



Investment Properties Report, Q2 2008

**A quarterly analysis of multifamily homes in three key regions:
New York City, San Francisco and Los Angeles**

Summary

NUMBER OF SALES

New York City: 2,985 (-29.4%)	↓
Los Angeles: 1,939 (-16.1%)	↓
San Francisco: 315 (-16.4%)	↓

MEDIAN PRICE PER SQUARE FOOT

New York City: \$240 (-4.7%)	↓
Los Angeles: \$220 (-22.1%)	↓
San Francisco: \$290 (-11.9%)	↓

MEDIAN PRICE PER UNIT

New York City: \$250,000 (-6.3%)	↓
Los Angeles: \$183,333 (-24.7%)	↓
San Francisco: \$300,000 (-13.9%)	↓

MEDIAN SALE PRICE

New York City: \$600,000 (-7.7%)	↓
Los Angeles: \$485,791 (-30.4%)	↓
San Francisco: \$900,000 (-15.3%)	↓

Note: All percentage changes are based on comparison to the second quarter of 2007.

New York City, San Francisco and Los Angeles

Major setback in number of sales - Compared to Q2 2007, all three regions saw major setbacks in the number of sales. New York City, down 29.4%, experienced the steepest decline among the three areas. In Q2 2008, New York City saw the lowest value for closed multifamily building transactions over a two year time period, while in California the two counties saw a slight increase from Q1 2008, at which time both regions experienced two-year lows.

New York City prices revert back to 2006 levels - All price indicators continued their downward trend with the median sale price, down 7.7%, and the median price per square foot, down 4.7%, compared to Q2 2007. The current levels are similar to those in Q2 2006, their lowest point in the past two-years.

Almost half of Los Angeles transactions were distressed sales - Properties in distress (foreclosures and pre-foreclosures) represented more than 45% of all multifamily home sales in Los Angeles County, a huge jump from the 11% distressed sale rate from Q2 2007. Despite an increase from the first quarter of 2008, the number of closed transactions was down 16% from the same quarter last year and down 43% from its peak level in Q2 2006.

San Francisco and Los Angeles see a substantial price decline - Both California counties saw significant price declines, well below their previous two-year record lows. Compared to the second quarter of 2007, the median sale price fell 30.4% in Los Angeles and 15.3% in San Francisco. The median sale price per unit fell 24.7% in Los Angeles, and 13.9% in San Francisco, compared to the same time period of Q2 2007.

This quarterly report tracks recorded sales of 'Investment Properties', defined as the following building classes: Two Family Dwellings, Three Family Dwellings, Four Family Dwellings, Five or More Family Dwellings, and Mixed Use Properties. It does not include single family homes, coop or condo units, or other commercial or industrial buildings. The regions examined include Los Angeles County, San Francisco County, and the five boroughs of New York City through the end of the second quarter of 2008 (Q2 2008). All data is aggregated from government records and is supplied as-is for informational purposes. It should not be used for making investment decisions. PropertyShark.com will not be liable for any losses or damages arising from or in any way related to this report, including without limitation any errors therein.

Manhattan, New York City

NUMBER OF SALES

Closed Transactions: 86
 % Change prior Qtr: -13.1% ↓
 % Change prior Year 2Q: -51.1% ↓

MEDIAN PRICE PER SQUARE FOOT

Price per Square Foot: \$617
 % Change prior Qtr: +12.3% ↑
 % Change prior Year 2Q: +36.9% ↑

MEDIAN PRICE PER UNIT

Price per Unit: \$526,282
 % Change prior Qtr: +11.2% ↑
 % Change prior Year 2Q: +58.7% ↑

MEDIAN SALE PRICE

Median Sale Price: \$3,690,000
 % Change prior Qtr: +5.4% ↑
 % Change prior Year 2Q: +5.4% ↑



