



# RPX MONTHLY MANHATTAN NEIGHBORHOODS REPORT

Release Date: September 25, 2009

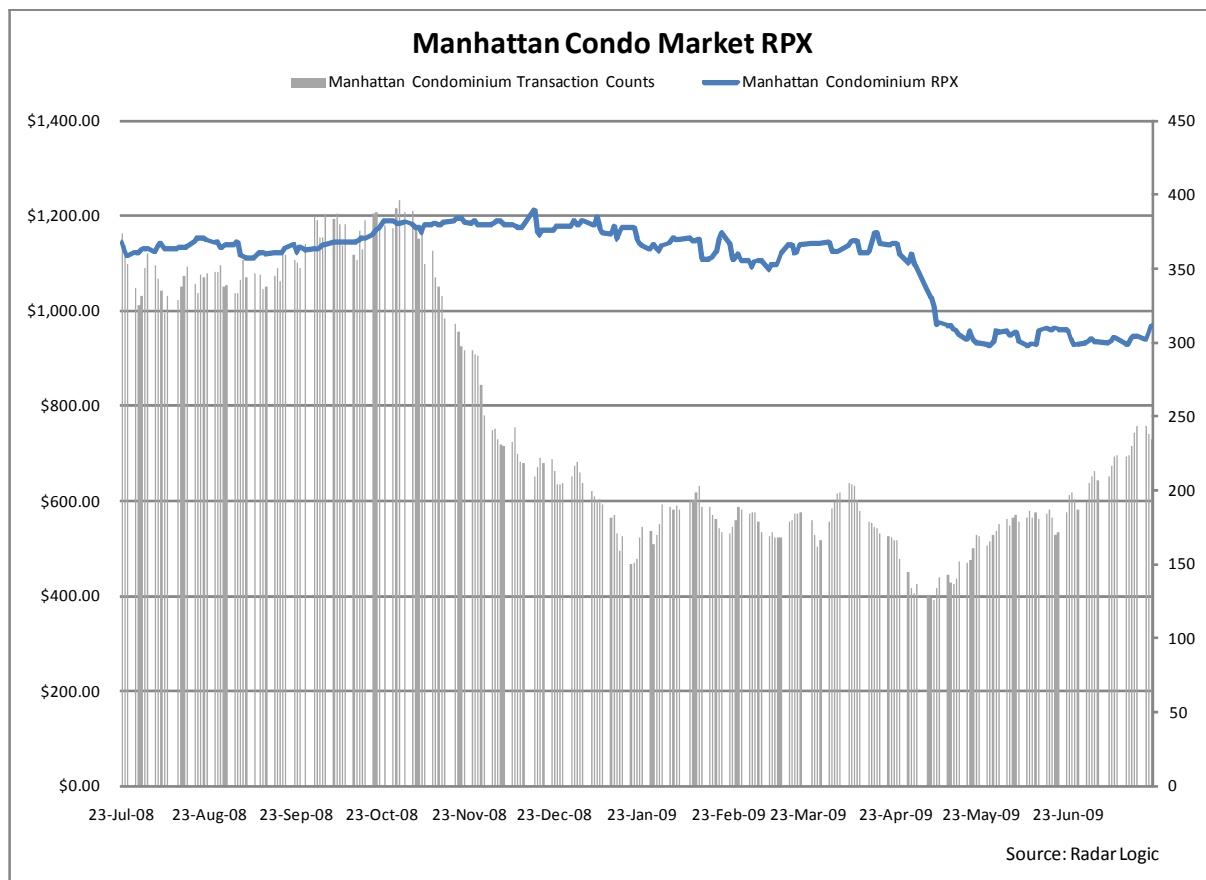
July 2009

## Key Characteristics

Overall, prices in the Manhattan Condo market increased slightly in July as transactions trended back up at a strong pace. The RPX for the Manhattan Condo market rose 0.6% in July on a month-over-month basis after increasing 2.8% in June. To put the price growth in July in some perspective, it was substantially less than the 2.9% month-over-month increase in July 2008. Despite the recent month-over-month gains, the Manhattan Condo price remained 15.9% below its level a year ago.

The 28-day RPX transaction count<sup>1</sup> for the Manhattan Condominium market increased 18.8% between June and July 2009 after increasing 20.9% between May and June, but this growth has come off a historically low base. As can be seen in Exhibit 1, transactions dropped off significantly in the fourth quarter of 2008. The 28-day Manhattan Condo transaction count fell 62% from 396 on October 29, 2008 to 150 on January 19, 2009. It eventually drifted as low as 126 on May 6 (its lowest value since the beginning of Radar Logic's historical data in January 2000) before starting to

Exhibit 1



<sup>1</sup> Transaction counts reflect sales used in the calculation of 28-day RPX Daily Prices. As such they reflect transactions over a 28-day period ending on the given transaction date. Transaction counts may not reflect sales volumes in the market.

increase again. While the increase in transactions over the past two months may be an initial sign of stability in the market, current sales volumes are still at 50% to 60% of their 2008 levels, with the majority of the current activity clustered in a few neighborhoods.

Activity in the Manhattan Condo Market is not homogenous. Some neighborhoods saw transactions in July 2009 return to July 2008 levels, while others have seen sales activity dry up almost completely. On one hand, both the Upper East Side and Chelsea/West Village neighborhoods exceeded their July 2008 transaction count. On the other hand, the July transaction count for the Financial District was only four, and the count for Soho/Tribeca was only ten.

