

MANHATTAN RENTAL MARKET REPORT

-March 2007 -



THE REAL ESTATE GROUP
NEW YORK

**- "Redefining the way people
search for homes in
New York City."**

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LETTER FROM OUR CHIEF OPERATING OFFICER



After spending months of time and hundreds of thousands of dollars in development, The Real Estate Group, NY is pleased to announce the launch of our state of the art listings database. Through this vehicle we have the most accurate, real time reporting capabilities in New York City to date. As such, on behalf of The Real Estate Group, it is my pleasure to present our first monthly Manhattan Rental Market Report that will provide insight to the current state of the residential rental market, and provide clearer, more concise data than ever before.

The data provided has been specifically compiled for you; the renter, investor, developer, etc., to provide you with a better understanding of the Manhattan housing market. The data is indicative of the types of apartments available in varying neighborhoods. Our goal is to use technology to provide you with transparency into a market that has been so difficult to navigate until now.

In the future as our data continues to grow, the monthly Manhattan Rental Market Report will be even more comprehensive providing further insight with greater reporting capabilities on the state of the market, and to create the ability for all property owners to better gauge their own pricing based on a clearer view of their neighbors.

As The Real Estate Group continues to grow, we aim to make the Manhattan Rental Market Report, the only true and accurate report you will ever need.

Sincerely,

Daniel Baum
Chief Operating Officer
The Real Estate Group, NY

In order for *TREGNY* to have the paramount level of market data, we invite all landlords and property owners to contact us so we can incorporate your personal portfolio in the information. With your assistance *TREGNY* will create the most comprehensive data available in Manhattan.

Contact us now: 212.475.9000 or listings@tregny.com

Doorman vs. Non-Doorman Rentals

Overview: This month in the non-doorman studio market, Tribeca is in first place with the highest average rental prices at \$2650.00, followed by SoHo with an average price of \$2306.25, and Chelsea at \$2170. In doorman buildings, SoHo has the highest price studios with an average price of \$2995.00, followed closely by Greenwich Village with average prices of \$2888.12, and Tribeca at \$2872.86. In the non-doorman one bedroom market, Tribeca once again leads the pack with average rents of \$3206.66, followed by SoHo and Chelsea at \$3205.68 & \$2904.06 respectively.

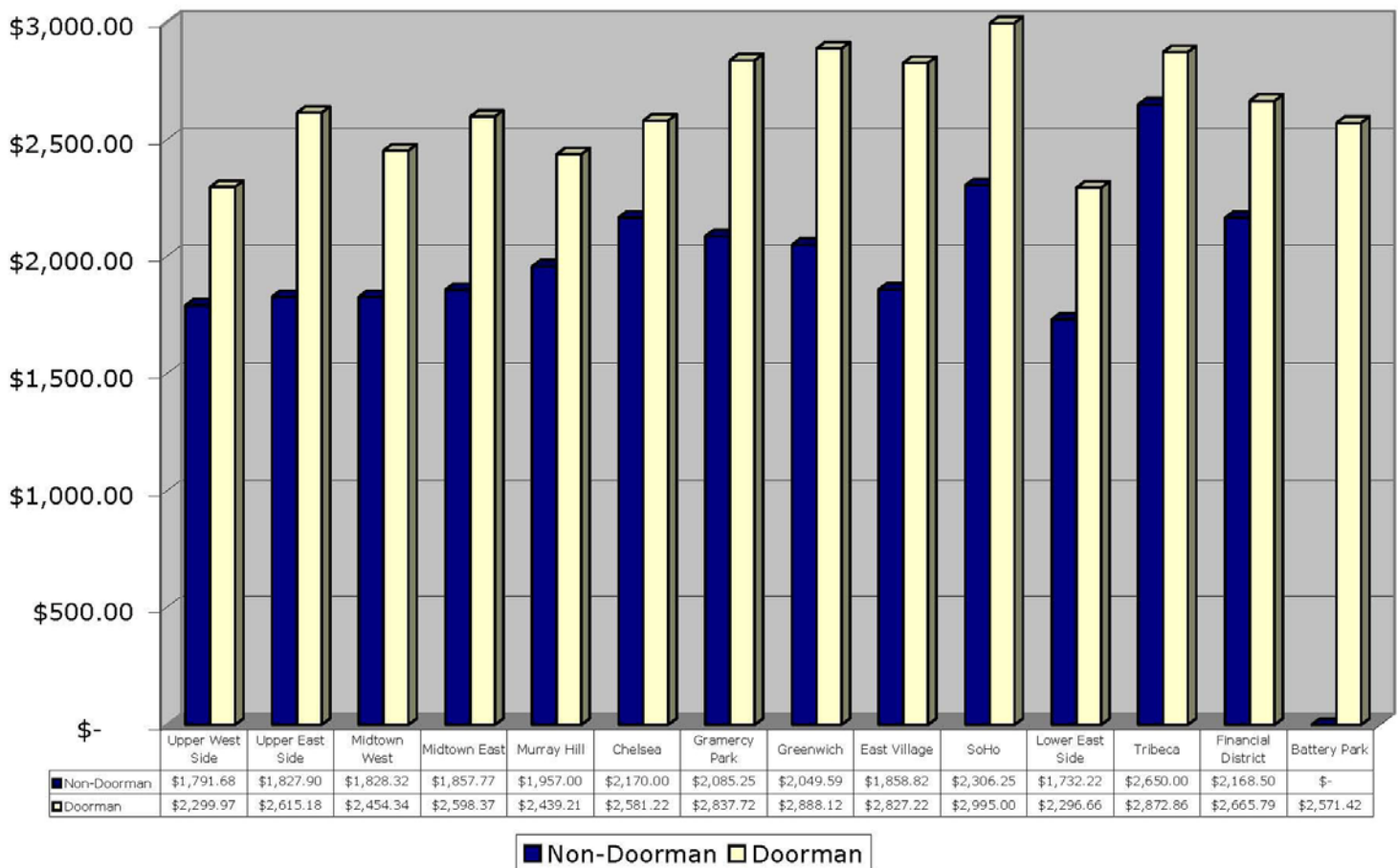
For one bedroom homes in doorman buildings, it is SoHo with the highest average rental price of \$4800.00, followed by Tribeca at \$4055.87, and Chelsea once again rounding out the top three at \$4006.66.

Finally in the two bedroom category, Tribeca and Soho remain as the neighborhoods with the highest two average rental prices in both doorman and non-doorman buildings, with Chelsea coming in third for both categories.

