



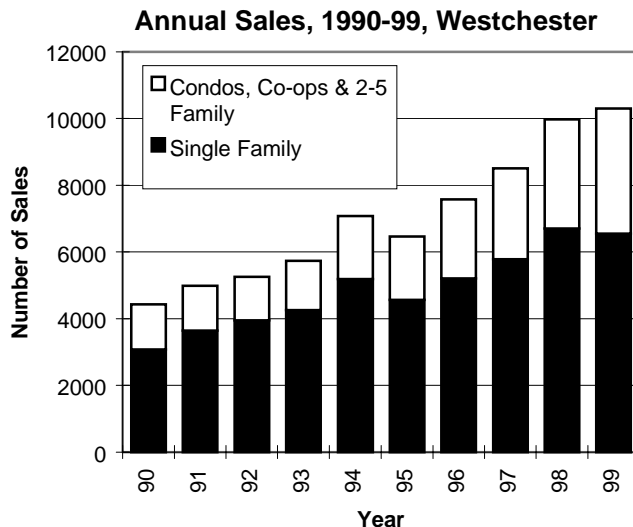
**1999 FOURTH QUARTER AND FULL YEAR  
 RESIDENTIAL REAL ESTATE SALES REPORT**

January 26, 2000

**Twelve-Month Overview**

1999 was a record-setting year for residential real estate sales in Westchester and Putnam Counties. In Westchester, Realtors participating in the Westchester-Putnam Multiple Listing Service\* reported 10,308 sales of single family houses, condominiums, cooperatives and 2-5 family houses, an increase of 3% over the previous high set in 1998. Single family house sales actually decreased by 2% from 1998 but that decrease was more than offset by a 26% increase in co-op sales. In Putnam County, the 1,229 reported sales of single family houses were 11% more than 1998's level. The total dollar value of the sales in both counties amounted to more than \$3.9 billion.

This extraordinary activity took place in the context of an exceptionally strong economy in New York's lower Hudson Valley and New York City regions, which areas in turn have shared in the multi-year expansion of the nation's economy as a whole. Manhattan and Bronx were particularly strong contributors to the suburban real estate market in two ways. First, Westchester residents enjoying a sense of security with good jobs in New York City were motivated to become first-time buyers or to trade up. Second, New York City condo and co-op owners were able to sell at a profit and relocate to the suburbs if they were so inclined - and many did.



**\*The Westchester-Putnam  
 Multiple Listing Service,**

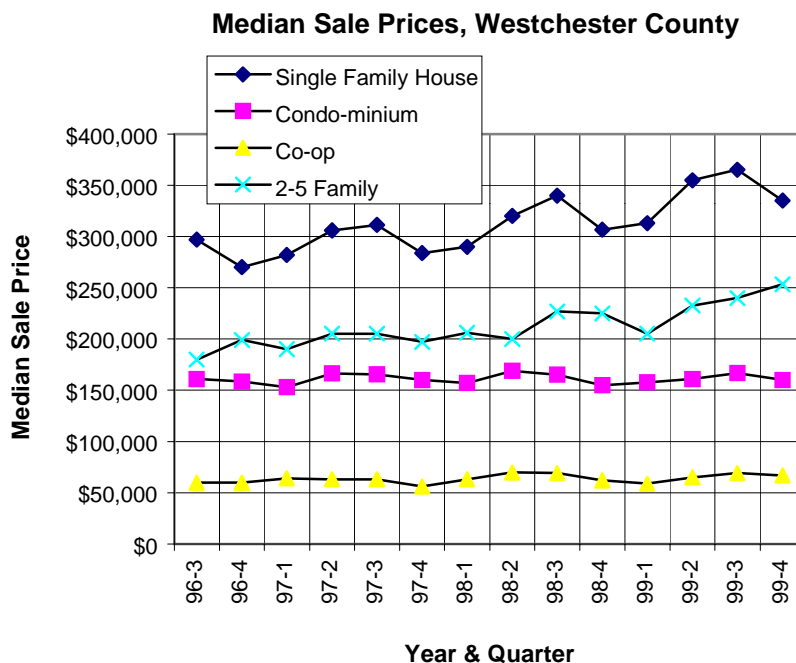
*Inc. (WPMLS) is a subsidiary of the Westchester County Board of Realtors, Inc. and the Putnam County Association of Realtors, Inc. WPMLS serves 490 real estate offices having listings in Westchester, Putnam and Dutchess Counties. All data tables refer to Westchester County sales unless expressly noted otherwise. The reported transactions do not include all real estate sales in the area nor all sales assisted by the participating offices but they are fairly reflective of general market conditions. WPMLS does not provide data on sub-county geographic areas. Persons desiring small-area data are invited to contact participating real estate offices in the desired area. Any text or data from this report may be reprinted with attribution to Westchester-Putnam Multiple Listing Service, Inc. as the source.*