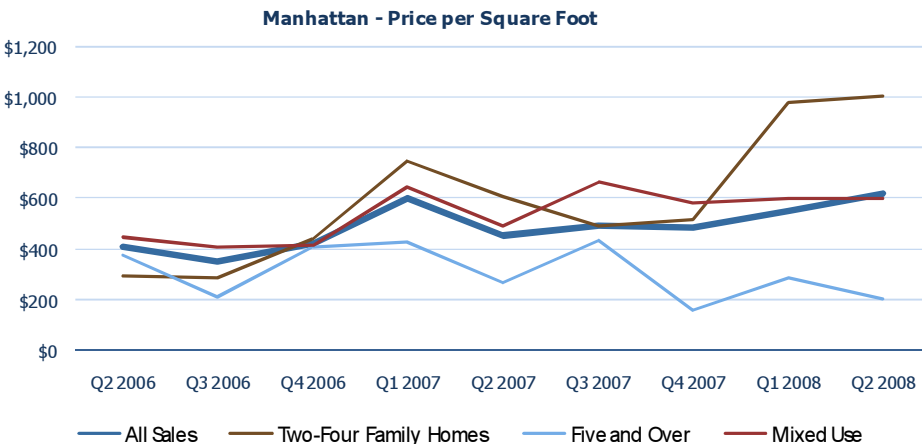
Seller: 380 Broome Street LLC
Buyer: Madison 380 Broome Realty LLC
Size: 44 units
Price: \$18,250,000
Manhattan, New York City

Sales transactions plunge There were 86 closed transactions in Manhattan during the second quarter of 2008, down 13.1% from Q1 2008, and down 51.1% in comparison to Q2 2007. The number of sales dropped dramatically hitting a two-year low for all three groups studied in this report (2-4 Family Buildings, 5+ Family Buildings, Mixed Use Buildings), and consequently, for the entire borough.

Prices stay up The median price per square foot reached a two-year high in Manhattan this quarter. Sales crossed the \$1000 price per square foot threshold for the first time in the two-family, three-family, and four-family building classes.

Priciest & most active zip codes West Village zip code 10014, and Harlem's 10027, registered the most sales (8) for the period. West Village zip code 10014 was also among the most expensive with a median price per square foot above \$2,100.

"Despite a free-fall in closed transactions, Manhattan's multifamily market was more expensive than ever during the second quarter of 2008, with the median price per square foot surpassing the \$600 barrier for the first time." Bill Staniford, CEO, PropertyShark.com



Brooklyn and Queens, New York City

NUMBER OF SALES

Brooklyn: 1,181
 % Change prior Year 2Q: -30.6% ↓
 Queens: 1,135
 % Change prior Year 2Q: -20.9% ↓

MEDIAN PRICE PER SQUARE FOOT

Brooklyn: \$237
 % Change prior Year 2Q: -2.6% ↓
 Queens: \$266
 % Change prior Year 2Q: -9.2% ↓

MEDIAN PRICE PER UNIT

Brooklyn: \$250,609
 % Change prior Year 2Q: -5.7% ↓
 Queens: \$265,950
 % Change prior Year 2Q: -9.2% ↓

MEDIAN SALE PRICE

Brooklyn: \$640,000
 % Change prior Year 2Q: -4.5% ↓
 Queens: \$600,000
 % Change prior Year 2Q: -8.8% ↓



Seller: Clearview Apartment Associates L.P.
Buyer: Jakckson Realty Partners LLC
Size: 50 units
Price: \$7,720,000
Queens, New York City

