



July 22, 1998

**1998 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT
Westchester and Putnam Counties, New York**

The Westchester and Putnam County residential real estate markets continued the fast pace of the past two years with still another record-breaking quarter. Realtor firms participating in the Westchester-Putnam Multiple Listing Service, Inc.* (WPMLS) reported 2,509 closings of real estate sales of single family houses, condominiums, cooperatives, and 2-5 family houses in Westchester during the second quarter (April-May-June) of 1998. The dollar volume of the closings was \$825 million. In Putnam County there were an additional 277 sales amounting to \$58 million.

The closings largely reflected purchase commitments made during listing and marketing activity that took place during the first three months of the year. They were the most for any second quarter on record with WPMLS and exceeded last year's second quarter closings by 16%. Seasonally adjusted¹, the second quarter activity was equivalent to an all-time annual sales rate of 9,970 units, 1% more than the prior record set in the first quarter of 1998, and 14% more than last year's second quarter rate. On a year-to-date basis for the first six months, 1998 sales activity ran 19% ahead of 1997 activity.

The vigorous sales activity was sustained by a continuation of favorable conditions that have obtained for the past two years: an improving local and regional economy, a powerful residential market in New York City that enabled moves to the suburbs, and low mortgage interest rates. In the first part of the year when consumers were shopping the market, average mortgage interest rates in this region fell to as low as 7.0% on a 30-year fixed rate loan.

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**Note: The Westchester-Putnam Multiple Listing Service, Inc. is a subsidiary of the Westchester County Board of Realtors, Inc. and the Putnam County Association of Realtors, Inc. WPMLS serves 450 real estate offices having listings in Westchester, Putnam and Dutchess Counties. All data tables refer to Westchester County sales unless expressly noted otherwise. The reported transactions do not include all real estate sales in the area nor all sales assisted by participating offices but they are fairly reflective of general market conditions. WPMLS does not at this time provide data on sub-county geographic areas. Persons desiring small area data are invited to contact participating real estate offices in the appropriate areas. Any text or data from this report may be reprinted with attribution to Westchester County Board of Realtors, Inc. as the source.*

ACTUAL QUARTERLY SALES,1996-98, WESTCHESTER

<u>TYPE</u>	<u>1996</u> <u>2ND</u> <u>QTR</u>	<u>1996</u> <u>3RD</u> <u>QTR</u>	<u>1996</u> <u>4TH</u> <u>QTR</u>	<u>1997</u> <u>1ST</u> <u>QTR</u>	<u>1997</u> <u>2ND</u> <u>QTR</u>	<u>1997</u> <u>3RD</u> <u>QTR</u>	<u>1997</u> <u>4TH</u> <u>QTR</u>	<u>1998</u> <u>1ST</u> <u>QTR</u>	<u>1998</u> <u>2ND</u> <u>QTR</u>
Single Family	1,300	1,835	1,241	961	1,465	1,918	1,439	1,179	1,708
Condominiums	241	361	223	194	291	317	313	231	354
Cooperatives	242	258	250	185	283	334	300	260	313
<u>2-5 Family</u>	<u>96</u>	<u>118</u>	<u>134</u>	<u>108</u>	<u>116</u>	<u>143</u>	<u>137</u>	<u>108</u>	<u>134</u>
TOTAL	1,879	2,572	1,848	1,448	2,155	2,712	2,189	1,778	2,509

SEASONALLY ADJUSTED SALES RATES,1996-98, WESTCHESTER

<u>TYPE</u>	<u>1996</u> <u>2ND</u> <u>QTR</u>	<u>1996</u> <u>3RD</u> <u>QTR</u>	<u>1996</u> <u>4TH</u> <u>QTR</u>	<u>1997</u> <u>1ST</u> <u>QTR</u>	<u>1997</u> <u>2ND</u> <u>QTR</u>	<u>1997</u> <u>3RD</u> <u>QTR</u>	<u>1997</u> <u>4TH</u> <u>QTR</u>	<u>1998</u> <u>1ST</u> <u>QTR</u>	<u>1998</u> <u>2ND</u> <u>QTR</u>
Single Family	5,130	7,610	5,150	5,360	5,860	5,760	6,040	6,660	6,710
Condominiums	960	1,390	860	1,090	1,170	970	1,270	1,310	1,400
Cooperatives	1,020	960	930	890	1,180	1,170	1,110	1,370	1,280
<u>2-5 Family</u>	<u>380</u>	<u>440</u>	<u>500</u>	<u>510</u>	<u>500</u>	<u>520</u>	<u>490</u>	<u>500</u>	<u>580</u>
TOTAL	7,490	10,400	7,440	7,850	8,710	8,420	8,910	9,840	9,970