Stable, moderate mortgage interest rates also contributed to the market boom. Moderate interest rates especially stimulate the market in high-cost areas such as Westchester because they serve to contain the monthly carrying costs of home ownership. 1999 commenced with average mortgage interest rates of just under 7% on 30-year conventional loans. The average rate crept to and occasionally slightly surpassed 8% in the closing months of the year. However, the one percentage-point increase over the course of an entire year hardly deterred home buyers.

Unfortunately, the silver cloud of a vigorous real estate market acquired a dark lining as the year progressed. Except for a too-small seasonal increase in the spring months, the inventory of properties for sale declined steadily throughout the year. By year-end in Westchester there were just 3,141 units in inventory among all the residential property types, a level that was 32% lower than 1998's year-end inventory, and 58% lower than in 1996 when market activity first began to outpace the development of new stock. In Putnam, the 1999 year-end single family house inventory of 541 units was 26% less than in 1998 and 43% less than in 1996.

The excess of demand over supply generated price increases for most categories of housing on a year to year basis. Overall in Westchester, median<sup>1</sup> prices of all residential properties taken as a group increased by 4% from 1998 to 1999. There were important differences among the categories, however. The median sale price of a single family house was \$345,000 for the year, an increase of \$25,000 or 8% over 1998. Nearly all of that increase resulted from competitive market forces rather than from shifts to purchases of more highly priced properties. Co-op and 2-5 family median prices increased by 2% and 9%, respectively.

Condominium prices showed a small decrease of \$500 or less than 1%, however, from \$162,500 in 1998 to \$162,000 in 1999. Inventory in the condominium sector dropped so low, to a mere 250 units by year-end, that the absence of adequate choice caused buyers to look elsewhere, thereby alleviating price pressure in this market sector. In Putnam County, median house prices increased by 5% from 1998 and reached the \$200,000 threshold for the first time on a full-year basis.



**ANNUAL COMPARISONS, 1996-97-98**

**Westchester County, New York**

**NUMBER OF SALES**

<u>Type Of Property</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	5,211	5,783	6,701	<b>6,551</b>	-2%
Condominiums	993	1,115	1,387	<b>1,423</b>	3%
Cooperatives	929	1,102	1,322	<b>1,670</b>	26%
2-5 Family Houses	<u>443</u>	<u>504</u>	<u>557</u>	<b>664</b>	19%
Total of All Types	7,576	8,504	9,967	<b>10,308</b>	3%

**DOLLAR VALUE OF SALES (\$Millions)**

<u>Type Of Property</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$1,954	\$2,257	\$2,804	<b>\$3,060</b>	9%
Condominiums	\$179	\$206	\$258	<b>\$270</b>	4%
Cooperatives	\$71	\$84	\$105	<b>\$132</b>	25%
2-5 Family Houses	<u>\$91</u>	<u>\$107</u>	<u>\$124</u>	<b>\$159</b>	28%
Total of All Types	\$2,295	\$2,653	\$3,292	<b>\$3,621</b>	10%

**MEDIAN SALE PRICE**

<u>Type Of Property</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$285,000	\$300,000	\$320,000	<b>\$345,000</b>	8%
Condominiums	\$158,500	\$162,000	\$162,500	<b>\$162,000</b>	0%
Cooperatives	\$60,000	\$60,000	\$65,000	<b>\$66,000</b>	2%
2-5 Family Houses	\$197,500	\$200,000	\$215,000	<b>\$235,000</b>	9%
All Types	\$235,000	\$240,000	\$250,000	<b>\$260,000</b>	4%

**MEAN SALE PRICE**

<u>Type Of Property</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$374,899	\$390,213	\$418,460	<b>\$467,106</b>	12%
Condominiums	\$180,262	\$184,484	\$187,291	<b>\$189,995</b>	1%
Cooperatives	\$76,534	\$75,953	\$79,698	<b>\$79,070</b>	-1%
2-5 Family Houses	\$204,966	\$211,310	\$222,552	<b>\$240,425</b>	8%
All Types	\$301,504	\$311,912	\$330,270	<b>\$351,386</b>	6%

