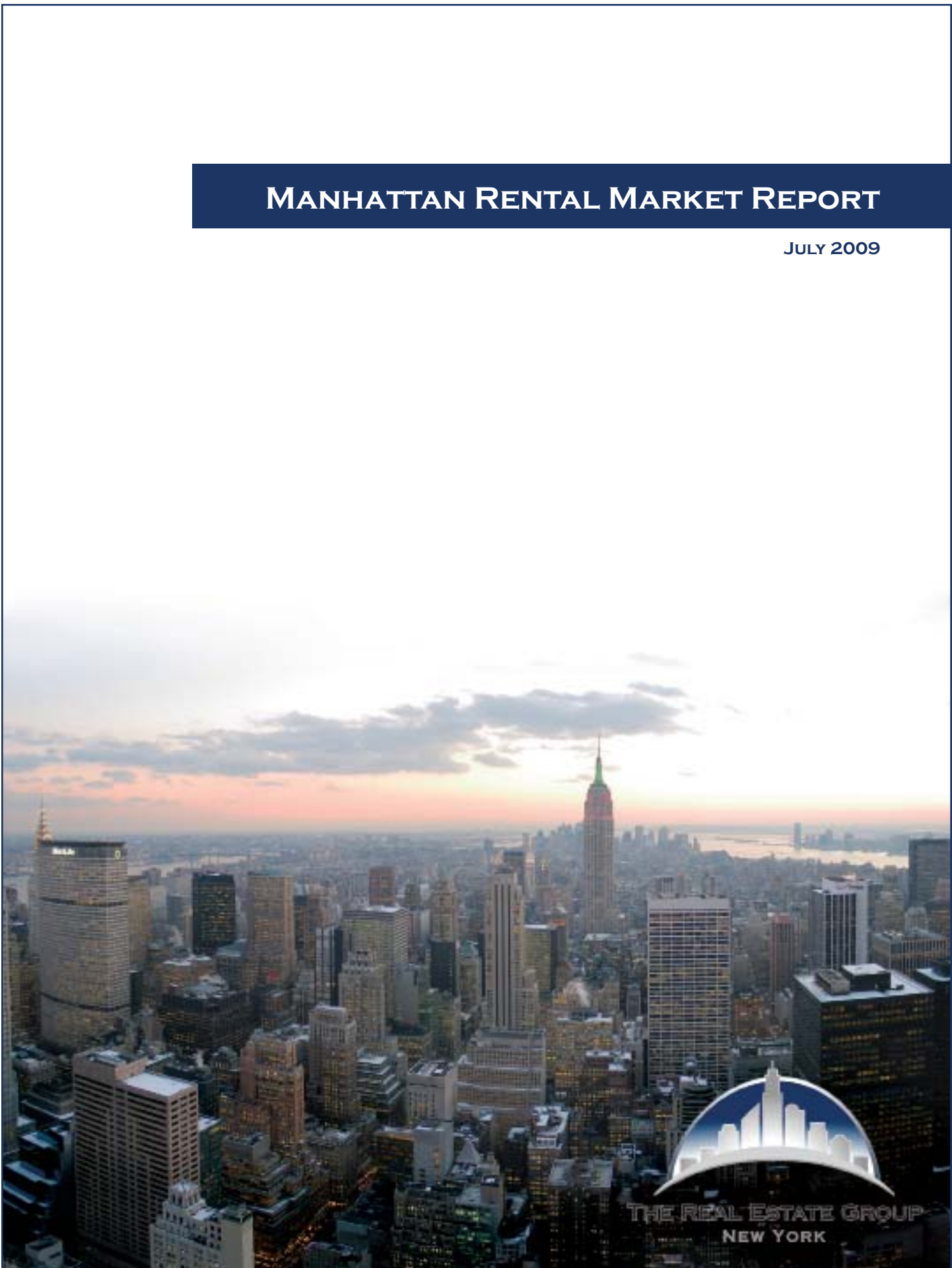


MANHATTAN RENTAL MARKET REPORT

JULY 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 July 2009 edition of our Manhattan Rental Market Report, the only research on the city's rental rates published on a monthly basis.

While some analysts may be calling an end to the recession, word has not yet spread to Manhattan's rental market. The market is now in full summer swing and while our agents are busy with clients, there is not the usual frenzy that would normally surround this time. The data confirms this. Manhattan, which is a highly seasonal market, appears to be missing its summer peak this year. Prices are flat or declining this month vs. last instead of climbing, rents continue to lag 2008, and vacancies are slightly up.

It appears that the already down market continues to suffer from a combination of fewer jobs and lower budgets. And in talking with our clients, many of the new hire employees who would normally begin in May and June have had their start dates pushed back to September and October, thus diminishing the seasonal demand summer normally brings. Since we look to this time of year as a barometer for the upcoming quarter, this begs the question, what outcome can we expect for the rental market this fall?

On one hand, the push of start dates may signify that seasonality will simply be muted this year as the demand spreads more evenly across the second and third quarters, rather than being concentrated in early summer. On the other, the lack of demand could be just that, which if carried through to the fall, would have a profoundly negative impact on the rental market heading into the colder months.

We will continue to monitor this trend much more closely and report back as the situation unfolds.

A handwritten signature in black ink, appearing to read 'Daniel Baum', written in a cursive style.

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

A QUICK LOOK

NON-DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$2,849	Harlem \$1,308
One-bedrooms	TriBeCa \$3,861	Harlem \$1,716
Two-bedrooms	TriBeCa \$6,833	Harlem \$2,139

DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$2,749	Harlem \$1,336
One-bedrooms	SoHo \$4,021	Harlem \$1,797
Two-bedrooms	SoHo \$6,736	Harlem \$2,779

Greatest Changes Since June:

- Non-doorman studios – TriBeCa – **Down 12.02%** (\$389)
- Non-doorman one-bedrooms – TriBeCa – **Down 5.26%** (\$214)
- Non-doorman two-bedrooms – Financial District – **Up 9.93%** (\$395)
- Doorman studios – SoHo – **Down 8.95%** (\$269)
- Doorman one-bedrooms – Lower East Side – **Up 6.52%** (\$199)
- Doorman two-bedrooms – East Village – **Up 11.46%** (\$492)

Year-over-year Changes:

Notable Trends:

MANHATTAN NON-DOORMAN RENTS: JULY '08 vs. JULY '09			
	July '08	July '09	Change
Studios	\$2,126	\$1,958	-7.88%
One-bedrooms	\$2,783	\$2,590	-6.94%
Two-bedrooms	\$3,950	\$3,590	-9.12%

MANHATTAN DOORMAN RENTS: JULY '08 vs. JULY '09			
	July '08	July '09	Change
Studios	\$2,552	\$2,337	-8.42%
One-bedrooms	\$3,654	\$3,276	-10.34%
Two-bedrooms	\$5,495	\$5,197	-5.42%

A QUICK LOOK

Recession still for rentals — While some economists may be calling the end to the recession, the rental market's woes seem far from over. Rents are down significantly in year-over-year comparisons again this month, although nearly flat in month-to-month comparisons. The greatest changes since 2008 numbers are in doorman one-bedroom units, which fell 10.34%.

Doorman units stabilize — Non-doorman vacancies saw some relief last month, but are back up again in July by 6.08%. Doorman units, however, continued to decline by 3.05%. This marks the fourth month of falling inventory in these units. It seems that the incentive approach that doorman landlords are using is helping to not only absorb excess inventory, but also keep prices relatively stable. Doorman prices saw a decline of only .26% this month, while non-doorman asking rents fell 1.17%.

Midtown summer sizzle — As prices have fallen across Manhattan, Midtown has come out as the leader in deals this summer. Rents across midtown neighborhoods have decreased an average of 11.81% since July of 2008. The best deals? Midtown non-doorman studio units have fallen 15.34% - that's a significant chunk of change.

Where Prices Decreased:

Harlem—↓ Non-doorman studios (-5.26%), doorman studios (-1.66%), doorman one-bedrooms (-3.19%), doorman two-bedrooms (-4.16%)

Upper West Side—↓ Non-doorman one-bedrooms (-0.19%)

Upper East Side—Non-doorman two-bedrooms (-0.68%)

Midtown West—↓ Non-doorman studios (-1.39%), non-doorman one-bedrooms (-5.14%), doorman one-bedrooms (-3.25%), non-doorman two-bedrooms (-0.63%), doorman two-bedrooms (-5.31%)

Midtown East—↓ Doorman studios (-0.13%), non-doorman one-bedrooms (-2.38%), doorman one-bedrooms (-5.57%), doorman two-bedrooms (-9.45%)

Murray Hill—↓ Non-doorman two-bedrooms (-1.22%)

Chelsea—↓ Doorman one-bedrooms (-4.19%), non-doorman two-bedrooms (-1.90%)

Gramercy Park—↓ Non-doorman studios (-3.52%), doorman one-bedrooms (-1.95%), non-doorman two-bedrooms (-6.13%), doorman two-bedrooms (-8.02%)

Greenwich Village—↓ Non-doorman studios (-1.03%), non-doorman one-bedrooms (-3.80%), doorman one-bedrooms (-4.11%), non-doorman two-bedrooms (-3.66%)

A QUICK LOOK

East Village—↓ Non-doorman studios (-3.20%), doorman studios (-1.79%), doorman one-bedrooms (-3.71%)

SoHo—↓ Doorman studios (-8.95%), non-doorman one-bedrooms (-4.57%), doorman one-bedrooms (-4.14%), non-doorman two-bedrooms (-7.15%)

Lower East Side—↓ Non-doorman studios (-7.75%), doorman studios (-1.57%), non-doorman one-bedrooms (-1.48%), non-doorman two-bedrooms (-6.58%)

TriBeCa—↓ Non-doorman studios (-12.02%), non-doorman one-bedrooms (-5.26%), non-doorman two-bedrooms (-0.76%), doorman two-bedrooms (-1.61%)

Financial District—↓ Non-doorman studios (-3.34%), doorman studios (-0.89%), non-doorman one-bedrooms (-4.07%)

Battery Park City—↓ Doorman studios (-1.28%), doorman two-bedrooms (-0.19%)

Where Prices Increased:

Harlem—↑ Non-doorman one-bedrooms (2.74%), non-doorman two-bedrooms (0.99%)

Upper West Side—↑ Non-doorman studios (0.25%), doorman studios (1.15%), doorman one-bedrooms (2.70%), non-doorman two-bedrooms (5.01%), doorman two-bedrooms (4.57%)

Upper East Side—↑ Non-doorman studios (0.20%), doorman studios (0.42%), non-doorman one-bedrooms (4.33%), doorman one-bedrooms (0.76%), doorman two-bedrooms (3.81%)

Midtown West—↑ Doorman studios (0.83%)

Midtown East—↑ Non-doorman studios (0.36%), non-doorman two-bedrooms (2.31%)

Murray Hill—↑ Non-doorman studios (5.11%), doorman studios (1.42%), non-doorman one-bedrooms (1.14%), doorman one-bedrooms (0.96%), non-doorman two-bedrooms (2.30%)

Chelsea—↑ Non-doorman studios (1.45%), doorman studios (0.30%), non-doorman one-bedrooms (4.85%), doorman two-bedrooms (2.16%)

Gramercy Park—↑ Doorman studios (3.52%), non-doorman one-bedrooms (2.21%)

Greenwich Village—↑ Doorman studios (1.35%), doorman two-bedrooms (4.17%)

A QUICK LOOK

East Village—↑ Non-doorman one-bedrooms (3.30%), non-doorman two-bedrooms (1.43%), doorman two-bedrooms (11.46%)

SoHo—↑ Non-doorman studios (9.03%), doorman two-bedrooms (7.74%)

Lower East Side—↑ Doorman one-bedrooms (6.52%), doorman two-bedrooms (6.89%)

TriBeCa—↑ Doorman studios (2.50%), doorman one-bedrooms (0.48%)

Financial District—↑ Doorman one-bedrooms (0.32%), non-doorman two-bedrooms (9.93%), doorman two-bedrooms (3.77%)

Battery Park City—↑ Doorman one-bedrooms (0.54%)

Tips for Renters:

Grab a key to the park. Looking for a little piece of grass to call your own? Well you can get yourself a studio unit in Gramercy this month at a deep discount from last year's prices. Non-doorman studios are down 24.21% in year-over-year comparisons and are once again hovering below \$2K.

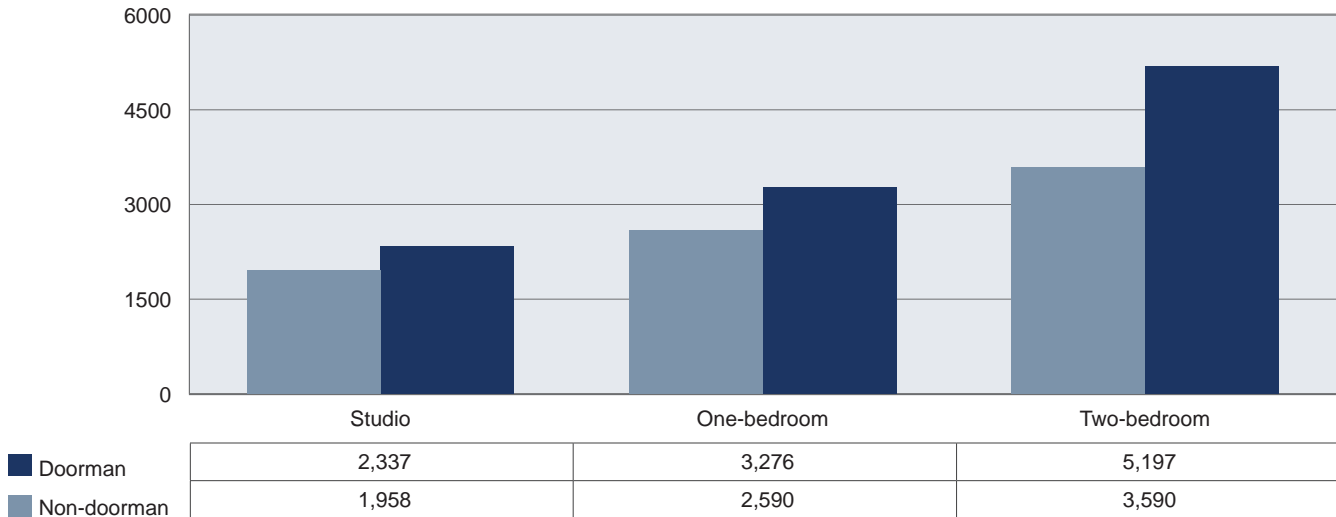
SoHo so low. When thinking about bargains, SoHo is probably not the first thought most New York City renters have; however, doorman one-bedrooms units are down 4.14% since last month and a whopping 21.53% since 2008. So at least for now, it looks like downtown renters can start putting these units back on their wish list.

