

CORCORAN GROUP

the *corcoran* report

*a comprehensive analysis of
residential real estate sales in
New York City, the East End
and Palm Beach*

MID YEAR 2004

We are pleased to present the Mid Year 2004 Corcoran Report, an easy-to-read booklet which provides snapshots of the current state of the Manhattan, Brooklyn, the Hamptons, North Fork, South Fork, Shelter Island and Palm Beach residential sales markets. For New York City and Palm Beach, this report utilizes data based on deals that closed in the first six months of 2004, with performance compared to that of the first half of calendar year 2003. For the East End, the report looks at year-end data for 2003 and 2002.

Manhattan Snapshot

As we pause to survey the first half of the year in Manhattan residential real estate, the big news of 2004 is a significant across-the-board rise in both average sale price and price per square foot versus the same time period last year. Looking back, 2003 followed on the coattails of an historic prior year in New York real estate, with feverish studio and one-bedroom sales activity in the first half and a tilt away from high-end property. However, the same low interest rates, heightened consumer confidence and financial market gains that dramatically turned high-end activity around during the last two quarters of 2003, reached a crescendo in 2004, and inspired even healthier sales in the 3+ bedroom market. New product availability and soaring sales of larger apartments, particularly in the bustling condo arena, generated a hike in overall market performance and price per square foot in every sector.

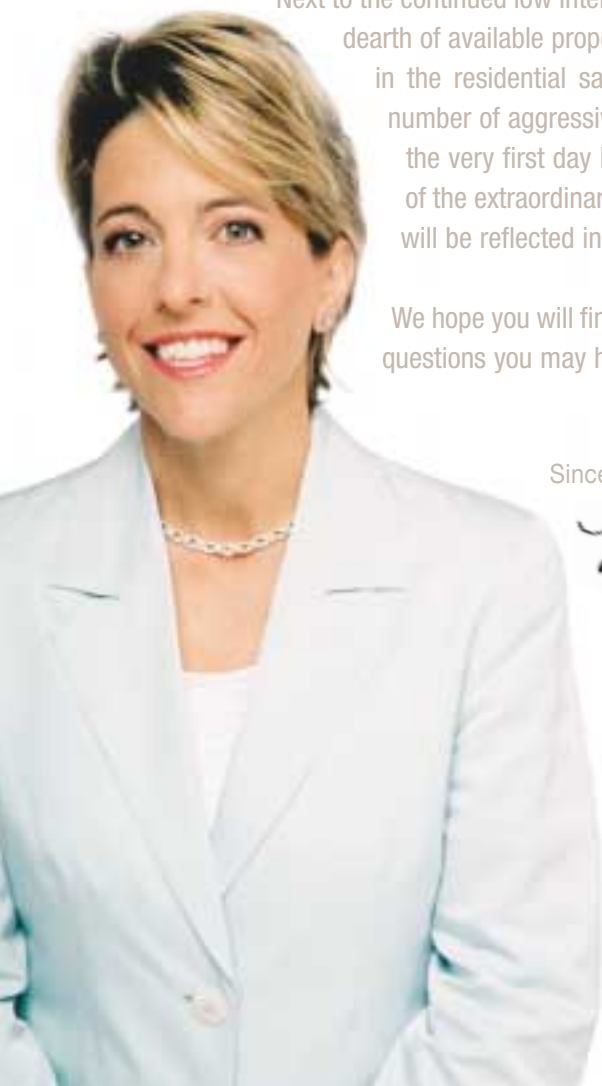
Next to the continued low interest rates, no other factor has impacted the market so dramatically in 2004 as the dearth of available property. The short supply coupled with intense demand has produced a virtual frenzy in the residential sales market, resulting in the first two quarters being characterized by a large number of aggressive bidding wars. It was quite common for people to find that their homes sold on the very first day listed. As this report's numbers reflect only deals that have already closed, much of the extraordinary quantity of business that went into contract during the spring remains open and will be reflected in our Year End Report.

We hope you will find this edition of the Corcoran Report useful and informative, and we welcome any questions you may have regarding it.

Sincerely,



Pamela Liebman
Chief Executive Officer



marketwide: : co-ops +19%, condos +38%

The overall picture for Manhattan real estate for the first half of 2004 was extremely favorable for sellers, with co-ops and condos both seeing a solid increase in average sale price and price per square foot over last year. Condos particularly experienced marked success, with an overall average sale price jump of +38% from mid year 2003. The main spotlight was on 3+ bedroom apartments, which enjoyed brisk sales market wide but showed the most apparent gains Downtown and in Midtown West, where many new condo projects closed.

Co-ops		Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	858k	663	277k	469k	962k	2.479m
Change	+19%	+15%	+20%	+13%	+18%	+8%	
2003	723k	579	232k	416k	818k	2.295m	

Condos		Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	1.234m	858	396k	646k	1.280m	2.721
Change	+38%	+19%	+11%	+18%	+25%	+32%	
2003	891k	719	356k	546k	1.028m	2.054m	

prime neighborhoods

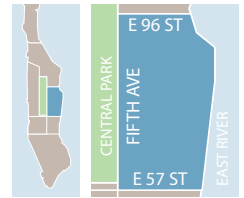
The enclaves spanning Fifth and Park Avenues between 57th and 96th Streets, Central Park West between 59th and 96th Streets, and TriBeCa define Manhattan's high-end real estate market. As many of the city's most exclusive addresses lie in these locations, the average sale price and price per square foot here show a representative snapshot of the current state of luxury residential real estate on the Upper East and West Sides as well as Downtown.

With an average sale price of \$3.255 million and average price per square foot of \$1,688, Fifth Avenue remains as Manhattan's most valuable real estate. The average cost of a Park Avenue home may be a bit more expensive, but Central Park West's views of and proximity to the park hoist the area's value slightly on a price per square foot basis – selling at \$1,225/foot vs. \$1,119/foot on Park Avenue. TriBeCa anchored the value of property Downtown with an average price per square foot of \$696.

