



DNR CONSTRUCTION LLC

847A Father Capodanno Blvd | Staten Island, NY 10305
Telephone: 718.667.1518 | Facsimile: 718.667.6348

STATEN ISLAND REAL ESTATE ABSTRACT 1979 – 2003



HISTORY
GEOGRAPHY
ECONOMY
DEMOGRAPHICS
REAL ESTATE

HISTORY

- 1524 Giovanni da Verrazano lands on the Island
- 1609 – Henry Hudson names the Island Staaten Eyelandt, initiates Dutch settlements in the area
- 1664 – The Dutch surrendered their settlements to the British; Staten Island becomes part of the province of New York
- 1683 – The British reorganize American colonies; Staten Island and Shooter's Island become Richmond county
- 1736 – Public ferries connect Staten Island to New Jersey, Manhattan and Brooklyn
- 1898 – Staten Island, along with the Bronx, Brooklyn and Queens, becomes part of New York City
- 1928 – Outerbridge Crossing and Goethals Bridges connect Staten Island to New Jersey
- 1931 – Bayonne Bridge connects Staten Island to New Jersey
- 1948 – 3,000-acre Fresh Kills landfill opens; is initially intended for 2-year use
- 1964 – Verrazano Bridge connects Staten Island to Brooklyn
- 2001 – Staten Island closes the Fresh Kills landfill – the largest dump in the world
- 2001 – World Trade Center attacks send Manhattan residents fleeing for neighboring boroughs and New Jersey
- 2003 – 40-year low mortgage rates fuel residential construction and mortgage refinancing activity

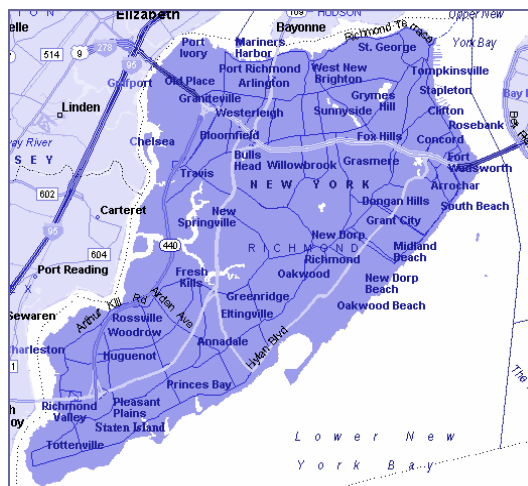
ECONOMY

KEY FACTS:

- Total Jobs: 86,835
- Total Employed Residents: 195,800
- Total Firms: 7,140
- Fastest growing sectors: Construction & Retailing
- Shopping traffic: Staten Island Mall [72%], Hylan Shopping Plaza [33%], Kmart Plaza [31%]
- Major roads: Staten Island Expressway (I-278), Hylan Boulevard, Victory Boulevard, Arthur Kill Road (Rt440)

OCCUPATION:

Professional	68,303	(35.0%)
Service	33,516	(17.2%)
Retail	59,195	(30.3%)
Farm	68	(0.0%)
Construction	16,758	(8.6%)
Transportation	17,216	(8.8%)



GEOGRAPHY

Staten Island, the southernmost county in New York State, is the third largest of New York City's five boroughs in area (60.9 square miles) and smallest in population.

From north to south Staten Island is 13.9 miles and from east to west 7.3 miles.

Staten Island enjoys easy access to the Interstate Highway System: Interstate 80, New Jersey Turnpike, Garden State Parkway and roads to Manhattan. Across the Verrazano Bridge to the east, Staten Island is adjacent to Nassau and Suffolk County thoroughfares.

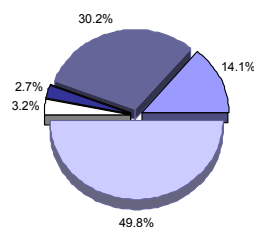
The borough is linked to New Jersey via 3 toll bridges: Outerbridge Crossing, Goethals and Bayonne. A free ferry transports commuters to Manhattan, while the Verrazano Bridge links Staten Island to Brooklyn. Staten Island is five miles from Manhattan and a half mile from Brooklyn. To the west of the island is New Jersey shore separated by the Arthur Kill waterway.

