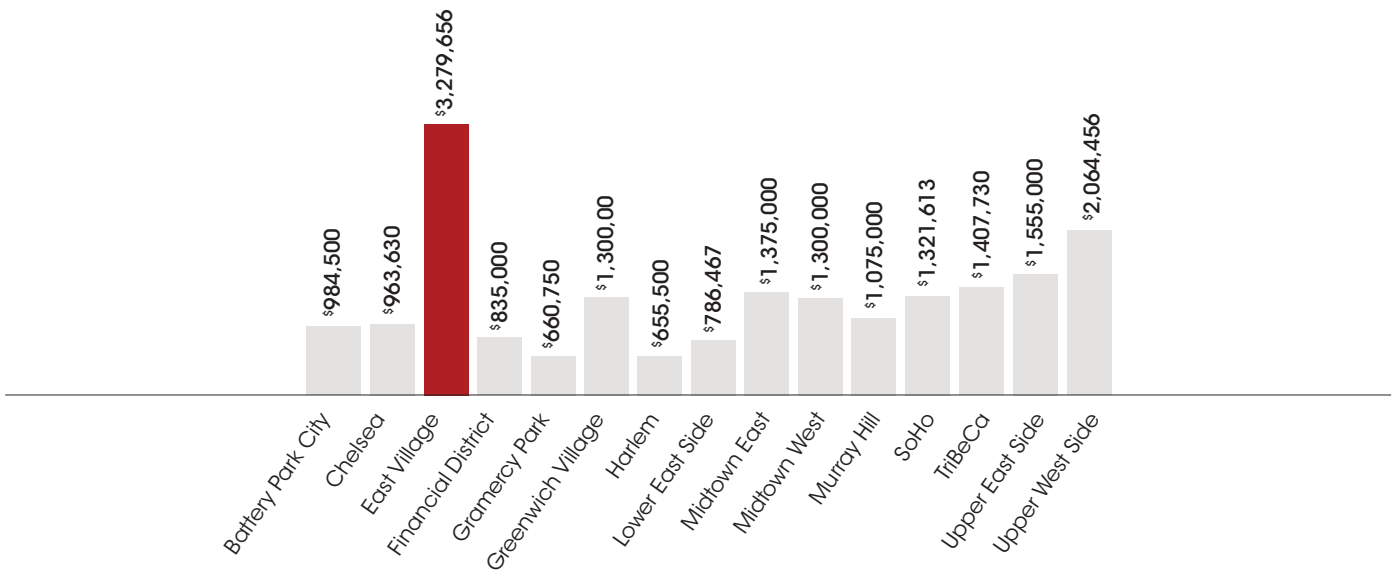
21%
Three Bedrooms
Greenwich Village

MARKET SNAPSHOT

3Q12 Median PPSF By Neighborhood

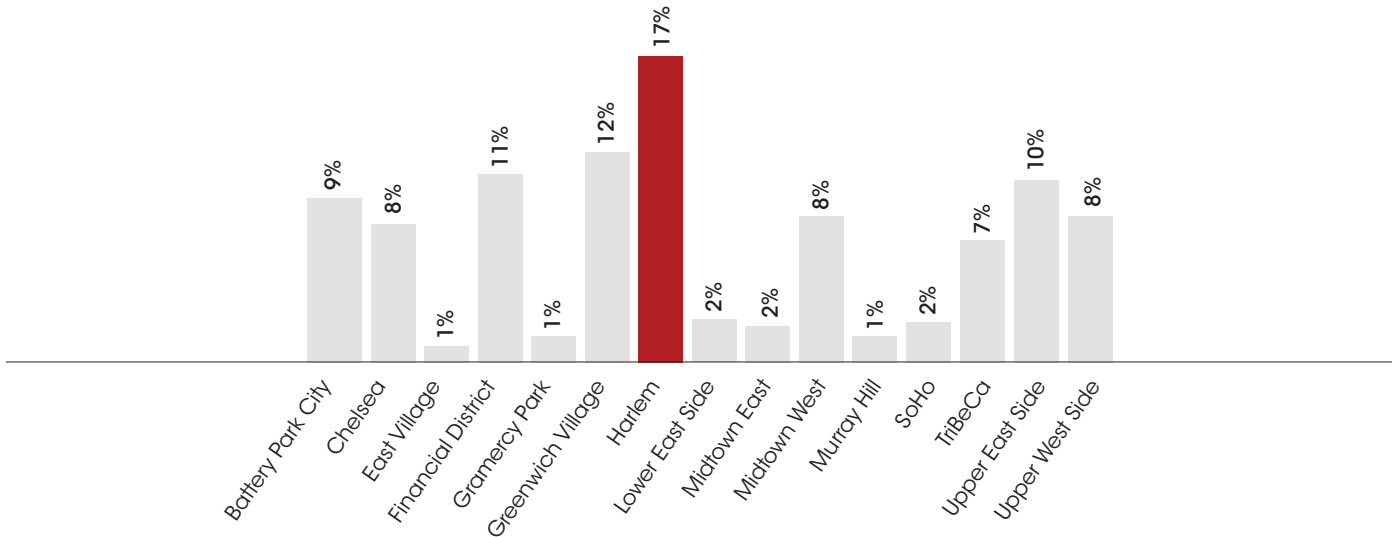


3Q12 Median Sales Price By Neighborhood

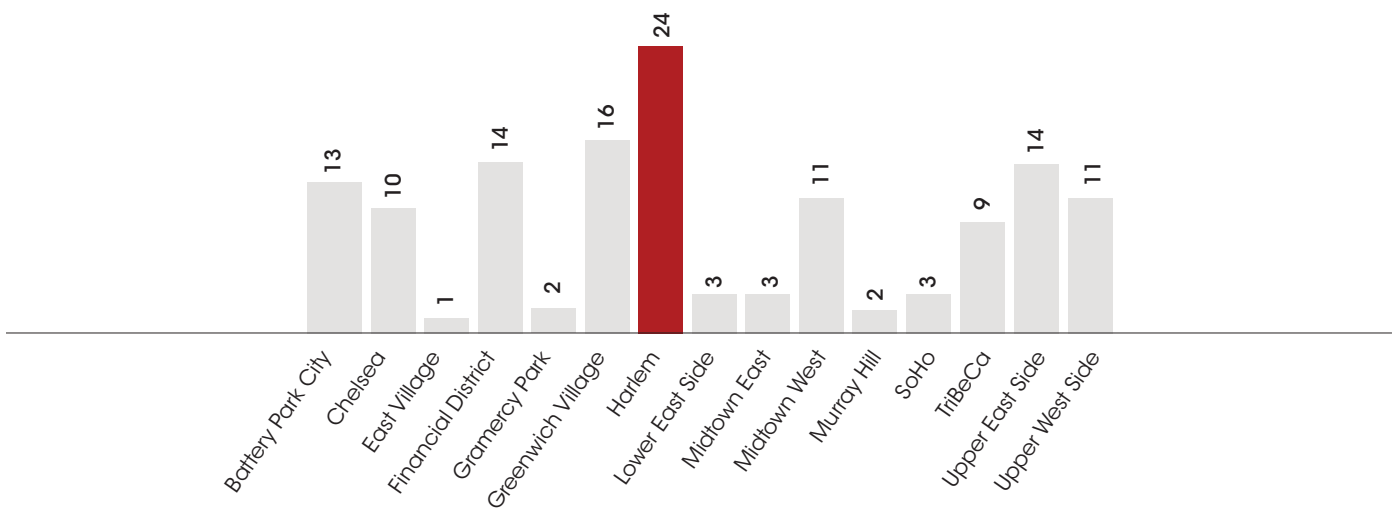


MARKET SNAPSHOT

% Of Total New Development Sales Borough-Wide



3Q12 Average Monthly Absorption Rate



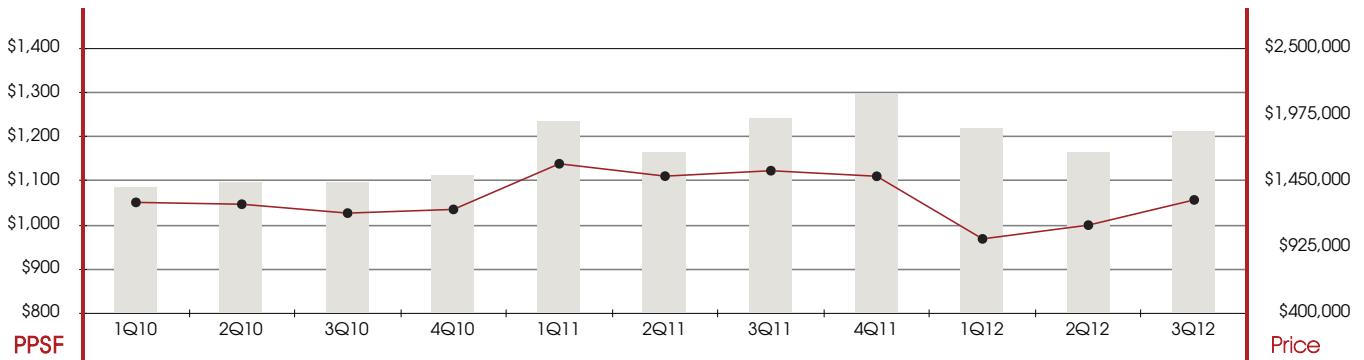