Prime Neighborhoods		Average Sale Price	Price per sf
	Fifth Avenue 57th - 96th	2004 Change 2003	3.255m -16% 3.876m
Park Avenue 57th - 96th	2004 Change 2003	2.134m -14% 2.483m	1,119 +6% 1,052
CPW 59th - 96th	2004 Change 2003	2.623m +29% 2.036m	1,225 +10% 1,118
TriBeCa	2004 Change 2003	1.481m -1% 1.498m	696 +1% 690

eastside

High-end co-ops on the East Side did well, selling with vigor comparable to the first six months of 2003 and rising 3%. The average sale price consequently was boosted +11%, with a +18% surge in price per square foot. Studios led the way at +33%, with one and two-bedroom co-ops at +10% and +14%. East Side condominiums were more expensive by colossal margins thanks in large part to the closings at the new Trump Park Avenue building at 502 Park. The average sale price for condos jumped by +60% and on a price per square foot basis by +34%. Studios experienced a +29% leap, with one and two-bedrooms even more extreme by +41% and +49%. Condos with 3+ bedrooms also fared well, at +35%.

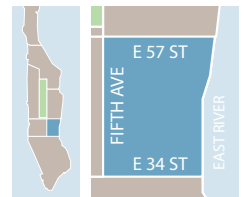


Co-ops	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	1.078m	701	272k	449k	1.021m
Change	+11%	+18%	+33%	+10%	+14%	3%
2003	971k	594	205k	407k	894k	2.944m

Condos	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	1.406m	949	377k	673k	1.333m
Change	+60%	+34%	+29%	+41%	+49%	+35%
2003	879k	706	292k	477k	892k	2.102m

midtown east

Co-ops in the areas around Murray Hill, the East 50s, and the United Nations performed very favorably, with the average sale price up +30% and price per square foot holding strong at +18%. Studios stole the show with a whopping +82% jump in value, yet all size categories performed well. Condos in Midtown East saw gains of +5% in average sale price and +16% in price per square foot. Studios reigned again in largest average price increase, with two-bedroom apartments next.

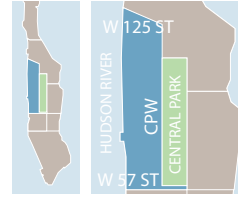


Co-ops	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	741k	606	312k	472k	923k
Change	+30%	+18%	+82%	+11%	+26%	-4%
2003	571k	512	171k	424k	730k	2.068m

Condos	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	1.187m	863	382k	542k	1.450m
Change	+5%	+16%	+47%	+3%	+24%	+2%
2003	1.134m	745	260k	525k	1.170m	2.774m

westside

Demand for property on Manhattan's West Side remains strong, with area condos commanding high average sale prices - up +42%. The value of condos here also continues to appreciate, as the price per square foot increased a notable +20%. Thanks to such luxury properties as the Time Warner Center, high-end residences made great strides over the first half of last year, and maintained an upswing in value that began during the latter half of 2003. To date, 3+ bedroom apartment sales in 2004 have soared +49% as compared to the same time last year. Co-ops also did well, and underwent average sale price and price per square foot increases of +16% and +10% respectively.

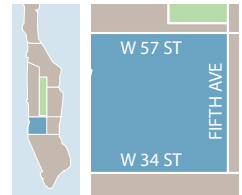


Co-ops	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	864k	685	265k	463k	908k
Change	+16%	+10%	+10%	+8%	+7%	+18%
2003	747k	624	241k	429k	846k	1.908m

Condos	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	1.282m	936	391k	664k	1.278m
Change	+42%	+20%	+13%	+14%	+15%	+49%
2003	902k	781	345k	585k	1.111m	2.144m

midtown west

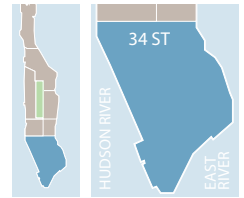
Midtown West, which weathered soft activity at the high-end last year despite the area's renaissance, made a major comeback in the 3+ bedroom condo market. Condos overall stole the show, where the average sale prices catapulted +38%, and price per square foot went up a dramatic +24%, due primarily to new condo construction throughout the area. Co-ops also made headway with leaps of +28% in the average sale price and +13% in price per square foot. Of size categories, two-bedroom apartments took the top spot, up +61%.



Co-ops	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	507k	541	274k	416k	748k
Change	+28%	+13%	+41%	+15%	+61%	+9%
2003	396k	479	194k	361k	465k	1.112m

Condos	Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	850k	851	369k	598k	1.154m
Change	+38%	+24%	+23%	+15%	-16%	+48%
2003	618k	685	300k	519k	1.370m	2.010m

downtown



Neighborhoods south of 34th Street enjoyed a continued surge in popularity and price in all categories. The Downtown co-op market stood tall with its average sale price up +20% and price per square foot rising +17%. Condos also rose to the occasion with a +33% average sale price and +15% price per square foot gain. Competition over large apartments downtown was particularly active, evidenced by the impressive price increases in both the two and three-plus bedroom categories for both co-ops and condos.

Co-ops		Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	565k	656	280k	470k	828k	1.683m
Change	+20%	+17%	+10%	+19%	+27%	+33%	
2003	451k	560	254k	394k	652k	1.264m	

Condos		Average Sale Price	Average Price per sf	Studio	1 BR	2 BR	3+ BR
	2004	881k	764	363k	541k	1.101m	1.824m
Change	+33%	+15%	+6%	+14%	+38%	+19%	
2003	662k	663	341k	473k	800k	1.53m	

lofts

The city's loft market, centered in the prime Downtown enclaves of SoHo, TriBeCa, Greenwich Village and Chelsea, was rejuvenated in the first half of 2004 with the average sale price up a sturdy +23% and price per square foot climbing +12%. Across the board, prices in all size categories rose by at least +12%, with lofts over 2,500 square feet increasing the most by +18%. The strength of the Downtown market is responsible for the rising demand for these unique properties both in pre-existing buildings and in enticing new development projects.