East or West? As we mentioned, Midtown is leading the way in deals across Manhattan, but where to head for the most space? For renters solely concerned with price, Midtown West can't be beat, but those looking for the best deal pound-for-pound should head east. Despite being up 2.31% this month vs. last, Midtown East non-doorman two-bedrooms are still 22.26% below their 2008 levels, making them a heck of a steal.

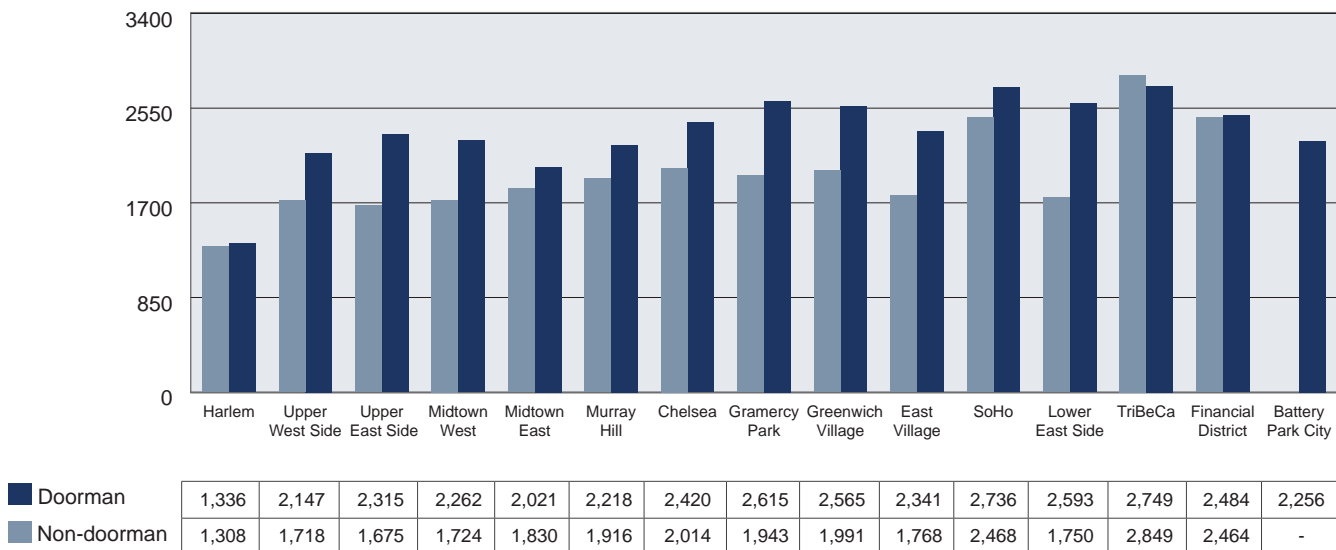
MEAN MANHATTAN RENTAL PRICES

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 July 2009. Graphs tracking citywide and neighborhood price changes over a rolling 13-month period follow.

July 2009 Mean Manhattan Rental Prices

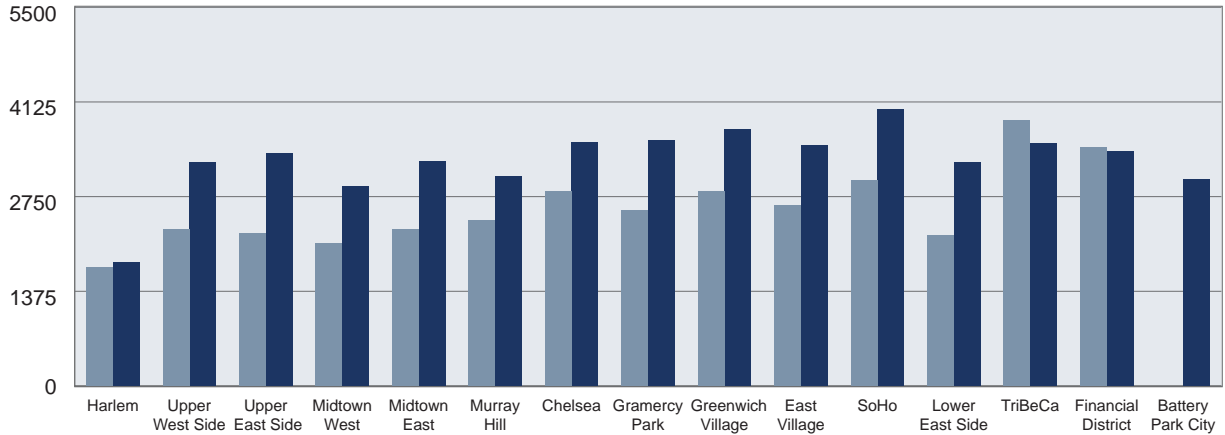


July 2009 Mean Studio Rental Prices



MEAN MANHATTAN RENTAL PRICES

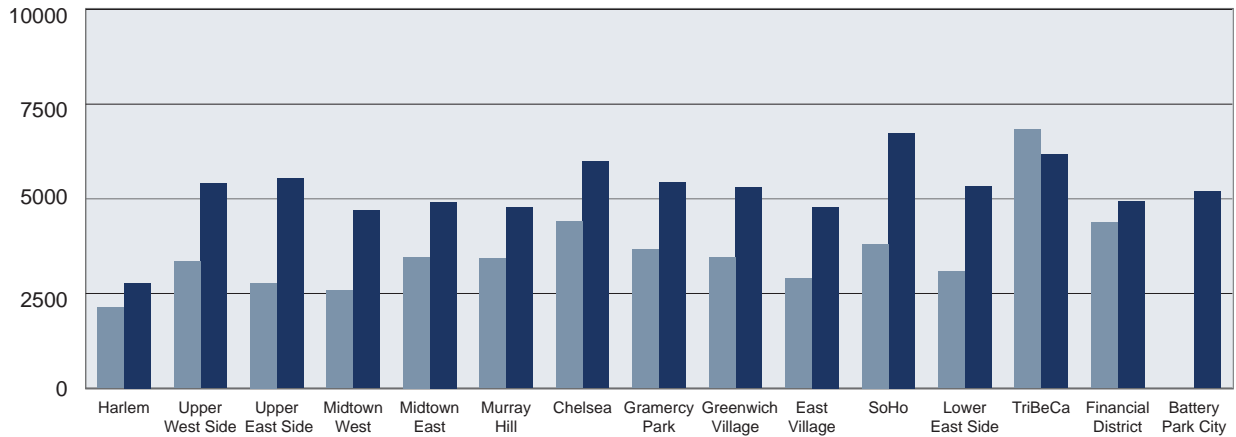
July 2009 Mean One-bedroom Rental Prices



■ Doorman
■ Non-doorman

1,797	3,246	3,372	2,898	3,266	3,036	3,537	3,572	3,720	3,488	4,021	3,253	3,526	3,412	2,997
1,716	2,272	2,218	2,067	2,273	2,403	2,826	2,545	2,825	2,627	2,978	2,183	3,861	3,463	-

July 2009 Mean Two-bedroom Rental Prices

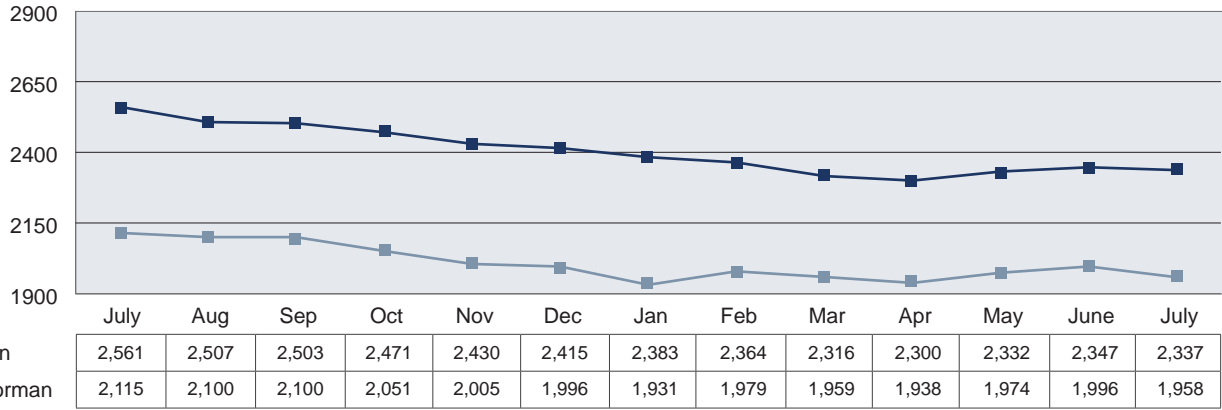


■ Doorman
■ Non-doorman

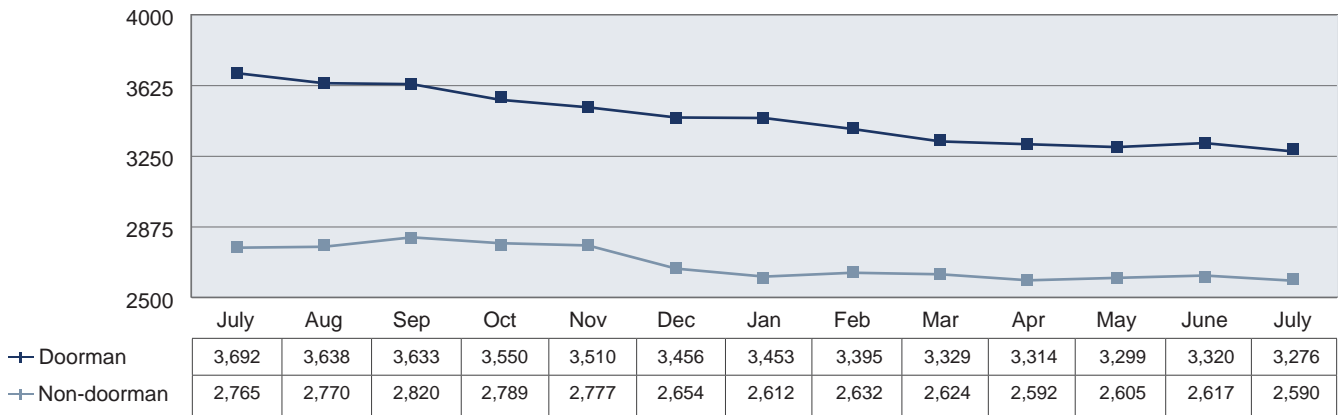
2,779	5,396	5,534	4,686	4,917	4,778	5,989	5,437	5,304	4,786	6,736	5,330	6,175	4,928	5,185
2,139	3,345	2,776	2,576	3,463	3,431	4,405	3,666	3,458	2,898	3,811	3,080	6,833	4,378	-

MANHATTAN PRICE TRENDS

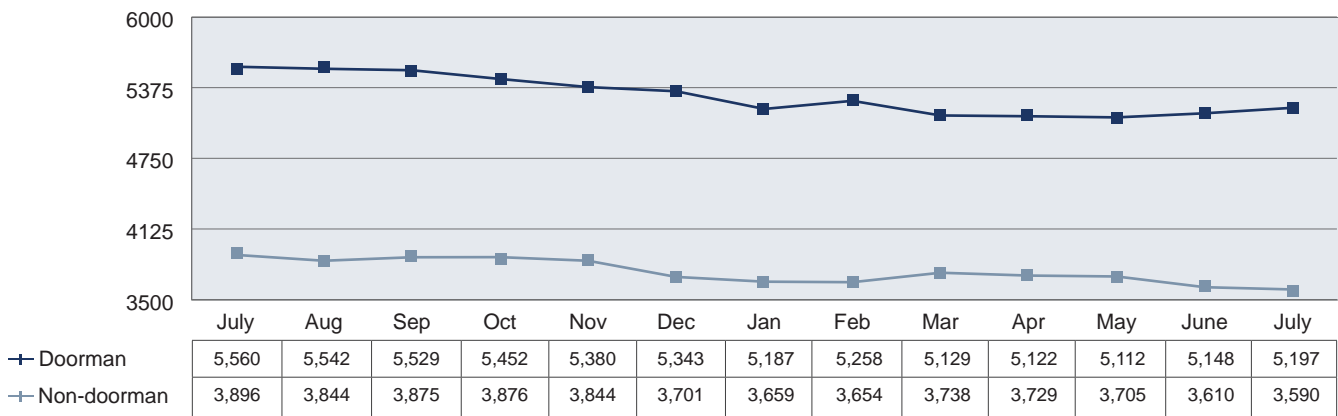
July 2009 Manhattan Studio Price Trends Over 13 Months