MANHATTAN

3Q12 Unit Mix Of New Development Sales

Studios **19%**
1 Bedrooms **21%**
2 Bedrooms **36%**
3 Bedrooms **25%**

Manhattan Quarterly Tracking

Median PPSF ● Median Price



BATTERY PARK CITY

Battery Park City PPSF By Unit Size (\$1,017/SF Median)

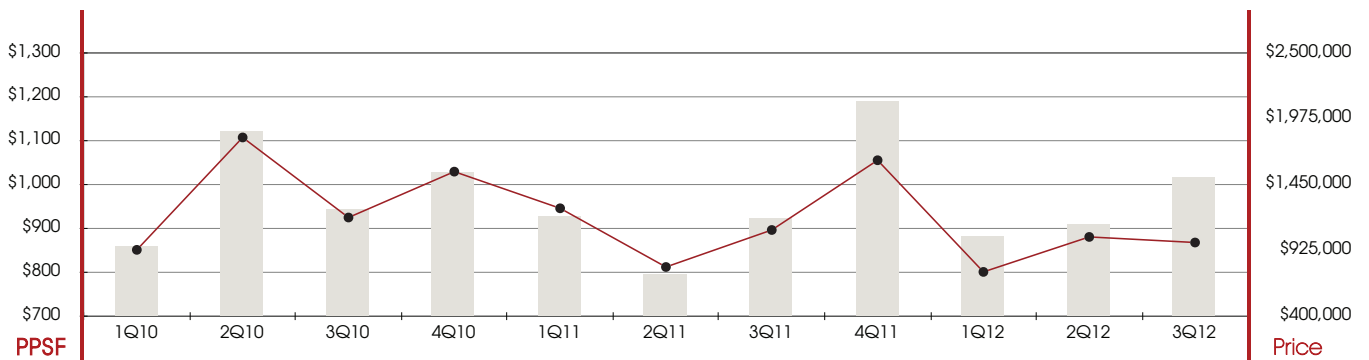
Studios **\$911**
1 Bedrooms **\$960**
2 Bedrooms **\$1,025**
1500+ SF **\$1,134**