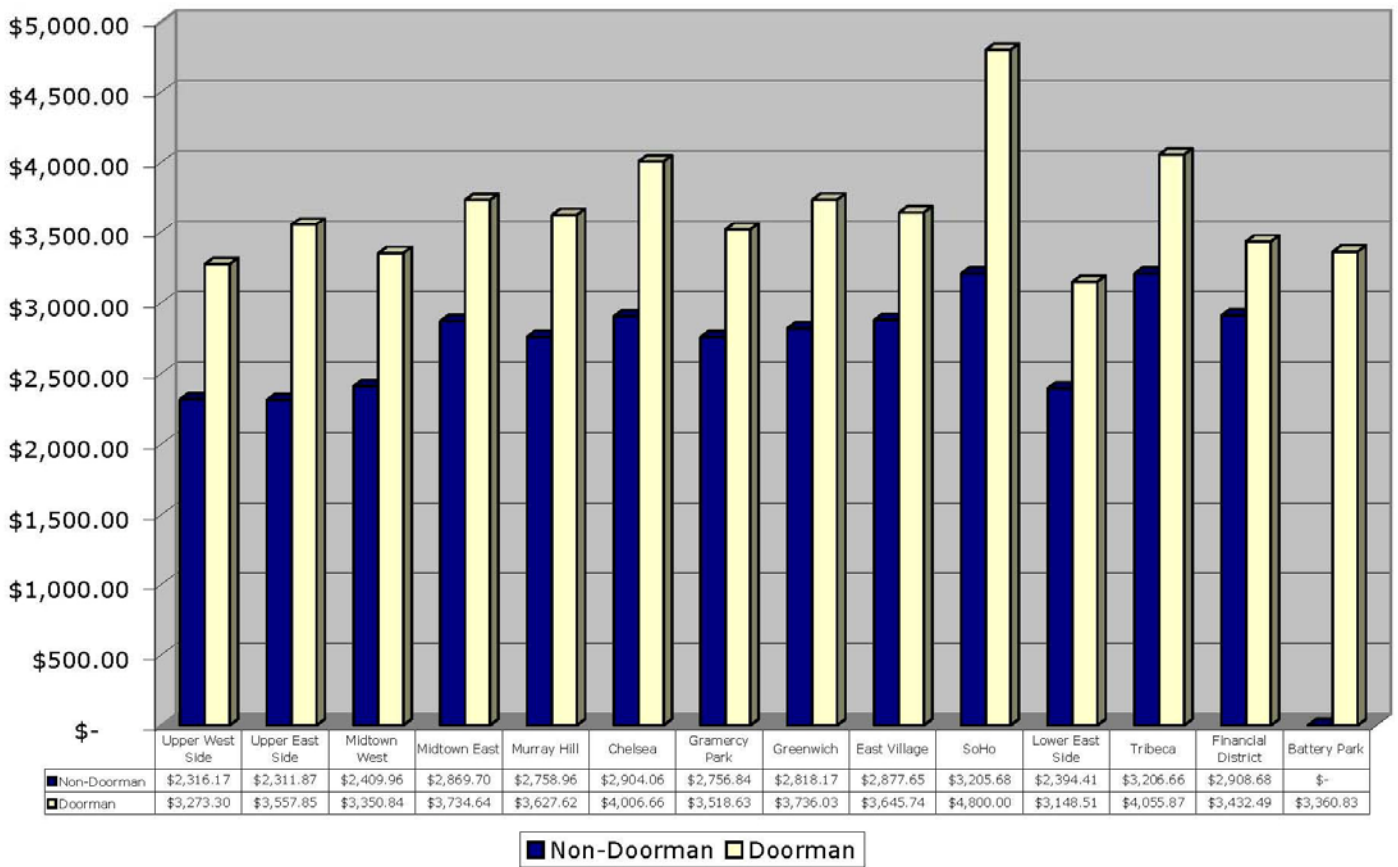
The following graphs compare the difference in average monthly rental prices in doorman and non-doorman buildings throughout Manhattan for the month of February 2007. Each graph depicts the average price for one of three unit types; studio, one bedroom, or two bedroom apartments. Additionally there are graphs on average rental price trends for each unit type as well as individual graphs for the various neighborhoods.