July 2009 Manhattan One-bedroom Price Trends Over 13 Months



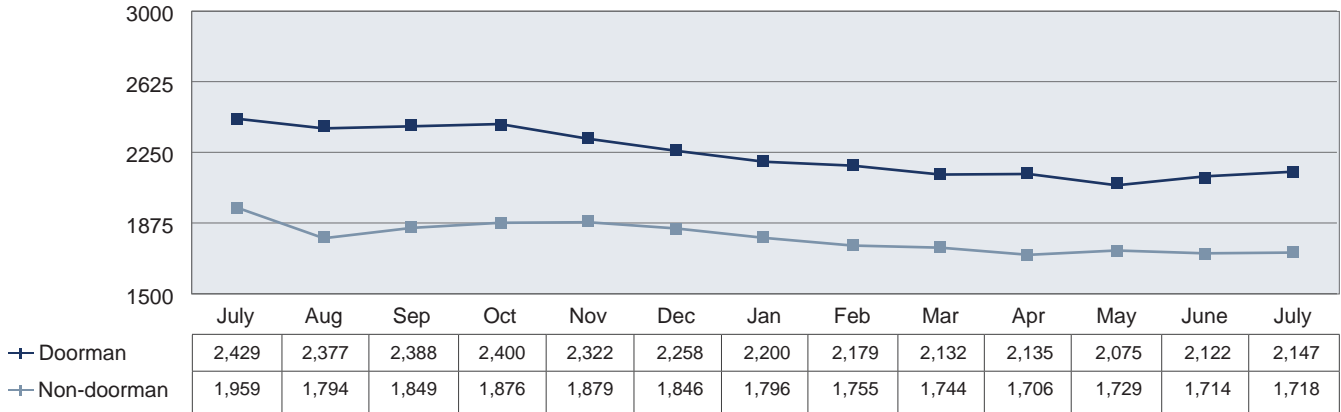
July 2009 Manhattan Two-bedroom Price Trends Over 13 Months



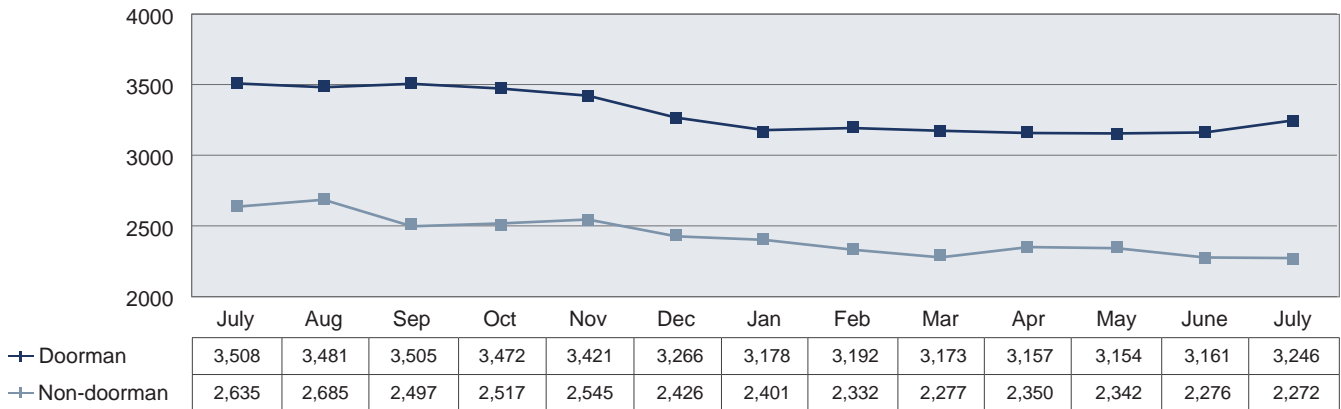
NEIGHBORHOOD PRICE TRENDS

UPPER WEST SIDE

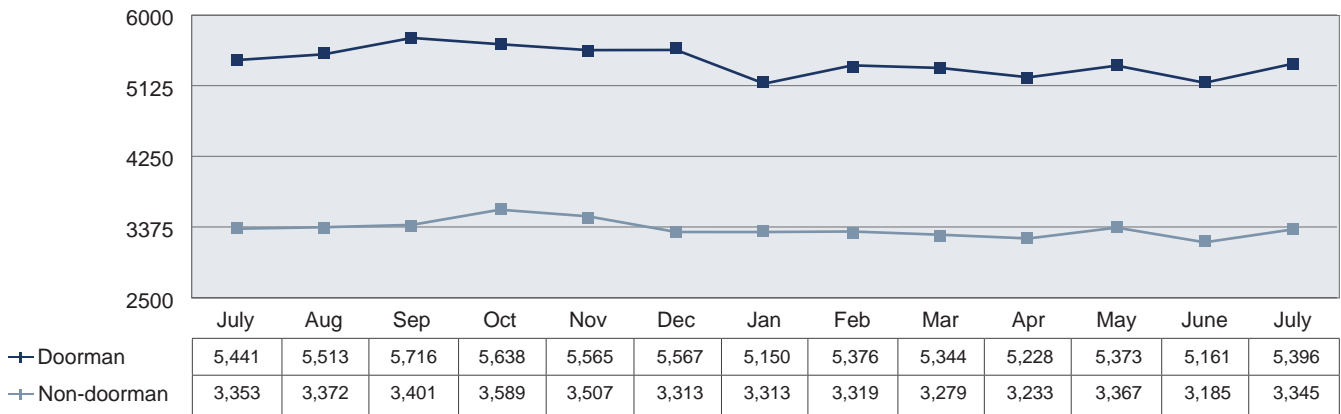
Upper West Side Studio Price Trends Over 13 Months



Upper West Side One-bedroom Price Trends Over 13 Months



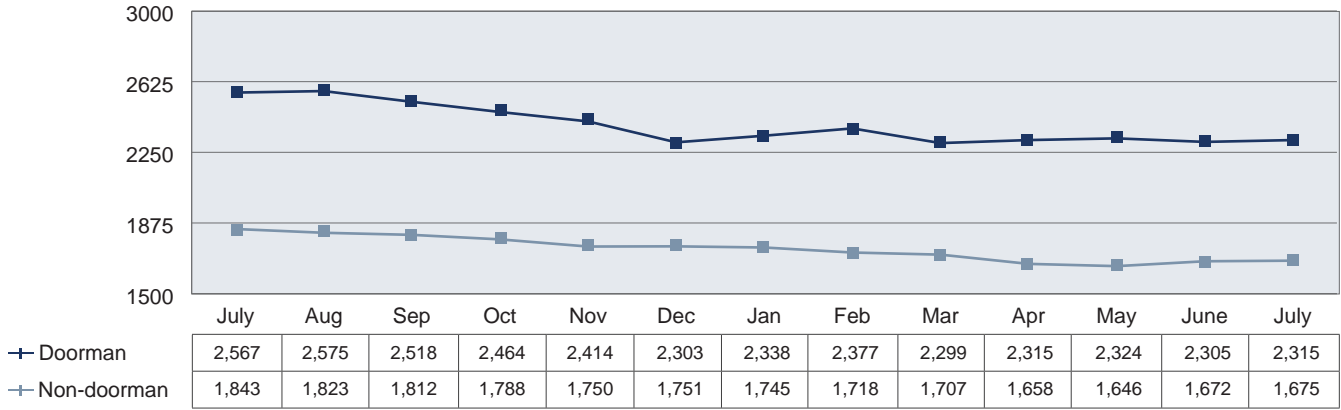
Upper West Side Two-bedroom Price Trends Over 13 Months



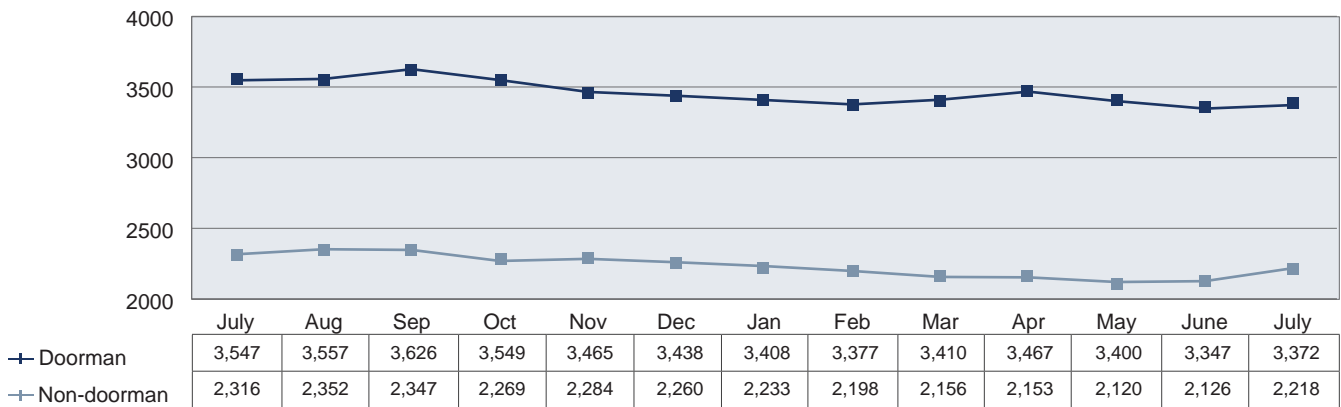
NEIGHBORHOOD PRICE TRENDS

UPPER EAST SIDE

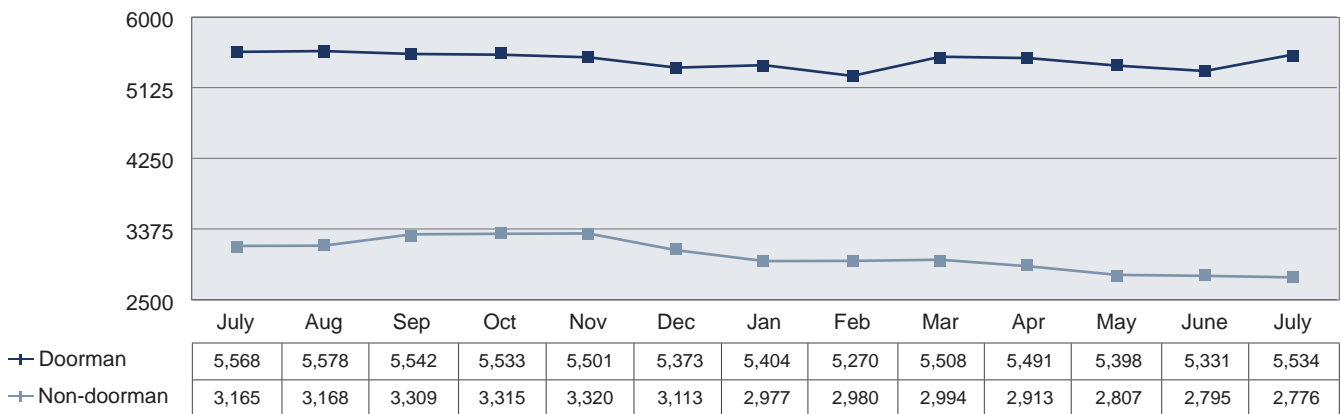
Upper East Side Studio Price Trends Over 13 Months



Upper East Side One-bedroom Price Trends Over 13 Months



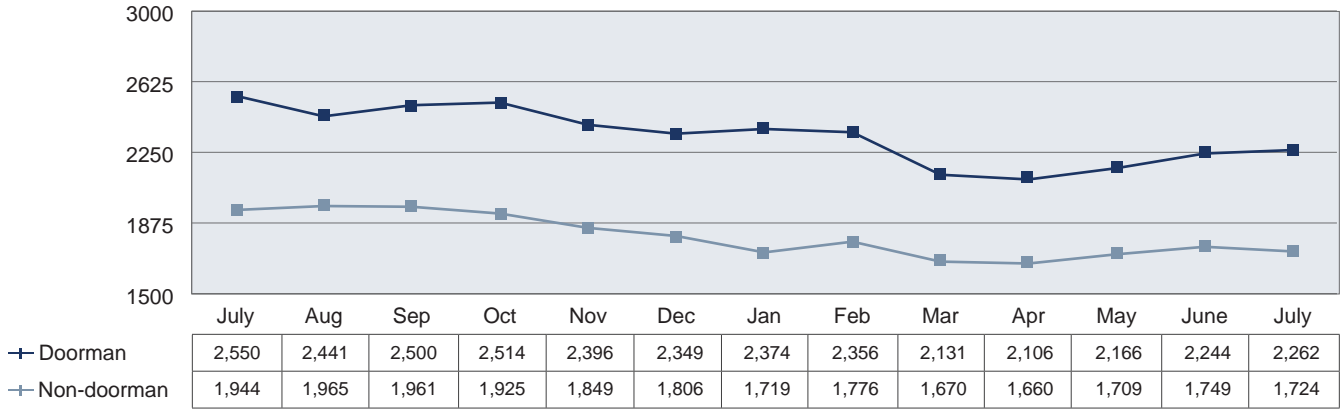
Upper East Side Two-bedroom Price Trends Over 13 Months