% Of Sales Within Battery Park City

Studios **11.4%**
1 Bedrooms **31.4%**
2 Bedrooms **34.3%**
1500+ SF **22.9%**

Battery Park City Quarterly Tracking

Median PPSF ● Median Price



CHELSEA

Chelsea PPSF By Unit Size (\$1,100/SF Median)

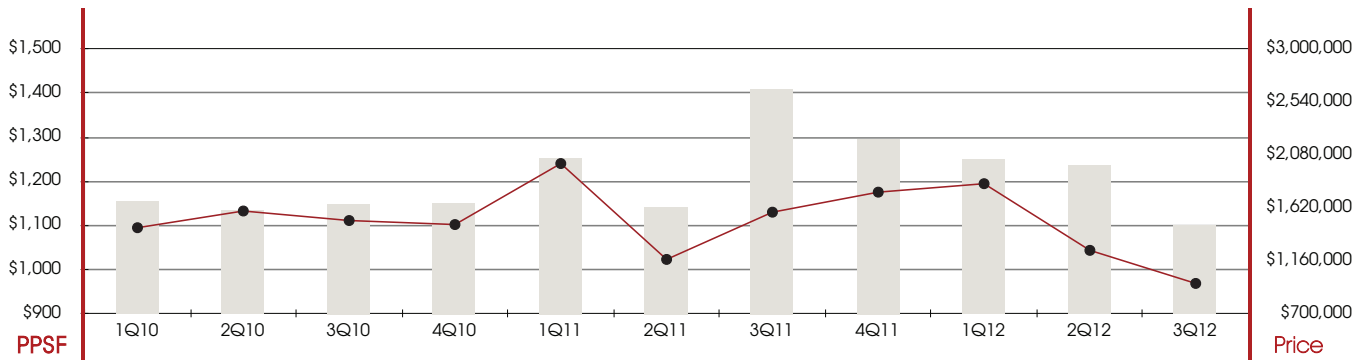
Studios **\$1,154**
1 Bedrooms **\$1,100**
2 Bedrooms **\$830**
1500+ SF **\$2,378**

% Of Sales Within Chelsea

Studios **10.3%**
1 Bedrooms **41.4%**
2 Bedrooms **41.4%**
1500+ SF **6.9%**

Chelsea Quarterly Tracking

■ Median PPSF ● Median Price



EAST VILLAGE

East Village PPSF By Unit Size (\$1,540/SF Median)

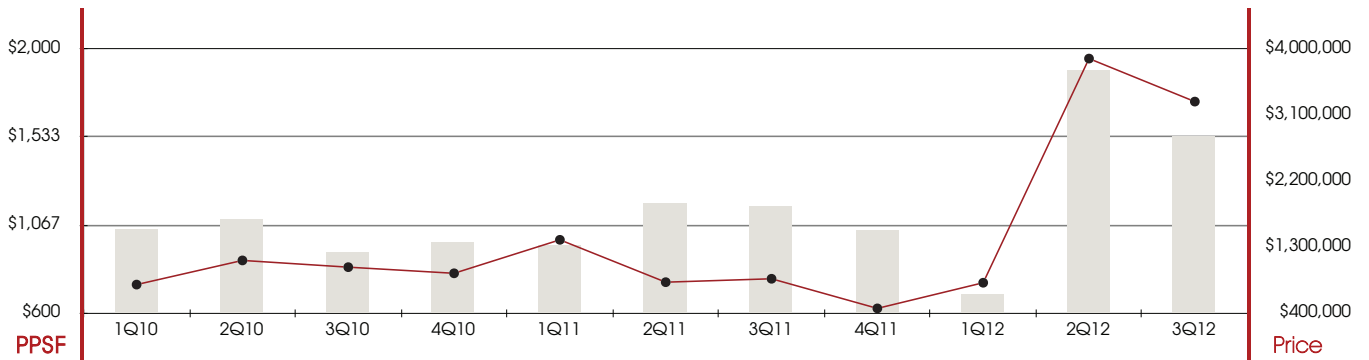
Studios
1 Bedrooms
2 Bedrooms **\$1,337**
1500+ SF **\$1,743**

% Of Sales Within East Village

Studios
1 Bedrooms
2 Bedrooms **33.3%**
1500+ SF **66.7%**

East Village Quarterly Tracking

Median PPSF ● Median Price



FINANCIAL DISTRICT

Financial District PPSF By Unit Size (\$937/SF Median)