**END OF YEAR & QUARTER INVENTORY**

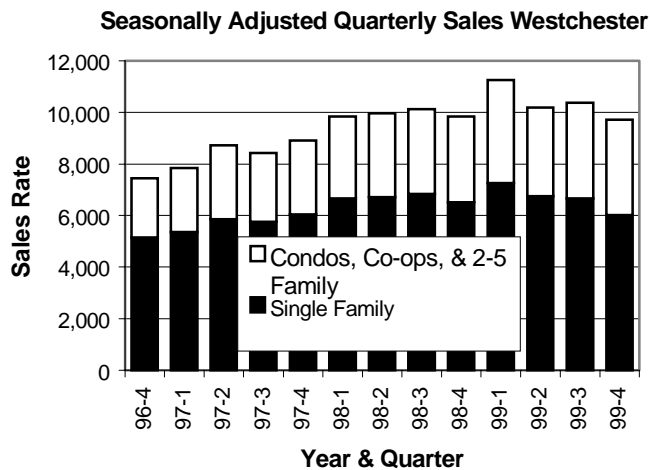
<u>Type Of Property</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	4,364	3,683	2,604	<b>1,809</b>	-31%
Condominiums	861	666	470	<b>250</b>	-47%
Cooperatives	1,665	1,323	1,126	<b>745</b>	-34%
2-5 Family Houses	<u>678</u>	<u>531</u>	<u>434</u>	<b>337</b>	-22%

**Total of All Types**      7,568      6,203      4,634      **3,141**      -32%  
**Fourth Quarter Overview**

Even as the 1999 real estate market as a whole posted a record-high performance, it evidenced within it a fairly steady decline from beginning to end when the seasonally adjusted<sup>2</sup> sales rates are considered.

The seasonally adjusted sales rate for the fourth quarter of 1999 was 9,710 units, a 6% decrease from the prior quarter, and 14% less than the first quarter rate. Putnam County's seasonally adjusted rate also dropped by 6% from the prior quarter. The principal cause of the decline was, as noted earlier, the shrinking inventory. Low inventory has the effect of prolonging the home search process, and prompts some buyers who are simply exploring the market on a discretionary basis, to withdraw until the range of choice improves. Had there been more inventory, the 1999 sales total, as high as it was, would have been higher still.

The fourth quarter sales largely were closings of transactions that were negotiated in the late summer and autumn months. At that time mortgage interest rates had not yet reached the 8% level and did not significantly influence purchase decisions. 1999's fourth quarter median sales prices were substantially above 1998's - by 6% overall, 9% for single family houses, 3% for condominiums, and 8% for cooperatives. The percentage increases of mean<sup>1</sup> sale prices were higher still, 10% overall and 14% in the single family house sector. The latter was inflated in part by 96 sales of properties for \$1 million or more.



**SEASONALLY ADJUSTED SALES RATES, 1997-99, WESTCHESTER COUNTY**

TYPE	1997	1998	1998	1998	1998	1999	1999	1999	1999
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
<b>Single Family</b>	6,040	6,660	6,710	6,840	6,520	7,260	6,740	6,660	6,010
<b>Condominiums</b>	1,270	1,310	1,400	1,410	1,400	1,570	1,480	1,370	1,330
<b>Cooperatives</b>	1,110	1,370	1,280	1,270	1,380	1,690	1,370	1,710	1,760
<b>2-5 Family</b>	490	500	580	600	540	740	590	630	610
<b>TOTAL</b>	<b>8,910</b>	<b>9,840</b>	<b>9,970</b>	<b>10,120</b>	<b>9,840</b>	<b>11,260</b>	<b>10,180</b>	<b>10,310</b>	<b>9,710</b>

**FOURTH QUARTER COMPARISONS, 1996-97-98-99**

**Westchester County, New York**

**NUMBER OF SALES**

<u>Type Of Property</u>	<u>4th 1996</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	1,241	1,439	1,539	<b>1,446</b>	-6%
Condominiums	223	313	350	<b>337</b>	-4%
Cooperatives	250	300	384	<b>488</b>	27%
2-5 Family Houses	<u>134</u>	<u>137</u>	<u>152</u>	<u>172</u>	13%
<b>Total of All Types</b>	<b>1,848</b>	<b>2,189</b>	<b>2,425</b>	<b>2,443</b>	<b>1%</b>