In the neighborhoods where July sales activity remained near July 2008 levels, prices declined or remained flat on a month-over-month basis. The Upper East Side RPX increased a slight 0.8%, the Upper West Side RPX declined 5.4% and the Chelsea/West Village RPX declined 4.2%. Price changes in neighborhoods with very low transaction counts were positive and relatively large, but the low transaction counts introduce a strong likelihood of sampling error. The RPX for Soho/Tribeca increased by 15.8% and the RPX for the Financial District increased by 16.1%, but the price movements in the observed transactions may not track values in the neighborhoods as a whole.

Prices for Manhattan Condos are likely to remain weak in the near future due to continued oversupply and weak demand. There are still thousands of unsold new units in half-empty developments. At the same time, uncertainty persists in the financial sector, the traditional driver of demand for Manhattan condos, and tight underwriting standards are making it difficult for would-be home owners to qualify for loans. Moreover, the elevated price limit for conforming loans put in place by the American Recovery and Reinvestment Act could expire at the end of this year, potentially reducing the accessibility of low-interest loans in the relatively high-priced Manhattan market.

## Exhibit 2: Manhattan Neighborhoods Ranked by 1-Year % Change\*

Jul 2009 Rank	Jun 2009 Rank	Neighborhood	PPSF on Jul 23, 2009	Jul 2009 vs. Jul 2008	Jul 2008 vs. Jul 2007	Jul 2009 vs. Jun 2009	Jul 2008 vs. Jun 2008
1	6	East Village/Lower East Side	\$1,012.15	-4.9%	-14.4%	13.5%	-4.0%
2	7	Soho/Tribeca	\$1,143.93	-9.4%	3.1%	15.8%	-0.7%
3	8	Financial District	\$814.35	-10.6%	-3.5%	16.1%	-13.9%
4	3	Upper West Side	\$985.79	-12.4%	5.9%	-5.4%	-7.4%
5	1	Chelsea/West Village	\$1,067.73	-17.8%	-2.7%	-4.2%	0.7%
6	4	Murray Hill/Gramercy	\$834.51	-18.2%	-13.5%	-5.4%	-4.2%
7	2	Upper East Side	\$903.26	-18.9%	3.1%	0.8%	6.5%
8	5	Midtown/Clinton	\$1,048.81	-21.2%	7.8%	3.6%	7.2%

Manhattan Neighborhoods are subsets of the New York MSA

■ = positive ■ = neutral ■ = negative

## Exhibit 3: Transaction Counts\*

	Jul 2008	Jun 2009	Jul 2009
Chelsea/West Village	25	19	32
East Village/Lower East Side	20	12	15
Financial District	41	4	4
Murray Hill/Gramercy	37	18	25
Midtown/Clinton	94	41	39
Soho/Tribeca	30	13	10
Upper East Side	47	47	48
Upper West Side	47	33	46

## Exhibit 4: Transaction Counts % Change\*

	Jul 2009 vs. Jul 2008	Jul 2009 vs. Jun 2009
Chelsea/West Village	28.0%	68.4%
Upper East Side	2.1%	2.1%
Upper West Side	-2.1%	39.4%
East Village/Lower East Side	-25.0%	25.0%
Murray Hill/Gramercy	-32.4%	38.9%
Midtown/Clinton	-58.5%	-4.9%
Soho/Tribeca	-66.7%	-23.1%
Financial District	-90.2%	0.0%

## Exhibit 5: Manhattan Neighborhoods Ranked by 2-Year and 5-Year Annualized Change\*

Leading 5 Manhattan Neighborhoods (2-Year Annualized % Change)		
Rank	MSA	% Change
1	Soho/Tribeca	-3.3%
2	Upper West Side	-3.7%
3	Financial District	-7.1%
4	Midtown/Clinton	-7.8%
5	Upper East Side	-8.5%

Trailing 5 Manhattan Neighborhoods (2-Year Annualized % Change)		
Rank	MSA	% Change
1	Murray Hill/Gramercy	-15.9%
2	Chelsea/West Village	-10.6%
3	East Village/Lower East Side	-9.8%
4	Upper East Side	-8.5%
5	Midtown/Clinton	-7.8%

Leading 5 Manhattan Neighborhoods (5-Year Annualized % Change)		
Rank	MSA	% Change
1	Soho/Tribeca	8.4%
2	Financial District	7.1%
3	Midtown/Clinton	4.9%
4	Chelsea/West Village	4.2%
5	East Village/Lower East Side	3.3%

Trailing 5 Manhattan Neighborhoods (5-Year Annualized % Change)		
Rank	MSA	% Change
1	Murray Hill/Gramercy	1.1%
2	Upper West Side	2.0%
3	Upper East Side	2.2%
4	East Village/Lower East Side	3.3%
5	Chelsea/West Village	4.2%

\* Source: 28-Day RPX value for each Manhattan Neighborhood as of 7/23/2009. Please refer to [www.radarlogic.com/disclosure\\_disclaimer.html](http://www.radarlogic.com/disclosure_disclaimer.html) for more information.

## 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:

**Radar Logic Incorporated**  
180 Varick Street, Suite 502  
New York, NY 10014  
212.965.0300  
info@radarlogic.com