The large number of sales took a toll on the inventory of units for sale, reducing it to 6,628 units by the end of the quarter, a full 24% below last year's second quarter inventory. Further, although inventory normally builds up from the first to the second quarter as sellers enter the spring market, in 1998 there was less than a 1% increase from the first to second quarter, foreshadowing likely continued shortages as the year progresses.

Notwithstanding the increasingly constricted choice in the market, purchasers generally did not respond by noticeably bidding up prices. The across-the-board median² sale price (the half way point) of all kinds of residential units was \$252,000 and was only 1% higher than last year's second quarter median. The mean² sale price of \$328,636 did increase by 5% from last year, but more of that was due to a larger proportion of sales in the high-end price range of single family houses than to any intrinsic price appreciation driven by competition. Purchasers made offers close to asking prices and not wildly in excess of same. More often than not, they preferred to wait for a suitable property rather than overbid to secure a less suitable property.

END OF QUARTER INVENTORY, 1996-98, WESTCHESTER

<u>TYPE</u>	<u>1996</u> <u>2ND</u> <u>QTR</u>	<u>1996</u> <u>3RD</u> <u>QTR</u>	<u>1996</u> <u>4TH</u> <u>QTR</u>	<u>1997</u> <u>1ST</u> <u>QTR</u>	<u>1997</u> <u>2ND</u> <u>QTR</u>	<u>1997</u> <u>3RD</u> <u>QTR</u>	<u>1997</u> <u>4TH</u> <u>QTR</u>	<u>1998</u> <u>1ST</u> <u>QTR</u>	<u>1998</u> <u>2ND</u> <u>QTR</u>
Single Family	5,541	5,569	4,364	5,171	5,419	4,805	3,683	3,945	3,912
Condominiums	1,060	1,031	861	978	976	846	666	685	717
Cooperatives	1,821	1,882	1,665	1,790	1,661	1,541	1,323	1,422	1,415
<u>2-5 Family</u>	<u>651</u>	<u>776</u>	<u>678</u>	<u>702</u>	<u>716</u>	<u>646</u>	<u>531</u>	<u>546</u>	<u>584</u>
TOTAL	9,073	9,258	7,568	8,641	8,772	7,838	6,203	6,598	6,628

YEAR TO DATE (2ND QTR), 1996-98

<u>TYPE</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>%Change 97 to 98</u>
Single Family	2,135	2,426	2,887	19%
Condominiums	409	485	585	21%
Cooperatives	421	468	573	22%
<u>2-5 Family</u>	<u>191</u>	<u>224</u>	<u>242</u>	<u>8%</u>
TOTAL	3,156	3,603	4,287	19%

WESTCHESTER COUNTY

ALL RESIDENTIAL* SALES	2nd Qtr 96	2nd Qtr 97	2nd Qtr 98	% Change 97 to 98
Number of Sales	1,879	2,155	2,509	16%
Seasonally Adjusted	7,490	8,710	9,970	14%
Dollar Volume (\$millions)	\$597.70	\$677.30	\$824.55	22%
Median Sale Price				
All Units	\$245,000	\$250,000	\$252,000	1%
0 - 2 Bedrooms	na	na	\$117,000	
3 Bedrooms	na	na	\$254,000	
4+ Bedrooms	na	na	\$412,275	
Mean Sale Price				
All Units	\$318,118	\$314,218	\$328,636	5%
0-2 Bedrooms	na	na	\$135,141	
3 Bedrooms	na	na	\$280,493	
4+ Bedrooms	na	na	\$519,619	
Inventory @ end of Qtr	9,073	8,772	6,628	-24%

**Single family houses, condominiums, cooperatives, 2-5 family houses*

Single Family Houses

The 1,708 reported house sales were 17% above last year's second quarter sales and were the most for any second quarter period recorded by WPMLS. On a seasonally adjusted basis, the quarter's sales were equivalent to an annual rate of 6,710 units - up 15% from the prior year and up 1% from the prior, record-high first quarter rate.