**DOLLAR VALUE OF SALES (\$Millions)**

<u>Type Of Property</u>	<u>4th 1996</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$435.70	\$551.10	\$629.20	<b>\$691.00</b>	10%
Condominiums	\$41.40	\$56.20	\$62.40	<b>\$64.10</b>	3%
Cooperatives	\$19.60	\$20.00	\$28.88	<b>\$38.00</b>	32%
2-5 Family Houses	<u>\$27.50</u>	<u>\$27.40</u>	<u>\$34.09</u>	<u>\$44.00</u>	29%
<b>Total of All Types</b>	<b>\$524.20</b>	<b>\$654.70</b>	<b>\$754.60</b>	<b>\$837.10</b>	<b>11%</b>

**MEDIAN SALE PRICE**

<u>Type Of Property</u>	<u>4th 1996</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$270,000	\$284,000	\$306,500	<b>\$335,000</b>	9%
Condominiums	\$158,500	\$160,000	\$155,000	<b>\$160,000</b>	3%
Cooperatives	\$60,000	\$56,000	\$62,000	<b>\$67,000</b>	8%
2-5 Family Houses	\$199,000	\$197,000	\$225,000	<b>\$253,500</b>	13%
<b>All Types</b>	<b>\$220,500</b>	<b>\$225,000</b>	<b>\$235,000</b>	<b>\$250,000</b>	<b>6%</b>

**MEAN SALE PRICE**

<u>Type Of Property</u>	<u>4th 1996</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	\$351,080	\$382,994	\$420,997	<b>\$477,844</b>	14%
Condominiums	\$185,455	\$179,640	\$178,309	<b>\$190,157</b>	7%
Cooperatives	\$78,255	\$66,586	\$75,721	<b>\$77,801</b>	3%
2-5 Family Houses	\$205,409	\$200,349	\$224,264	<b>\$255,859</b>	14%
<b>All Types</b>	<b>\$283,968</b>	<b>\$299,097</b>	<b>\$311,254</b>	<b>\$342,620</b>	<b>10%</b>

**END OF YEAR & QUARTER INVENTORY**

<u>Type Of Property</u>	<u>4th 1996</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>% Change 98 to 99</u>
Single Family Houses	4,364	3,683	2,604	<b>1,809</b>	-31%
Condominiums	861	666	470	<b>250</b>	-47%
Cooperatives	1,665	1,323	1,126	<b>745</b>	-34%
2-5 Family Houses	<u>678</u>	<u>531</u>	<u>434</u>	<u>337</u>	-22%

Westchester's single family house sector, by far the most significant in terms of numbers of sales and dollar volume, also was the only sector to experience a sales decline, about 2%, from 1998 to 1999. Only the first quarter of 1999 posted a sales level that was higher than in 1998, otherwise the last three quarters of 1999 were slightly below the corresponding quarters of 1998. Further, the seasonally adjusted sales rates steadily declined during the year. The fourth quarter seasonally adjusted rate of 6,010 units was 17% less than the first quarter rate.

As noted earlier, insufficient inventory accounted for some of the sales decline as buyers took more time to find suitable housing or simply withdrew from the market altogether. The short-term companion of short supply - high prices - also cooled the single family house market. Although Realtors experienced many examples of speedy, highly competitive bids on newly listed houses, there were as many instances of buyers who declined to present offers at prices they deemed to be unacceptably high.

The star of the 1999 Westchester housing market was the co-op sector. 1,670 cooperatives were sold in 1999, a 26% increase over the prior record set in 1998. More first-time home buyers were influenced to look at co-ops as an option upon confronting the significantly higher prices of even small single family houses, and the virtual lack of inventory in the condominium sector. Cooperatives were the only housing type to reverse the pattern of decreasing quarterly sales rates in 1999. The fourth quarter seasonally adjusted sales rate for co-ops was 1,760 units or 4% higher than the first quarter rate.

Co-ops, like all the other housing types, experienced a significant decrease of inventory by year end, 34% less than year-end 1998. Nevertheless, the co-op market for many years had been working off a proportionately much larger inventory than the other sectors, hence there remained at year-end enough units, 745, to sustain a reasonably active market. The comparative abundance of stock also mitigated price increases. The full-year 1999 median sale price of \$66,000 was only \$1,000 or 2% higher than 1998's. However, when examining just the fourth quarter when inventory reached its lowest level, the median sale price of \$67,000 was 8% above 1998's fourth quarter median. This suggests that co-ops may be poised for further significant price increases in 2000 in response to the less abundant supply.