MEAN RENTAL PRICES FEBRUARY '07

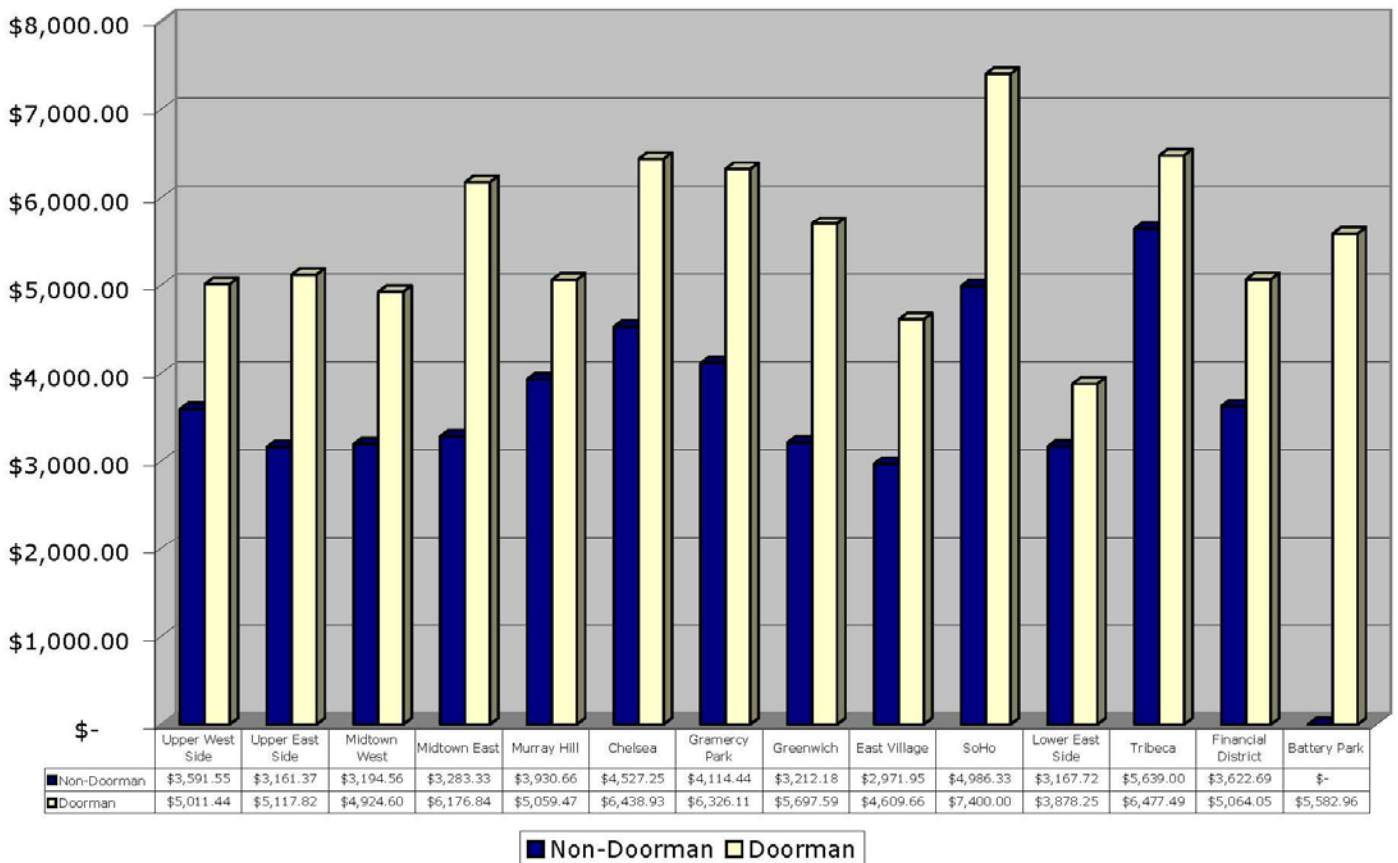
Mean Studio Rental Price



Mean One Bedroom Rental Price

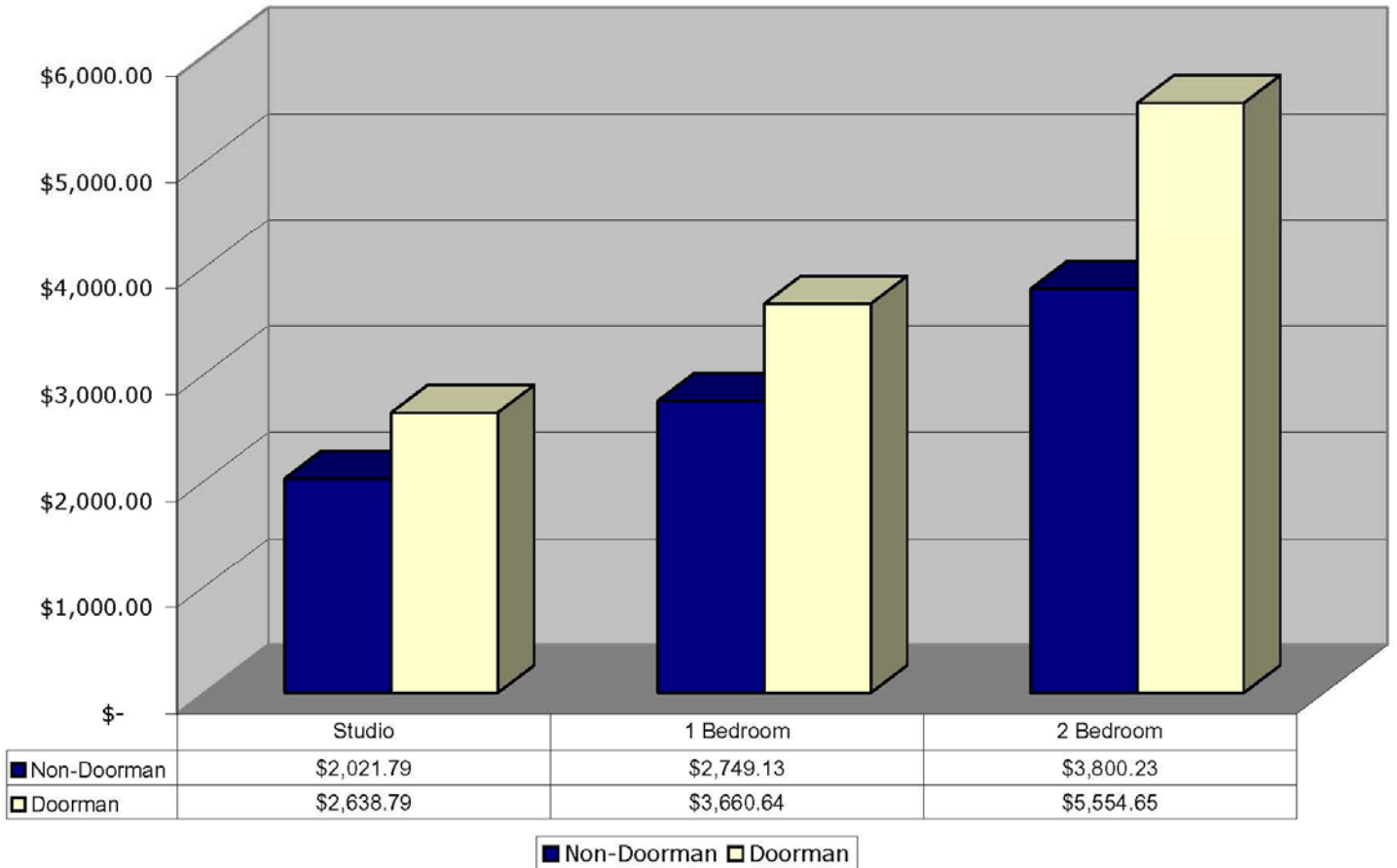


Mean Two Bedroom Rental Price



Conclusions: Across Manhattan, the average apartment prices for the month of March 2007 continue to display qualities of a strong rental housing market with the average apartment asking price north of \$2000 a month. Studios in non-doorman buildings average \$2,021.79, while in doorman buildings they average \$2,638.79. One bedrooms in non-doorman buildings average \$2,749.13 while in doorman buildings they average \$3,660.64. Finally, two bedrooms in non-doorman buildings average \$3,800.23 while in doorman buildings they average \$5,554.65.

Mean Citywide Rental Prices



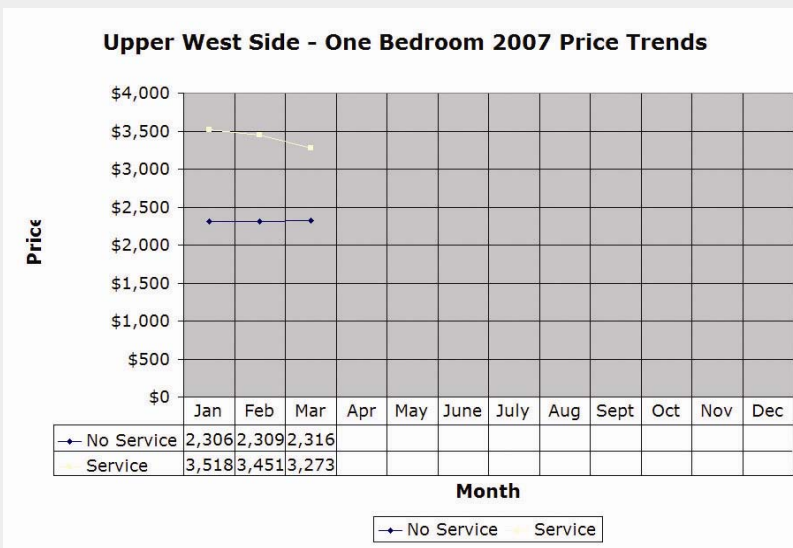
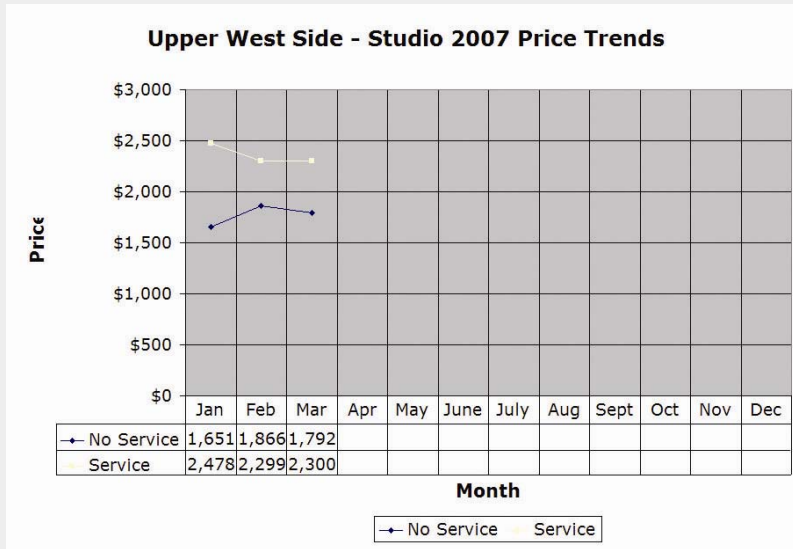
CITY WIDE 2007 PRICE TRENDS

