



RPX MONTHLY MANHATTAN NEIGHBORHOODS REPORT

Release Date: November 20, 2009

September 2009

Key Characteristics

- The Manhattan Condo RPX transaction count increased 18% in September, continuing an ascent from the nadir of activity earlier this year, where transaction counts were down roughly 80% peak-to-trough. The transaction count is currently 6.35% below levels this time last year and 18% below levels seen in September 2007. Transaction activity still remains 47% below peak levels and signs of continued stability are still unclear¹.
- Manhattan Condo RPX prices increased by 2.1% month-over-month to a PPSF of \$980. Prices are still down 12.6% from the September 2008 PPSF of \$1121.30 and down 14.74% from the PPSF of \$1149.37 on September 18, 2007. As can be seen in Exhibit 1, the Manhattan Condo price is beginning to show stability.
- New unit sales remained weak relative to past years but did increase month-over-month, accounting for 15.6% of total transactions as opposed to 12% last month. Month-over-month, the distribution, as depicted in Exhibit 2, of new and existing units that make up the Manhattan Condo RPX shifted slightly towards the high-end but for the most part was unchanged.
- RPX Prices for six of the eight Manhattan neighborhoods tracked by Radar Logic increased between August and September, whereas prices for only two neighborhoods increased month-over-month between July and August. The Financial District, Upper East Side and Upper West Side, which are currently at levels of activity close to and above this time in September 2008, increased month-over-month by 7.8%, 6.7% and 1.3% respectively. In past reports, it was noted that changes in PPSF may be distortion caused by small sample size. The current price changes in the previously mentioned neighborhoods are probably representative of the underlying population of home-values due to larger sample sizes. Looking at Exhibit 3, it is also clear that the price distribution of the neighborhoods, with the exception of Midtown/Clinton, is not largely skewed by transactions taking place far away from the median price.
- Transaction counts increased on a month-over-month basis in five of the eight neighborhoods. This increase was most significant in neighborhoods that are beginning to sustain historically normal levels of activity, such as the Chelsea/ West Village and Upper West Side neighborhoods, which increased 34.4% and 8.6% respectively. In contrast, the 180% increase in the transaction count for the Financial District was less significant because sales were rebounding from there extreme lows.
- In November, the FHA announced that they will relax building underwriting guidelines in an effort to help fill vacant condo units.² While this is aimed at the Florida condo market, this may give a boost to new unit sales in Manhattan towards the lower end of the price distribution. Specifically, condos that are priced lower than the \$729,750 FHA conforming loan limit. One significant change to prior guidelines is the reduction of the presale requirement from 70% to 30%, which may make financing more available to potential buyers.

¹ Transaction counts represent the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

² The Miami Herald, "Federal Housing Agency Boosts Condo Market" by Monica Hatcher. Published 11/10/2009

