

NOTEWORTHY NEWS:

- Lennar appointed The Marketing Directors as the exclusive sales and marketing agent for Henley on Hudson.
- The Marketing Directors is entrusted with the re-launch of The Sheffield and Linden 78.
- Adrienne Albert was a featured guest lecturer in January at the National Association of Home Builders 2010 conference.
- The Marketing Directors was nominated for over 30 marketing and sales awards by the National Association of Home Builders.
- Crystal Point achieved Gold for Best Sales office and Community of the Year, the highest honor NAHB bestows.
- Two of our professional team were nationally recognized for sales expertise: Dara Commorata for Rookie Salesperson of the Year and Dawn Nassaney for Best Salesperson of the Year.

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The momentum of Q4 2009 is carrying into 2010. The sales activity is remaining strong, which is positive news for the industry.

The mindset of buyers who previously were hesitant to move forward has shifted to one of tentative motivation. The combination of historically low interest rates, motivated sellers, changes to the gift and inheritance tax requirements, and the extension of the tax credit to non-first time buyers, has created a great incentive to buy.

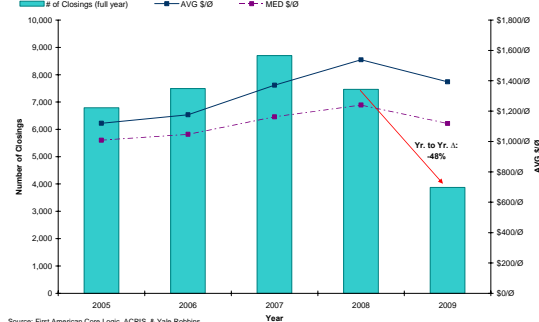
2009 was a year characterized by the global recession, lack of price appreciation, the inability of financially qualified purchasers to secure a mortgage, and the daily barrage of media scare tactics, all of which hindered the for-sale marketplace.

While many of these challenges remain, there is growing confidence in the market as witnessed by an increase in the number of sales and the increased sales office traffic.

Buildings with existing contracts signed in a stronger market are working through the backlog of contracts, closings homes when possible and reselling when needed. Unfortunately, construction delays at a few developments gave buyers the opportunity to rescind.

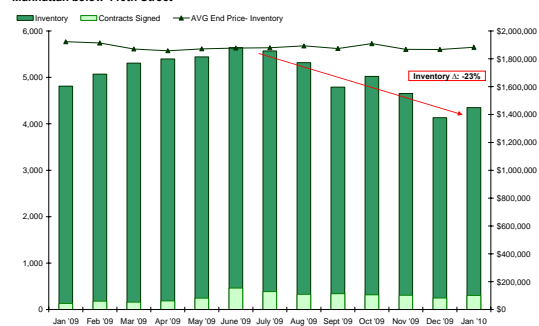
Job creation fuels both the rental and for-sale marketplace. Until the unemployment rate is reduced, recovery will continue at a slow pace. However, the regional market is in particularly good shape to receive the strengthening economy with low inventory, stable price, and considerable pent up demand.

Chart 1: Historical Closings and Price Achieved
Manhattan Condominium Closings below 110th Street



- Since 2005, the average year over year dollar per square foot value appreciation is 2%.
- 2009 sales volume decreased 48% compared to 2008 (3,872 closings vs. the 7,465 closings).
- The average number of closings per month in 2009 increased 37% between the first half of the year (avg: 272) and the second half (avg: 373).
- New construction accounted for 41% of the closings and 50% of the total sales volume in 2009, compared to 53% of closings and 56% of the total volume in 2008.

Chart 2: Inventory
Manhattan below 110th Street



- There are currently 123 new construction offerings in Manhattan below 110th Street, over 54% of which have sold.
- The number of contracts signed in the Q4 2009 is 85% higher than the number in Q1 2009 (471 Q1 vs. 872 Q4).
- There was a 23% decrease in active inventory from the high point in June 2009 when compared to January 2010.
- January 2010 had 131% more contracts signed and a 10% decrease in active inventory compared to January 2009.



UPPER EAST SIDE

	Q4 2009	Q3 2009	Previous Quarter Δ %	Q4 2008	Year to Year Δ %
# of Closings	190	185	3%	169	12%
AVG End Price	\$1,870,957	\$1,941,203	-4%	\$2,291,966	-18%

- In 2010 there will be a handful of buildings on the Upper East Side that may provide great investment opportunities.