Looking at price trends across the city, we find studio apartments in both doorman and non-doorman buildings showing a marginal decline in price from last month. In the one bedroom market, non-doorman units are also decreasing some, while one bedrooms in doorman buildings are showing a marginal increase in price. On the two bedroom front, doorman units are steadily increasing through out the first quarter and are up 3.9% from the beginning of '07. Meanwhile non-doorman buildings remain unchanged from a month ago.

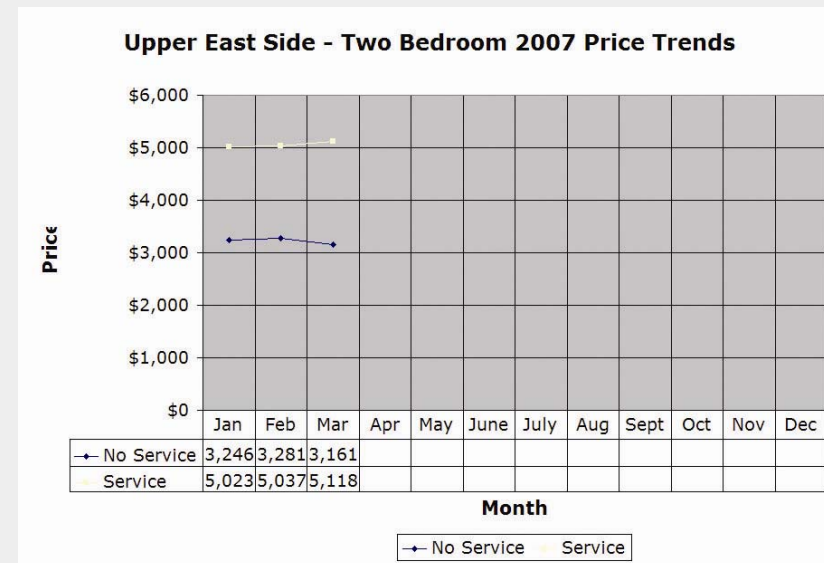
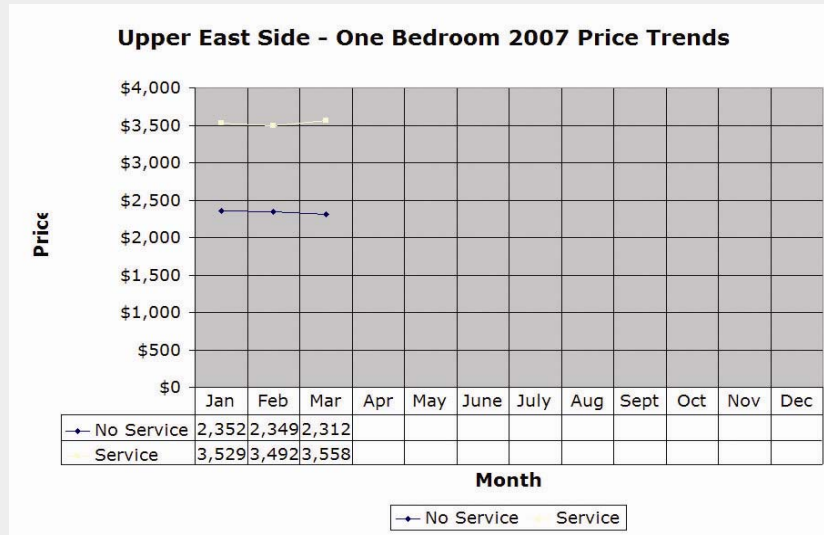
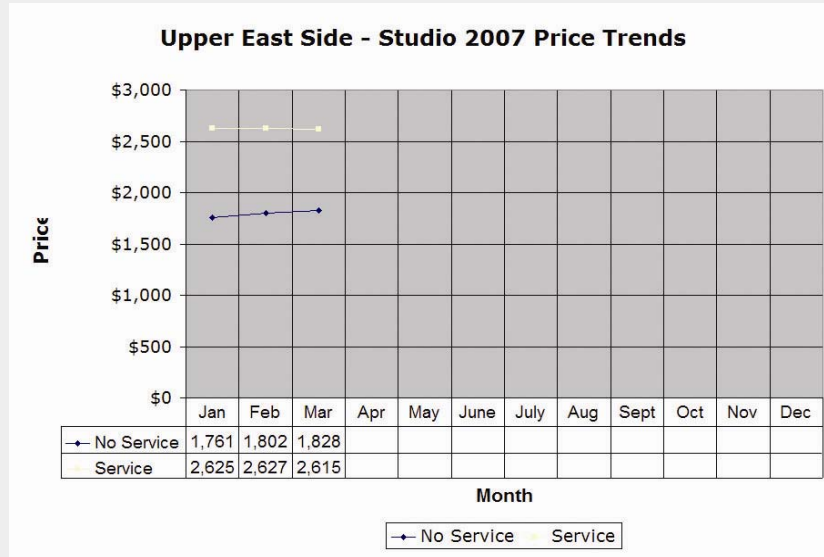


NEIGHBORHOOD PRICE TRENDS

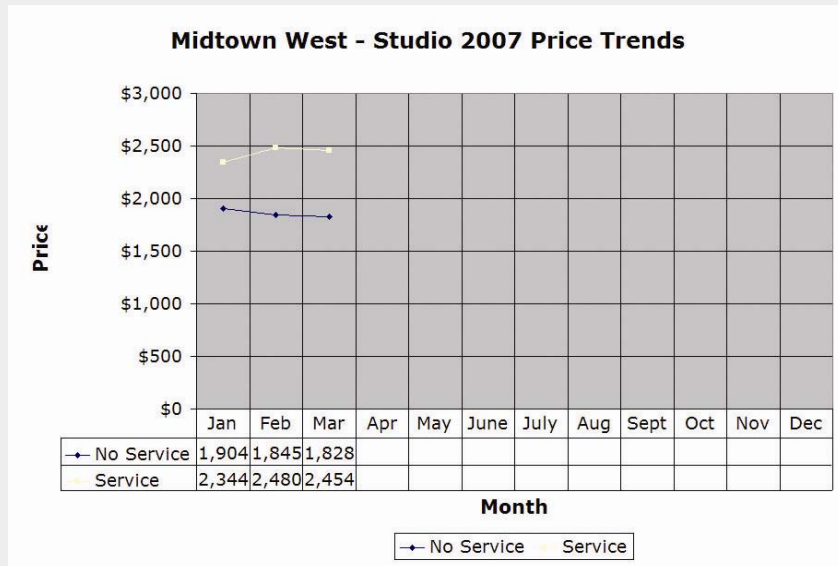
Spotlight on Upper West Side: On the Upper West Side, we find prices of studio apartments in doorman buildings remaining flat, while in non-doorman buildings there is a marginal decline. Conversely, one bedroom apartments in doorman buildings show a decline, while in non-doorman buildings one bedrooms remain flat. In the two bedroom arena, doorman units continue their decline from the beginning of the year, while non-doorman two bedrooms proved to be the most active showing a substantial 15.4% increase from a month ago.