Lofts		Average Sale Price	Average Price per sf	1,000-1,500 sf	1,500-2,000 sf	2,000-2,500 sf	2,500+ sf
	2004	1.454m	737	918k	1.286	1.696m	2.703m
Change	+23%	+12%	+12%	+12%	+15%	+18%	
2003	1.185m	659	821k	1.153m	1.478m	2.286m	

townhouses

Townhouse sales were up in all neighborhoods over this same time last year, while performance seemed to have quieted versus the fervor of the year prior. The East Side saw a substantial +23% increase in the average sale price, with the West Side next in line at +17%. Prices Downtown were also up, though comparatively muted, with an average jump of +3%.

Townhouses		East Side Average Sale Price	West Side Average Sale Price	Downtown Average Sale Price
	2004	5.587m	2.418m	3.340m
Change	+23%	+17%	+3%	
2003	4.532m	2.075m	3.258m	

manhattan new development

Virtually every Manhattan neighborhood is experiencing tremendous residential development in 2004. Over 6,500 newly-built units are expected to be completed this year, one of the highest levels in recent history. This steep increase is largely due to government incentives for new rental projects, proven condominium values in previously marginal locations, and a lack of competition for sites from the office and hotel sectors.

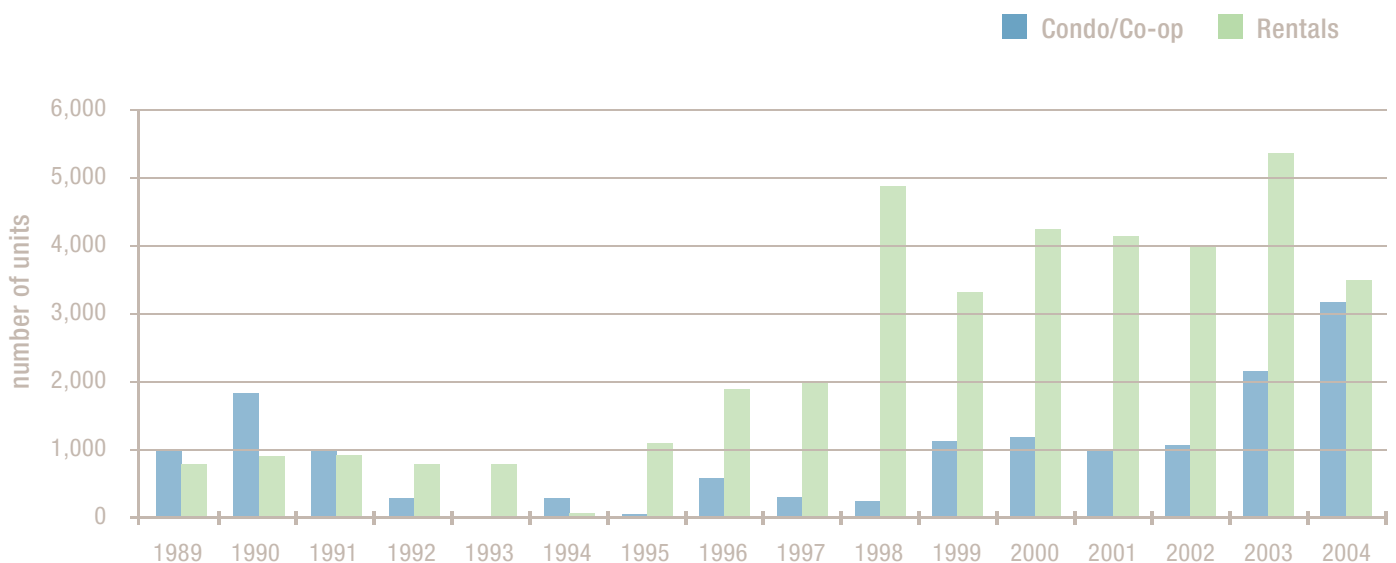
With the rental market enjoying significant recovery since the events of September 11, 2001, several developers are pursuing large-scale projects in Lower Manhattan. As a result of the government's Liberty Bond program, more than 2,000 new rental units in a dozen projects are currently in the pipeline, including several office building conversions (such as 63 Wall Street and 100 Maiden Lane) and sites originally slated for office development (including 2 Gold Street).

Elsewhere in New York, where Liberty Bond incentives do not apply, the number of condominiums under development exceeds historic levels. Midtown is becoming increasingly residential with large projects on the market throughout the East 50s and a handful of planned projects in the West 40s, where new rental development had become the norm. Harlem is also a hotbed of activity, although most of the new projects coming to market are being developed under the City's Cornerstone program, which offer units through a lottery process designed to favor community residents and thus infrequently make it to the open market. That said, developments between 96th Street and 110th Streets are integrating the Harlem fabric into the Upper East and West Sides. Downtown, Hudson River Park has so transformed the Hudson waterfront that new development projects near the river in TriBeCa, SoHo, and Greenwich Village routinely achieve \$900 per square foot.

Rental-to-condominium conversions are also prevalent again after a quiet decade. Numerous rental buildings are slated for conversion to for-sale housing and are helping to tighten the rental market, while capitalizing on historically low interest rates and market strength below the \$1 million mark. Look for these projects to alleviate tight supply at the low end of the market.

With mortgage rates still very close to historic lows and the level of construction relatively modest when compared to other markets around the nation, the forecast for New York's development community looks bright. These factors, combined with current supply-demand dynamics, job growth and the significant and sustained quality-of-life improvements in New York City, lead developers to continue to regard residential additions to the Manhattan skyline as an attractive opportunity.

newly developed housing units in manhattan



brooklyn snapshot

The first two quarters of 2004 have been good ones for Brooklyn, as the solid performance it enjoyed in 2003 overflowed into the new year. The city's most populous borough and – if taken alone – the nation's fourth largest city, saw property values rise virtually across the board over the same period a year ago. Considering its enticing blend of diverse neighborhoods, vibrant culture, and ideal location, it's not surprising that the Brooklyn residential real estate market is experiencing unprecedented demand and substantial price increases.