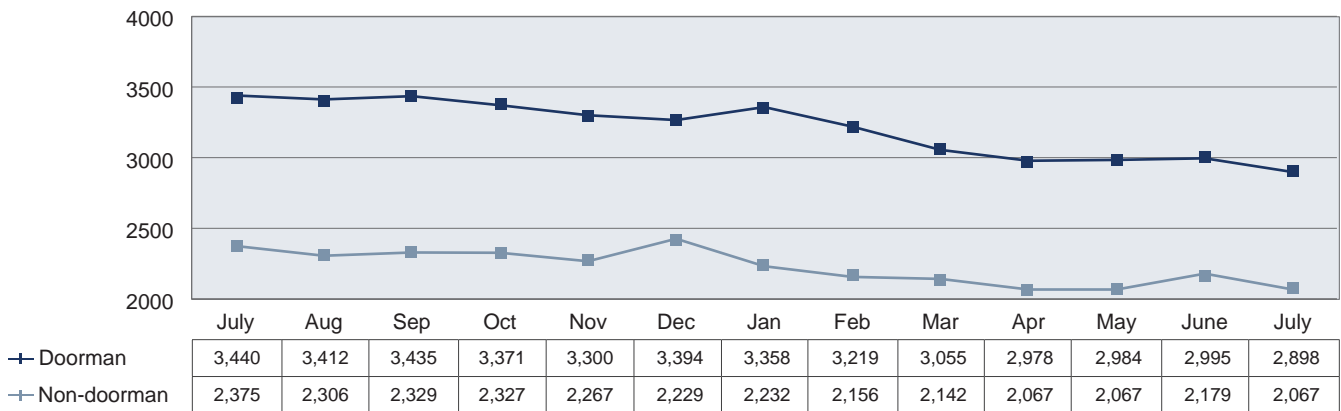
NEIGHBORHOOD PRICE TRENDS

MIDTOWN WEST

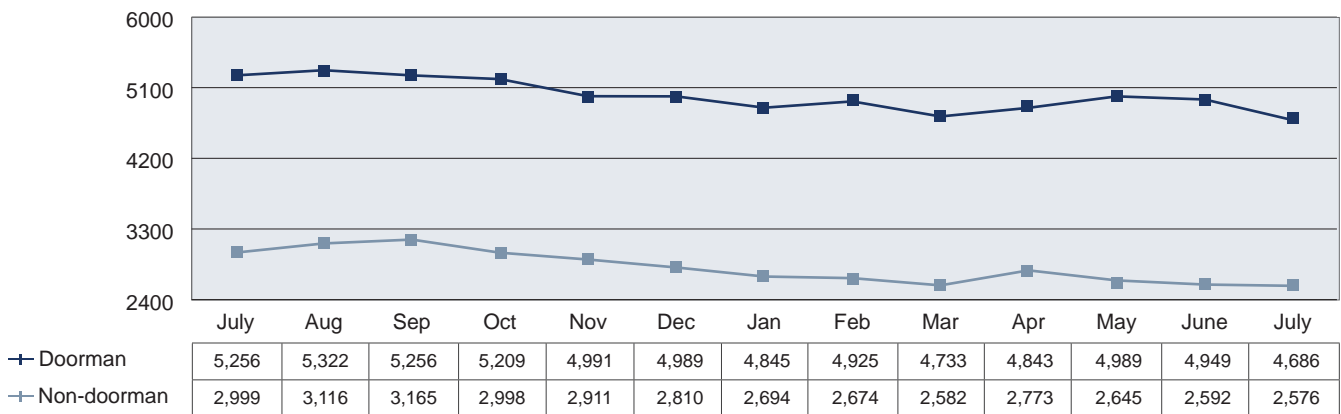
Midtown West Studio Price Trends Over 13 Months



Midtown West One-bedroom Price Trends Over 13 Months



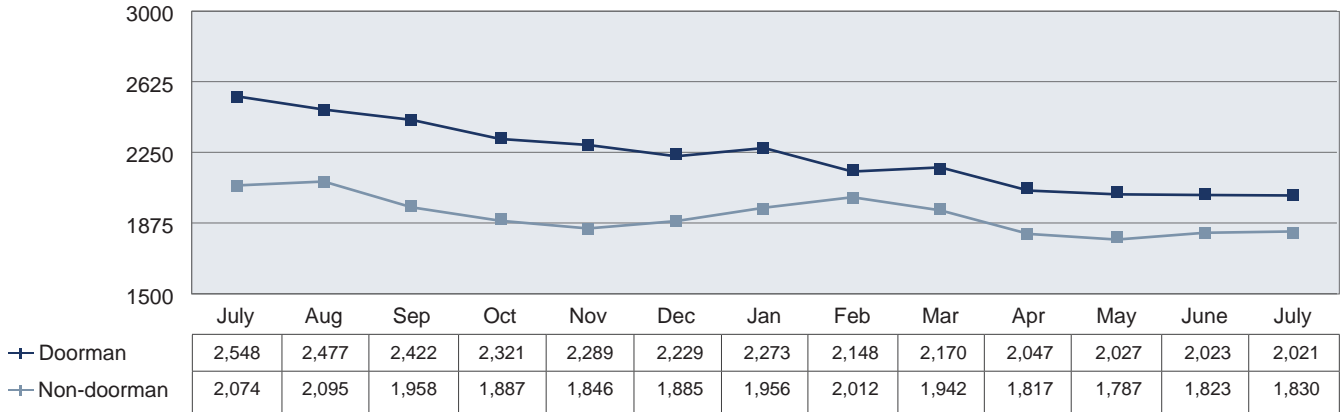
Midtown West Two-bedroom Price Trends Over 13 Months



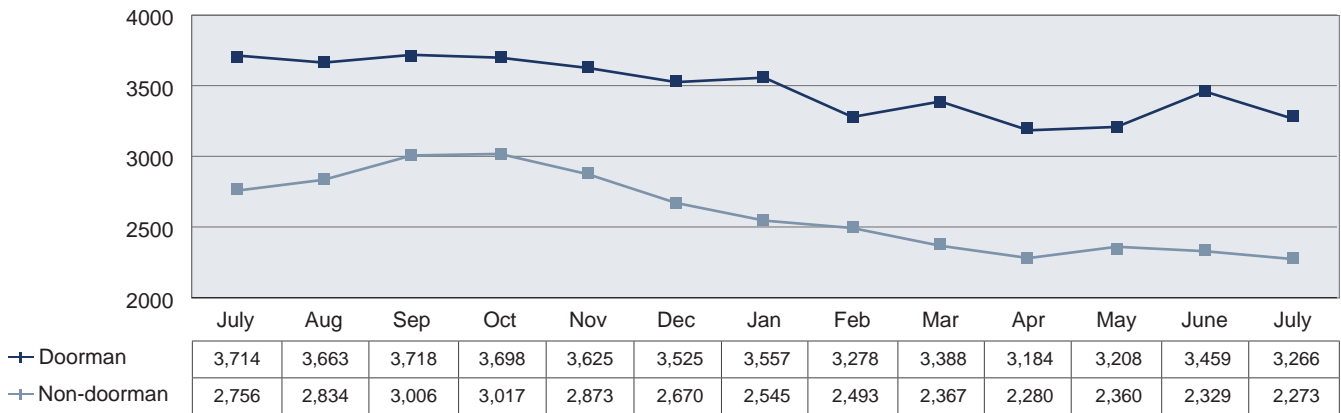
NEIGHBORHOOD PRICE TRENDS

MIDTOWN EAST

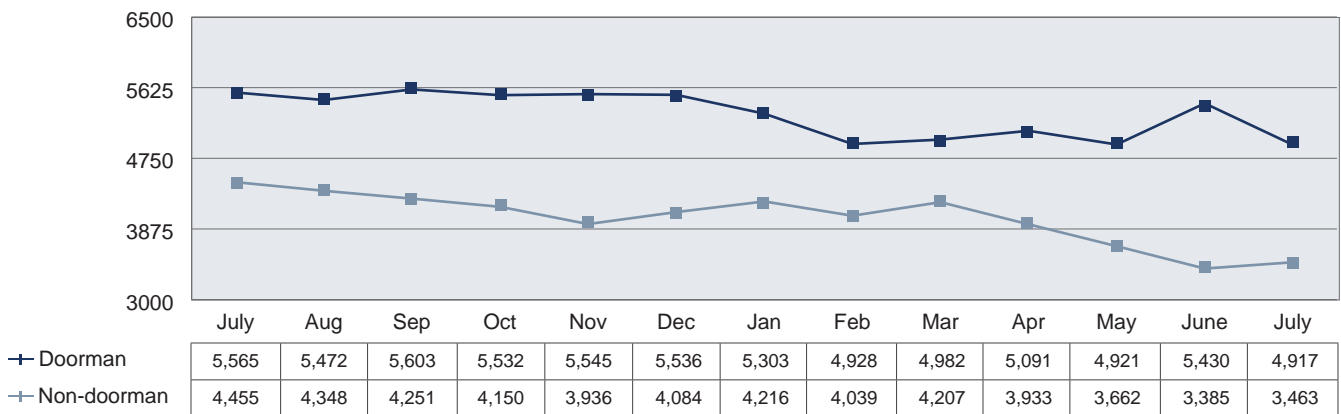
Midtown East Studio Price Trends Over 13 Months



Midtown East One-bedroom Price Trends Over 13 Months



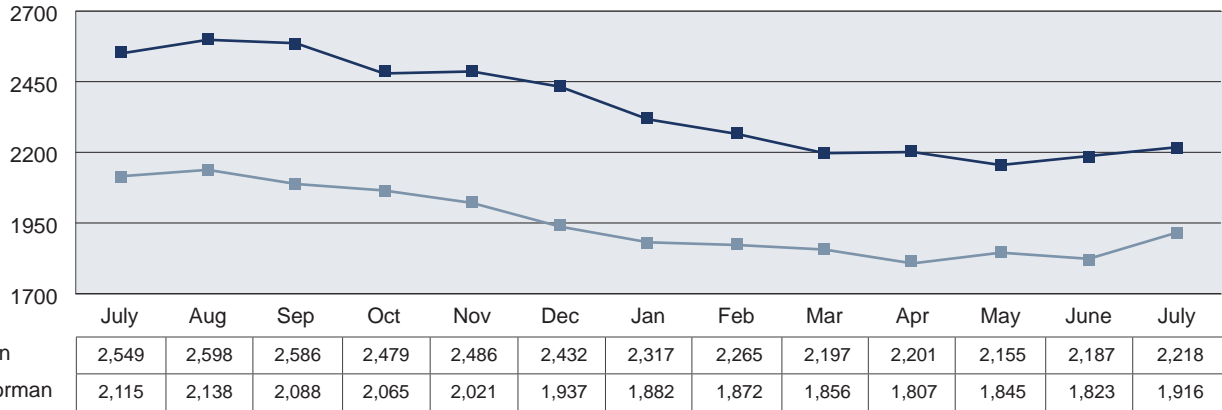
Midtown East Two-bedroom Price Trends Over 13 Months



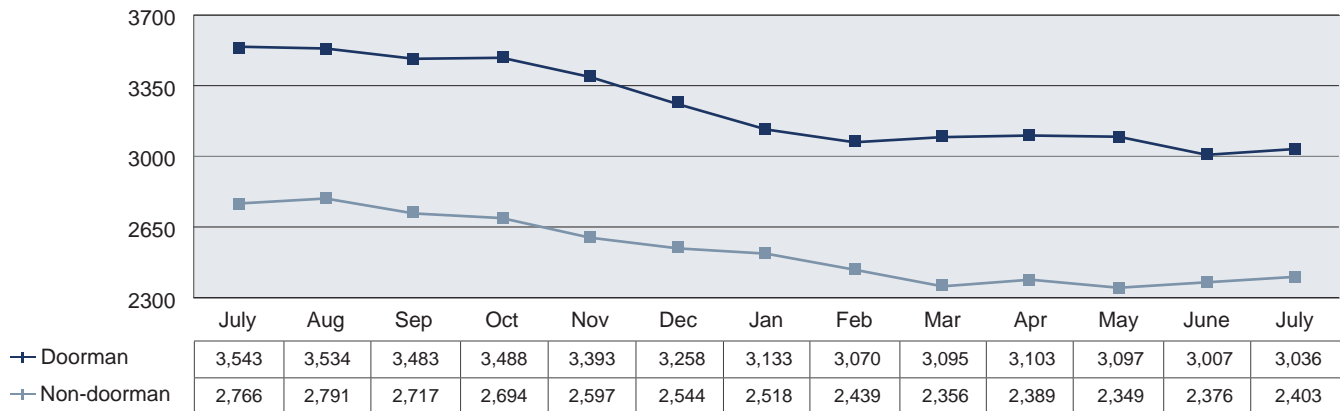
NEIGHBORHOOD PRICE TRENDS

MURRAY HILL

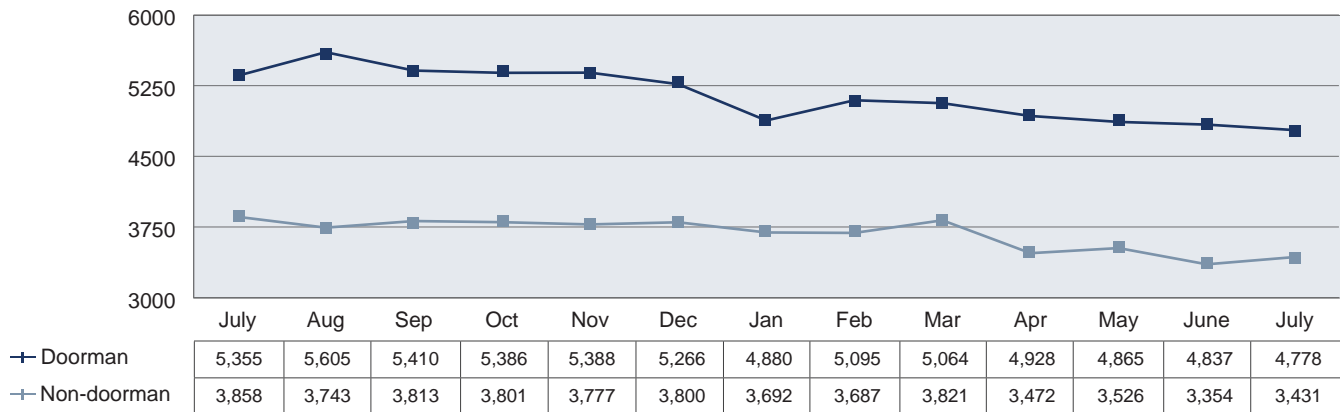
Murray Hill Studio Price Trends Over 13 Months