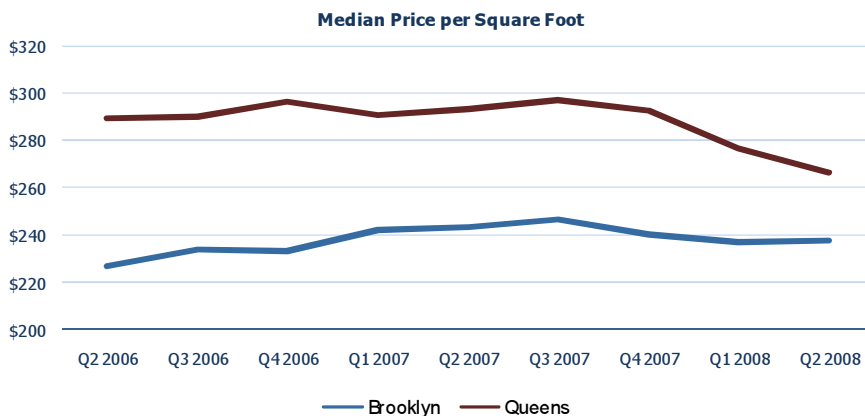
Sales Transactions at low levels The number of closed sale transactions were at or near two year lows in Queens and Brooklyn for the second quarter of 2008 across 2-4 Family Buildings, 5+ Family Buildings, and Mixed Use Buildings.

Brooklyn: Bushwick and Williamsburg Activity Five or more family building sales were most prevalent in the vicinities of Bushwick, Williamsburg and Bedford Stuyvesant, accounting for approximately 45% of 5+ family building sales in Brooklyn.

Queens: Astoria and Long Island City Activity There were 40 sales in Queens within the five or more family building class, with 12 of those transactions in District 1 (Astoria and Long Island City).

Price per square foot stable in Brooklyn, down in Queens Brooklyn's median price per square foot experienced a slight decrease of 2.6%, when compared to the second quarter of 2007. In Queens, the median price per square foot dropped 9.2% compared to Q2 2007 and reached, at \$266, the lowest level in two years.

"Forty-five percent of five or more family buildings sold in Brooklyn were in the neighborhoods of Williamsburg, Bedford Stuyvesant and Bushwick, showing that these areas continue their appeal as real estate investments." **Bill Staniford, CEO, PropertyShark.com**



The Bronx and Staten Island, New York City

NUMBER OF SALES

The Bronx: 382
 % Change prior Year 2Q: -37.5% ↓
 Staten Island: 201
 % Change prior Year 2Q: -34.5% ↓

MEDIAN PRICE PER SQUARE FOOT

The Bronx: \$176
 % Change prior Year 2Q: -5.3% ↓
 Staten Island: \$216
 % Change prior Year 2Q: -9.8% ↓

MEDIAN PRICE PER UNIT

The Bronx: \$209,774
 % Change prior Year 2Q: 5.5% ↓
 Staten Island: \$241,000
 % Change prior Year 2Q: 5.5% ↓

MEDIAN SALE PRICE

The Bronx: \$555,815
 % Change prior Year 2Q: -2.5% ↓
 Staten Island: \$490,000
 % Change prior Year 2Q: -5.8% ↓

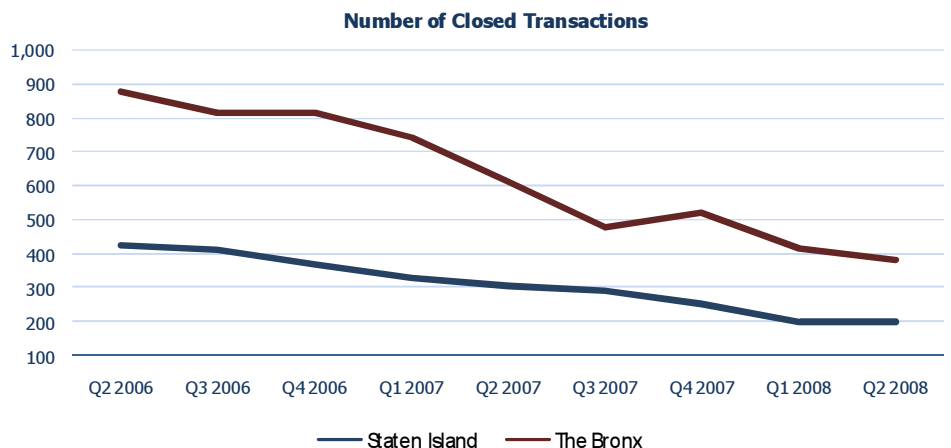
Largest decline in transactions of the five boroughs The number of closed transactions in The Bronx and Staten Island dipped 37.5% and 34.5% respectively compared to the second quarter of 2007. The percentage decrease is the largest among the five boroughs of New York City and affected all three property groups studied in this report. The number of sales transactions for properties with five and more units in the Bronx decreased significantly (down 55.2%), and those buildings were comprised of 1,023 units totaling 937,389 square feet.