Spotlight on Upper East Side: On the Upper East Side, we find studio prices in both doorman and non-doorman buildings overall remaining consistent, as did one and two bedrooms in non-doorman buildings. Both one bedroom and two bedroom units in doorman buildings show a marginal increase over the past month.

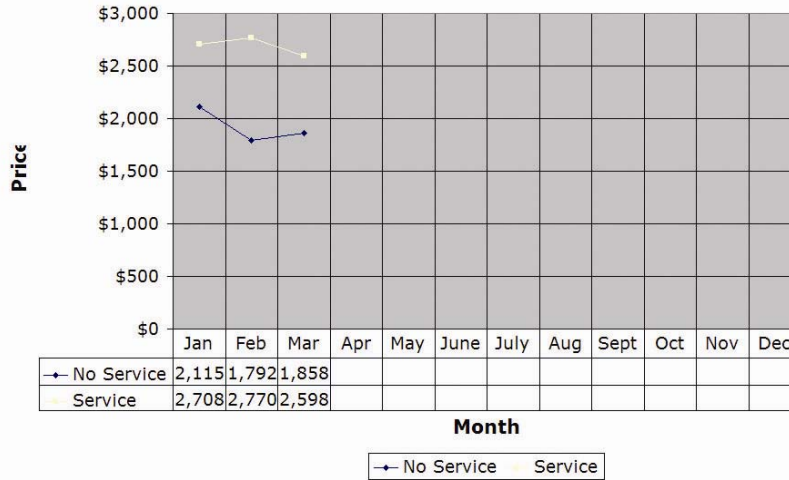


Spotlight on Midtown West: In Midtown West, studio apartments in both doorman and non-doorman buildings remain flat, while one bedrooms in both doorman and non-doorman buildings continue their downward trend from earlier in the year. On the two bedroom front, doorman apartments remained steady, while non-doorman two bedrooms showed a comfortable 6.2% rise over last month.

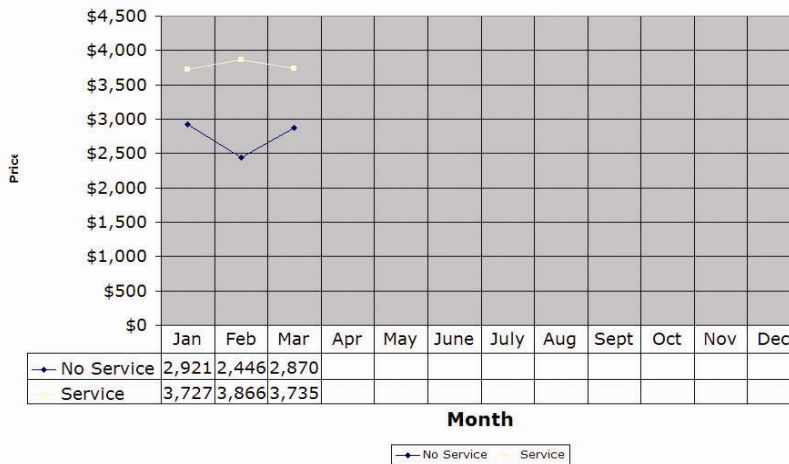


Spotlight on Midtown East: In Midtown East, studio apartments in doorman buildings show a 6.1% decline, while non-doorman units show a marginal increase. One bedrooms, though showing a decline from the previous month, remain just above opening levels for 2007. The real surprise was in the non-doorman one bedroom market, which regained most of the 16.2% decline it had seen from January to February. Two bedrooms in doorman buildings continue their strong climb this month from early in 2007, and are up 9.5% since January. While two bedrooms in non-doorman buildings show a marginal recovery since falling off a good deal last month.

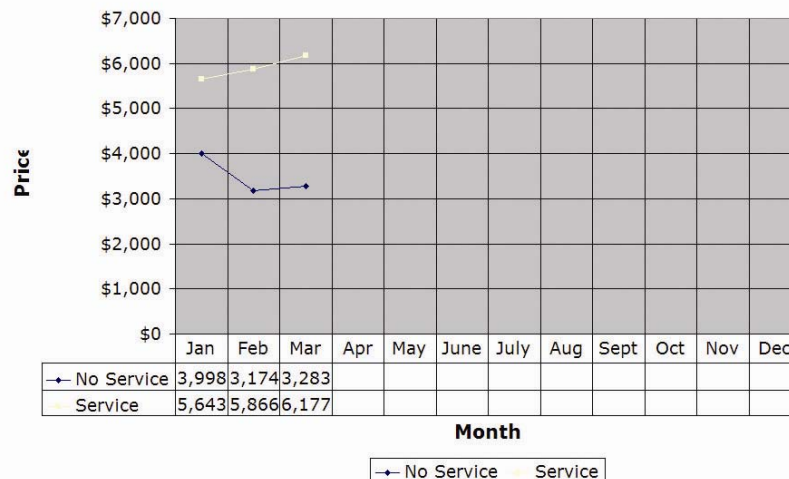
Midtown East - Studio 2007 Price Trends



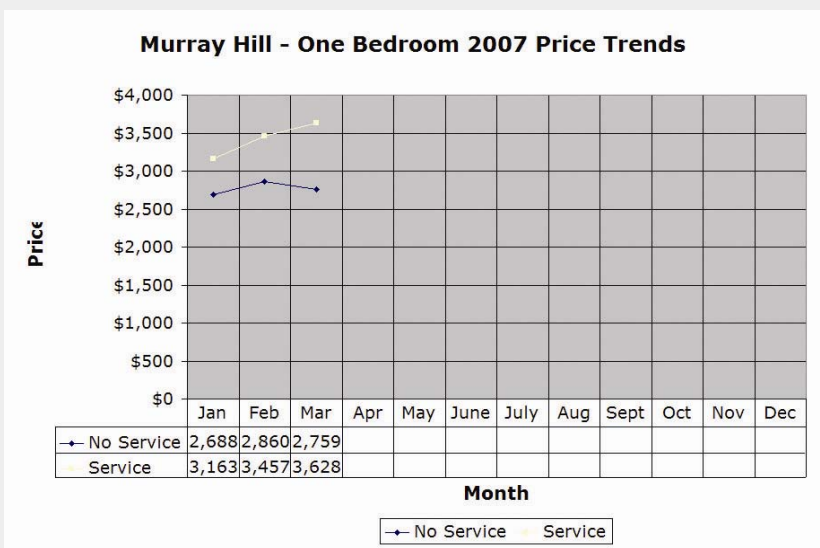
Midtown East - One Bedroom 2007 Price Trends