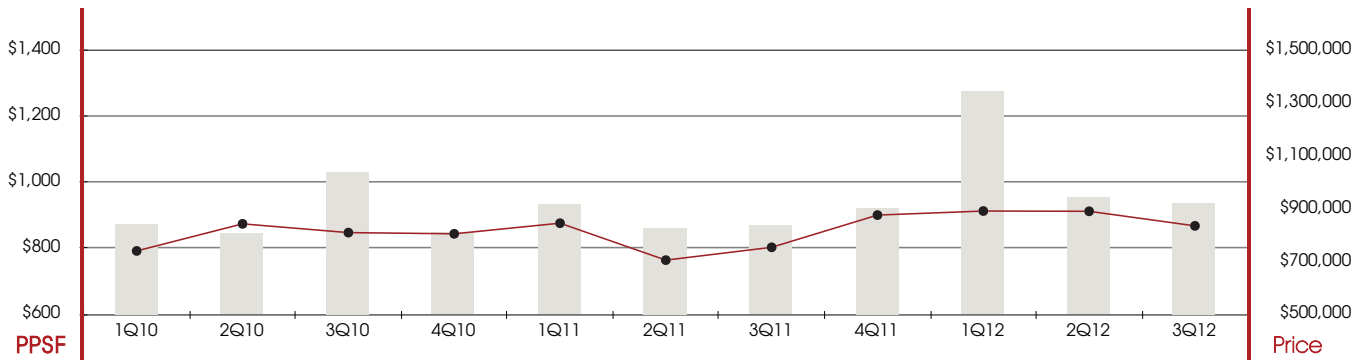
Studios **\$937**
1 Bedrooms **\$970**
2 Bedrooms **\$905**
1500+ SF **\$870**

% Of Sales Within Financial District

Studios **40%**
1 Bedrooms **22.5%**
2 Bedrooms **27.5%**
1500+ SF **10%**

Financial District Quarterly Tracking

■ Median PPSF ● Median Price



GRAMERCY PARK

Gramercy Park PPSF By Unit Size (\$1,021/SF Median)

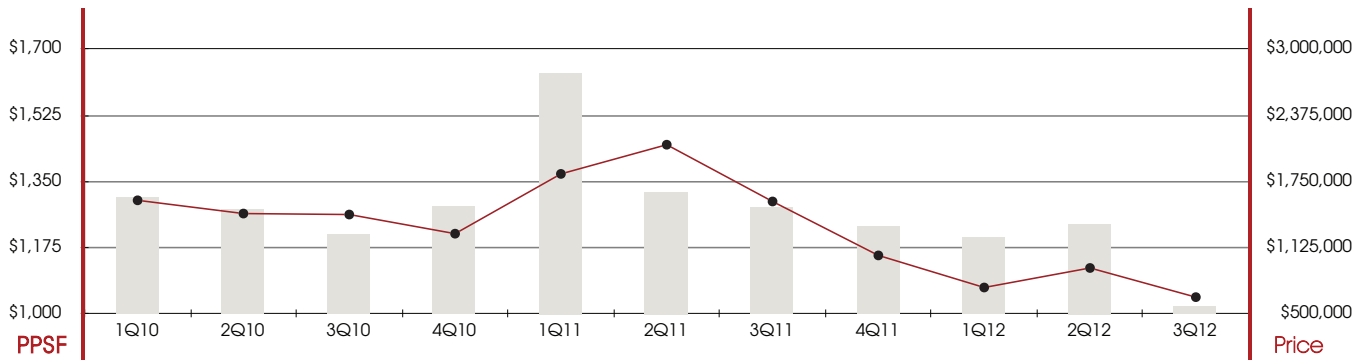
Studios **\$1,275**
1 Bedrooms **\$1,021**
2 Bedrooms **995**
1500+ SF

% Of Sales Within Gramercy Park

Studios **60%**
1 Bedrooms **20%**
2 Bedrooms **20%**
1500+ SF

Gramercy Park Quarterly Tracking

Median PPSF ● Median Price



GREENWICH VILLAGE

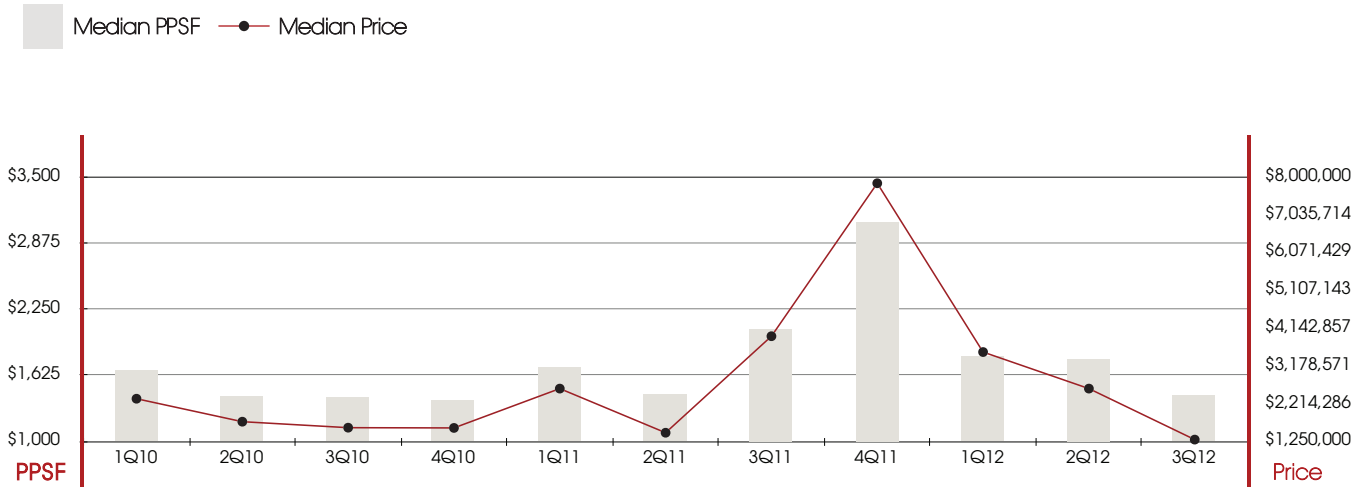
Greenwich Village PPSF By Unit Size (\$1,436/SF Median)