UPPER WEST SIDE

	Q4 2009	Q3 2009	Previous Quarter Δ %	Q4 2008	Year to Year Δ %
# of Closings	262	228	15%	155	69%
AVG End Price	\$1,912,488	\$1,909,107	0%	\$2,151,347	-11%

- The Upper West Side has a few exciting developments planned including Alden- Extell's new building, the reintroduction of Linden 78, and Gotham's new rental building.
- Resales at 15 Central Park West continue to impact the values on the Upper West Side. The three closings in Q4 2009 account for 11% of the total Q4 2009 sales volume.



MIDTOWN EAST

	Q4 2009	Q3 2009	Previous Quarter Δ %	Q4 2008	Year to Year Δ %
# of Closings	138	178	-22%	201	-31%
AVG End Price	\$1,604,575	\$1,375,972	17%	\$1,574,107	2%

- Initial closings at One Madison increased the average purchase price in Q4 2009 when compared to Q3 2009.
- While One Beacon Court finished its initial sales program years ago, the building is still highly regarded and resales command an unprecedented value for Midtown East.



MIDTOWN WEST

	Q4 2009	Q3 2009	Previous Quarter Δ %	Q4 2008	Year to Year Δ %
# of Closings	179	201	-11%	417	-57%
AVG End Price	\$1,385,175	\$1,431,087	-3%	\$1,521,865	-9%

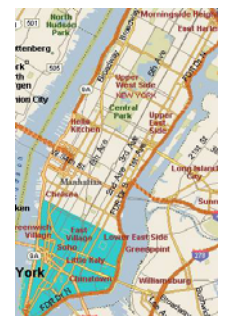
- The 57th Street corridor will emerge as the hot new area in town with many new developments beginning construction/sales programs and the addition of high-end hotels.



DOWNTOWN

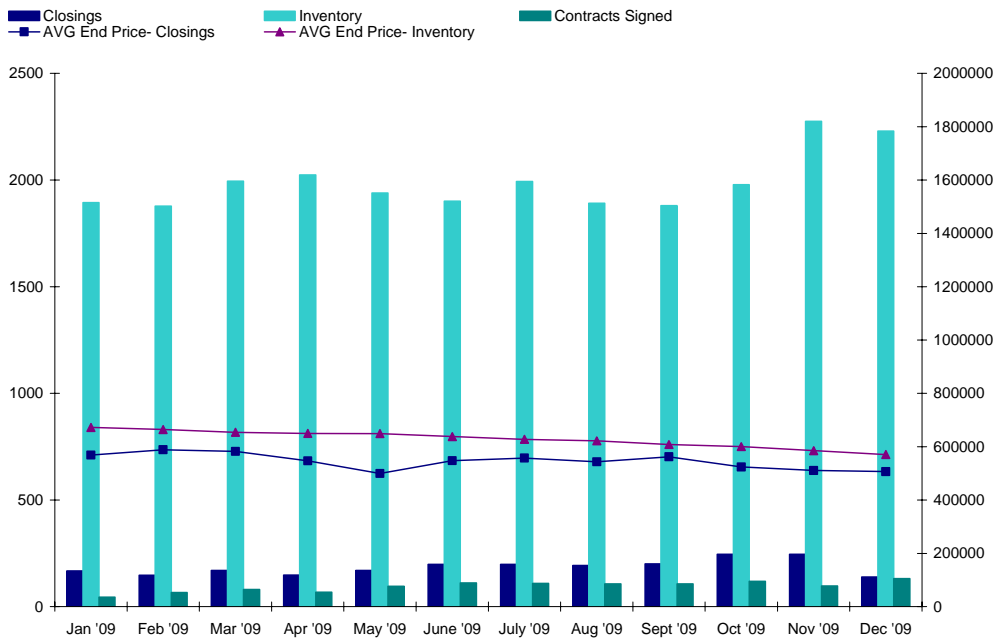
	Q4 2009	Q3 2009	Previous Quarter Δ %	Q4 2008	Year to Year Δ %
# of Closings	271	225	20%	383	-29%
AVG End Price	\$2,249,436	\$1,628,658	38%	\$1,835,825	23%

- Initial closings at Superior Ink have increased the average purchase price for Downtown.