Evidencing Brooklyn's appeal is the solid increase in the average sale price of both co-operative and condominium apartments. In particular, large scale apartments have become highly desirable; three-bedroom co-ops gained +27% in average sale price. Owners of townhouses also could expect a healthy return on their investment, as single and multiple-family homes rose +18% and +16% respectively.

New condo developments throughout the borough further spurred neighborhood revitalization. Exciting new projects are being rolled out in neighborhoods throughout Brooklyn and are affecting the borough's real estate market in a major way. The phenomenon has been so significant that we have devoted a special section in this edition of The Corcoran Report to its impact.

While some of the same forces shaping real estate elsewhere (low interest rates and comparatively short supply) are driving the Brooklyn market, in the past few years the uniqueness of the borough's lifestyle has added an aura of chic that buyers and sellers alike have been happy to access. The combined result has been good news for homeowners and makes Brooklyn the logical choice for a savvy cross-section of New Yorkers.

marketwide: co-ops +16%, condos +23%

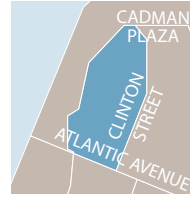
While the average sale price for Brooklyn real estate was unchanged in mid-year 2003, the upward shift from 2003 to 2004 tells a different story. With co-op sales up a robust +16% and condos prices even higher by +23%, the borough is experiencing feverish action building upon its already-strong market position. One-bedroom co-ops stayed static; studios saw a respectable jump of +7%; two and three-bedroom apartment sales topped everything else by rising +15% and +27%. Single-family townhouses showed an admirable +18% performance, with multiple-family dwellings right behind.

Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004	405k	175k	268k	470k
Change	+16%	+7%	0%	+15%	+27%
2003	348k	163k	277k	409k	741k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004		528k	1.519m
Change	+23%	Change	+18%	+16%
2003	428k	2003	1.285m	800k

brooklyn heights

After several years of steady overall price increases interrupted by a modest dip last year, Brooklyn Heights is back in a big way with the average sale price up +36%. Studios, and two-bedroom prices showed single digit increases, while 3+ bedroom apartments, single-family townhouses and multiple-family homes made substantial strides at +45%, +40% and +27%. In addition, condos posted a very impressive +36% price rise.

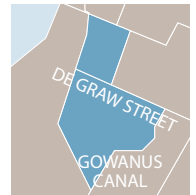


Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004	480k	197k	292k	528k
Change	+36%	+9%	-4%	+8%	+45%
2003	354k	180k	306k	490k	904k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004		597k	2.537m
Change	+36%	Change	+40%	+27%
2003	439k	2003	1.806m	1.85m

cobble hill & carroll gardens

Last year's influx of buyers to the charming Cobble Hill and Carroll Gardens neighborhoods caused a considerable surge in the average sale prices. Through the first half of 2004 co-ops were up by an average +6%. One and two-bedroom apartments experienced ample growth at +19% and +22%, with condos, single and multiple-family homes also rising in price.

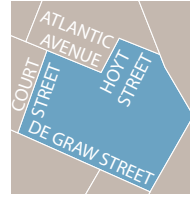


Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004	457k	n/a	298k	612k
Change	+6%	n/a	+19%	+22%	-
2003	432k		251k	500k	620k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004		556k	1.581m
Change	+9%	Change	+6%	+3%
2003	510k	2003	1.495m	1.05m

boerum hill

Price averages for co-ops in Boerum Hill may be skewed by the absence of studio apartments in the area, yet this thriving neighborhood enjoyed an overall average square price increase of +29% that attests to its fast-growing popularity due in part to the infusion of hot new shops and restaurants popping up. Two-bedroom apartment sales rose +10%, with condos and single-family homes showing similar increases, however multi-family dwellings slid slightly by -3%.

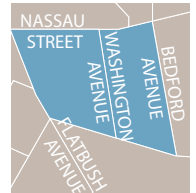


Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004 Change 2003	432k +29% 334k	n/a	n/a - 233k	432k +10% 394k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004 Change 2003		542k +8% 503k	2004 Change 2003

fort greene & clinton hill

Despite the concentration of studio and one-bedroom sales in Fort Greene and Clinton Hill that kept the average sale price low last year, heightened interest in these areas shot the average up by +30%. Studio prices remained static, while one and two-bedroom prices gained +11% and 17% respectively. 3+ bedroom apartments were top story, however, seeing a hike of +39% as families seeking large apartments discovered their affordability in the area and bid competitively to secure them. The single and multiple-family home arena proved equally exciting, with increases of +23% and +48%.

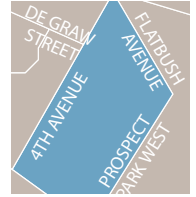


Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004 Change 2003	291k +30% 223k	148k 0% 148k	213k +11% 192k	348k +17% 298k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004 Change 2003		420k -3% 431k	2004 Change 2003

park slope

Extraordinary demand ensured Park Slope's position as one of Brooklyn's priciest neighborhood, with the area's average sale price up +7%. The ends of the co-op spectrum saw the most dramatic growth, with studio prices bumped up +22% and three-plus bedroom apartments up by +38%, the latter doing much to raise the area's overall average sale price in the face of the -9% drop in the price of one-bedroom units. Condos performed admirably with a +25% price rise. Single-family homes slipped a hair, while multiple family dwellings rose +9%.



