

An up-to-the-minute report on Manhattan's Downtown Luxury Real Estate market.

Other Real Estate Reports provide information that may not be current enough to fully assess the state of the market: we offer an alternative. We are brokers working in the New York Luxury Residential Real Estate market on a daily basis, giving you an insider's perspective to understanding the market as it is...today. While other reports focus on average, we choose to focus on luxury.

Presented by: theLUXURYLOFTteam Leonard Steinberg, Hervé Senequier, Lois Planco & Samantha Behringer

LUXURY HEADLINES – march 1, 2005

Dear Buyers & Sellers: \$ 1,500/sf + ordinary = *TROUBLE!*

There are so many headlines right now touting \$1,500 per square foot pricing, one cannot really blame buyers & sellers for thinking that some property is worth this price-point too.... The reality is that \$ 1,500/sf is being achieved **ONLY** on extraordinary apartments, mostly in condominiums with a doorman, and often with outdoor space, or in over-hyped, frenzy-fed New Development projects. The very first signs of this irrational exuberance (where brokers, or sellers price their property at super-premium levels) is property that sits on the market and does not sell: When a market is this incredibly active, and you have hired the services of a truly professional broker, a property that doesn't receive an offer after 20 showings is more than likely priced beyond the market. Just recently we have witnessed some PRICE REDUCTIONS (relax...only on the *asking* price!) on properties that simply do not meet the criteria of *prime* real estate. Beware the broker who over-prices to win a Seller's favor (always prevalent in a low inventory market).

Based on the timing of a seller, it may be possible in a rising market like the one we are experiencing currently, that pricing levels rise to the expectations of the seller over time: This involves a certain degree of risk, and a plan addressing this concept should be in place prior to marketing.

To buyers our message is clear: Know what is selling for what, and why. Don't be conned by anyone into believing what you shouldn't believe. Buying quality real estate in New York has never been easy or cheap, and has **ALWAYS** been in short supply....so know what quality is, before you pay for it! And if it's great quality, it may just be worth that premium price.

But owners of exquisitely divine real estate should not fret: Your property will sell at a super-premium: but please take accurate inventory (or have an honest broker do so) to determine just how premium your property really is....as opposed to what you'd like it to be!

APPRAISALS, APPRAISALS, APPRAISALS...

In a heated, rising market, bank appraisals for financing can be a challenge, especially if there are no recent comparable sales to support a selling price: It is critical to use the services of a well-connected broker who has inside knowledge of recently **SIGNED CONTRACTS** (that the appraiser won't have knowledge of) to assist in appraising the property on current market conditions, not *historic* conditions....

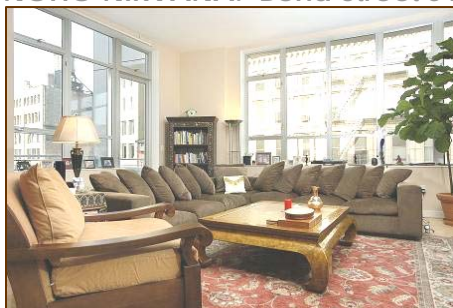


565 BROADWAY 7th Floor

FEBRUARY 2005 FEATURED PROPERTIES

NOHO NIRVANA: Bond Street's Best - 57 Bond Street 4W

WEB # 655869



At the crossroads of NOHO, SOHO & the East Village, this sleek Condominium boasts outstanding light from huge windows & 11 ft ceilings. A large Living room (& 122 sq. ft. terrace) provides the best entertaining space, with a Poggenpohl kitchen, with stainless Sub Zero fridge & wine cooler, Bosch Dishwasher, Viking stove), granite counters & much more. Currently set up as a 2 bedroom (the 3rd bedroom has been converted into a Dining area), 2,5 bathroom apartment. The Master Bathroom has a 6 ft tub with Steam shower & windows for natural light. With Maple floors, a Bosch washer/dryer, large storage, and so much more. \$ 2.89million

NEW! SOHO FULL FLOOR LOFT WITH SUBSTANTIVE VIEWS AND LIGHT - 565 Broadway 7th Fl.

WEB ID #638679



A Spectacular, full-floor loft in the heart of SOHO, located on a high floor, on a corner, with magnificent light and views: Almost 5,000sf in size, this substantial Luxuryloft boasts enormous entertaining space with an attached dream kitchen and breakfast area/wetbar with it's own sink, fridge and wine cooler. The huge Master Suite contains a room-sized walk-in closet with spa-like bathroom oasis. The loft houses 2 additional bedrooms and bathrooms and a media room/office. Other luxuries include 2 elevators that open into the apartment, low maintenance & Central Air Conditioning. Offered at: \$ 4,695million

NEW! WEST CHELSEA ART'S DISTRICT PRE-WAR LOFT WITH DETAILS - 532 West 22nd St. 3b

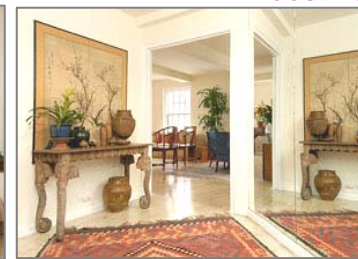
WEB ID #: 663399



Perfect, winged bedroom layout in this gorgeous, authentic pre-war beauty. Almost 1,500sf in size, this 2 bedroom, 2 bathroom LUXURYLOFT is steps from Chelsea Piers, in the heart of the vibrant Art's District. A chef's kitchen awaits, with Sub Zero + Viking.... Maple floors and rustic wood beams abound. The Master bathroom is a dreamy mix of crisp white tiles and porcelain with Limestone...& it's a Condominium! Offered at \$ 1.95million