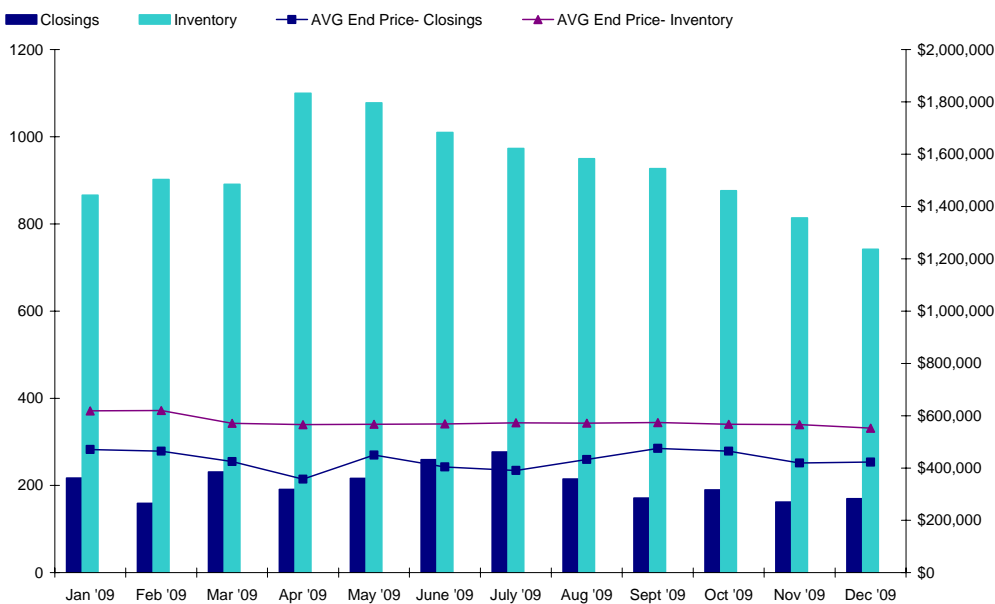
SPOTLIGHT ON BROOKLYN

Chart 3: Brooklyn Condominium Closings and Inventory



Brooklyn was significantly impacted by the economic turmoil. The number of foreclosures and stalled condominium projects is greater than Manhattan. However, there were signs of recovery in the later part of 2009.

- 2009 sales volume decreased 36% compared to 2008 (2,222 closings vs. 3,470 closings). The average achieved price in the same time period decreased by 6%.
- The average number of closings per month in 2009 increased 22% between the first half of the year (avg: 167) and the second half (avg: 204).
- The number of contracts signed in the Q4 2009 is 82% higher than the number in Q1 2009 (191 Q1 vs. 347 Q4).
- There was an 18% increase in active inventory from January 2009.

SPOTLIGHT ON NEW JERSEY GOLD COAST
(HUDSON COUNTY)Chart 4: New Jersey Gold Coast (Hudson County)
Condominium Closings and Inventory

Recovery has been slower along the New Jersey Gold Coast. The plethora of new developments, especially those in Downtown Jersey City, have broken price barriers. The New Jersey Gold Coast faces similar challenges to other urban areas including the necessity of buyers having to sell their existing home, problems obtaining financing, overcoming the perceived loss of wealth, lack of confidence, and creating a sense of urgency.

- Hoboken, Jersey City, Weehawken, and West New York are included on the chart.
- The average number of closings per month in 2009 decreased 7% between the first half of the year (avg: 212) and the second half (avg: 198).
- There was a 33% decrease in active inventory from the high point in April 2009.

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The Year of the Tiger

As we welcome the New Year 2010, we examine where we have come from and where we are headed.

2009 was a year of consolidation and a year of truth. It posed the question: Are we as good as we think we are? In most cases, the answer was a resounding "YES!"

We were all shocked by the depth and breadth of the pain inflicted upon the residential real estate markets, especially Manhattan. Although prices have not fallen precipitously, volume has been reduced to about half of what it was before the collapse of Lehman in the fall of 2008. This pain was felt not only at The Marketing Directors, but by our industry locally and nationwide.

2010 presents a different picture. Aptly, it is the Year of the Tiger. Symbolized by tenacity, bravery, high energy, and unpredictability, the Year of the Tiger is not a time for the faint of heart. It is, however, an arena for those who can take the fight to the finish and persevere. The Year of the Tiger will present challenges, and it is up to us to meet those challenges. In order to do that, each of us as individuals must display certain characteristics, many of which describe the Year of the Tiger, and tirelessly work to realize our goals. We have survived the downtown. Now we must prevail in the recovery. It is up to us to make this the best year of our almost 30 year history. We know how to make profitable sales for our developers and establish higher lease values for those who have rental property.

The year ahead presents challenges. Although the mortgage market is relaxing its standards somewhat, rates will rise this year. It will continue to be difficult to finance new condominium product, especially condominium/hotel product, even though it is in great demand in many markets. As inventory declines and new supply does not replace the product, demand will once again begin to outpace supply and prices will go up. We may see it in 2010, but it is more likely to register noticeable change in 2011. Until then, the wisest path for most projects is to move the merchandise, because carrying product hoping for better markets is a sure recipe for failure.

As we persevere through 2010, we are geared for success and know what we must do to earn it. It won't be an easy year, and each sale and lease will be hard fought, but we tigers just don't give up. We tigers are persistent, energetic, and relentless, which is why we will do well in the coming year. It is our turn to make it happen and we will!

Adrienne



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