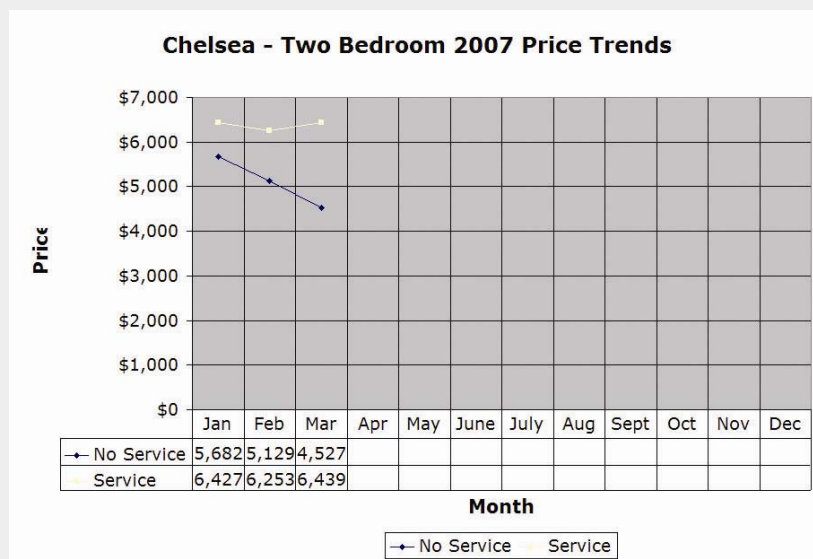
Midtown East - Two Bedroom 2007 Price Trends



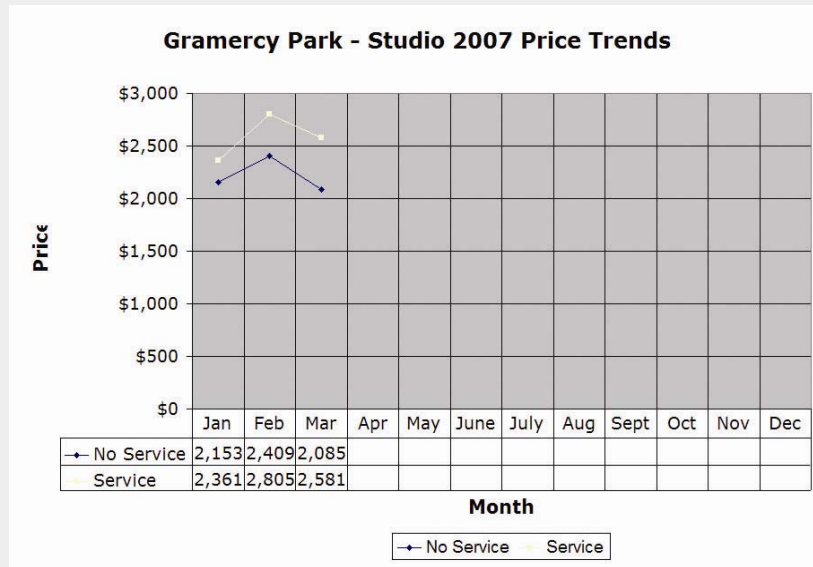
Spotlight on Murray Hill: In Murray Hill, studios in both doorman and non-doorman buildings remain relatively unchanged from a month ago. One bedroom prices seem to be traveling in opposite directions this month, as doorman units continue to climb and non-doorman units show a marginal decline from a month ago. This month it seems the demand is for two bedrooms as both doorman and non-doorman units saw increases in average asking rents, with non-doorman leading the way with a 12% increase.



Spotlight on Chelsea: In Chelsea, one of the three most expensive areas to live in Manhattan, we saw a fairly substantial 7.9% decline in doorman studio apartments, while only a marginal decline in non-doorman studios. One bedrooms in doorman buildings remain relatively unchanged, while non-doorman one bedrooms continue to inch upwards since the beginning of the year. Two bedrooms in doorman buildings bounced back to January prices, with the real surprise coming from non-doorman two bedrooms, as prices continued to fall showing a 20% decline since the beginning of '07.



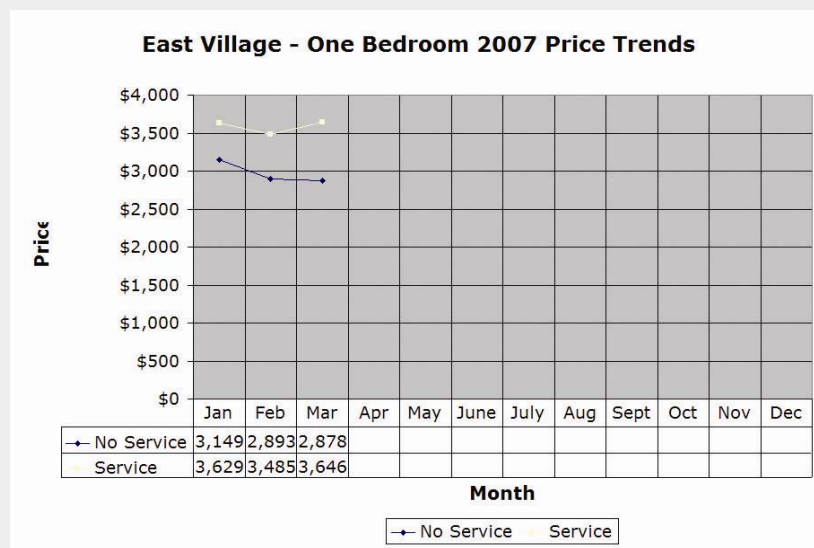
Spotlight on Gramercy Park: People must be conversing in Gramercy Park as prices for all size units regardless if located in doorman or non-doorman buildings seem to be playing follow the leader. Studios were well off last months prices, while one bedrooms show a more subdued decline. Two bedrooms show marked improvement over last month.



Spotlight on Greenwich: If Gramercy likes to trend together, the Village prefers to trend alone. Greenwich Village studios, one bedrooms, and two bedrooms in doorman buildings show strong increases in price, while studios, one bedrooms, and two bedrooms in non-doorman buildings continue to show signs of weakness as prices continue to fall since the beginning of '07.



Spotlight on East Village: In the East Village, studios in doorman buildings continue to increase in price from the beginning of the year, while studios in non-doorman buildings continue to decline albeit only moderately. In the one bedroom market, doorman units climbed to just over their beginning prices of 2007, while non-doorman one bedrooms remain flat. The two bedroom market shows the greatest price decline this month with doorman units showing a 10.8% decline, and non-doorman units continuing to slide from the beginning of the year.



