

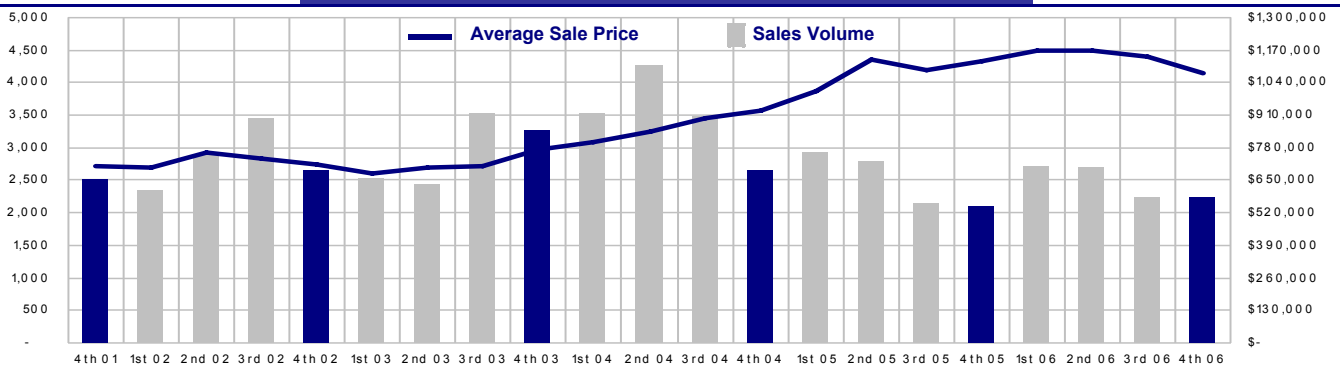
Fourth Quarter 2006 — Prices Down, Volume Up

► **Average Price Drops 5.7%** — The average sale price declined 5.7% to \$1,079,363 from \$1,144,024 in the 3rd Quarter 2006 and was 4.4% lower than the same quarter one year ago. The change in average sale price was the second consecutive quarterly drop and represented a 7.7% decline from the record high \$1,169,472 recorded in the 2nd quarter of 2006. The drop was offset by an increase in sales volume that was surprisingly robust given seasonality; there were 2,244 sales, up slightly from the 3rd quarter and 7% higher than a year ago.

► **Monthly Supply Near Equilibrium** — The monthly supply of inventory that had peaked at a 3 year high in September at 10.35 months declined to close at 7.36 just above the 5-7 month 'sweet spot' of market equilibrium where supply and demand are in close parity.

► **High End Sales Rebound** — Sales volume over \$2.5 million rose from 4.7% to 6% of all transactions in the 4th quarter. One year ago, however, this segment represented 10% of the market. Lower end sales (below \$500,000) also rose, up to 26% of all transactions compared to 22% in the 3rd quarter and 24% one year ago. The average sale price on the Upper West side declined 14%, bringing the gap between neighborhoods to the narrowest margin since the 1st quarter of 2003. Compared to last year, sale prices were down by a low of 4% in midtown to a high of 24% downtown.

Average Sale Price & Sales Volume (5 YEAR)



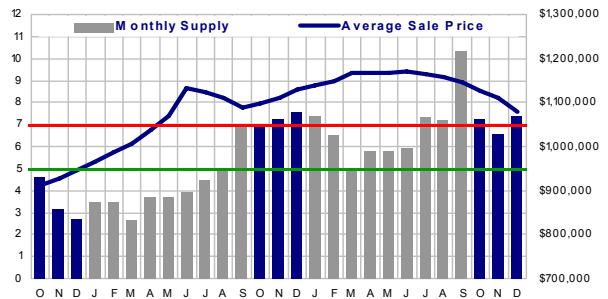
Monthly Supply & Average Sales Price (2 Year)

Monthly Supply & Average Sale Price

The monthly supply that hit a 3 year high in in September, declined to close at 7.35 in December just above the 5-7 months supply range of equilibrium.

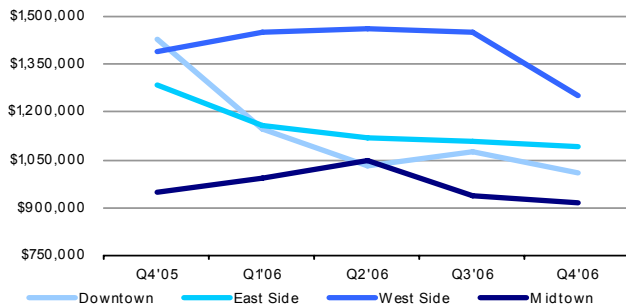
The Monthly Supply Number in Manhattan represents the number of months it would take to sell off the existing inventory based on the rate of signed contracts.

Market Equilibrium is typically between 5-7 months supply. Supply numbers over 7 months (red line) indicates an oversupply which may result in downward pressure on prices, whereas under 5 months (green line) supply tends to create a rise in prices when demand is steady.

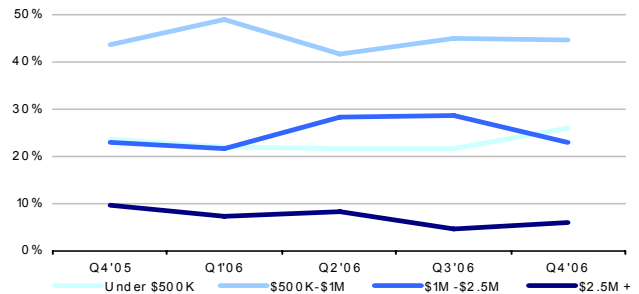


Sales By Neighborhood & Price Range (1 Year)

Sales Prices By Neighborhood: Downtown -6% to \$1.008M; East Side -1.5% to \$1.094M; West Side -14% to \$1.252M; Midtown -3% to \$914K.