**A Look Ahead**  
*See back cover.*

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<sup>1</sup> *The median sale price is the mid-point of all reported sales, i.e., half of the sales were for more than the median price and half were for less. The median is not affected by unusually low or high sale 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 very low or very high sale prices.*

<sup>2</sup> *The seasonally adjusted rate is an estimate of what the full year's sales would be if, based on past experience, the customary sales share of the current quarter were projected to a full twelve months. The adjusted rate permits comparisons of seasonally unequal periods by converting each period to its equivalent annual rate.*

**FOURTH QUARTER COMPARISONS, 1996-97-98-99**

**Putnam County, New York**

	<u>4th-1996</u>	<u>4th-1997</u>	<u>4th-1998</u>	<u>4th-1999</u>	<u>%Change 98 to 99</u>
<b>NUMBER OF SALES</b>					
Single Family Houses	188	223	373	<b>279</b>	-25%
Condominiums	35	40	59	<b>54</b>	-8%
<b>SEASONALLY ADJUSTED</b>					
Single Family Houses	770	940	1,320	<b>1,160</b>	-12%
Condominiums	130	160	240	<b>210</b>	-13%
<b>DOLLAR VALUE OF SALES*</b>					
Single Family Houses	\$36.10	\$44.70	\$67.51	<b>\$61.20</b>	-9%
Condominiums	\$4.10	\$4.80	\$7.06	<b>\$7.40</b>	5%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	\$171,500	\$181,500	\$188,000	<b>\$197,000</b>	5%
Condominiums	\$122,000	\$119,000	\$118,000	<b>\$140,000</b>	19%
<b>MEAN SALE PRICE</b>					
Single Family Houses	\$193,851	\$200,518	\$217,058	<b>\$223,570</b>	3%
Condominiums	\$116,919	\$120,538	\$119,740	<b>\$137,881</b>	15%

**ANNUAL COMPARISONS, 1996-97-98-99**

**Putnam County, New York**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>%Change 98 to 99</u>
<b>NUMBER OF SALES</b>					
Single Family Houses	639	817	1,107	<b>1,229</b>	11%
Condominiums	133	130	185	<b>247</b>	34%
<b>DOLLAR VALUE OF SALES*</b>					
Single Family Houses	\$121.20	\$159.10	\$234.00	<b>\$267.50</b>	14%
Condominiums	\$15.80	\$15.70	\$23.10	<b>\$33.40</b>	45%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	\$175,000	\$176,000	\$190,000	<b>\$200,000</b>	5%
Condominiums	\$120,700	\$123,500	\$126,500	<b>\$137,500</b>	9%
<b>MEAN SALE PRICE</b>					
Single Family Houses	\$189,671	\$194,737	\$211,343	<b>\$218,665</b>	3%
Condominiums	\$118,797	\$120,769	\$124,615	<b>\$135,369</b>	9%
<b>END OF YEAR INVENTORY</b>					
Single Family Houses	944	956	734	<b>541</b>	-26%
Condominiums	106	116	96	<b>47</b>	-51%

## **A Look Ahead**

The nation's and region's economies are expected to remain strong for the coming year and to provide the well-paying jobs and solid returns on investments that instill confidence in consumers who are entertaining a home buying decision, whether for the first time or trading up or moving out of New York City into the suburbs. Thus high demand for housing in Westchester and Putnam Counties is likely to continue unabated. An uptick in mortgage interest rates resulting from a possible Federal Reserve rate hike will not likely affect housing demand locally unless 30-year conventional rates exceed 9% and remain above that level for several months - which is unexpected.

The true brake on the Westchester-Putnam housing market is the shortage of inventory. If overall inventory is not restored to about 5,000 units overall in the first several months, year 2000 sales rates could well decline by double digit percentages from 1999. Within the total rebuild, the condominium sector needs to double or triple its inventory in order for there to be any significant activity at all. The single family house inventory needs at least a 50% increase in order to support 1999 sales rates. On the positive side, in the first three weeks of 2000 preceding issuance of this report, there appears to have been a steady, large number of new listings reported to the multiple listing service. It is hoped that homeowners who have been considering a sale for whatever reason, will observe the strong demand and the strong prices, and elect to list their properties early in the year.