Prices hit two-year low The median price per square foot as well as the median sale price in both counties, hit their lowest value in two years. Mixed use buildings saw the largest decline in the median price per square foot from Q2 2007, down 10.1% in The Bronx, and down 26.2% in Staten Island.

"The tightened conditions for a commercial loan revealed their adverse effects on larger investments in The Bronx, manifesting in a 55% drop in five or more family building sales compared to the second quarter of 2007." **Radu Farcas, Comparables Product Team, PropertyShark.com**



Buyer: West Side Bronx Housing Dev. Corp.
Size: 58 units
Price: \$4,316,000
The Bronx, New York City



Los Angeles County

NUMBER OF SALES

Closed Transactions: 1,939
 % Change prior Qtr: +31.9% ↑
 % Change prior Year 2Q: -16.1% ↓

MEDIAN PRICE PER SQUARE FOOT

Price per Square Foot: \$220
 % Change prior Qtr: -7.4% ↓
 % Change prior Year 2Q: -22.1% ↓

MEDIAN PRICE PER UNIT

Price per Unit: \$183,333
 % Change prior Qtr: -9.5% ↓
 % Change prior Year 2Q: -24.7% ↓

MEDIAN SALE PRICE

Median Sale Price: \$485,791
 % Change prior Qtr: -9.7% ↓
 % Change prior Year 2Q: -30.4% ↓

Foreclosed owner sells property



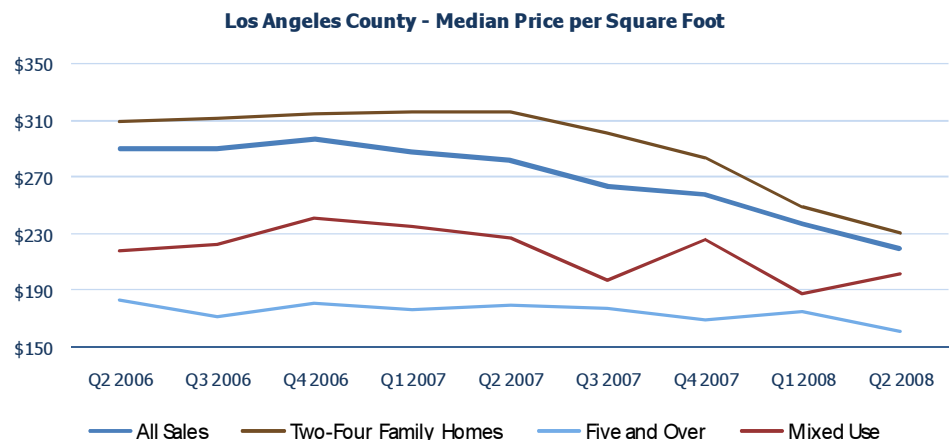
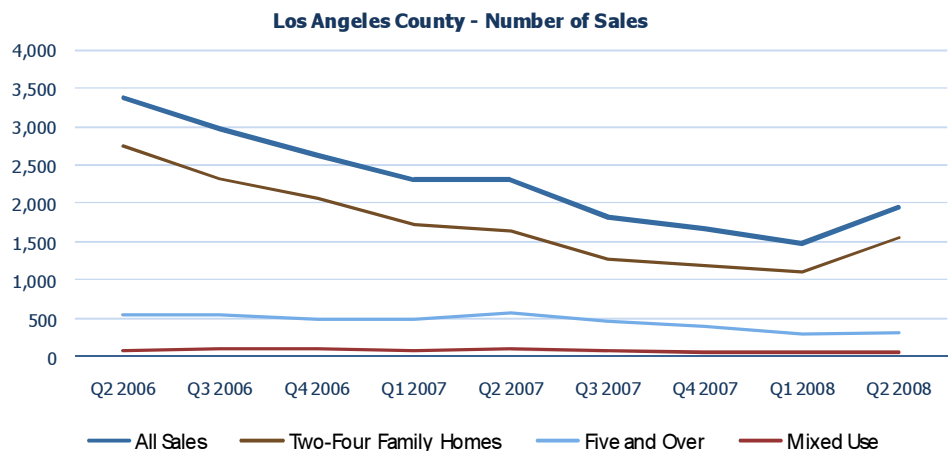
Size: 6 units
 Price: \$870,000
 North Hollywood, Los Angeles County

