

FOR IMMEDIATE RELEASE:

WELLSFORD REAL PROPERTIES, INC.
REPORTS THIRD QUARTER 2002 RESULTS

NEW YORK, November 8, 2002—Wellsford Real Properties, Inc. (AMEX: “WRP”) reported third quarter 2002 revenues of \$8,342,920, a net loss of \$(798,394) or \$(0.12) per basic and diluted share and net cash flow of \$1,897,842 or \$0.29 per basic and diluted share. For the comparable quarter in 2001, WRP reported revenues of \$8,606,792, a net loss of \$(1,727,979) or \$(0.27) per basic and diluted share and net cash flow of \$839,984 or \$0.13 per basic and diluted share.

For the nine months ended September 30, 2002, WRP reported revenues of \$22,776,359, a net loss of \$(2,768,194) or \$(0.43) per basic and diluted share and net cash flow of \$5,020,232 or \$0.78 per basic and diluted share. For the comparable period in 2001, WRP reported revenues of \$33,638,908, net income of \$114,212 or \$0.02 per basic and diluted share and net cash flow of \$4,988,528 or \$0.66 per basic and diluted share.

Third Quarter 2002

Wellsford/Whitehall

At September 30, 2002, WRP had a 32.59% ownership interest in Wellsford/Whitehall, a private joint venture that owns and operates 34 properties (substantially all office properties) totaling approximately 3,874,000 square feet.

During the nine months ended September 30, 2002, Wellsford/Whitehall leased 148,000 square feet at a weighted average base rate of approximately \$26.10 per square foot. The portfolio occupancy was 70% at September 30, 2002 as compared to 69% at December 31, 2001. Wellsford/Whitehall had total assets of \$555,823,000 and debt of \$362,558,000 at September 30, 2002. At December 31, 2001, total assets and debt were \$572,111,000 and \$370,009,000, respectively.

Wellsford Development

During the third quarter of 2002, WRP sold 14 condominium units at the Silver Mesa phase of Palomino Park. Gross proceeds from these sales were \$2,977,000, of which \$2,487,000 was applied to principal repayments on the related loan. WRP sold 19 units for gross proceeds of \$3,905,000 in the comparable 2001 period. For the nine months ended September 30, 2002, WRP sold 34 units for gross proceeds of \$7,301,000, approximately \$6,100,000 of which was applied to principal payments. WRP sold 89 units for gross proceeds of \$18,478,000 in the comparable 2001 period. The reduction of 2002 sales from 2001 sales is primarily due to (i) the back log of contracts which were closed after receipt of final approvals and releases in February 2001 to begin the condominium sales process and (ii) general and local economic conditions. Through September 30, 2002, 139 units have been sold and 125 units remain to be sold.

The Blue Ridge, Red Canyon and Silver Mesa rental phases of Palomino Park were 93% occupied at September 30, 2002 as compared to 77% at December 31, 2001. Green River, the newest rental phase which is in its initial lease-up, was 95% occupied at September 30, 2002 as compared to 52% at December 31, 2001. Occupancy for all four phases was 94% at September 30, 2002. The increase in physical occupancy was achieved, in part, by an increase in concessions during the nine months ended September 30, 2002.

The Company has submitted applications with potential lenders to obtain permanent financing on the Green River phase of Palomino Park. This financing would replace the existing approximately \$37,200,000 construction loan, which has an annual interest rate of LIBOR + 1.75% (3.57% at September 30, 2002) and has a current maturity of January 2003, with a six-month extension at the Company's option. The Company anticipates that a permanent loan will be obtained by the end of the first quarter of 2003, however, no assurance can be given.

Wellsford Capital

Second Holding, a special purpose finance company in which WRP has approximately a 51.1% equity interest, purchased, net of repayments, approximately \$379,000,000 of debt investments in real estate and other asset-backed securities during the third quarter of 2002 resulting in a total investment balance of \$1,589,328,000 at September 30, 2002. Second Holding's investment balance at December 31, 2001 was \$926,453,000. At September 30, 2002, approximately 90% of the investments were rated AAA or AA by Standard and Poor's and no investment was rated lower than A-.

Corporate

Commenting on the third quarter 2002 activity, Mr. Jeffrey H. Lynford, WRP's Chairman stated, "In my Letter to Shareholders included in WRP's 2001 Annual Report, I explained that demand for real estate was vulnerable to a contracting economy, that fewer sales of properties may result in 2002 and that liquidity was the key to survival and credibility in the capital markets. These observations continue to be true.