Studios **\$1,333**
1 Bedrooms **\$1,777**
2 Bedrooms **\$1,818**
1500+ SF **\$2,076**

% Of Sales Within Greenwich Village

Studios **8.9%**
1 Bedrooms **26.7%**
2 Bedrooms **20%**
1500+ SF **44.4%**

Greenwich Village Quarterly Tracking



HARLEM

Harlem PPSF By Unit Size (\$641/SF Median)

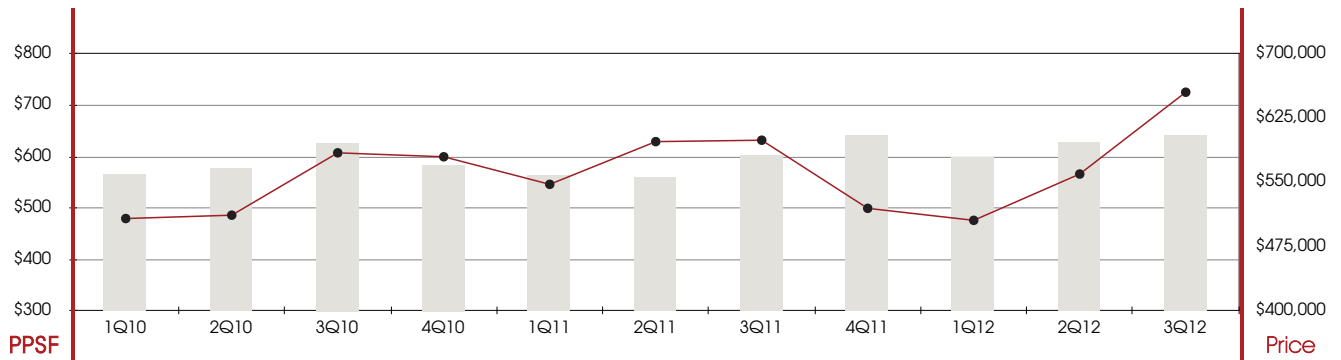
Studios **\$678**
1 Bedrooms **\$607**
2 Bedrooms **\$657**
1500+ SF **\$697**

% Of Sales Within Harlem

Studios **12.1%**
1 Bedrooms **24.2%**
2 Bedrooms **45.5%**
1500+ SF **18.2%**

Harlem Quarterly Tracking

Median PPSF ● Median Price



LOWER EAST SIDE

Lower East Side PPSF By Unit Size (\$861/SF Median)

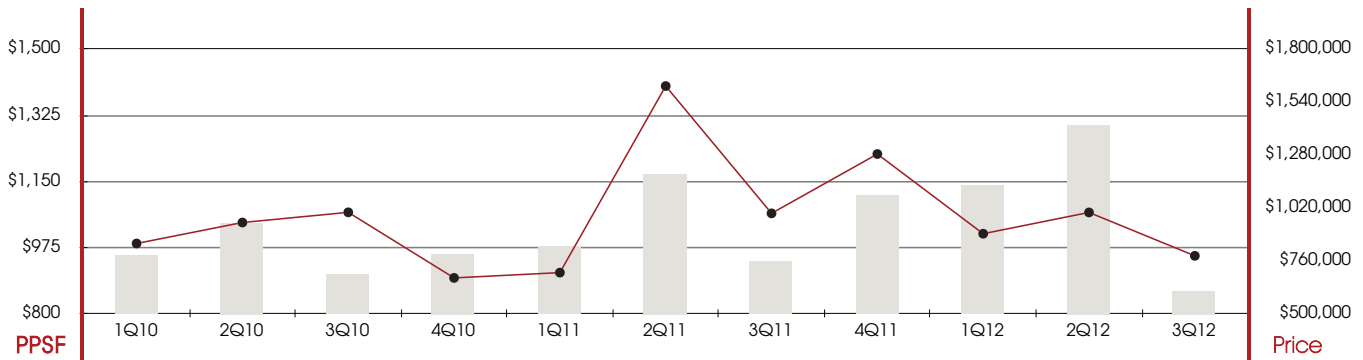
Studios **\$767**
1 Bedrooms
2 Bedrooms **\$861**
1500+ SF **\$1,552**

% Of Sales Within Lower East Side

Studios **55.6%**
1 Bedrooms
2 Bedrooms **33.3%**
1500+ SF **11.1%**

Lower East Side Quarterly Tracking

Median PPSF ● Median Price



MIDTOWN EAST

Midtown East PPSF By Unit Size (\$1,147/SF Median)