Exhibit 1: Manhattan Condo RPX Prices and Transaction Counts, 2004-2009

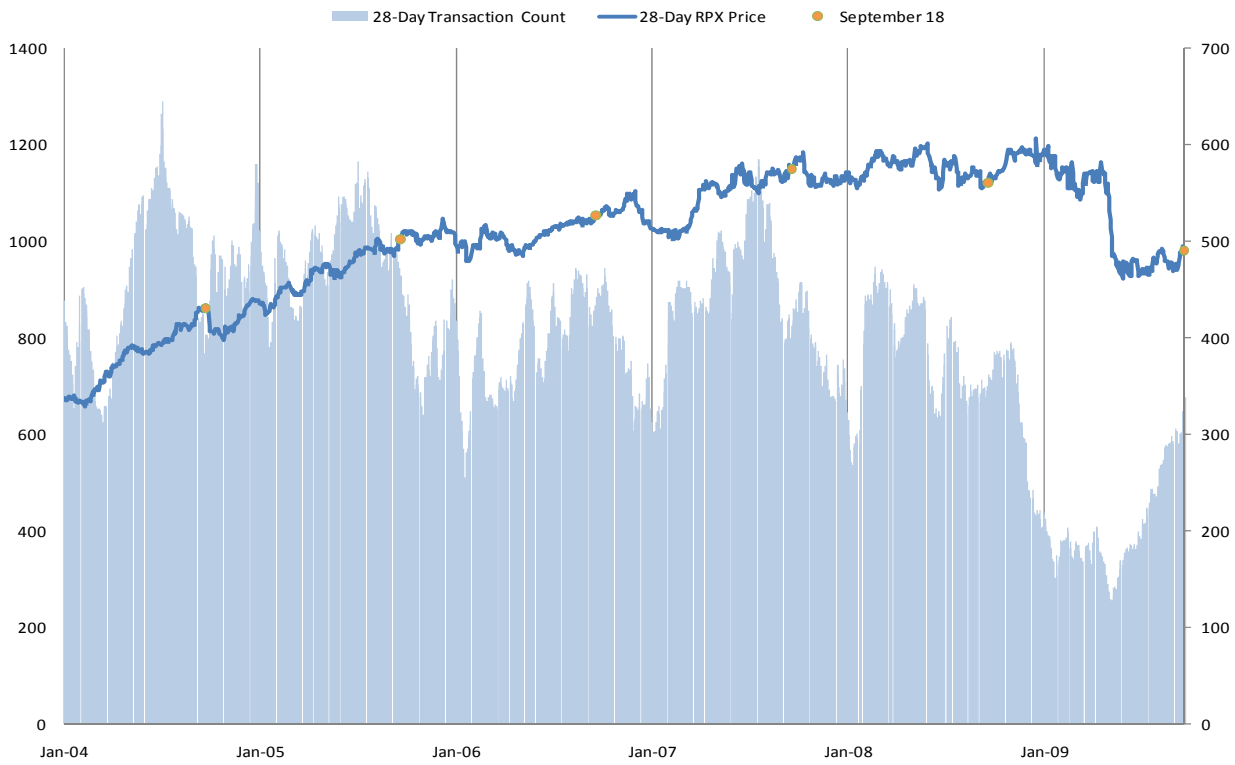


Exhibit 2: Mix of New and Existing Unit Sales in Manhattan Condominium Market, 28 Days Ending September 18, 2009