Distressed multifamily properties drive sales The Los Angeles multifamily market experienced three consecutive quarters of declines in the number of closed transactions until this quarter, when sales transactions increased by 32% compared to the first quarter of 2008. However, in comparison to Q2 2007, the number of sales declined by 16%.

The rebound in the number of sales can be partially explained by dynamics in the foreclosure sector, with distressed properties in Q1 and Q2 2008, accounting for more than 45% of the total number of sales (29% trustee sales and 16% notices of default).

All price indicators down Median price per square foot (down 22%), median price per unit (down 25%) and median sale price (down 30%) all decreased by a large rate compared to the same quarter last year, reaching a two-year low.

Large multifamily buildings see smallest price decrease Compared to the same quarter last year, five-family and over properties had the largest decline (down 42%) in the number of sales among the three building groups studied. Nonetheless, this building class registered the smallest median price per square foot decrease, down only 9% compared to a 28% decline registered by two to four-family properties.



San Francisco County

NUMBER OF SALES

Closed Transactions: 315
 % Change prior Qtr: +27.0% ↑
 % Change prior Year 2Q: -16.4% ↓

SF Transactions drop The number of closed transactions in the multi-family sector was down 16.4% compared to Q2 2007.

Two Year Lows in San Francisco The median price per square foot in San Francisco was \$290, down 3.6% from Q1 2008, and down 11.9% from Q2 2007. The median price paid per unit was \$300,000 in Q2 2008, down 5.2% from Q1 2008, and down 13.9% from Q2 2007.

MEDIAN PRICE PER SQUARE FOOT

Price per Square Foot: \$290
 % Change prior Qtr: -3.6% ↓
 % Change prior Year 2Q: -11.9% ↓

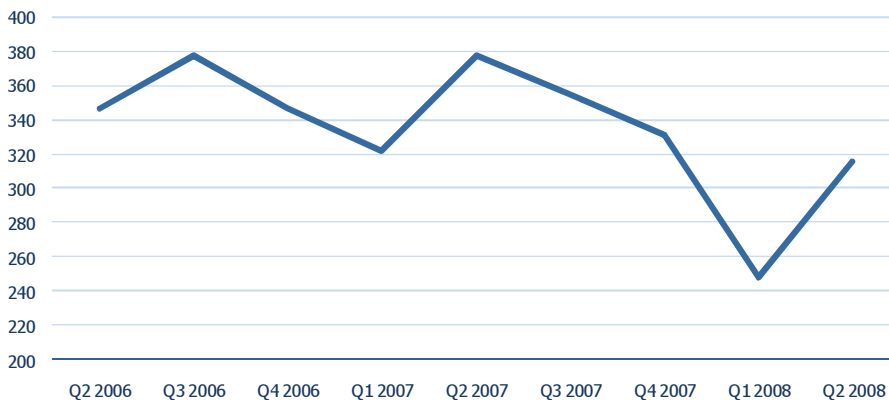
MEDIAN PRICE PER UNIT

Price per Unit: \$300,000
 % Change prior Qtr: -5.2% ↓
 % Change prior Year 2Q: -13.9% ↓

MEDIAN SALE PRICE

Median Sale Price: \$900,000
 % Change prior Qtr: -3.9% ↓
 % Change prior Year 2Q: -15.3% ↓

San Francisco County - Number of Sales



San Francisco County - Median Price Per Unit