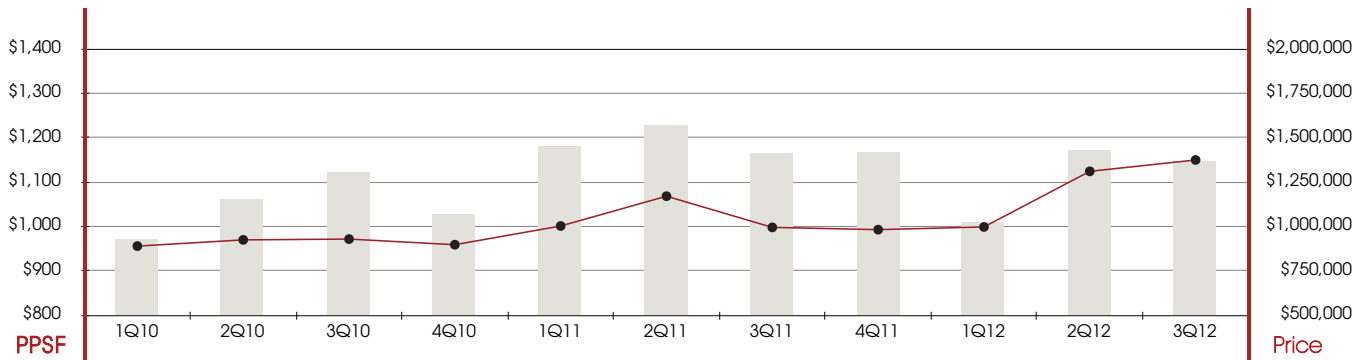
Studios **\$1,064**
1 Bedrooms **\$375**
2 Bedrooms **\$1,207**
1500+ SF **\$1,198**

% Of Sales Within Midtown East

Studios **28.6%**
1 Bedrooms **14.3%**
2 Bedrooms **42.9%**
1500+ SF **14.3%**

Midtown East Quarterly Tracking

Median PPSF ● Median Price



MIDTOWN WEST

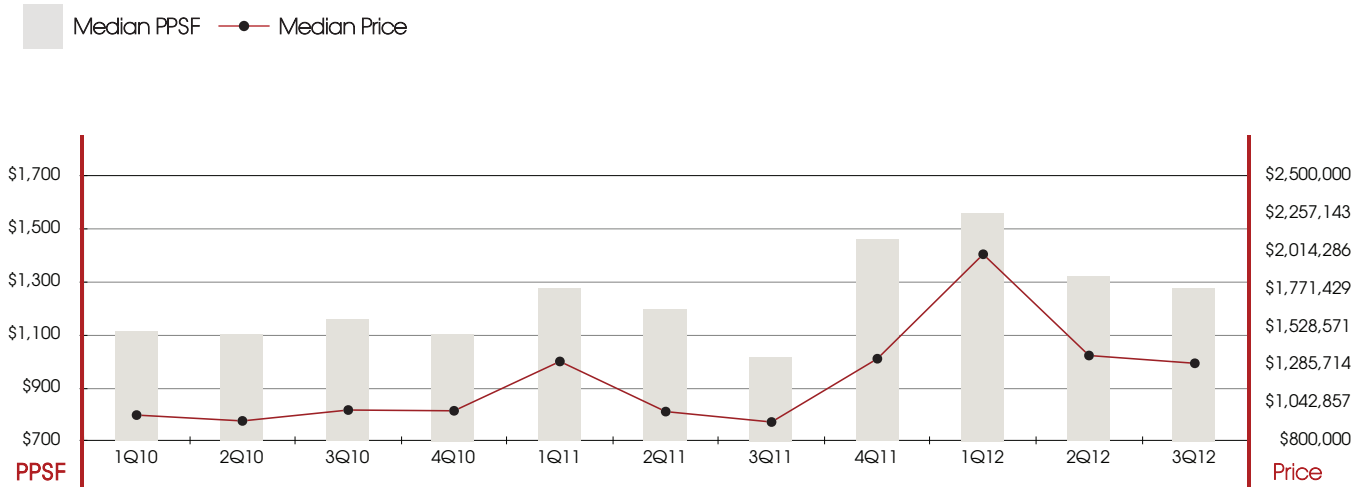
Midtown West PPSF By Unit Size (\$1,436/SF Median)

Studios **\$1,349**
1 Bedrooms **\$1,462**
2 Bedrooms **\$1,484**
1500+ SF **\$1,303**

% Of Sales Within Midtown West

Studios **19.4%**
1 Bedrooms **22.6%**
2 Bedrooms **38.7%**
1500+ SF **19.4%**

Midtown West Quarterly Tracking



MURRAY HILL

Murray Hill PPSF By Unit Size (\$1,369/SF Median)