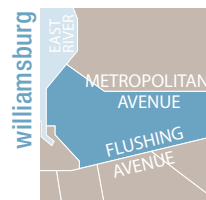
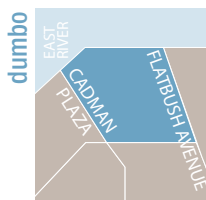
Co-ops	Average Sale Price	Studio	1 BR	2 BR	3+ BR
	2004	527k	219k	270k	483k
Change	+7%	+22%	-9%	+3%	+38%
2003	491k	180k	297k	471k	701k

Condos	Average Sale Price	Townhouses	1 family	2-4 family
	2004		558k	2004
Change	+25%	Change	-1%	+9%
2003	447k	2003	1.573m	1.125m

dumbo-williamsburg-bedford-stuyvesant

We are pleased to begin surveying these important neighborhoods. DUMBO and Williamsburg, with their proximity to downtown Manhattan and new development projects bringing considerable demand to bear on their markets, enjoyed healthy price increases over the previous year, with DUMBO up an average +42% and Williamsburg up +35%. Taken in isolation, property in DUMBO ranks as the borough's most expensive, due to the new condo projects there. Bed-Stuy, perhaps Brooklyn's signature diverse neighborhood, is experiencing 11% higher average sale price over last year.

Condos	Dumbo	Average Sale Price
	2004	1.1m
Change	+42%	
2003	776k	



Condos	Williamsburg	Average Sale Price
	2004	591k
Change	+35%	
2003	439k	

Townhouses	Williamsburg	1 family	2-4 family
	2004	n/a	
Change	-		
2003	560k		1m

Condos	Bedford-Stuyvesant	Average Sale Price
	2004	344m
Change	+11%	
2003	310k	

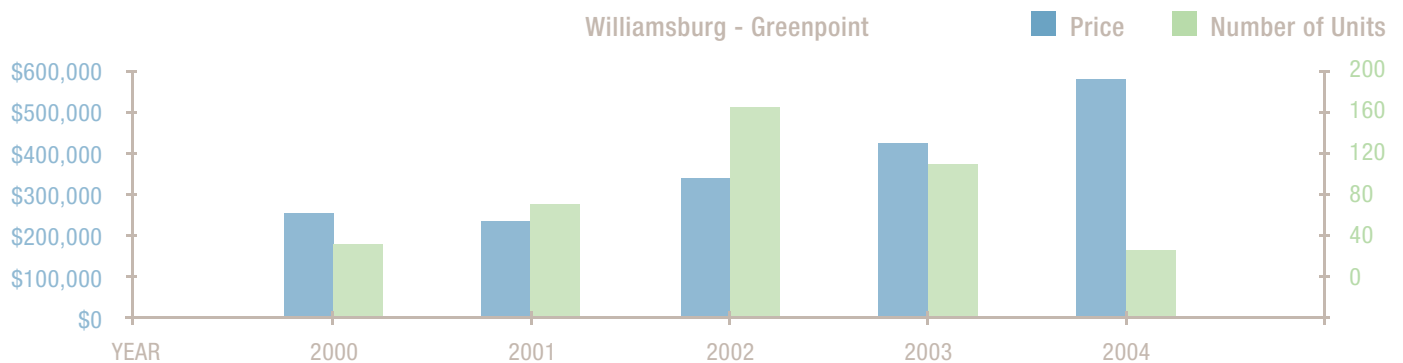
Townhouses	Bedford-Stuyvesant	1 family	2-4 family
	2004	260k	
Change	+9%		+6%
2003	243k		361k

brooklyn new development

Williamsburg-Greenpoint is a thriving market in transition from industrial zone to residential neighborhood - particularly in Greenpoint. It is experiencing great momentum in part due to the City's Land Use - Waterfront Plan and the unique NYC views. While still viewed as the natural alternative to Manhattan thanks to its competitive prices, Williamsburg offers spacious and distinctive homes with all the amenities in a trendy and yet quiet neighborhood. It is thus growing fast and commands increasingly high numbers. East Williamsburg and Greenpoint are the places for bargain hunters. The development of attractive condos, duplexes with city views and fine amenities is garnering very aggressive prices. New construction condos in the design-and-development phase are emerging rapidly as a result of a spill-over of this trend, creating new profitable opportunities and new product in East Williamsburg.

The Smith Gray Building first offered luxury lofts for purchase in 2000. This 40-unit condominium is a local spectacle and is referred to as the 'blue building' due to its majestic blue cast-iron front. Just a block away from the Smith Gray Building is The Gretsck Building, another pioneer conversion in Williamsburg with 130 residences featuring panoramic river and skyline views. The Gretsck came to the market in 2003 and still has available a variety of units on higher floors with occupancy in late 2004.

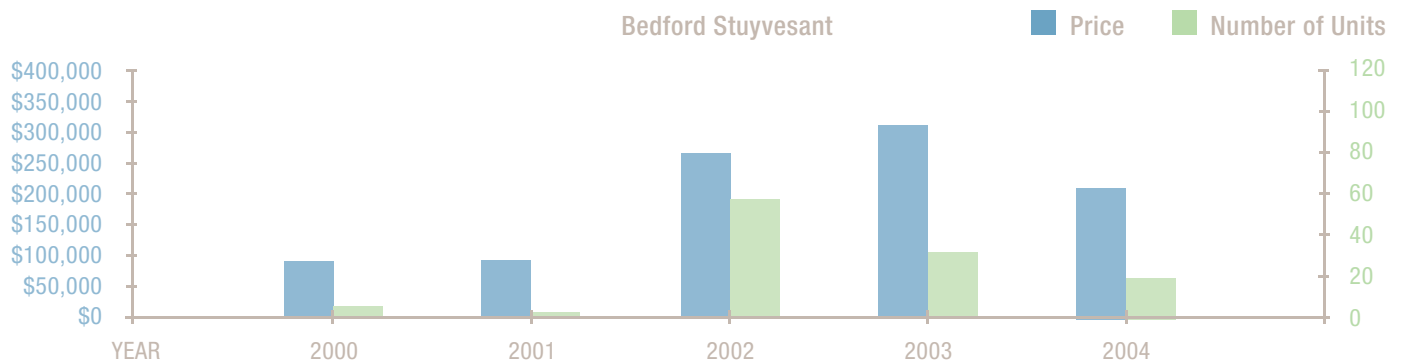
Russell Street Condominium, a 2004 newcomer in Greenpoint, is almost sold out already. It boasts 26 units in five contextual buildings connected by landscaped, private gardens and features all the amenities the best new constructions have to offer.