AVAILABLE: LOWER FIFTH AVENUE FABULOUS! - One Fifth Avenue. # 10d

WEB ID# 568918



This is the best 2 bedroom, 2 bathroom layout in the building one of Lower Fifth Avenue's Landmark properties. Located on West corner, with superb exposures North up Fifth Ave, and West, this elegant home awaits your touch to transform it into the prize apartment it can be. Original windows are some of the pre-war details that sets this apart from all others. Offered at \$ 1,565million

For more information on these properties, please contact: Leonard Steinberg Tel: (212)727-6164

Prudential Douglas Elliman

THE MARCH 1, 2005 REPORT: Our 5 classifications of luxury property:

MINLUXE

Although smaller, luxury is not compromised, priced between \$ 1 and 2 million.

# of properties:	422***
Average price:	\$ 1,452 (\$896/sf) UP
Average Size:	1,627sf
Factoids:	* Pricing up, sizing down. * 75% Condominium * NEW PRICING RECORD: One Kenmare Square.....\$ 1,536/sf for a 765sf 1 bedroom.....

MIDLUXE

Mid-sized luxury properties, priced between \$ 2million and \$4million

# of properties:	164 *** UP SIGNIFICANTLY
Average price:	\$ 2,658 million (\$1,081/sf) UP SLIGHTLY (compared to January, 2004 figures)
Average Size:	2,448sf
Factoids:	* 82% Condominium, mostly with doorman * MAJOR NEW RECORD: A small (under 1,500sf), penthouse in a Lower Fifth Avenue Penthouse just went to contract at about \$ 3,000/sf(!!!).....in a POST-WAR co-op!

ULTRALUXE

Larger, luxurious properties priced between \$ 4million and \$5million

# of properties:	8 ***
Average price:	\$ 4,475million (\$1,141/sf) DOWN
Average size:	3,868sf (most featured outdoor space + a doorman)
Factoids:	* 100% Condominium * A penthouse at 21Astor Place is in contract for around \$ 1,750/sf

MEGALUXE

Large, exceptional properties, priced over \$ 5million.

# of properties:	10*** DOWN
Average price:	\$ 6,76million (\$ 1,692/sf)
Average size:	3,778sf (excluding outdoor space) (DOWN)
Factoids:	* 100% Condominium or CONDOP * ASTOR PLACE producing pricing of \$ 2,300+/sf without outdoor space.... * 90% with outdoor space/penthouse

HOUSELUXE

Large, Single family townhouses are a rare breed in the Downtown market.

# of properties:	4 ***
Average price:	\$ 6,912million <u>UP (compared to January, 2004)</u>
Average width:	20 feet (Buyers are accepting narrower houses + paying the price regardless)
Factoids:	A house on Leroy Street achieved just under \$ 9million

LUXURY NEWS

Get out your checkbooks for Santiago Calatrava's Townhouse Tower in the sky..... reportedly over \$ 30million a piece.... Sensational architecture coming to far West Chelsea too...

LUXURY HOTSPOTS

SUR LA TABLE: Coming to SOHO: This will be the first New York store for this Seattle-based professional culinary supplies mecca....Located at 75 Spring Street, the current location of George Smith furniture, but relax: they are moving next door to 73 Spring Street. A perfect location diagonally across the street from Balthazaar!

JACQUES TORRES CHOCOLATE HAVEN: The ultimate haven for choc-a-holics....try the hot chocolate and melt in it's hypnotic perfection.....nothing really compares. And a superb resource for seductive, wickedly tempting gifts too! 350 Hudson Street @ King Street.....(212)414-2462

LUXURY TRENDS

Indrolux Home Tanning Shower (For all the George Hamilton's out there) ... PLASMA TV ART: why keep your plasma TV's dark while not in use? Try www.jimcampbell.tv for an exclusive work of art displayed on your TV ... or www.bitforms.com ...then again you could always outfit your latest Cy Twombly or Picasso on a hydraulic system that covers your plasma while not in use ... SONOS DIGITAL MUSIC SYSTEM (at last a wireless sound system that's simply the best!)

theLUXURYLOFTteam
REAL ESTATE SOLUTIONS



Leonard Steinberg T: (212)727-6164
Hervé Senequier T: (212)727-6162
e-mail: lsteinberg@elliman.com

Leonard Steinberg & Hervé Senequier, Samantha Behringer & Lois Planco are consistently Douglas Elliman's #1 brokers specializing in the Downtown Luxury Real Estate Market... highly regarded by both their peers and their clientele.

For more information about our unique full service brokerage, view: www.luxuryloft.comor call (212)727-6164 to learn how you can benefit from our REAL ESTATE SOLUTIONS

***While every effort has been made to provide accurate, up-to-the minute information based on closed and contract-signed transactions, the information is provided subject to errors, omissions and changes. Our criteria for luxury may be different to other's. Some prices are estimates only as they have not closed yet. For 100% accurate information, please consult a legal professional to perform the necessary due diligence.

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