REAL ESTATE

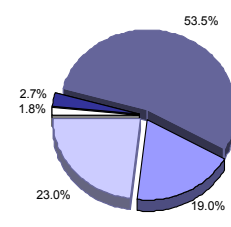
Current zoning allows building townhouses and apartment buildings on approximately 9,500 acres of lot area on Staten Island. This accounts for nearly 56% of the land on which any type of residential housing can be built. Over 30% of the land available for residential construction is designated for detached houses.

Under newly proposed zoning, the portion of the land allotted for townhouses and apartment complexes is expected to be reduced in half, while the land allocated for detached buildings is expected to increase to over 53%.

Current Zoning

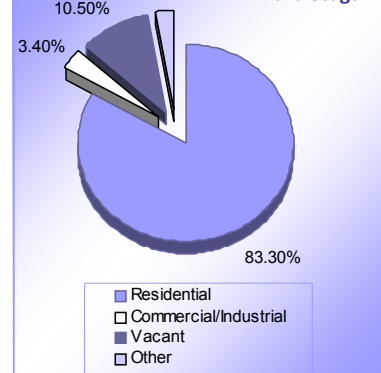


Proposed Zoning



- Detached houses
- Above + Semi-detached Houses
- Above + Tow nhouses & Garden Apts
- Above + Mid-Rise Apartment Buildings
- No Residences

Land Usage



KEY FACTS:

- 17,055 developable residential acres
- 2,000 developable commercial and industrial acres
- 7,000 acres or 18% of Staten Island is parkland
- 163,993 housing units (64% own, 36% rent)
- Average residential property price: \$310,000
- Average residential rent: \$610/month
- Land value: highest - South Shore, lowest - North Shore
- Dominant property type: Single-family home
- Principal Zoning: R3-1, R3-2, R4, R5, R6

2002 SALES VOLUME (units):

- 1-family detached: 1,166
- 1-family attached: 867
- 2-family detached: 512
- 2-family attached: 43
- Vacant land: 62

DEMOGRAPHICS

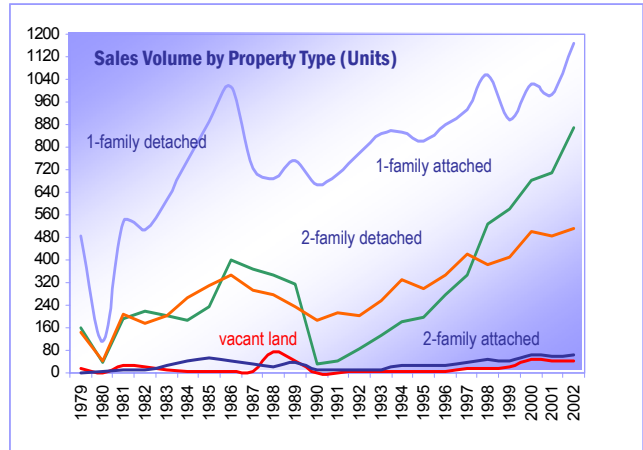
KEY FACTS:

- Population: 443,728; 1990-2001 Growth: Staten Island 17.1%, Brooklyn 7.2%, Queens 14.2%, Manhattan 3.3%, Bronx 10.7%
- Male: 214,485 (48.3%), Female: 229,243 (51.7%)
- Median Age: 35.9 years
- Median Household Income: \$49,000
- Total Households: 156,341 (73% family, 27% non-family)
- Occupied Households: 95.3%; Vacant: 4.7%
- Average Size of Household: 2.78 people
- Employed residents: 195,800
- Average Annual Unemployment: 4.8%

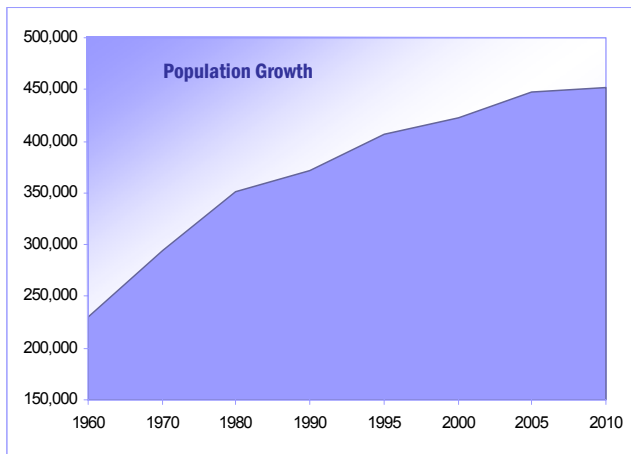
INDUSTRY EMPLOYMENT & FIRMS:

- Manufacturing: 2,078 ; 122
- Services: 38,704 ; 2,910
- F.I.R.E.: 4,147 ; 595
- Construction: 6,533 ; 955
- Transport, Utilities: 6,889 ; 330
- Wholesale, Retail: 21,161 ; 2,032
- Government: 6,648 ; 24
- All Other: 673 ; 171

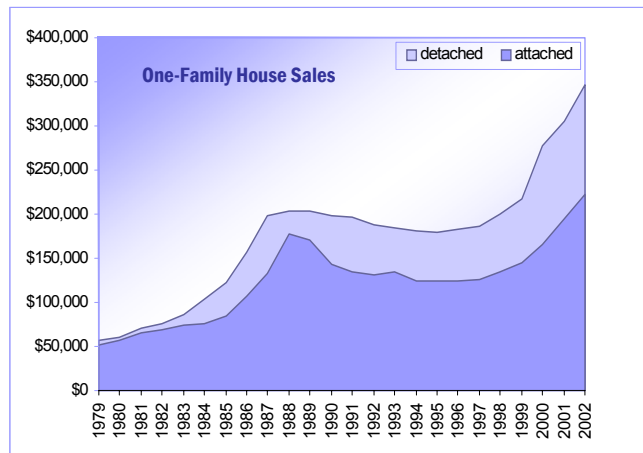
The preceding graph shows the interest rate behavior and equity market performance from 1979 through 2002.



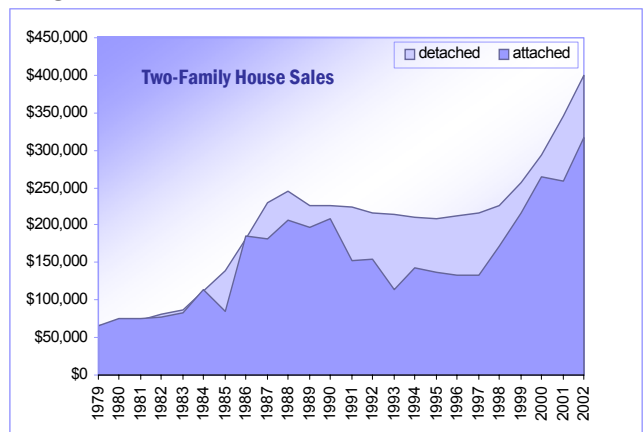
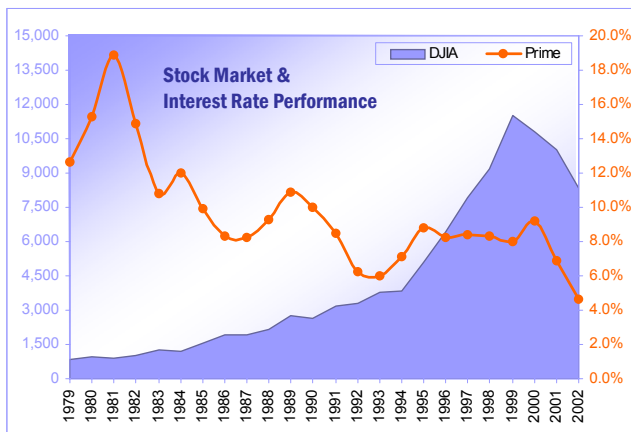
The following charts exhibit the real estate sales by key categories on Staten Island over the same period. The highest sales volume, both in terms of dollars and units is generated by single-family detached homes, which saw their unit sales grow from 488 in 1979 to 1,166 in 2002. In contrast, two-family attached houses have experienced more modest unit sales growth from 17 to 43 in 1979 and 2002, respectively.



The most residential of all other New York City boroughs, Staten Island boasts excellent schools, parks and quality of life, which attract a steady flow of population. The borough greatly resembles surrounding suburbs and is dominated by single-family homes in its residential properties. On the other hand, the least represented types of properties include cooperative apartments and condominiums.