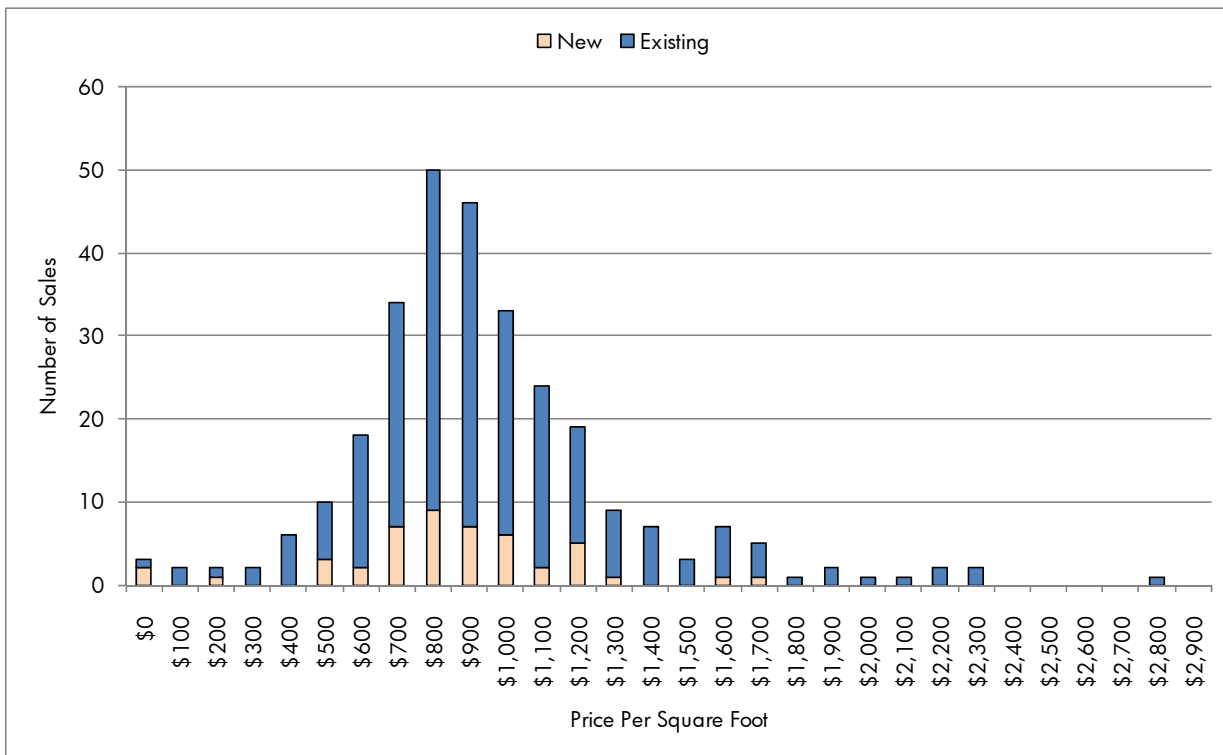


Exhibit 3: Mix of New and Existing Unit Sales in RPX Manhattan Neighborhoods, 28 Days Ending September 18, 2009