Murray Hill One-bedroom Price Trends Over 13 Months



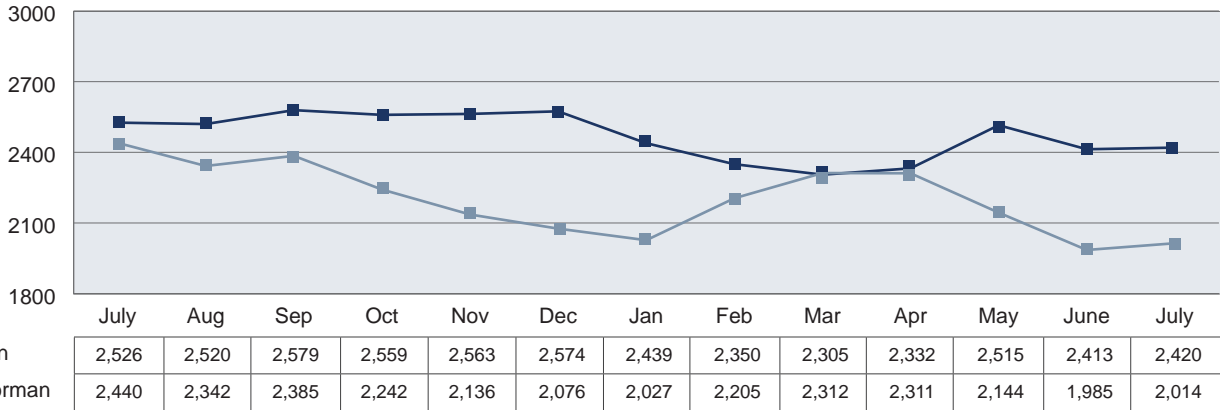
Murray Hill Two-bedroom Price Trends Over 13 Months



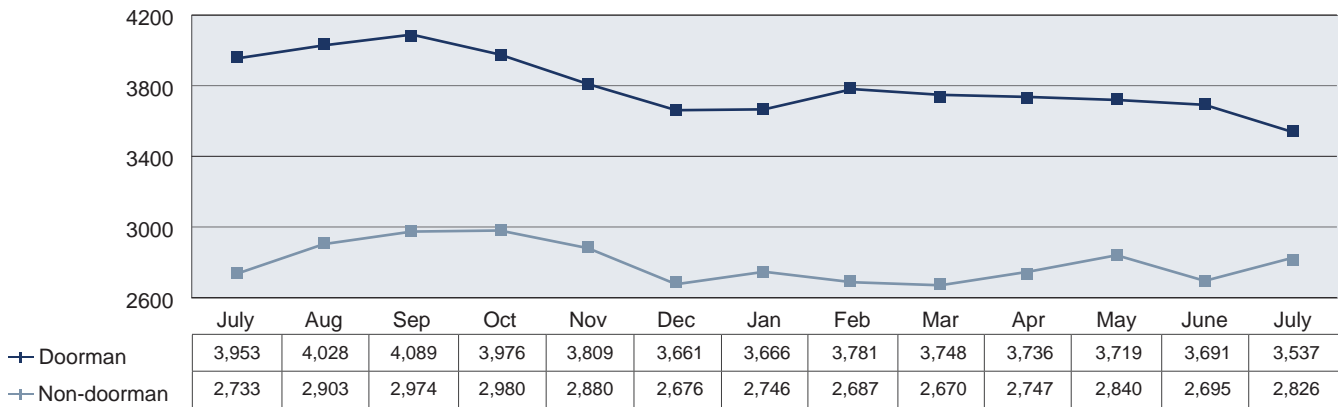
NEIGHBORHOOD PRICE TRENDS

CHELSEA

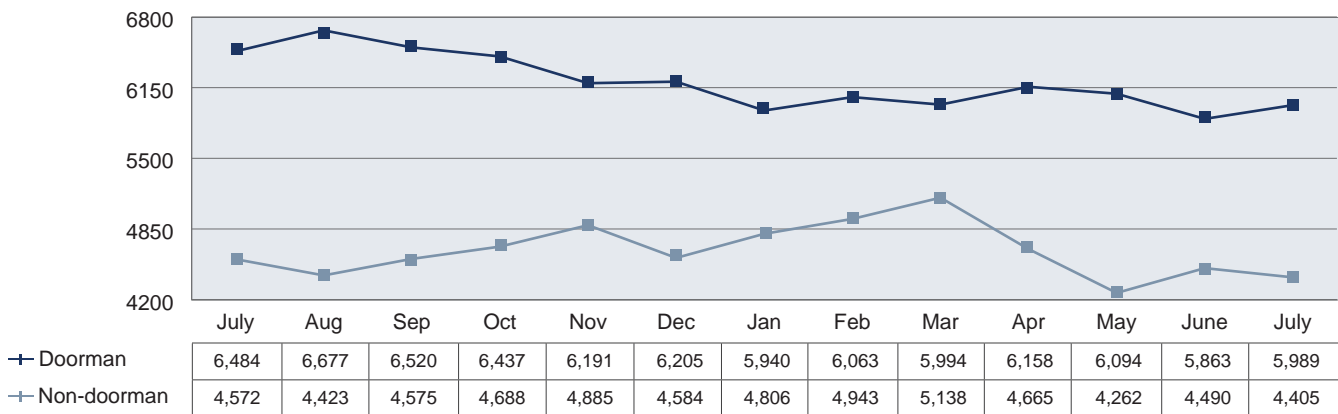
Chelsea Studio Price Trends Over 13 Months



Chelsea One-bedroom Price Trends Over 13 Months



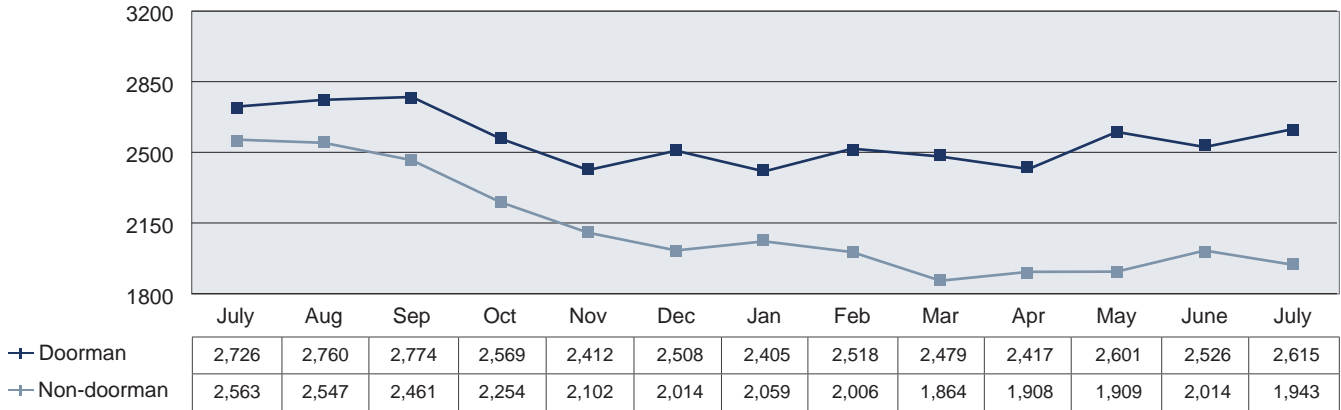
Chelsea Two-bedroom Price Trends Over 13 Months



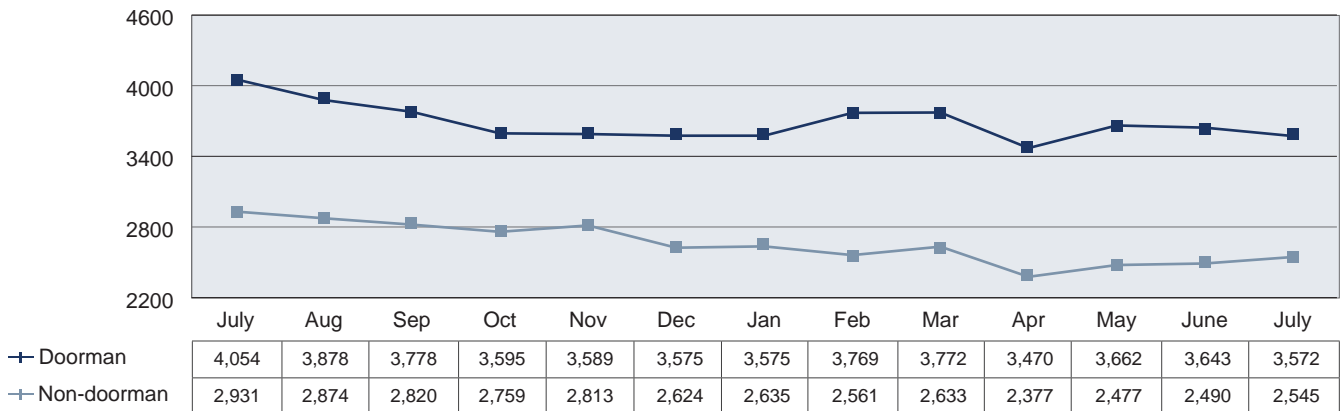
NEIGHBORHOOD PRICE TRENDS

GRAMERCY PARK

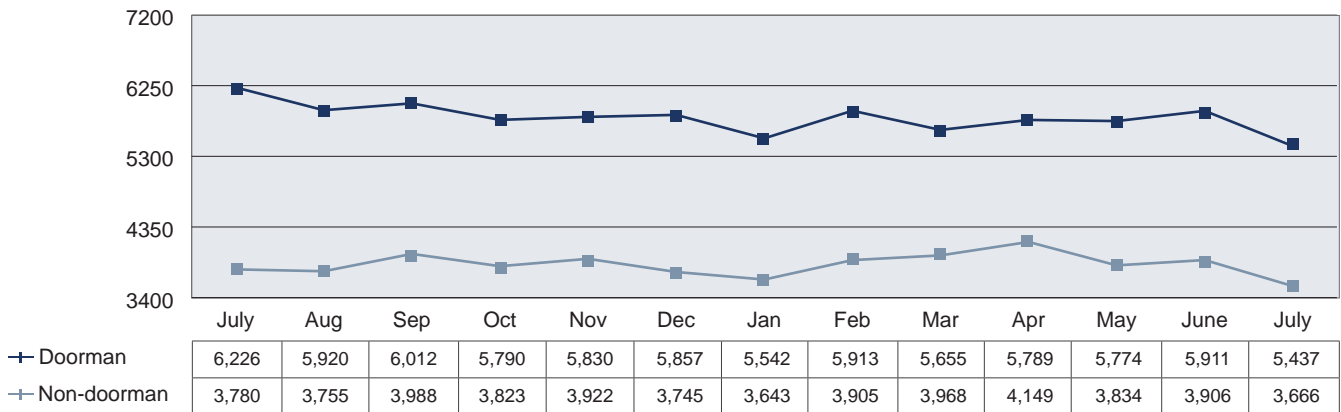
Gramercy Park Studio Price Trends Over 13 Months



Gramercy Park One-bedroom Price Trends Over 13 Months



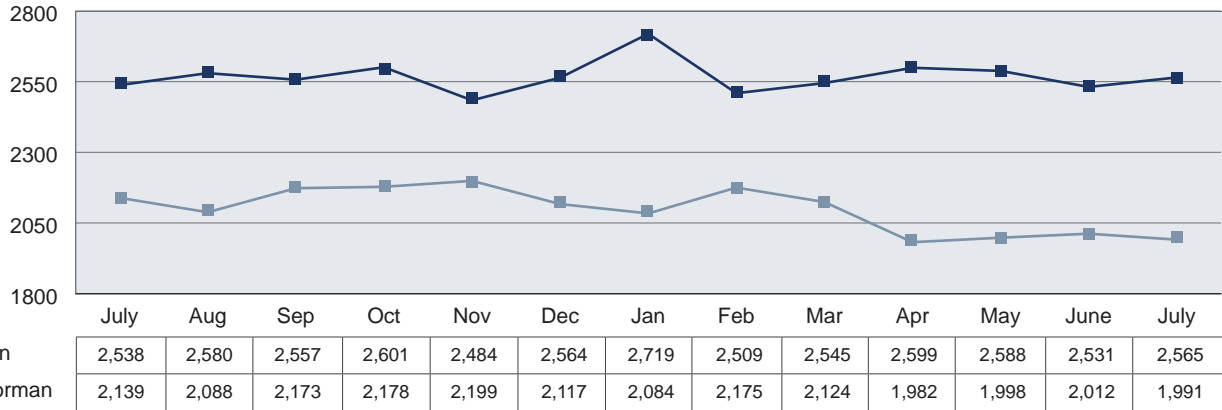
Gramercy Park Two-bedroom Price Trends Over 13 Months