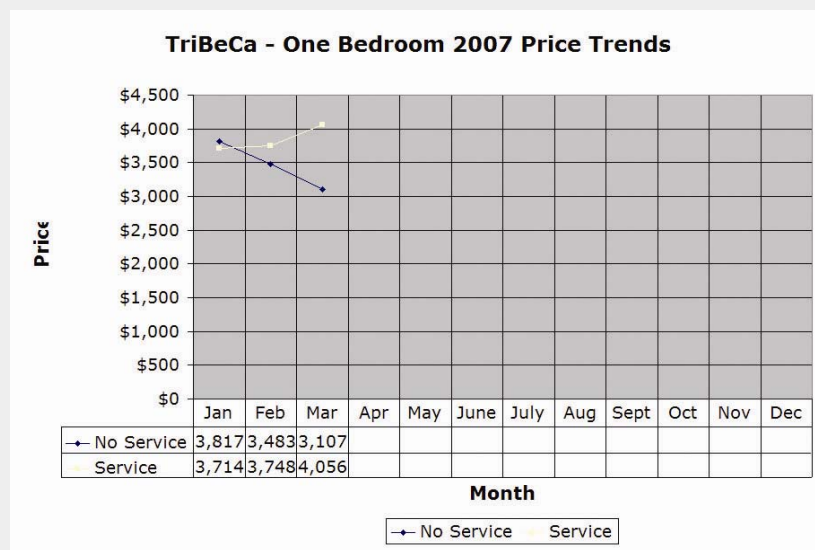
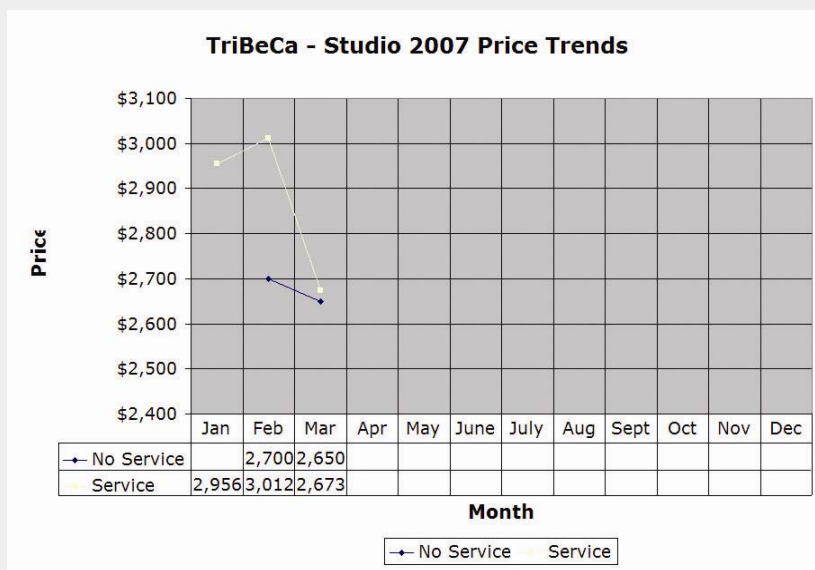
Spotlight on SoHo: SoHo, the most expensive place to live in Manhattan, saw prices decline across the board in both the studio and two bedroom doorman and non-doorman market. The one bedroom market showed a drastic divergence, with doorman units climbing 7.9%, and non-doorman units falling by a staggering 19.3%.



Spotlight on Lower East Side: On the Lower East Side, the studio apartment market remained relatively unchanged in both doorman and non-doorman units from a month ago. One bedrooms in doorman buildings saw prices rise just above the years opening price, while prices in non-doorman units continue their trend downwards and are off by 10.4% from the beginning of 2007. On the two bedroom front both doorman and non-doorman apartment prices declined from a month ago, with non-doorman units following the same trend as the one bedroom market, making them off by some 21.2% since the beginning of the year.

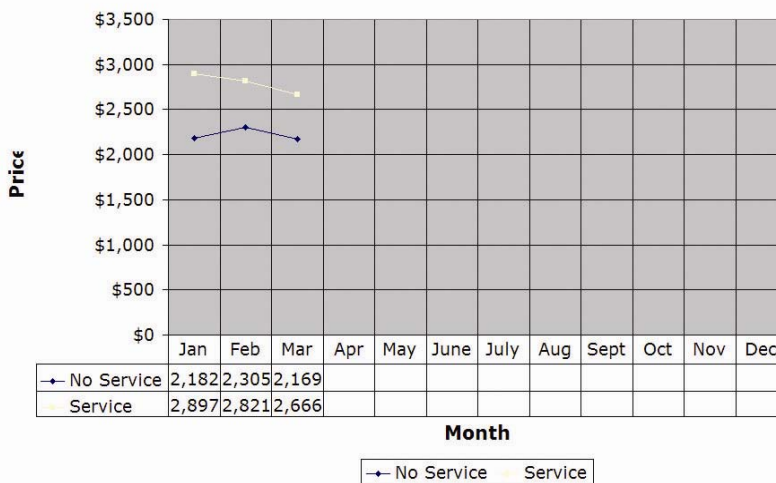


Spotlight on TriBeCa: Tribeca, the rival to SoHo for most expensive area to live in Manhattan, saw doorman studio prices come down by a sizable amount (11.2%), while non-doorman units declined by a much smaller margin. Interestingly, one bedrooms in doorman buildings for the same period experienced a comfortable price increase, while non-doorman units continue their price decline and are off by 18.6% since the beginning of the year. Finally, the two bedroom market is showing signs that doorman vs non-doorman is becoming less of a valued amenity in Tribeca with doorman unit prices declining, and non-doorman unit prices regaining some of the ground they lost last month.

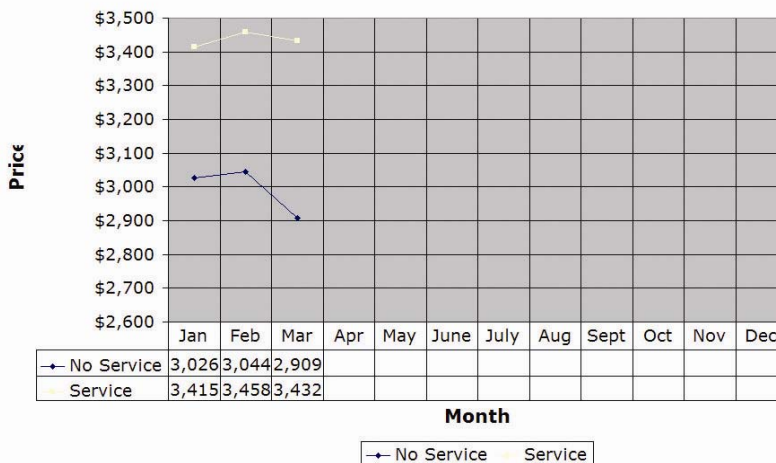


Spotlight on Financial District: Down below Chambers Street, the Financial District saw prices decline in most markets with studios, one bedrooms and two bedrooms in both non-doorman and doorman buildings all following the bearish trend. The only bright spot being the doorman two bedroom segment, which showed a marked improvement and continued improvement from the beginning of 2007.