On-going risk management and the reduction of general and administrative operating expenses have been our priority. At September 30, 2002 we had \$39 million of cash on hand; further, Wellsford/Whitehall had \$14 million of unrestricted cash. Also, currently we are in the market to obtain a 10 year, fixed rate mortgage to replace the construction loan on our Green River project which matures next year. Thus, we plan to take advantage of the historically low interest rates.

Suburban office leasing has continued to deteriorate and residential apartment leasing requires significant concessions. WRP's profitability is largely dependent upon the sale of assets at a profit. Through the first nine months of 2002, WRP has not sold a meaningful amount of properties and the prospects for the last quarter of this calendar year remain uncertain."

This press release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following, which are discussed in greater detail in the "Risk Factors" section of the Company's registration statement on Form S-3 (file No. 333-73874) filed with the Securities and Exchange Commission ("SEC") on December 14, 2001, as may be amended, which is incorporated herein by reference: general and local economic and business conditions, which will, among other things, affect demand for commercial and residential properties, availability and credit worthiness of prospective tenants, lease rents and the availability and cost of financing; ability to find suitable investments; competition; risks of real estate acquisition, development, construction and renovation including construction delays and cost overruns; ability to comply with zoning and other laws; vacancies at commercial and multifamily properties; dependence on rental income from real property; adverse consequences of debt financing including, without limitation, the necessity of future financings to repay maturing debt obligations; inability to meet financial and valuation covenants contained in loan agreements; inability to repay financings; risks of investments in debt instruments, including possible payment defaults and reductions in the value of collateral; uncertainties pertaining to debt investments including, but not limited to the World Trade Center debt investment, including scheduled interest payments, the ultimate repayment of principal, adequate insurance coverages, the ability of insurers to pay claims and effects of changes in ratings from rating agencies; risks of subordinate loans; risks of leverage; risks associated with equity investments in and with

third parties; availability and cost of financing; interest rate risks; demand by prospective buyers of condominium and commercial properties; inability to realize gains from the real estate assets held for sale; lower than anticipated sales prices; inability to close on sales of properties under contract; illiquidity of real estate investments; environmental risks; and other risks listed from time to time in the Company's reports filed with the SEC. Therefore, actual results could differ materially from those projected in such statements.

Press Contact: Mark P. Cantaluppi
Wellsford Real Properties, Inc.
Vice President, Chief Accounting Officer & Director of Investor Relations
(212) 838-3400

Wellsford Real Properties, Inc.
Financial Highlights

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
REVENUES				
Rental revenue	\$ 4,162,799	\$ 3,337,914	\$ 11,899,563	\$ 10,610,284
Revenue from sales of residential units.....	2,977,451	3,904,750	7,301,305	18,477,550
Interest revenue.....	1,002,588	1,180,366	3,113,400	4,068,670
Fee revenue.....	<u>200,082</u>	<u>183,762</u>	<u>462,091</u>	<u>482,404</u>
Total revenues.....	<u>8,342,920</u>	<u>8,606,792</u>	<u>22,776,359</u>	<u>33,638,908</u>
COSTS AND EXPENSES				
Cost of sales of residential units.....	2,699,273	3,514,233	6,637,991	16,324,229
Property operating and maintenance	1,540,740	871,668	4,136,324	2,789,067
Real estate taxes.....	372,374	312,050	1,138,636	996,172
Depreciation and amortization	1,333,702	1,189,348	3,895,365	4,083,800
Property management	128,900	130,480	381,587	431,549
Interest	1,455,288	1,125,425	4,404,098	3,345,246
General and administrative	<u>1,649,572</u>	<u>1,914,666</u>	<u>4,981,412</u>	<u>5,832,398</u>
Total costs and expenses.....	<u>9,179,849</u>	<u>9,057,870</u>	<u>25,575,413</u>	<u>33,802,461</u>
Income (loss) from joint ventures	<u>505,283</u>	<u>(763,377)</u>	<u>1,255,068</u>	<u>1,941,497</u>
(Loss) income before minority interest, income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities	(331,646)	(1,214,455)	(1,543,986)	1,777,944
Minority interest benefit (expense).....	<u>13,206</u>	<u>(44,570)</u>	<u>84,653</u>	<u>(229,871)</u>
(Loss) income before income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(318,440)	(1,259,025)	1,459,333	1,548,073
Income tax expense.....	<u>60,000</u>	<u>122,000</u>	<u>49,000</u>	<u>394,000</u>
(Loss) income before accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(378,440)	(1,381,025)	(1,508,333)	1,154,073
Accrued distributions and amortization of costs on Convertible Trust Preferred Securities, net of income tax benefit of \$105,000, \$178,000, \$315,000 and \$535,000, respectively.....	<u>419,954</u>	<u>346,954</u>	<u>1,259,861</u>	<u>1,039,861</u>
Net (loss) income	<u>\$ (798,394)</u>	<u>\$ (1,727,979)</u>	<u>\$ (2,768,194)</u>	<u>\$ 114,212</u>
Net (loss) income per common share, basic.....	<u>\$ (0.12)</u>	<u>\$ (0.27)</u>	<u>\$ (0.43)</u>	<u>\$ 0.02</u>
Net (loss) income per common share, diluted.....	<u>\$ (0.12)</u>	<u>\$ (0.27)</u>	<u>\$ (0.43)</u>	<u>\$ 0.02</u>
Weighted average number of common shares outstanding, basic.....	<u>6,449,206</u>	<u>6,333,094</u>	<u>6,432,094</u>	<u>7,508,946</u>
Weighted average number of common shares outstanding, diluted.....	<u>6,449,206</u>	<u>6,333,094</u>	<u>6,432,094</u>	<u>7,524,593</u>