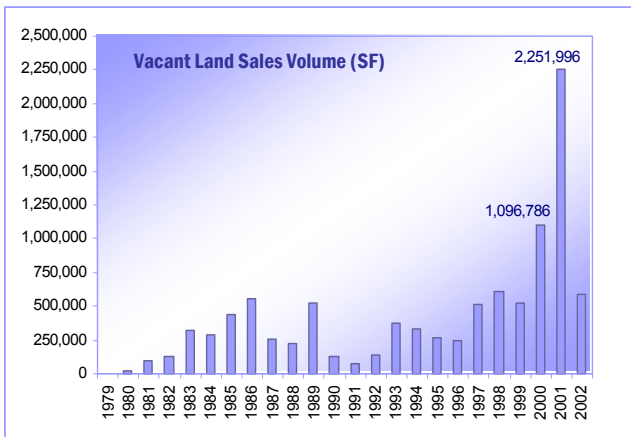


The next set of charts display the price performance for single- and double-family homes in detached and attached categories.

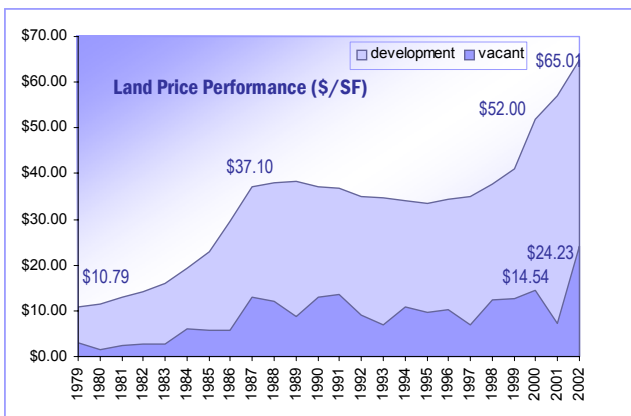


While all four types had followed the same trend over the described period, 2-family attached home prices and unit volumes show more volatility. Such additional fluctuations can be attributed to specificity of demand for such housing option. Given Staten Island's traditional single-family home orientation, other types of homes can expect more demand volatility.

A steady increase in all categories through 1988 can be attributed to such factors as favorable interest rate decreases and channeling of funds from the equity market into real estate in the aftermath of the 1987 market crash. Another solid growth in recent years is explained by the flight of capital from the tech bubble of the 90's into real estate.



Over the same period, the price of vacant land has recorded some dramatic fluctuations, as demonstrated in the following chart. The price of development land on the other hand has been growing at a steadier pace.



In contrast to development land, vacant land has no existing properties on it and needs further improvements and adjustments, as well as requires a variety of permits and approvals from the building authorities. The major declines in price per square foot of vacant land can be mainly ascribed to the economic weakness in the aftermath of the 1987 crash, 1991 recession, 1996

market correction and 1999 tech bubble burst and ensuing recession. The recent two years, however feature a steep increase in the price of land, mainly due the best interest rate environment in 40 years, as well as high level of construction activity on Staten Island in the aftermath of September 11, 2001.

Similarly, the sales volume [both in number and size of lots] has posted record gains in 2000 and 2001. The sharp decline in 2002 is mainly attributed to the dramatic increase in the price of land.

In summary, from 1979 to 2002, detached 1- and 2-family detached homes steadily appreciated at an annual compounding rate of 7.8%, while attached units increased in value by 6.3% and 6.8% for one-family and two-family units respectively. Over the same period, the price of development land has steadily appreciated nearly 8.5 times or 9.3% annually.

RESOURCES:

- Multiple Listing Service (courtesy of Salmon Real Estate)
- Staten Island Vital Statistics (courtesy of Staten Island Economic Development Corporation)
- Staten Island: An Economic Review, 2000, Office of the State Deputy Comptroller for the City of New York
- Housing & Infrastructure, 2000-2001 Report on Social Indicators
- State & County Quick Facts, US Census Bureau
- Federal Reserve Bank of New York
- Population & Housing, Staten Island Zoning Study (www.statenislandusa.com)
- Regional Information, Staten Island Chamber of Commerce
- Top 100 Historical Events, Staten Island, Richmond County, NY (www.rootsweb.com)
- Yahoo! Finance
- New York State Department of Labor
- US Bureau of Labor Statistics
- New York City Department of City Planning