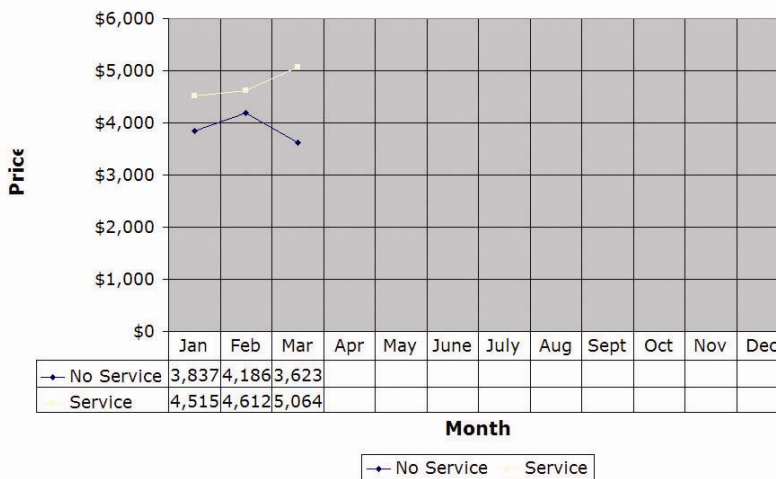
Financial District - Studio 2007 Price Trends



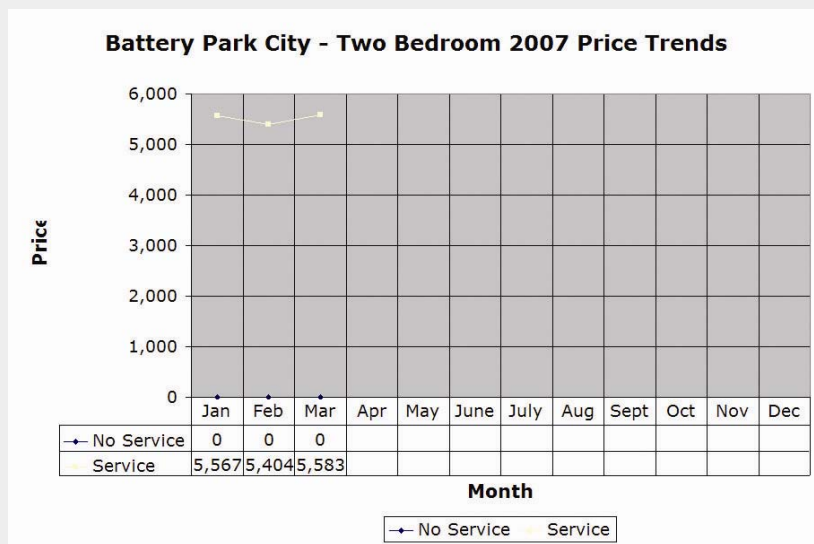
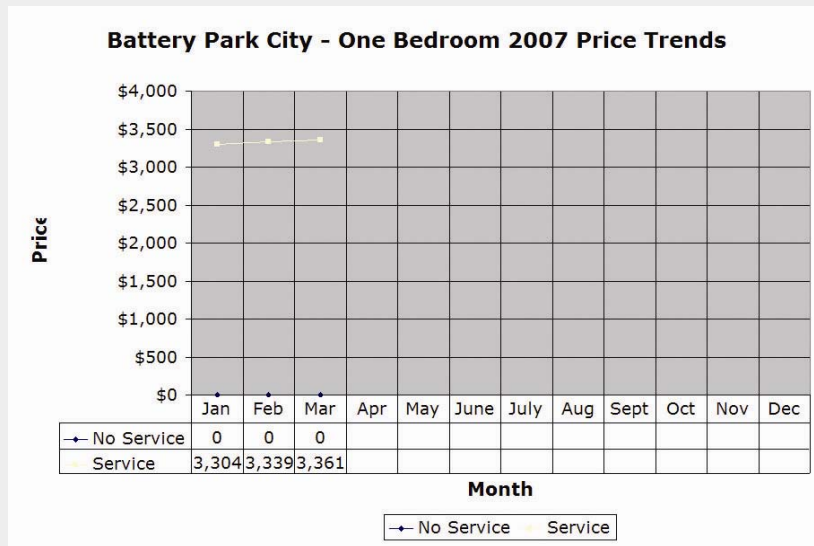
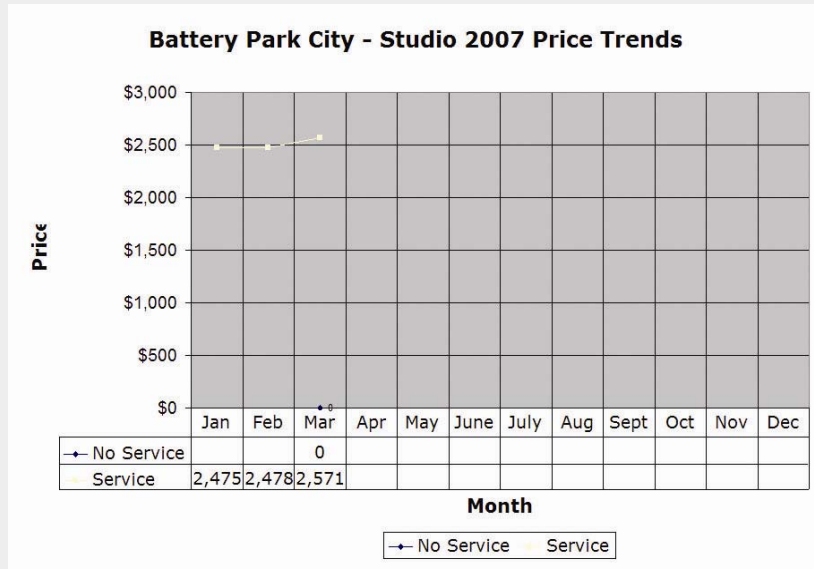
Financial District - One Bedroom 2007 Price Trends



Financial District - Two Bedroom 2007 Price Trends



Spotlight on Battery Park: In true Wall Street fashion, Battery Park took the high ground to the Financial District losses posting price increases across the board for studio doorman, one bedroom doorman, and two bedroom doorman apartments.



Conclusion: The question which has been asked of me by landlords, individual property owners, investors, and property assessors alike, is how to use this data to more accurately price an individual apartment in Manhattan. The answer is that in general this data should be used as a benchmark on the current state of the market on the whole or for a specific neighborhood. However, each apartment must be evaluated individually to ascertain its merits and/or flaws in order to derive the maximum price to market said unit. Only after evaluating the specific apartment would I use the aforementioned data, along with the experience of a professional who was well versed in comparable rental properties in and around the surrounding area, to determine the maximum price the market would bear.

Note: Information has been collected and compiled by The Real Estate Group, New York marketing department. All information is over seen by C.O.O., Daniel Baum and edited by V.P. of PR & Marketing, Lori Askins.

The Manhattan Market Report is based on data cross-sectioned from over 3,000 currently available listings located below 100th Street and under \$10,000 specifically to obtain a true monthly rental average by omitting ultra luxury property. This data has been collected by The Real Estate Group, NY. All materials presented here are intended for informational purposes only and have been compiled from sources deemed reliable. Though the information is believed to be correct, it is presented subject to errors, omissions, changes or withdrawal without notice. **If you would like to republish this report on the web, please make sure to source it as the Manhattan Apartment Rental Report with a link back to its original location (<http://www.tregny.com/manhattan-apt-rental-report.jsp>).**