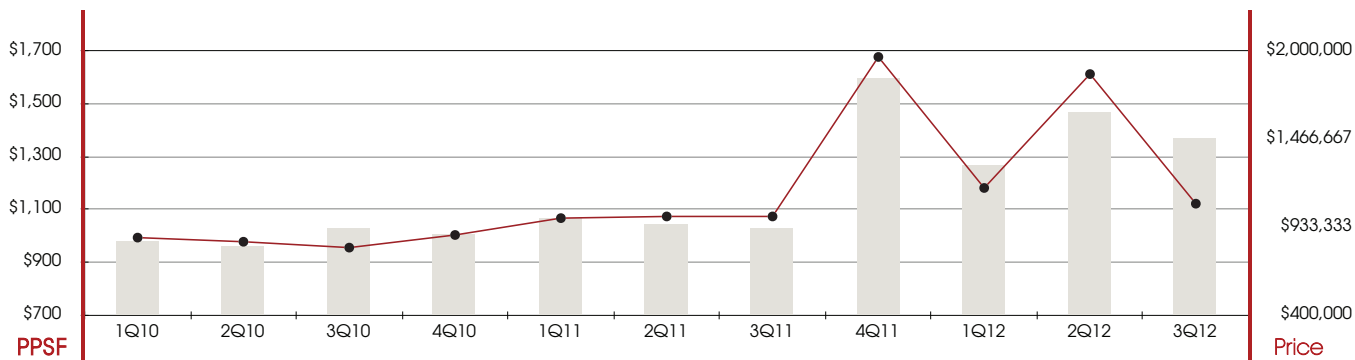
Studios **\$1,377**
1 Bedrooms **\$1,369**
2 Bedrooms **\$1,348**
1500+ SF

% Of Sales Within Murray Hill

Studios **40%**
1 Bedrooms **20%**
2 Bedrooms **40%**
1500+ SF

Murray Hill Quarterly Tracking

Median PPSF ● Median Price



SOHO

SoHo PPSF By Unit Size (\$1,399/SF Median)

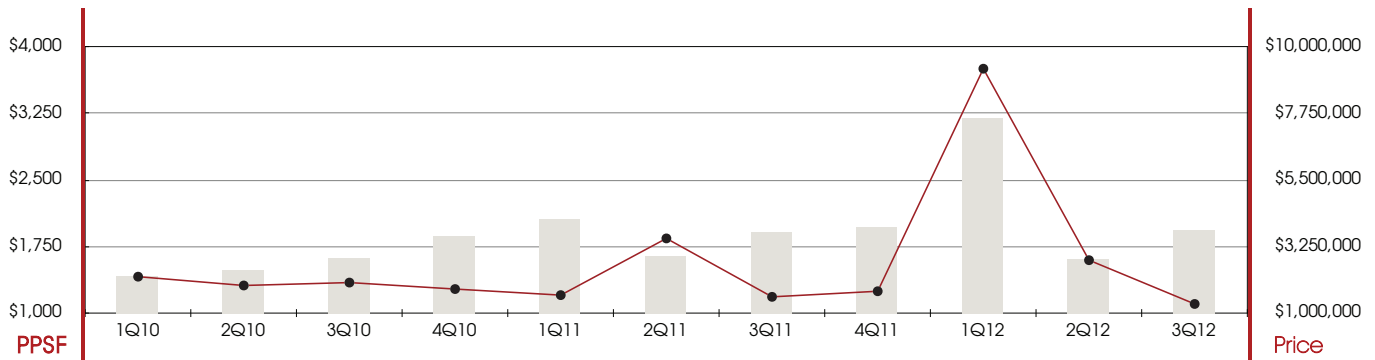
Studios **\$2,004**
1 Bedrooms **\$1,938**
2 Bedrooms **\$2,291**
1500+ SF **\$1,735**

% Of Sales Within SoHo

Studios **50%**
1 Bedrooms **12.5%**
2 Bedrooms **12.5%**
1500+ SF **25%**

SoHo Quarterly Tracking

Median PPSF ● Median Price



TRIBECA

Tribeca PPSF By Unit Size (\$1,044/SF Median)

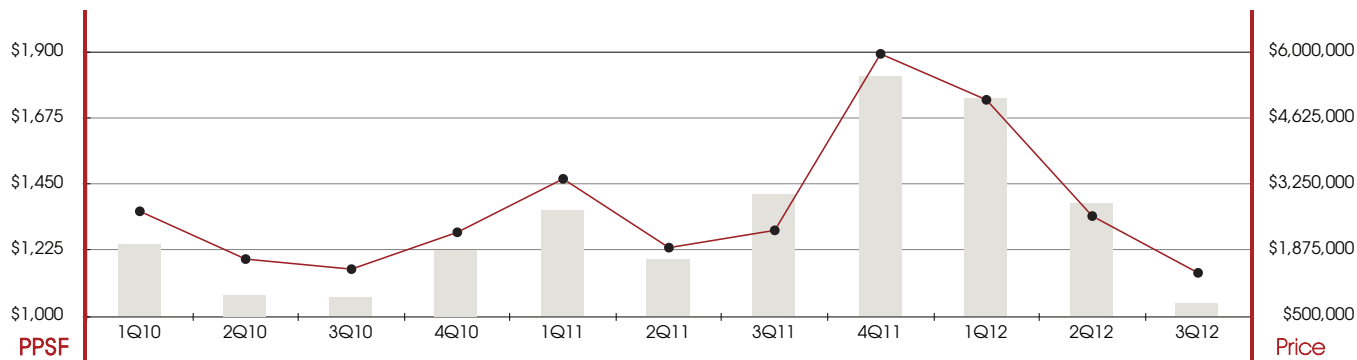
Studios **\$933**
1 Bedrooms **\$1,081**
2 Bedrooms **\$1,033**
1500+ SF **\$1,169**