Wellsford Real Properties, Inc.
Financial Highlights
(continued)

<u>Calculation of Net Cash Flow*</u>	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(unaudited)		(unaudited)	
Net (loss) income	\$ (798,394)	\$ (1,727,979)	\$ (2,768,194)	\$ 114,212
Add/(deduct):				
Depreciation and amortization	1,313,170	1,161,952	3,836,805	4,002,134
Accumulated depreciation and recovery of impairment provision on assets sold	--	--	--	(3,238,067)
Share of joint venture depreciation and amortization, net	1,383,066	1,406,011	3,951,621	4,110,303
Net cash flow	<u>\$ 1,897,842</u>	<u>\$ 839,984</u>	<u>\$ 5,020,232</u>	<u>\$ 4,988,582</u>
Net cash flow per common share, basic	<u>\$ 0.29</u>	<u>\$ 0.13</u>	<u>\$ 0.78</u>	<u>\$ 0.66</u>
Net cash flow per common share, diluted	<u>\$ 0.29</u>	<u>\$ 0.13</u>	<u>\$ 0.78</u>	<u>\$ 0.66</u>
Weighted average number of common shares outstanding for net cash flow, basic	<u>6,449,206</u>	<u>6,333,094</u>	<u>6,432,094</u>	<u>7,508,946</u>
Weighted average number of common shares outstanding for net cash flow, diluted	<u>6,465,369</u>	<u>6,366,632</u>	<u>6,450,359</u>	<u>7,542,756</u>
<u>Summary Consolidated Balance Sheet Data</u>	<u>September 30,</u>	<u>December 31,</u>		
	<u>2002</u>	<u>2001</u>		
	(unaudited)	(audited)		
Real estate, net	\$ 153,015,334	\$	161,090,132	
Notes receivable	\$ 28,612,000	\$	34,784,727	
Investment in joint ventures	\$ 96,135,896	\$	95,806,509	
Cash and cash equivalents	\$ 38,949,484	\$	36,148,529	
Total assets	\$ 335,198,703	\$	345,838,157	
Mortgage notes payable	\$ 115,446,817	\$	121,730,604	
Convertible Trust Preferred Securities	\$ 25,000,000	\$	25,000,000	
Total shareholders' equity	\$ 176,842,585	\$	178,078,702	
Other information:				
Common shares outstanding	6,449,206		6,405,241	
Book value per share	\$ 27.42	\$	27.80	
Enterprise assets (unaudited)	\$ 2,509,934,000	\$	1,855,244,000	

*The Company considers Net Cash Flow to be an important measure of its performance, to be considered in addition to Net Income, predicated on Generally Accepted Accounting Principles. Net Cash Flow, for the Company's purposes, represents Net Income as prescribed by Generally Accepted Accounting Principles, plus depreciation and amortization on real estate assets, share of depreciation and amortization from unconsolidated partnerships and joint ventures, offset by accumulated depreciation and recovery of impairment provisions on assets sold. Included in such cash flow is the Company's share of undistributed cash retained by the unconsolidated partnerships and joint ventures for continuing investment as well as cash obtained from gains on sales of properties. Net Cash Flow should not be considered a replacement for Net Income as an indicator of the Company's operating performance and is not necessarily indicative of cash available to fund cash needs.