The end-of-quarter inventory fell a sharp 28% from last year's already low level to just 3,912 units, a level that was last seen during the mid 1980's. The build-up that customarily occurs in the second quarter was quickly consumed by purchases.

Both the median sale price of \$320,000 and the mean sale price of \$410,344 were 5% more than last year's prices. About half of that increase represented inflation and the other half represented the continuation of a three-year shift in market activity to the more highly priced properties. Notwithstanding the occasional anecdotes about highly competitive bidding for individual properties, there is not much evidence that prices were bid up on a broad basis during the second quarter.

Condominiums

The condominium sector of the market generally performed in step with single family houses as to high volume and low inventory, but price changes were more restrained. The 354 sales were by far the most for any prior second quarter and were 22% more than last year's sales. Seasonally adjusted they were equivalent to a record-high rate of 1,400 sales per year, up by 20% from last year and by 7% from the prior quarter.

As was the case for houses, the end-of-quarter condominium inventory was very low - just 717 units, 27% under last year's level. Prices, however, did not change by much. The median sale price of \$169,000 was \$2,500 or 2% more than last year's second quarter median, and the mean sale price of \$195,795 was hardly different than last year's mean of \$196,746.

Cooperatives

At last in this second quarter, Westchester's co-op market made real gains in sales volume and price distribution. The 313 sales were the most for any prior second quarter and were 11% more than last year's sales. Seasonally adjusted, the sales were equivalent to an annual sales rate of 1,280 units. This was actually a slight fall-off from the first quarter rate of 1,310 sales but nonetheless was the second highest rate recorded for co-ops.

Year-to-year inventory fell by 15% to 1,415 units. That was still a high level of inventory in relation to sales when compared to the other property categories but represented a significant continuing reduction of the excess inventory that has plagued the co-op market since the early 1990's.

Co-op prices were significantly above 1997's second quarter levels. The median sale price of \$69,825 was \$9,825 or 11% above last year's level. The mean sale price of \$84,015 was 6% above last year's level. Neither of these substantial increases reflected much true price appreciation in excess of inflation. Instead, in both cases the price increase were the result of renewed buyer interest in more highly priced co-ops, combined with substantially diminished activity in very low-priced (under \$40,000) units.

PUTNAM COUNTY

Putnam County experienced sales volume increases that were even greater than Westchester's. The 240 second quarter single family house sales were 29% above last year's number. Seasonally adjusted they were equivalent to annual sales of 940 units, up by 26% from last year. The 37 condo sales were 19% more than last year's second quarter, 25% more on a seasonally adjusted basis.

Putnam County's inventory did not fall as much as Westchester's. The end-of-quarter house inventory of 1,027 units was 14% below last year's. Condo inventory (158 units) actually increased by 3% from last year.

Prices did climb significantly. The \$192,000 median for a single family house was \$19,500 or 11% above last year's median. The mean sale price of \$222,188 was 15% above last year's. As was the case with Westchester, inflation accounted for some of the increase but more of it was due to buyer interest in the more highly priced properties.

Similarly, condo prices were affected by market shifts to larger, more highly priced units. The median of \$127,900 was \$16,900 or 15% above last year's median. The mean of \$127,783 was 16% above last year's level.

1. The seasonally adjusted rate is an estimate of what the full year's sales would be if, based on past experience, the sales pace of the current quarter were applicable to all four quarters of the year. The adjusted rate permits comparisons of seasonally unequal quarterly activity by converting it to an annual rate.

2. The median sale price is the mid-point of all reported sales, i.e., half of the sales were for more than the median and half were for less. The median is not affected by unusually high or low prices. The mean sale price is the arithmetic average, i.e., the sum of all sales prices divided by the number of sales. The mean does reflect the influence of low or high price sales.