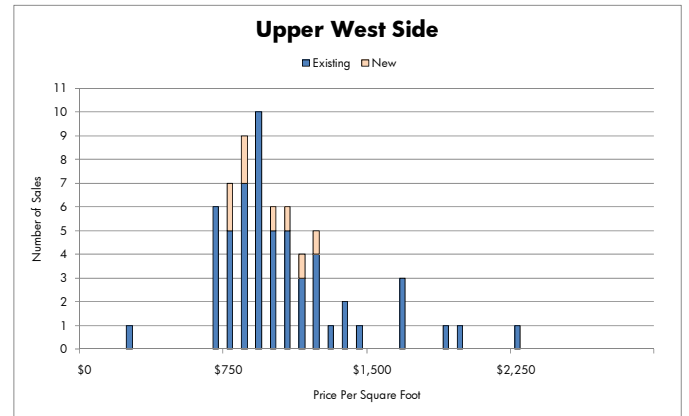
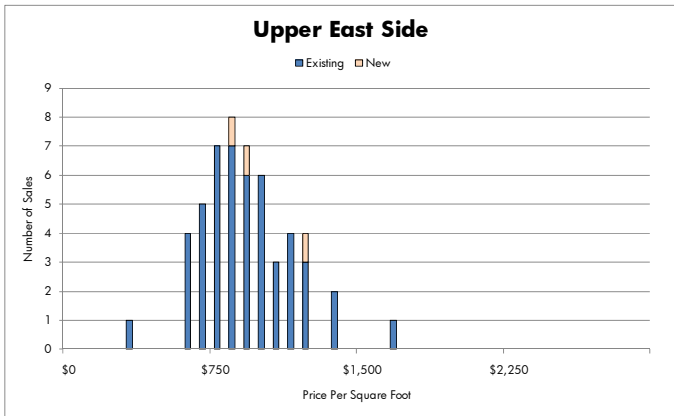
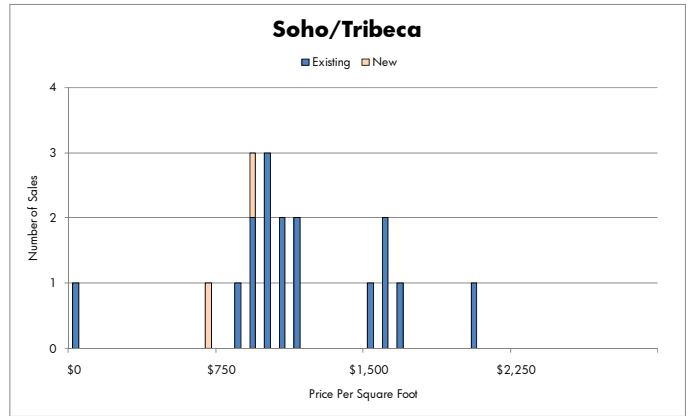
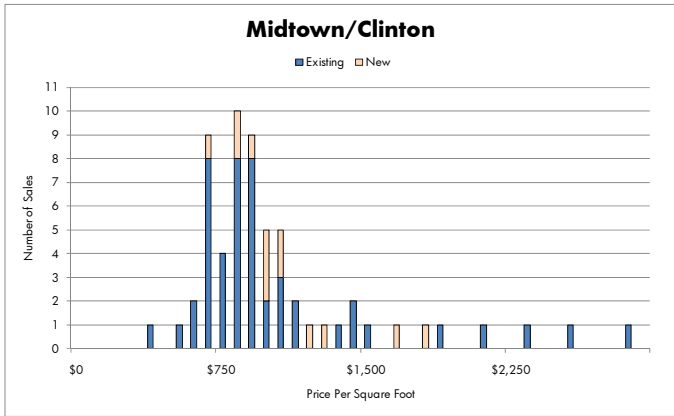
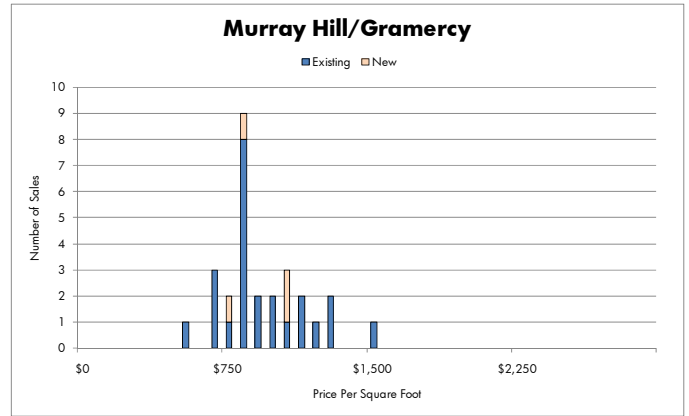
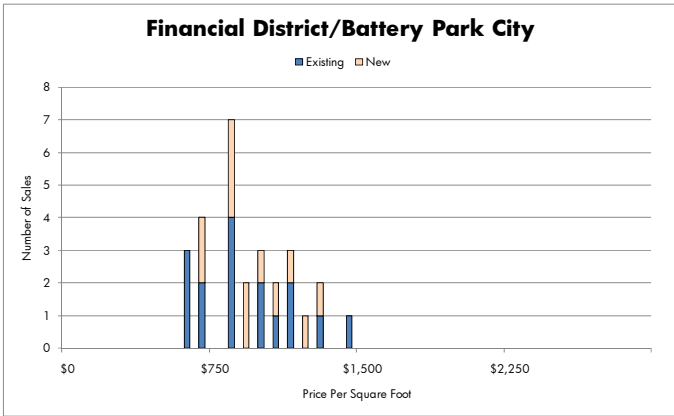
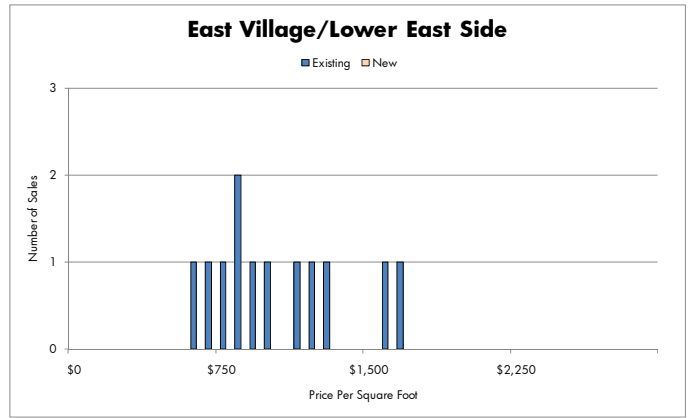
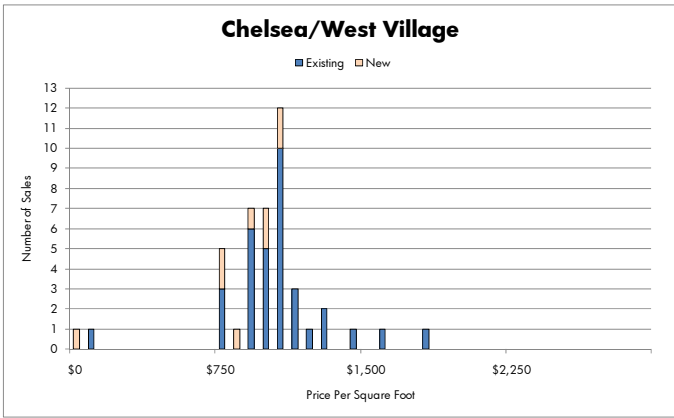