Bedford Stuyvesant - Also benefiting from the Williamsburg trend, Bedford Stuyvesant offers very competitive pricing while at the same time undergoing fast-paced gentrification. With townhouse renovations on virtually every block, developers are chasing after the larger sites that remain under-developed and buyers are flocking to the area in search of new condominiums.

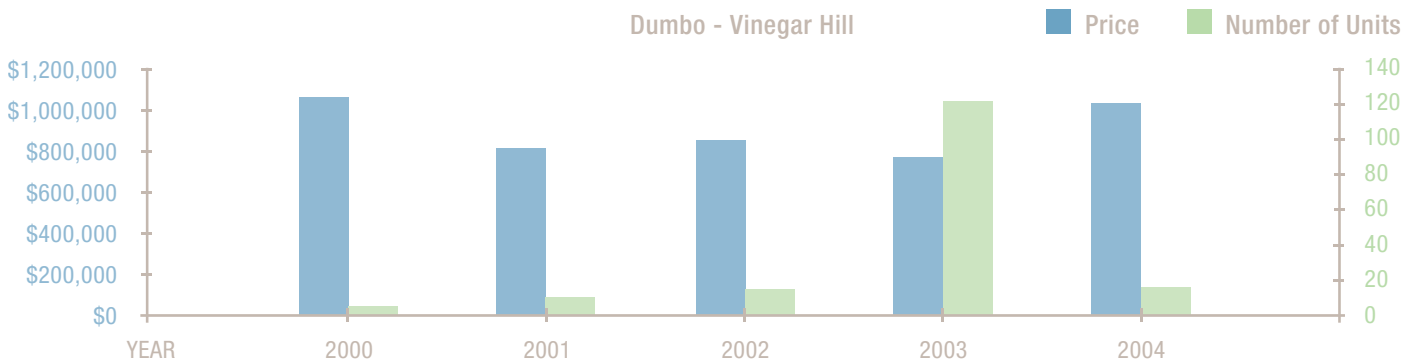
The Chocolate Factory, with 42 affordable loft-style units located near the Pratt Institute, was one of the first condos in the neighborhood. Perfect for both couples and artists, the apartments have modern stainless steel kitchens, jacuzzi baths, elevated mezzanines and ample storage.

The Spencer is a more recent project, with one and two bedroom units ranging from 750 to 1,600 square feet, all with luxury finishes.



DUMBO - The premier Brooklyn waterfront neighborhood flanked by two landmark bridges, Dumbo features a stunning array of turn-of-the century warehouses and industrial buildings, perfectly suited to fine loft-style living and featuring magnificent skyline views in a trendy neighborhood as close as you can get to Manhattan.

85 Adams Street is a 78-unit luxury new construction condominium. Expected to come on the market in November 2004, it will have top-of-the-line finishes and appliances as well as superb views that will take your breath away.



Red Hook, located on the coveted Brooklyn waterfront, has never been in higher demand. This quaint neighborhood, also in transition from maritime and warehouse district to mixed use, boasts superb views of Manhattan and many under-utilized sites. Major consumer-oriented retail outlets and support services are popping up; Ikea, Fairway and the cruise industry have already chosen Red Hook as their destination.

Red Hook is at such an early stage of development that no condo data is available yet. However, 160 Imlay Street - the former New York Dock Company building - will pave the way when its 135 units come on the market in 2005. This waterfront development is the first of its kind and set a precedent in Red Hook by obtaining City approval for a zoning variance for residential use.

Downtown Brooklyn & Prospect Heights are both in a state of well-publicized flux. Prospect Heights is all abuzz about the proposed sports arena at the Atlantic Avenue rail yards. It also has a set of high-rise residential towers coming that will add some 4,500 new units two blocks from the BAM cultural district and the Flatbush transportation hub. Similarly, the City has paved the way for the revitalization of Downtown, with Willoughby Street poised to become an office/retail enclave akin to Rockefeller Center and the parking lots on Atlantic Avenue between Schermerhorn and State Streets slated for major residential development in the wake of re-zoning.

Boulevard East at 53 Boerum Place, a new construction in the heart of Downtown by the Brooklyn Bridge Boulevard, is all about location and convenience. Its 99 luxury units are expected to be on the market in Fall 2004.

Park Slope is the mecca in terms of desirable services: entertainment, parks, cultural amenities, access to transportation and historic charm. The area is home to one of the earliest and largest historic districts in the city, but the approval of the rezoning of the under-utilized Fourth Avenue Corridor is expanding the boundaries of the more established core areas of Park Slope and constitutes a revitalization of Gowanus and the adjacent areas to the south, such as Greenwood Heights and Sunset Park. South Park Slope, especially Gowanus, is the place for bargain hunters, young married couples and single professionals that want to settle in the area.

City View Gardens - One of the first beneficiaries of the Fourth Avenue rezoning, this 46-unit new construction hit the market in Spring 2004 with a variety of simplexes, duplexes with views and garden apartments in five buildings facing 2nd and 3rd Avenues, connected by a common garden.

Prospect Gardens - Very competitively priced and almost sold out at the opening, these two brand new duplicate four-story buildings generated buyer frenzy and overnight lines during its Spring 2004 opening.

the eastend

In the tradition of the Cook Pony Farm Market Watch and the Dayton-Halstead Hamptons Report, we are pleased to provide the first Corcoran Hamptons/East End Report, surveying the East End of Long Island from Westhampton to Amagansett on the South Fork, Riverhead to Orient on the North Fork, and Shelter Island. Our report will be published twice a year in two formats; as part of the full Corcoran Report on luxury property in New York City, Long Island and Palm Beach, and as a stand alone. If you received one and prefer the other, or if you wish to receive both by post, please email diane.saatchi@corcoran.com or send a note to 78 Main Street, East Hampton, NY 11937. We welcome your comments.