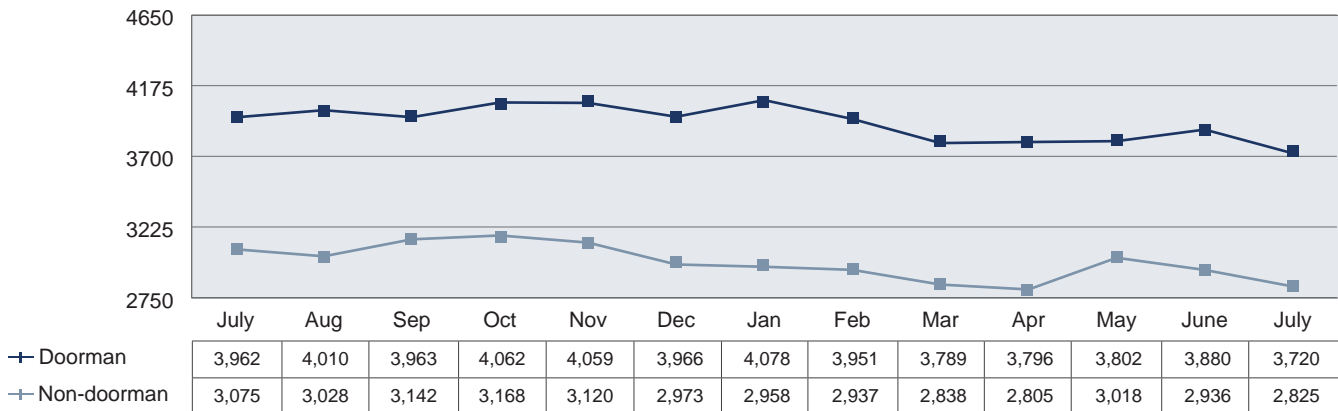
NEIGHBORHOOD PRICE TRENDS

GREENWICH VILLAGE

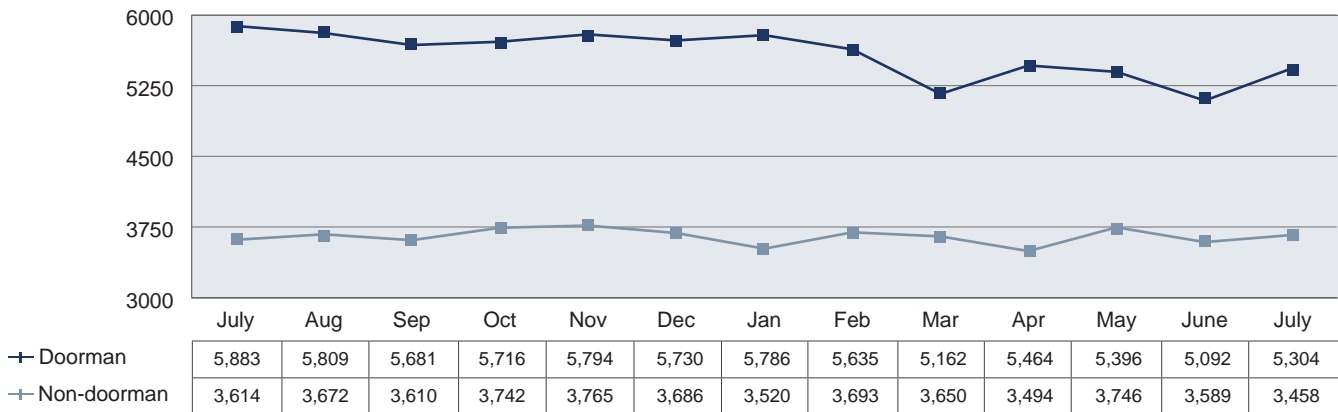
Greenwich Village Studio Price Trends Over 13 Months



Greenwich Village One-bedroom Price Trends Over 13 Months



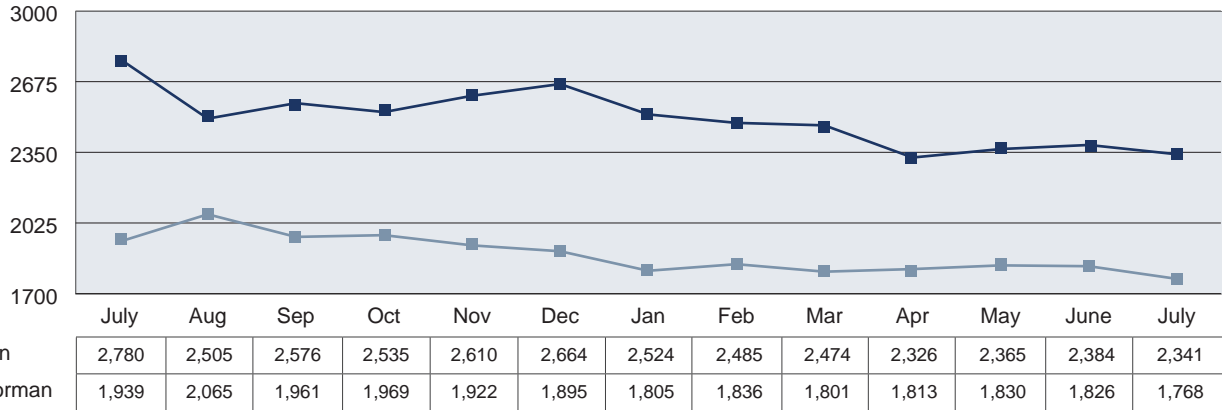
Greenwich Village Two-bedroom Price Trends Over 13 Months



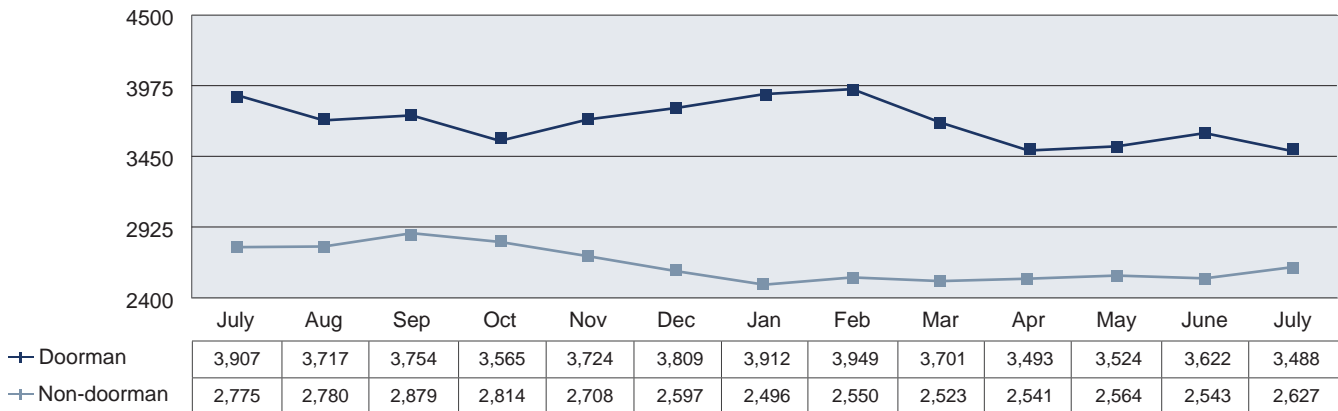
NEIGHBORHOOD PRICE TRENDS

EAST VILLAGE

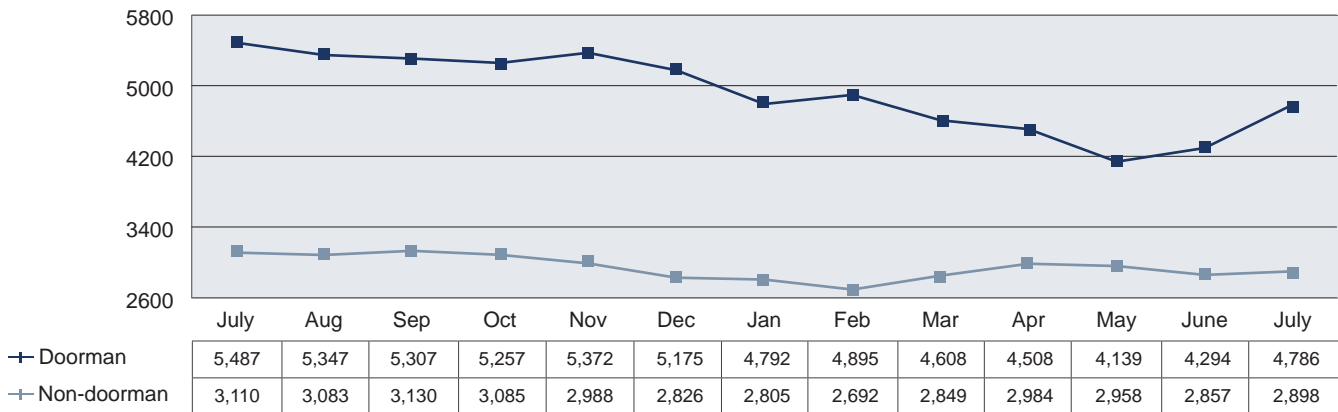
East Village Studio Price Trends Over 13 Months



East Village One-bedroom Price Trends Over 13 Months



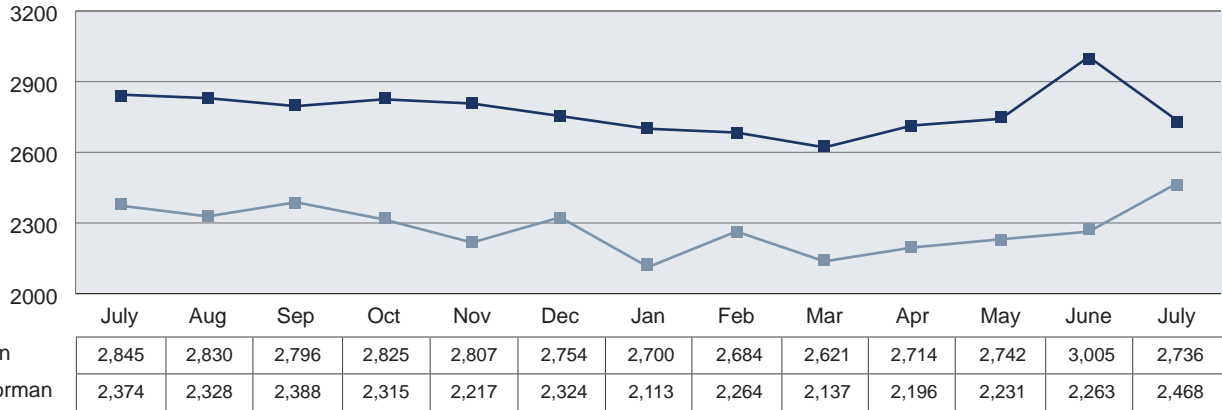
East Village Two-bedroom Price Trends Over 13 Months