Exhibit 4: Manhattan Neighborhoods Ranked by 1-Year % Change³

Sep 2009 Rank	Aug 2009 Rank	Neighborhood	PPSF on Sep 17, 2009	Sep 2009 vs. Sep 2008	Sep 2008 vs. Sep 2007	Sep 2009 vs. Aug 2009	Sep 2008 vs. Aug 2008
1	3	Upper West Side	\$985.83	-8.2%	-12.6%	1.3%	-5.1%
2	1	Financial District	\$913.91	-10.3%	-6.7%	7.8%	15.6%
3	4	Upper East Side	\$936.45	-14.3%	-0.9%	6.7%	-0.6%
4	8	Chelsea/West Village	\$1,034.48	-15.1%	-2.4%	1.1%	-10.4%
5	6	Soho/Tribeca	\$1,111.83	-15.1%	-4.7%	11.8%	2.0%
6	2	Murray Hill/Gramercy	\$884.49	-17.2%	-5.7%	-10.6%	-5.4%
7	5	East Village/Lower East Side	\$1,013.51	-18.5%	-0.7%	4.8%	0.5%
8	7	Midtown/Clinton	\$935.51	-21.7%	-2.9%	-3.8%	-6.2%
		Manhattan Condominium	\$980.00	-12.6%	-2.7%	2.1%	-2%

Manhattan Condominium and Manhattan Neighborhoods are subsets of the New York MSA

■ = positive ■ = neutral ■ = negative

Exhibit 5: Transaction Counts^{3,4}

	Sep 2008	Aug 2009	Sep 2009
Chelsea/West Village	29	32	43
East Village/Lower East Side	17	17	11
Financial District	23	10	28
Murray Hill/Gramercy	27	33	27
Midtown/Clinton	61	57	58
Soho/Tribeca	33	10	16
Upper East Side	51	55	49
Upper West Side	51	58	63

Exhibit 6: Transaction Counts % Change^{3,4}

	Sep 2009 vs. Sep 2008	Sep 2009 vs. Aug 2009
Chelsea/West Village	48.3%	34.4%
Upper West Side	23.5%	8.6%
Financial District	21.7%	180.0%
Murray Hill/Gramercy	0.0%	-18.2%
Upper East Side	-3.9%	-10.9%
Midtown/Clinton	-4.9%	1.8%
East Village/Lower East Side	-35.3%	-35.3%
Soho/Tribeca	-51.5%	60.0%
Manhattan Condominium	-6.35%	18.12%

³ Source: 28-Day RPX value for the Manhattan Condominium market and each Manhattan Neighborhood as of 9/18/2009. Please refer to www.radarlogic.com/disclosure_disclaimer.html for more information.

⁴ Transaction counts represent the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

About Radar Logic

Radar Logic Incorporated, a real estate data and analytics company, calculates and publishes the Radar Logic Daily™ Prices. The prices track housing values for major U.S. metropolitan areas and are the basis of the Residential Property Index™ (RPX™), a market that enables real estate to be traded as a liquid asset, via property derivatives marketed by major financial institutions.

RPX allows real estate and financial professionals to manage opportunity and risk, invest in real estate values without owning physical assets and effectively analyze markets using a consistent metric: price per square foot. Data in the RPX Monthly Manhattan Neighborhoods Report reflect the 28-day aggregated value of Radar Logic Daily Prices. The price per square foot metric used significantly reduces the influence of property sizes on overall housing price trends, which can skew results.

The Daily Prices are not adjusted for seasonal variations. In some cases, Daily Prices may vary based on reporting characteristics within individual markets.

RPX Analytics & Research

Radar Logic offers specialized analytic services which allow real estate and financial professionals to view current and historical price per square foot and transaction count trends for all markets and sub-markets we track. MSAs and neighborhoods can be segmented by location (zip code and county), property type (single family, multi-family and condo), property size, date range, and sale price. The database is derived from our neutral, public source records.

Our web-based tools provide a means for all entities associated with or affected by housing prices to maintain market data streams on a constant, neutral and daily updated basis.

For additional insight on this report or for inquiries about research or analytic products, please contact:

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