The Corcoran Group's presence on Long Island was solidified by the acquisition of Cook Pony Farm in October 2003 and was expanded with the addition of Dayton-Halstead in March 2004. It's been a busy time for us as the new company forges a common culture, working in collaboration with our associates in Manhattan, Brooklyn and Palm Beach. Happily, no matter how busy we have been internally, the robust market has kept us all focused on the business of residential real estate.

Because the time between striking a deal, closing it and finally reporting it can be several months, the data in this report is historical and examines the year 2003 versus 2002. Such information illuminates current activity and pending deals and can help us understand the relative condition of our sales and rental markets.

Strong demand and relatively short supply drove the average price of a home on the South Fork to \$923,000 in 2003, up 20% from 2002. The volume of sales declined 13% in the same period. Sales on the North Fork were similar, prices increased by nearly 25% and volume decreased by over 6%. Low interest rates and the generally excellent health of the real estate sector combined to make home buying on Long Island's East End a competitive pursuit; 2003 was a tough year for buyers and 2004 is no kinder, with bidding wars de rigueur and gazumping common enough that *The New York Times* reported on the phenomenon in June.

southfork

Competition for property on the South Fork was intense in 2003, causing the overall average sale price to rise by almost 20%. The laws of supply and demand were strongly evident; when demand is high, prices rise, inventory shrinks and where possible, locations expand, where there is a real or perceived natural barrier the prices rise and the volume drops. We are seeing this in many of our markets, including the Hamptons and the North Fork as well as in Manhattan, where the average price of homes increased and the number of sales in most markets declined.

Amagansett	Average Sale Price
2003	1.355m
Change	+35.13%
2002	1.003m

Bridgehampton	Average Sale Price
2003	1.780m
Change	+69.78%
2002	1.048m

East Hampton	Average Sale Price
2003	657k
Change	+10.26%
2002	596k

East Quogue	Average Sale Price
2003	559k
Change	+25.89%
2002	444k

Hamptons Bays	Average Sale Price
2003	400k
Change	+18.63%
2002	337k

Village of East Hampton	Average Sale Price
2003	2.518
Change	+25.08%
2002	2.013m

Village of Sag Harbor	Average Sale Price
2003	821k
Change	+45.94%
2002	563k

North Haven	Average Sale Price
2003	1.298m
Change	+21.52%
2002	1.068m

Quogue	Average Sale Price
2003	557k
Change	-51.06%
2002	1.139m

Quogue Village	Average Sale Price
2003	1.116m
Change	-4.28%
2002	1.166m

Remsburg	Average Sale Price
2003	945k
Change	+2.48%
2002	922k

Sag Harbor	Average Sale Price
2003	634k
Change	+26.04%
2002	503k

Sagaponack	Average Sale Price
2003	1.487m
Change	+1.19%
2002	1.47m

Southampton	Average Sale Price
2003	705k
Change	+2.6%
2002	687k

Southampton Village	Average Sale Price
2003	1.51m
Change	-1.12%
2002	1.527m

Wainscott	Average Sale Price
2003	1.018m
Change	-4.38%
2002	1.064m

Watermill	Average Sale Price
2003	1.447m
Change	+6.71%
2002	1.356m

Westhampton	Average Sale Price
2003	685k
Change	+11.57%
2002	614k

Westhampton Beach	Average Sale Price
2003	1.019m
Change	+44.23%
2002	706k

TOTAL	Average Sale Price
2003	923k
Change	+19.63%
2002	771k

northfork

Prices and volume are considerably lower on the North Fork than they are in the Hamptons, yet the markets are behaving similarly — growth is remarkably strong and overall volume is down. Shelter Island, in the center of the “forks,” is also priced between the two. It is too soon to tell if this is a northward migration of price and popularity or simply a discovery of these beautiful, burgeoning rural communities.

		Average Sale Price	Number of Sales	% Change	
NORTH FORK	Aquebogue	2003 2002	356k 291k	70 95	+22.3%
	Cutchogue	2003 2002	523k 462k	56 51	+13.09%
	East Marion	2003 2002	470k 366k	28 44	+28.56%
	Greenpoint Village	2003 2002	381k 298k	71 80	+27.75%
	Jamesport	2003 2002	398k 295k	33 33	+35.15%
	Laurel	2003 2002	449k 293k	20 16	+52.95%
	Mattituck	2003 2002	492k 293k	77 76	+29.48%
	Orient	2003 2002	626k 468k	19 24	+33.77%
	Riverhead	2003 2002	284k 207k	188 199	+37.25%
	Shelter Island	2003 2002	714k 655k	80 80	+9.02%
	Southold	2003 2002	509k 427k	155 155	+19.09%
	TOTAL	2003 2002	446k 358k	797 853	+24.61%

Season Rentals 2004

The East End continues to be an important vacation destination for people around the world and for those seeking summer rentals, the 2004 market has been competitive without being wild. Many clients who have found it difficult to find the right home for purchase have been attracted to rentals for the summer season while they consider their options.

Landlords, meanwhile, were not quick to increase prices, opting instead to hold steady in order to secure good tenants early in the rental shopping season. The strategy worked; bookings were strong and occurred early. By Memorial Day, nearly all the oceanfront rentals were occupied. A particularly positive note for the market has been the strong performance of high-end rentals, which this year hit an all-time high of over \$500,000 for the three months season from Memorial Day to Labor Day.