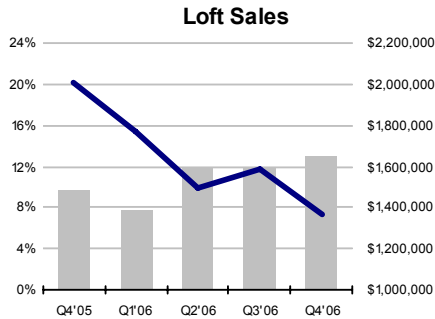
Sales By Price Range: Under \$500K up from 22% to 26%; \$500K-\$1M unchanged at 45%; \$1M-\$2.5M down from 29% to 23%; \$2.5M+ up from 4.7% to 6%. (As a percentage of all sales).



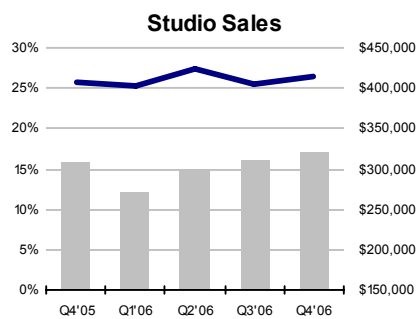
About MMJ & Market Measure - Data contained in this report is drawn from closed sales records of residential cooperatives and condominiums located south of 96th Street in Manhattan. Geographic areas are defined as follows: East & West Side: from 59th to 96th Street; Midtown: from 59th to 23rd Street, Downtown: south of 23rd Street. Average sale prices are corrected for changes in average square footage to more accurately reflect changes in value. MMJ is independently owned and operated. MMJ is the foremost source for market analysis, forecasts and related data in the tri-state area covering the widest spectrum of the market. Additional information at 212-319-7300 or visit mmja.com.

Average Sale Prices Drift Down— The average sale price of studios was the only gainer, up 2% on the quarter as all other apartment prices experienced declines of 1-24%. Although the average sale price of 4+ bedroom homes recorded a 24% drop, the relatively small segment size is subject to more radical shifts and does not necessarily represent a wholesale change in value. Sales volume of larger apartments declined for the second consecutive quarter as all other sizes remained fairly level. The following charts show average sale price and sales volume by apartment size. Sales volume is shown as percentage of all sales to best illustrate trends in the market.

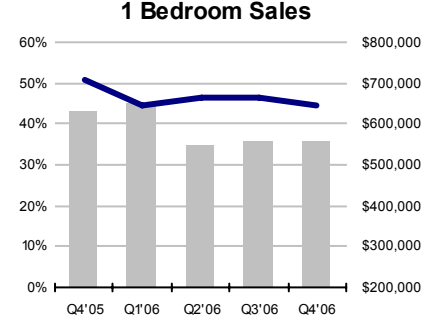
Blue Line = Average Sale Price Grey Bar = Percentage Of All Sales



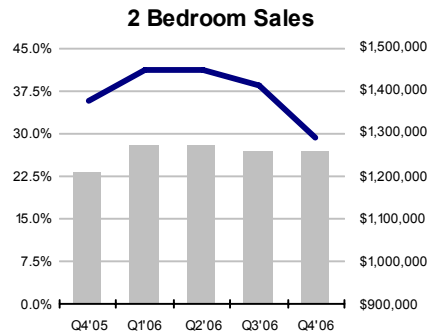
Loft sale prices declined to an average of \$1,369,000 down 14% from the previous quarter and 32% lower than the same quarter last year. Sales Volume rose from 12% to 13% of all sales.



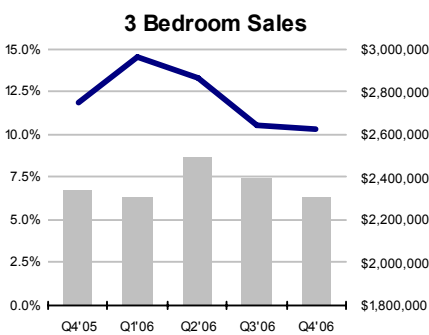
Studio sale prices averaged \$414,000 up 2% over the previous quarter and 1.4% higher than the same quarter last year. Sales Volume increased from 16% to 17% of all sales.



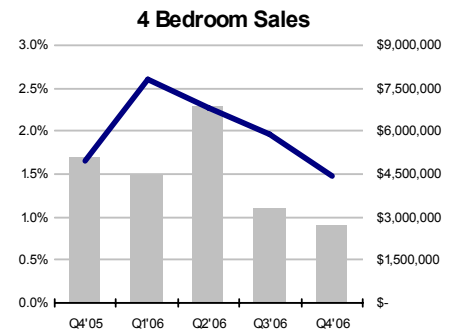
One Bedroom sale prices averaged \$662,000 down 1% from the previous quarter and 1% lower than the same quarter last year. Sales Volume rose from 35% to 36% of all sales.



Two Bedroom sale prices declined to an average of \$1,287,000 down 9% from the previous quarter and 6% lower than the same quarter last year. Sales Volume was unchanged at 27% of all sales.



Three Bedroom sale prices averaged \$2,626,000 down 1% from the previous quarter and 4% lower than the same quarter last year. Sales Volume decreased from 9% to 7.4% of all sales.



Four+ Bedroom sale prices averaged \$4,459,000 down 24% from the previous quarter and 4% lower than the same quarter last year. Sales Volume decreased from 1.1% to 0.9% of all sales.

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