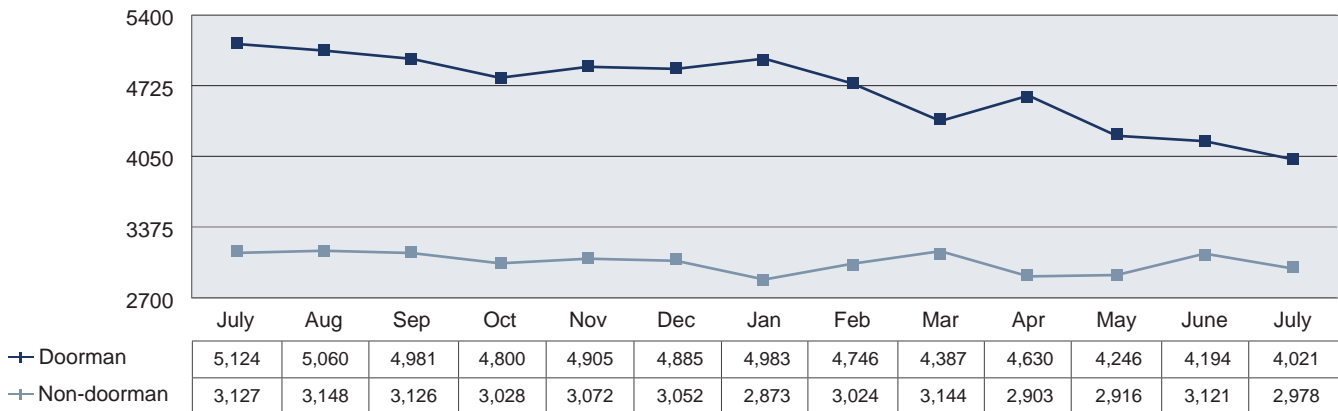
NEIGHBORHOOD PRICE TRENDS

SoHo

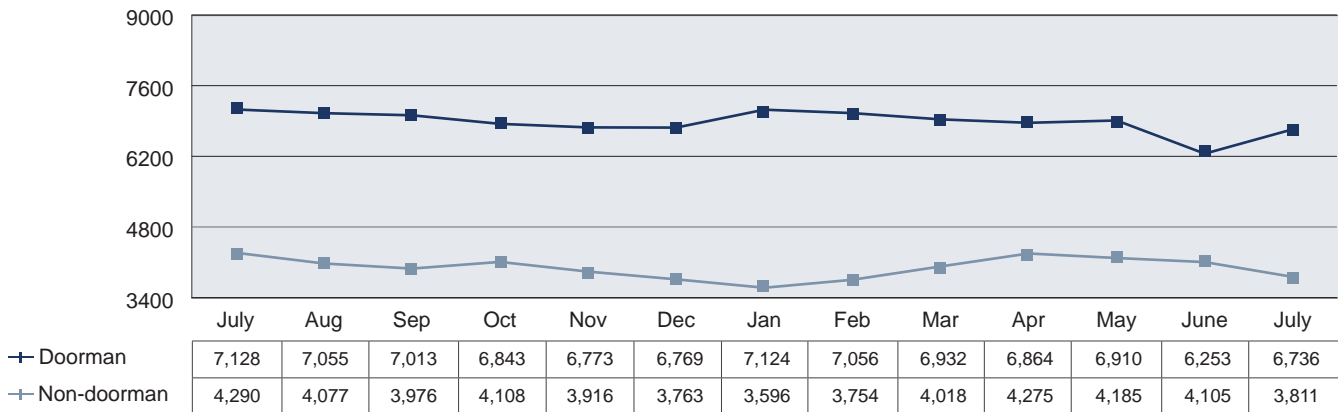
SoHo Studio Price Trends Over 13 Months



SoHo One-bedroom Price Trends Over 13 Months



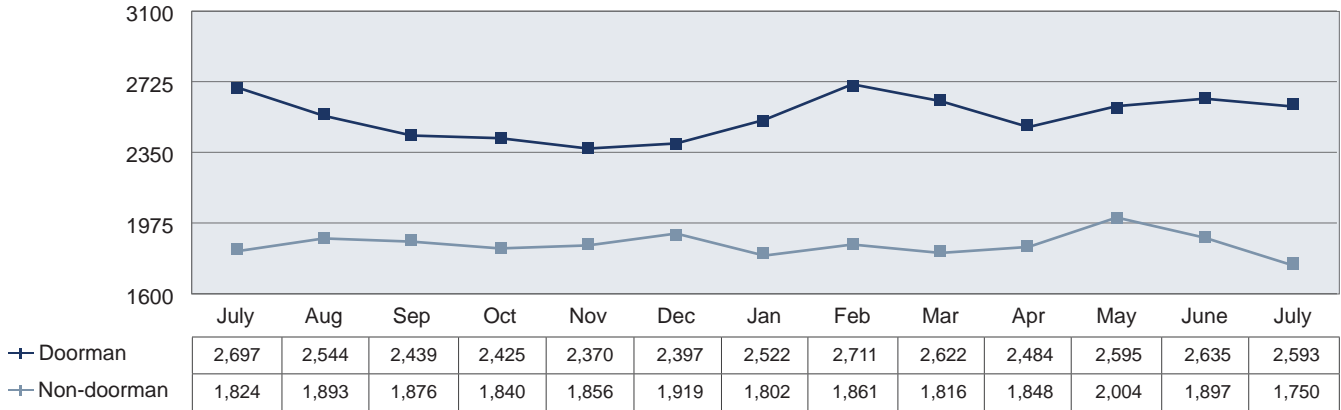
SoHo Two-bedroom Price Trends Over 13 Months



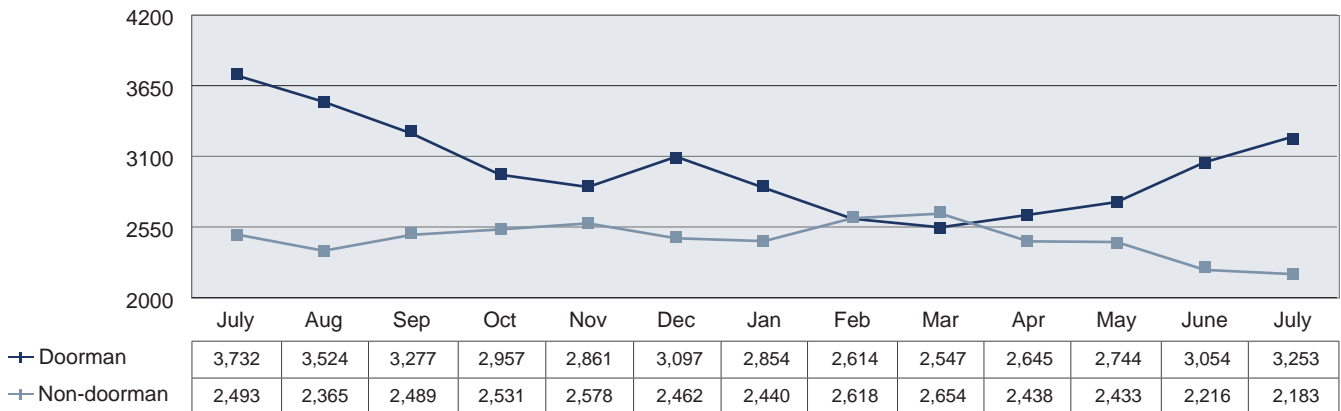
NEIGHBORHOOD PRICE TRENDS

LOWER EAST SIDE

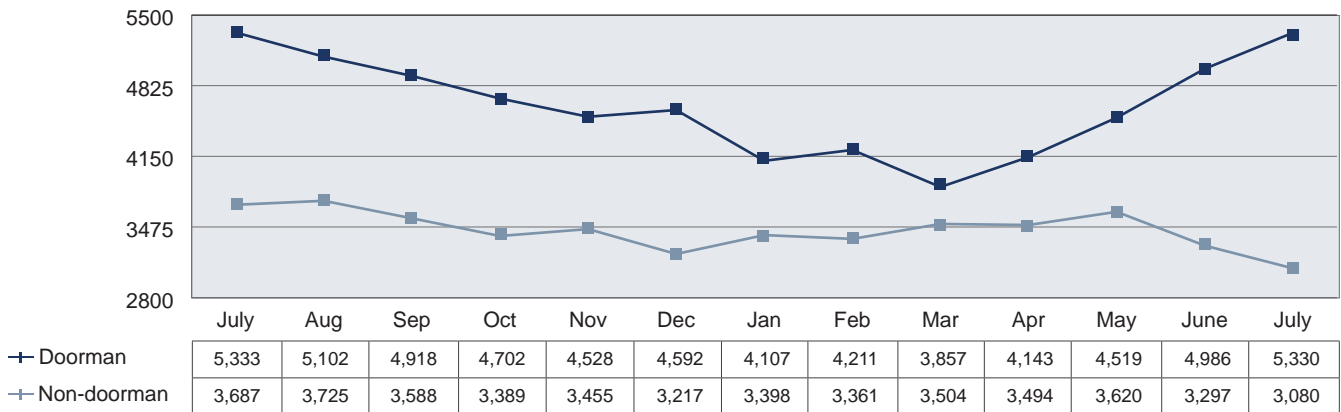
Lower East Side Studio Price Trends Over 13 Months



Lower East Side One-bedroom Price Trends Over 13 Months



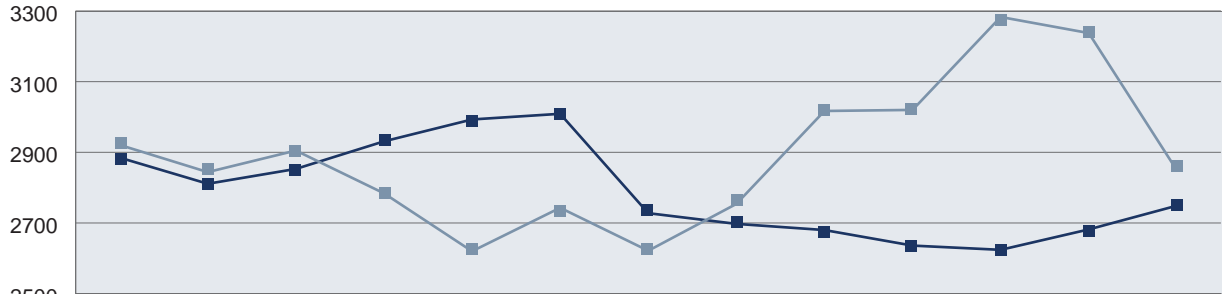
Lower East Side Two-bedroom Price Trends Over 13 Months



NEIGHBORHOOD PRICE TRENDS

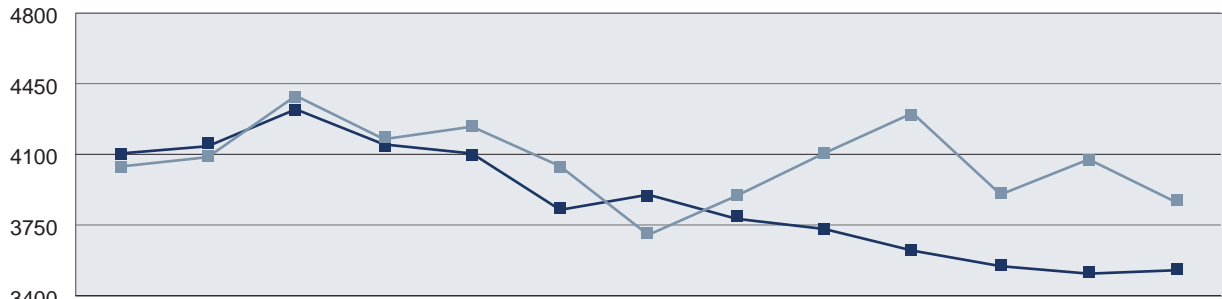
TRIBECA

TriBeCa Studio Price Trends Over 13 Months



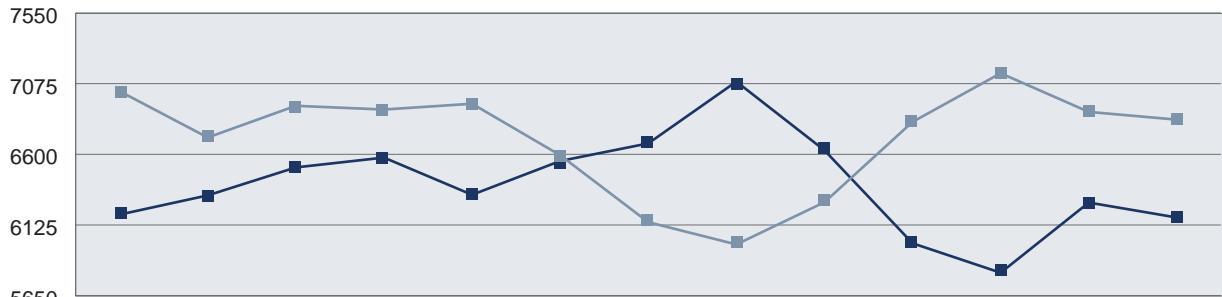
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
+ Doorman	2,885	2,811	2,853	2,931	2,993	3,009	2,728	2,697	2,680	2,636	2,624	2,682	2,749
+ Non-doorman	2,921	2,844	2,905	2,784	2,620	2,743	2,621	2,754	3,017	3,020	3,283	3,238	2,849

TriBeCa One-bedroom Price Trends Over 13 Months



	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
+ Doorman	4,104	4,140	4,323	4,149	4,104	3,825	3,900	3,781	3,730	3,623	3,546	3,509	3,526
+ Non-doorman	4,039	4,086	4,390	4,175	4,237	4,041	3,701	3,894	4,106	4,304	3,901	4,075	3,861

TriBeCa Two-bedroom Price Trends Over 13 Months

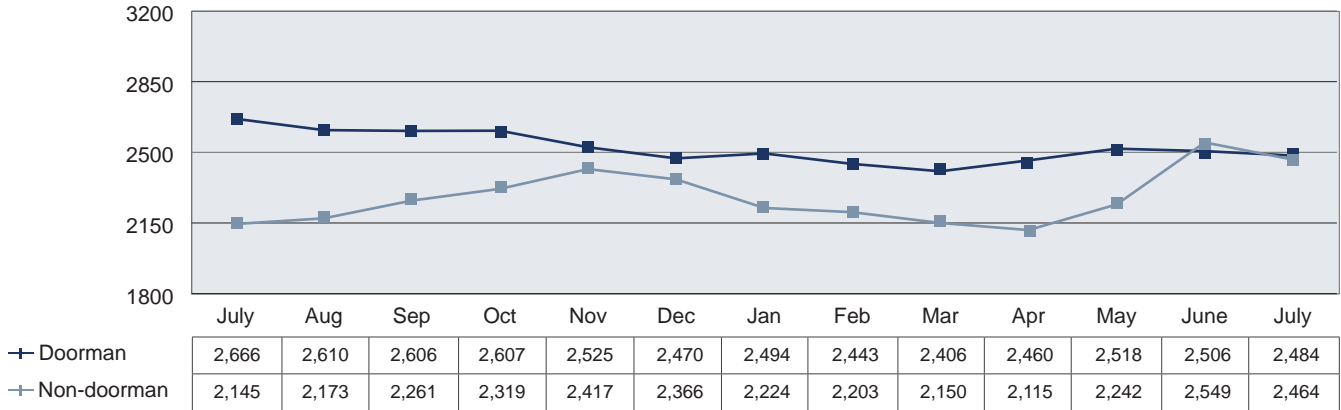


	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
+ Doorman	6,195	6,324	6,512	6,578	6,328	6,555	6,673	7,089	6,627	6,002	5,804	6,276	6,175
+ Non-doorman	7,024	6,713	6,926	6,901	6,940	6,594	6,144	5,994	6,278	6,818	7,145	6,885	6,833