WESTCHESTER COUNTY

<u>SINGLE FAMILY HOUSES</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change</u> <u>97 to 98</u>
Number of Sales	1,300	1,465	1,708	17%
Seasonally Adjusted	5,130	5,860	6,710	15%
Dollar Volume (\$millions)	\$514.60	\$572.80	\$700.87	22%
Median Sale Price				
All Units	\$292,000	\$306,000	\$320,000	5%
0 - 2 Bedrooms	na	na	\$176,000	
3 Bedrooms	na	na	\$255,000	
4+ Bedrooms	na	na	\$412,275	
Mean Sale Price				
All Units	\$395,818	\$391,013	\$410,344	5%
0-2 Bedrooms	na	na	\$207,901	
3 Bedrooms	na	na	\$286,739	
4+ Bedrooms	na	na	\$520,979	
Inventory @ end of Qtr	5,541	5,419	3,912	-28%

WESTCHESTER COUNTY

<u>CONDOMINIUMS</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change</u> <u>97 to 98</u>
Number of Sales	241	291	354	22%
Seasonally Adjusted	960	1,170	1400	20%
Dollar Volume (\$millions)	\$43.80	\$57.30	\$69.31	21%
Median Sale Price				
All Units	\$157,000	\$166,500	\$169,000	2%
0 - 2 Bedrooms	na	na	\$156,000	
3 Bedrooms	na	na	\$265,000	
4+ Bedrooms	na	na	\$399,000	
Mean Sale Price				
All Units	\$181,727	\$196,746	\$195,795	0%
0-2 Bedrooms	na	na	\$165,960	
3 Bedrooms	na	na	\$266,924	
4+ Bedrooms	na	na	\$437,727	
Inventory @ end of Qtr	1,060	976	717	-27%

WESTCHESTER COUNTY

<u>COOPERATIVES</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change</u> <u>97 to 98</u>
Number of Sales	242	283	313	11%
Seasonally Adjusted	1,020	1,180	1,280	8%
Dollar Volume (\$millions)	\$18.30	\$22.40	\$26.30	17%
Median Sale Price				
All Units	\$61,000	\$63,000	\$69,825	11%
0 - 2 Bedrooms	na	na	\$65,000	
3 Bedrooms	na	na	\$110,000	
4+ Bedrooms	na	na	\$255,000	
Mean Sale Price				
All Units	\$75,846	\$78,983	\$84,015	6%
0-2 Bedrooms	na	na	\$76,448	
3 Bedrooms	na	na	\$154,010	
4+ Bedrooms	na	na	\$330,000	
Inventory @ end of Qtr	1,821	1,661	1,415	15%

WESTCHESTER COUNTY

<u>2-5 FAMILY</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change</u> <u>97 to 98</u>
Number of Sales	96	116	134	16%
Seasonally Adjusted	380	500	580	16%
Dollar Volume (\$millions)	\$21.00	\$24.80	\$28.07	13%
Median Sale Price	\$211,000	\$205,000	\$200,000	-2%
Mean Sale Price	\$218,246	\$214,041	\$209,502	-2%
Inventory @ end of Qtr	651	716	584	-18%

PUTNAM COUNTY

<u>SINGLE FAMILY HOUSES</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change 97 to 98</u>
Number of Sales	150	186	240	29%
Seasonally Adjusted	na	744	940	26%
Dollar Volume (\$millions)	\$28.10	\$36.00	\$53.33	48%
Median Sale Price				
All Units	\$174,000	\$172,500	\$192,000	11%
0 - 2 Bedrooms	na	na	\$119,900	na
3 Bedrooms	na	na	\$185,000	na
4+ Bedrooms	na	na	\$254,500	na
Mean Sale Price				
All Units	\$187,344	\$193,720	\$222,218	15%
0-2 Bedrooms	na	na	\$138,284	na
3 Bedrooms	na	na	\$193,514	na
4+ Bedrooms	na	na	\$290,223	na
Inventory @ end of Qtr	949	1,195	1,027	-14%

PUTNAM COUNTY

<u>CONDOMINIUMS</u>	<u>2nd Qtr 96</u>	<u>2nd Qtr 97</u>	<u>2nd Qtr 98</u>	<u>% Change 97 to 98</u>
Number of Sales	32	31	37	19%
Seasonally Adjusted	na	120	150	25%
Dollar Volume (\$millions)	\$3.90	\$3.40	\$4.73	39%
Median Sale Price				
All Units	\$115,000	\$111,000	\$127,900	15%
0 - 2 Bedrooms	na	na	\$127,900	
3 Bedrooms	na	na	\$126,000	
4+ Bedrooms	na	na	\$0	
Mean Sale Price				
All Units	\$120,505	\$109,932	\$127,783	16%
0-2 Bedrooms	na	na	\$125,073	
3 Bedrooms	na	na	\$158,500	
4+ Bedrooms	na	na	\$0	
Inventory @ end of Qtr	127	153	158	3%

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