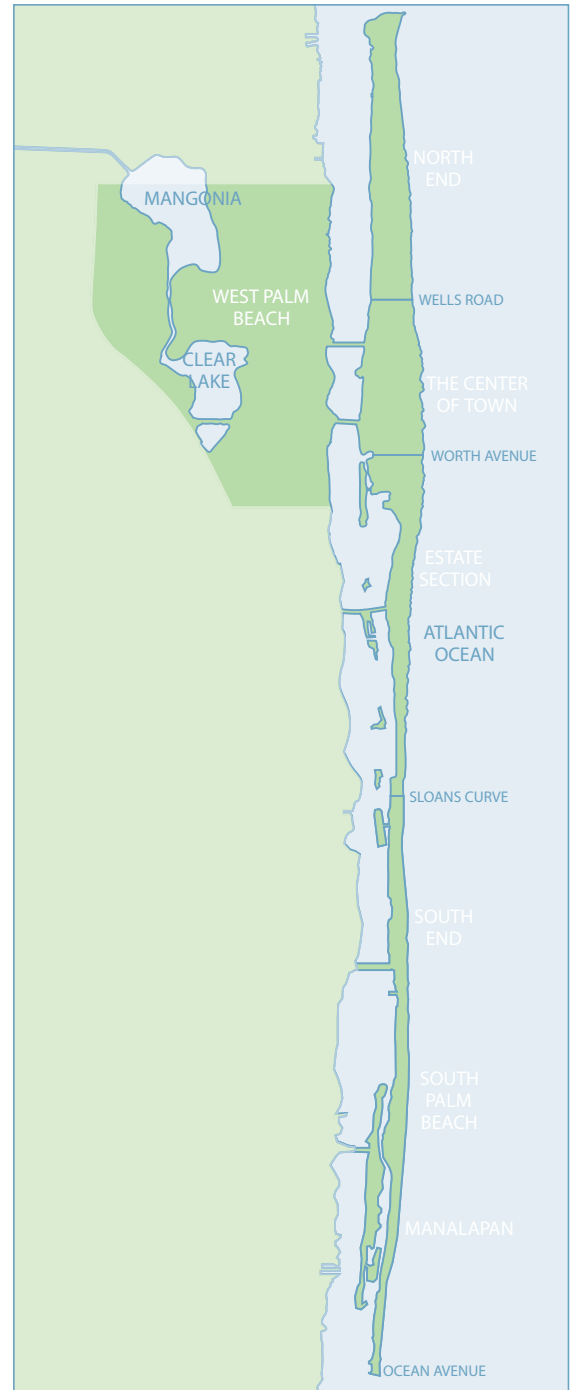
palm beach

The first two quarters of the year are typically the Palm Beach real estate market's high season and 2004 was no exception. Buyers were serious in their pursuit of prime property and, with interest rates low and competition active, buyers who were successful had to be willing to make the decision to buy quickly once they found their home.

Just as in New York, high demand and limited supply in Palm Beach has translated to a seller's market complete with the usual results. Savvy sellers who priced their properties conservatively were rewarded with bidding wars, thereby achieving more aggressive sales prices. Moreover, it was not uncommon for homes to sell within a single day of coming on to the market. The high-end enjoyed a flurry of major sales, and the attention showered on luxury real estate drove average sale prices significantly higher in all parts of the area, most notably in the north end above Wells Road.

Our report surveys the activity in the first two quarters in comparison with that in the same time period one year ago. We examine the activity in sales of single family homes, condominiums and townhouses in four swaths of Palm Beach: first, north of Wells Road; second, the town center between Wells Road and Worth Avenue; third, the estate section between Worth Avenue and Sloan's Curve; and finally, south of Sloan's Curve to Ocean Avenue and Manalapan. We also look at the same properties in West Palm Beach east of Interstate 95.

We hope you will find this first edition of Corcoran's Palm Beach Report useful and informative. If you have any questions regarding it, please feel free to contact our Palm Beach offices at 561.655.9081 or 561.655.6550.



palmbeach

Single Family Homes			Average Sale Price	Number of Sales	% Change
	North End	2004	3.237m	37	+56.02%
	2003	2.075m	34		
Center of Town	2004	3.537m	23	+36.53%	
	2003	2.591	22		
Estate Section*	2004	7.41m	4	+12.27%	
	2003	6.6m	5		
All Palm Beach	2004	3.606m	64	+37%	
	2003	2.632m	61		
West Palm Beach**	2004	331k	202	+25.98%	
	2003	263k	209		
TOTAL	2004	1.09m	273	+42.7%	
	2003	764k	282		

Condos			Average Sale Price	Number of Sales	% Change
	Center of Town	2004	1.008m	75	+30.36%
	2003	773k	65		
Southern End & Manalapan	2004	443k	160	+24.3%	
	2003	357k	147		
All Palm Beach	2004	623k	235	+28.72%	
	2003	484k	212		
West Palm Beach**	2004	373k	92	+13.02%	
	2003	330k	82		
TOTAL	2004	561k	327	+27.12%	
	2003	441k	294		

Townhomes			Average Sale Price	Number of Sales	% Change
	Center of Town	2004	2.05m	13	-32.91%
	2003	3.056m	4		
Southern End & Manalapan	2004	1.668m	2	-6.21%	
	2003	1.778m	6		
All Palm Beach	2004	1.999m	15	-12.66%	
	2003	2.289m	10		
West Palm Beach**	2004	188k	40	+11.08%	
	2003	170k	50		
TOTAL	2004	682k	55	+30.49%	
	2003	523k	60		

*Sales are single family homes \$5m-\$10m.

**East of Interstate 95.

manhattan

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The Manhattan Sales Report is based on data collected from Mitchell, Maxwell & Jackson and The Corcoran Group.

The Brooklyn Sales Report is based on data provided by The Corcoran Group Brooklyn.

The East End Sales Report is based on data collected from Suffolk Profiles.

The Palm Beach Sales Report is based on data provided by Palm Beach Board of Realtors Multiple Listing Service.

All material presented herein is intended for information purposes only and has been compiled from sources deemed reliable.

Though information is believed to be correct, it is presented subject to errors, omissions, changes or withdrawal without notice.