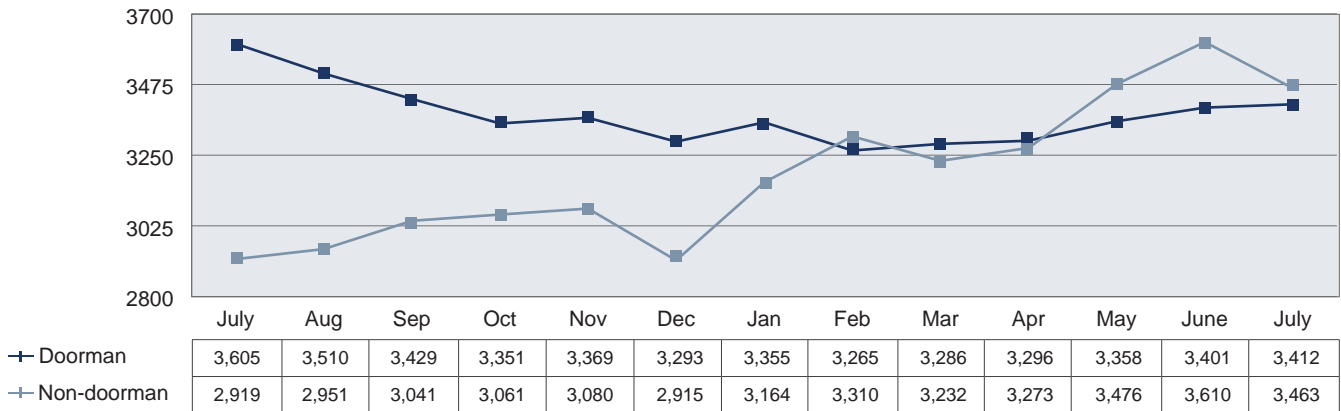
NEIGHBORHOOD PRICE TRENDS

FINANCIAL DISTRICT

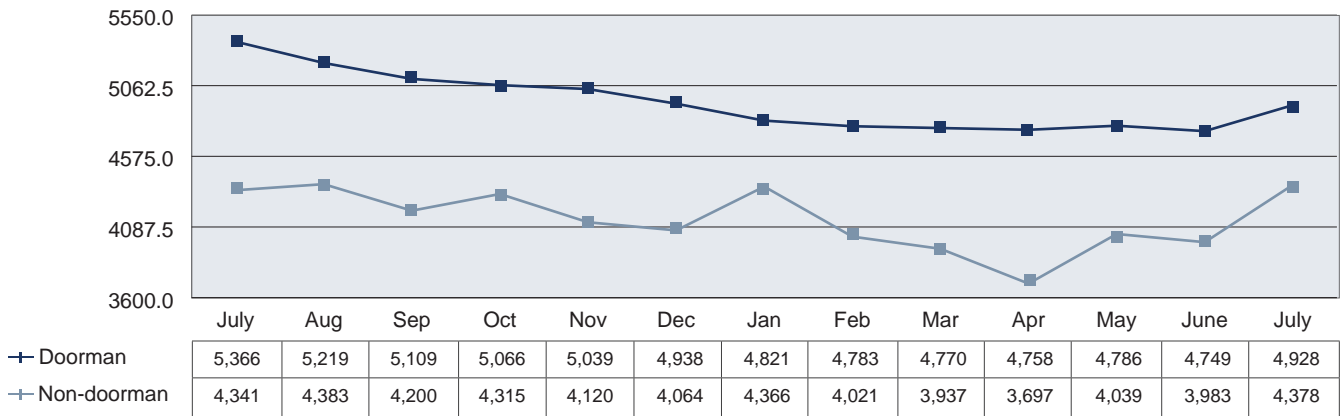
Financial District Studio Price Trends Over 13 Months



Financial District One-bedroom Price Trends Over 13 Months



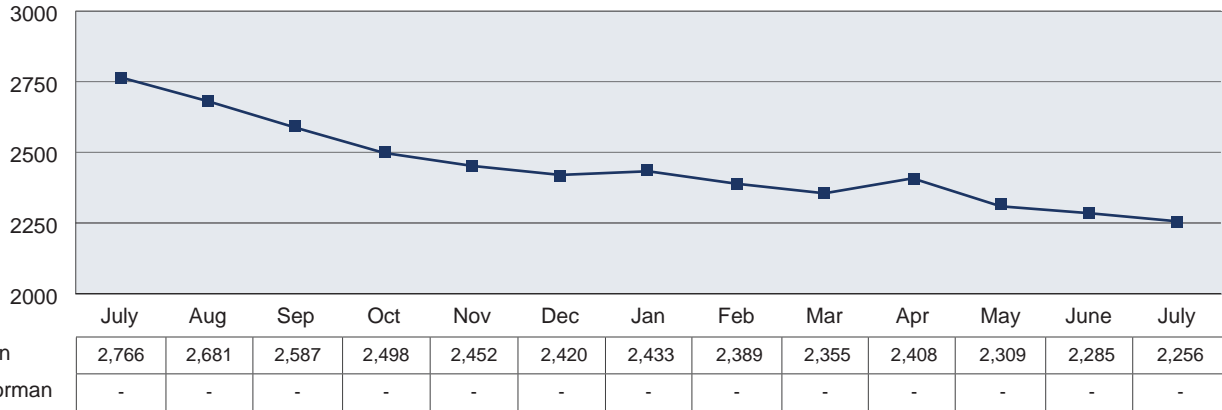
Financial District Two-bedroom Price Trends Over 13 Months



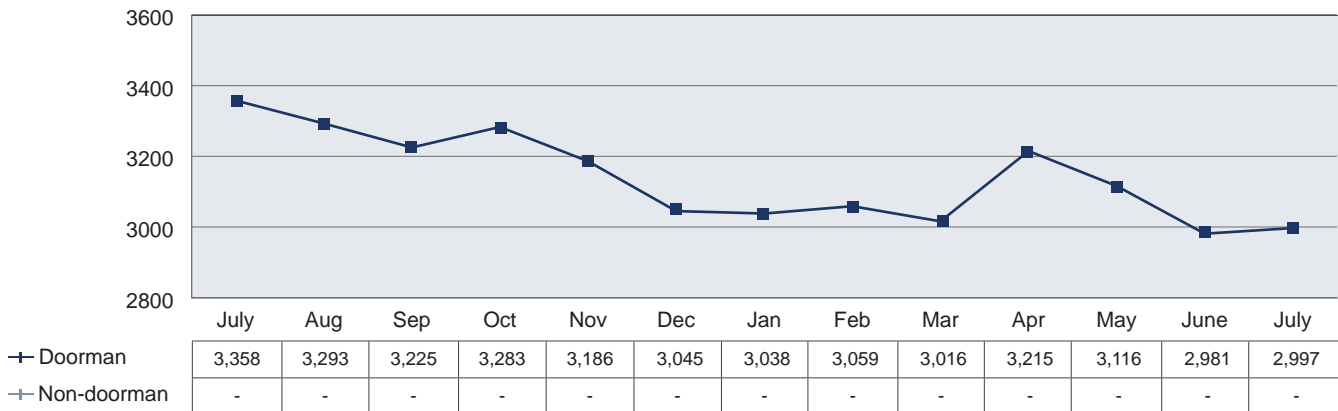
NEIGHBORHOOD PRICE TRENDS

BATTERY PARK CITY

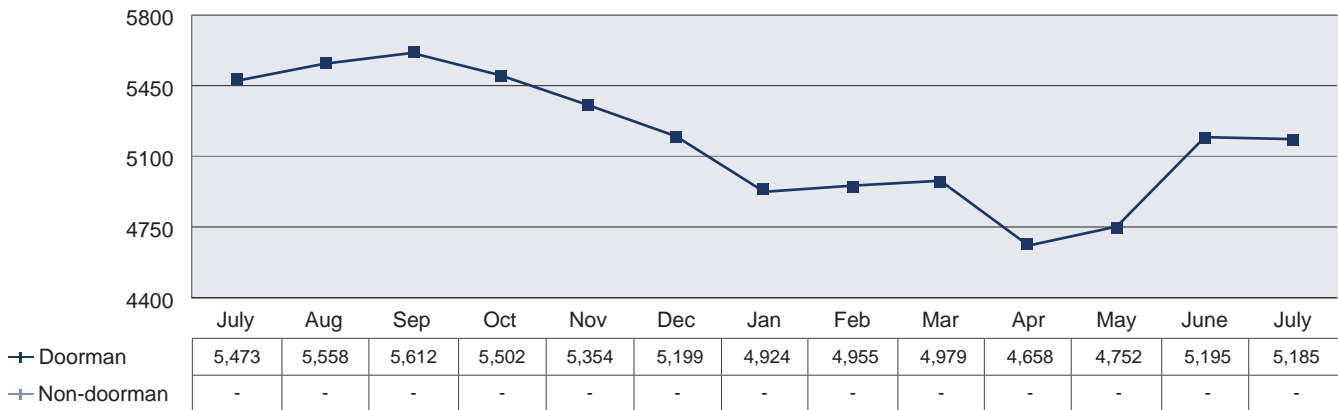
Battery Park City Studio Price Trends Over 13 Months



Battery Park City One-bedroom Price Trends Over 13 Months



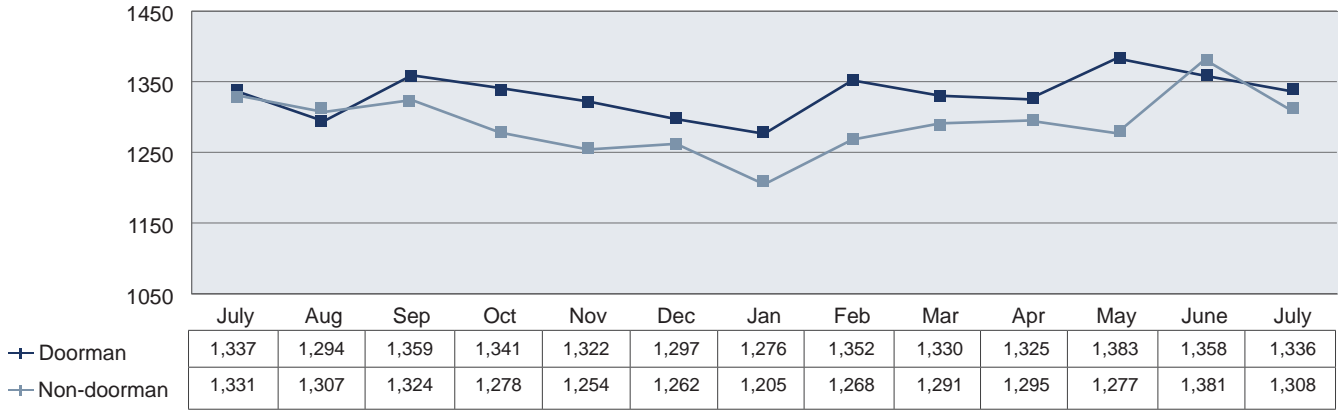
Battery Park City Two-bedroom Price Trends Over 13 Months



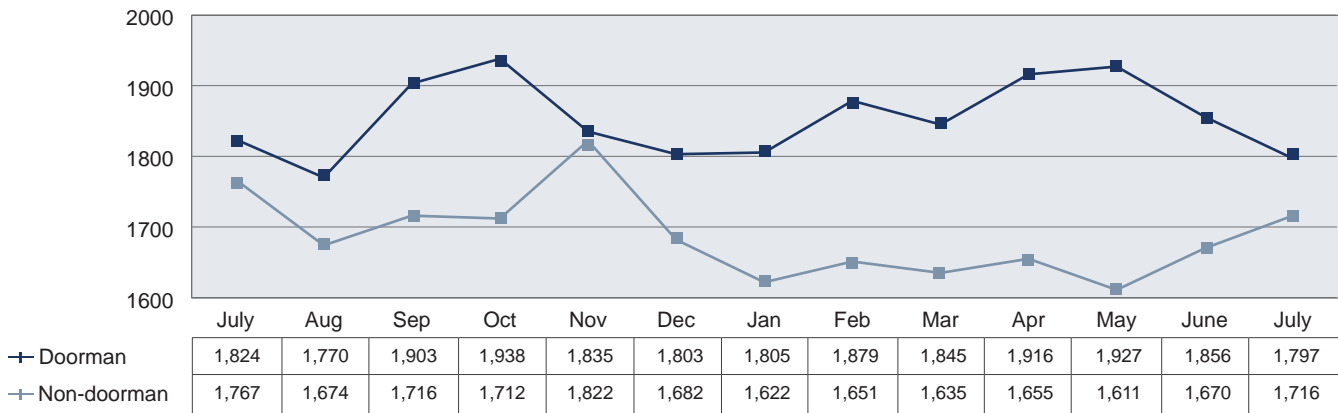
NEIGHBORHOOD PRICE TRENDS

HARLEM

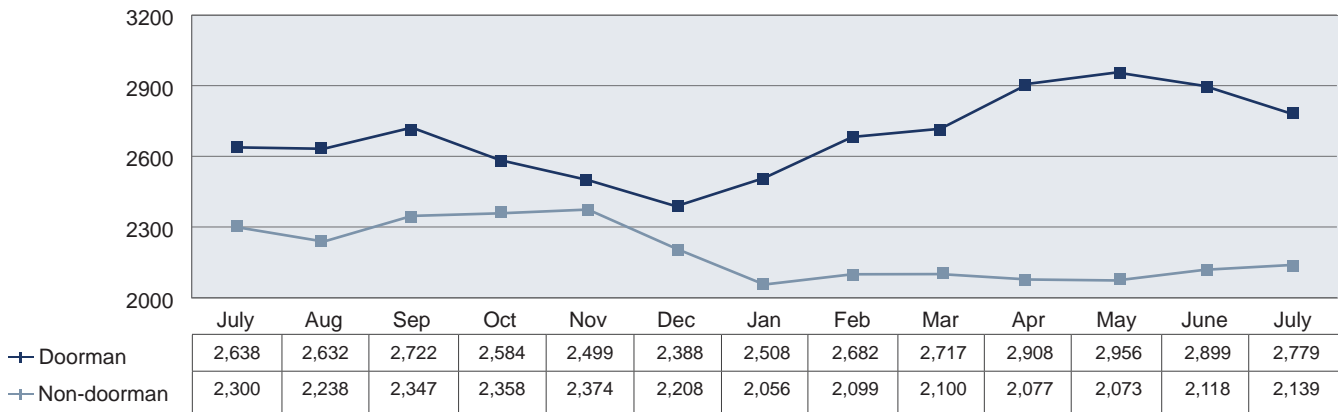
Harlem Studio Price Trends Over 13 Months



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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