% Of Sales Within Tribeca

Studios **15.4%**
1 Bedrooms **7.7%**
2 Bedrooms **42.3%**
1500+ SF **34.6%**

Tribeca Quarterly Tracking

Median PPSF — Median Price



UPPER EAST SIDE

Upper East Side PPSF By Unit Size (\$1,278/SF Median)

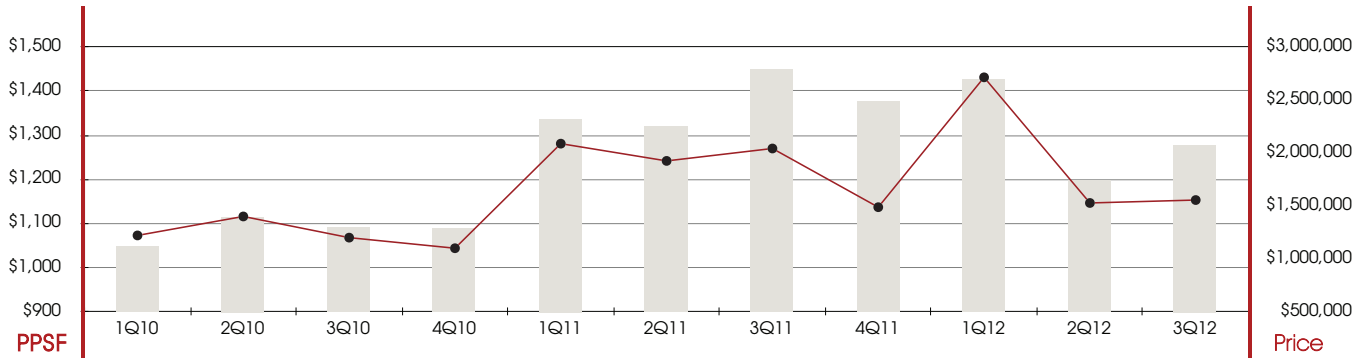
Studios **\$1,002**
1 Bedrooms **\$821**
2 Bedrooms **\$1,355**
1500+ SF **\$1,405**

% Of Sales Within Upper East Side

Studios **10.3%**
1 Bedrooms **10.3%**
2 Bedrooms **51.3%**
1500+ SF **28.2%**

Upper East Side Quarterly Tracking

Median PPSF ● Median Price



UPPER WEST SIDE

Upper West Side PPSF By Unit Size (\$1,347/SF Median)

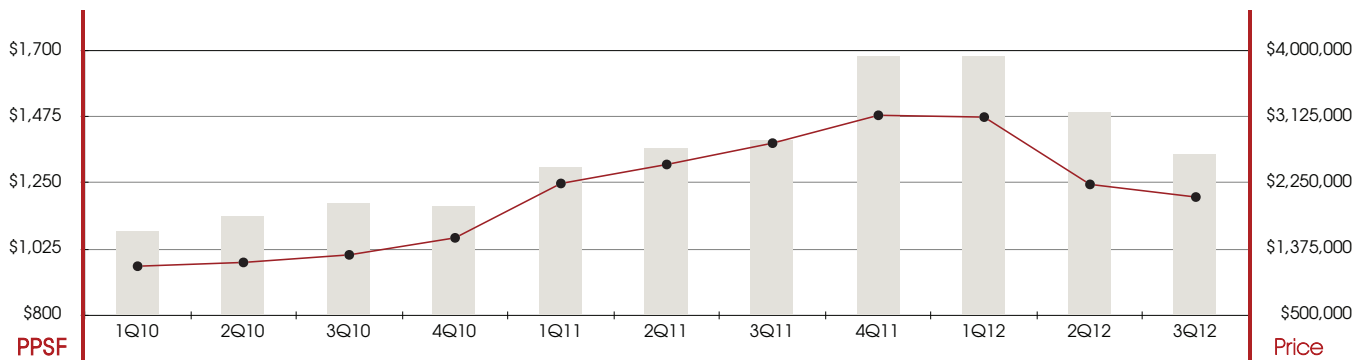
Studios **\$1,031**
1 Bedrooms **\$1,012**
2 Bedrooms **\$1,371**
1500+ SF **\$1,487**

% Of Sales Within Upper West Side

Studios **22.6%**
1 Bedrooms **6.5%**
2 Bedrooms **21.2%**
1500+ SF **48.4%**

Upper West Side Quarterly Tracking

Median PPSF ● Median Price



THE REPORT EXPLAINED

Included in this research are walk-up and elevator new development condominium buildings, as well as new conversion condominiums if the sales were applicable sponsor transactions. Excluded from the report are all cooperative sales.



Unit types such as studios, one-bedrooms, and two-bedroom units are grouped by square footage ranges. Studios are under 700 square feet, one-bedrooms are under 900 square feet, and two-bedrooms are under 1,450 square feet. Added to the report is the over-sized unit type that ranges from 1,500 square feet to 7,000 square feet.

Presented with a quarter-over-quarter and year-over-year comparison, both city-wide and by neighborhood, MNS New Development Report™ tracks the market trends throughout Manhattan and Brooklyn. MNS offers a unique insight into the new development market by tracking stalled construction sites on a quarterly basis, a great indicator of where development in general is moving. MNS is your source to find neighborhood price per square foot analysis, average sale prices, unit type sales trends, overall price movement, neighborhood inventory comparisons, and absorption rates.

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Note: All market data is collected and compiled by MNS's marketing department. 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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