

WESTCHESTER-PUTNAM MULTIPLE LISTING SERVICE, INC.



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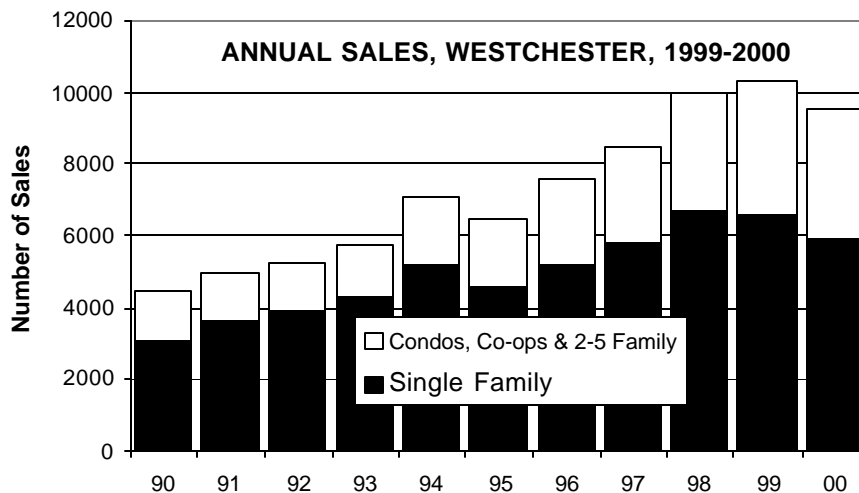
2000 FOURTH QUARTER & FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

January 30, 2001

Twelve-month overview

The year 2000 posted the third highest volume of residential real estate sales, 9,433 units in Westchester County, after 1999 and 1998. Those sales were 8% fewer than in 1999, and would have been fewer still were it not for a partly compensating increase in the number of cooperative unit sales.

Single family house sales declined for the second year in a row and at 5,857 sales were 11% fewer than in 1999. Sales of condominiums declined by 16% and 2-5 family houses by 13%. Countering the overall trend, the 1,797 co-op sales were a record and were 8% more than in 1999.



Despite declining sales, overall activity was high and pressured supply, driving it down to an historically very low level of 2,724 residential units by year end, 13% less than 1999's year-end level. Westchester's for-sale inventory began to erode seriously in 1996. Before then, inventory customarily was at 9,000 or more units all year long.

**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 approximately 500 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.*

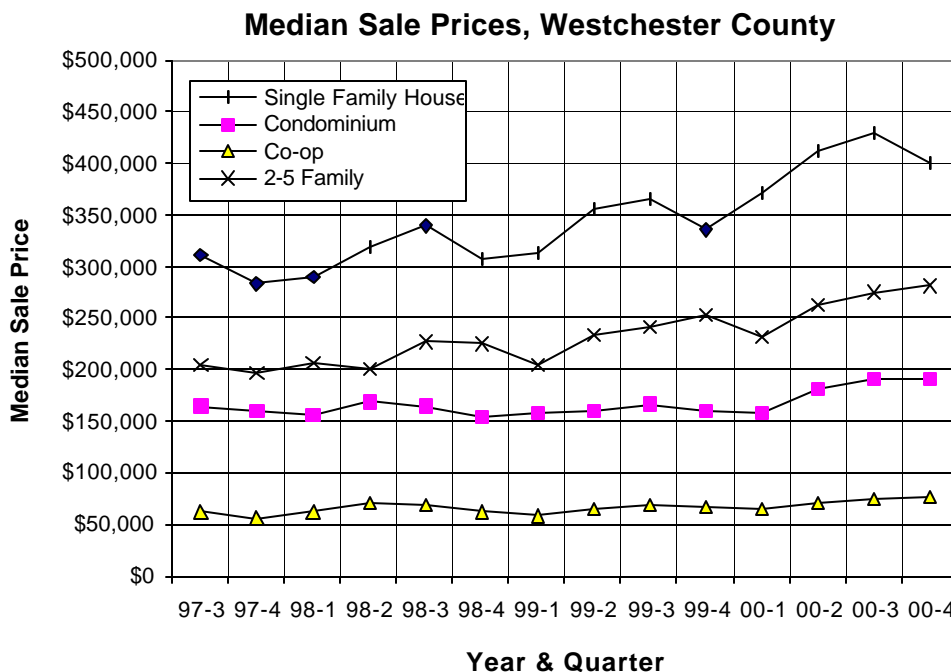
END OF QUARTER INVENTORY, 1998-00, WESTCHESTER

TYPE	1998	1999	1999	1999	1999	2000	2000	2000	2000
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Single Family	2,604	2,787	2,912	2,501	1,809	1,980	2,351	2,107	1,655
Condominiums	470	499	463	365	250	247	280	224	206
Cooperatives	1,126	1,130	1,099	926	745	724	742	637	523
<u>2-5 Family</u>	<u>434</u>	<u>453</u>	<u>514</u>	<u>435</u>	<u>337</u>	<u>337</u>	<u>415</u>	<u>381</u>	<u>340</u>
TOTAL	4,634	4,869	4,988	4,227	3,141	3,288	3,788	3,349	2,724

The result of the supply-demand imbalance was extraordinarily large price increases. Taking all residential property types together (houses, condos, co-ops, and 2-5 family units), the median sale price¹ of a Westchester property was \$295,000, up 13% or \$35,000 more than in 1999. The increase was more extreme in the single family house sector. There, at \$407,000, the median crossed the \$400,000 line on a whole-year basis for the first time, and was \$62,000 or 18% higher than 1999's median of \$345,000. The mean sale price¹ also increased by 18% to \$552,300. Although powerful activity in high-end sales contributed much to the average price increases, significant price appreciation occurred in all price ranges of houses.

The other property types also experienced price appreciation. The \$183,000 median sale price of a condominium was \$21,000 or 13% higher than last year's. The median sale price of a co-op was \$72,500, up \$6,500 or 10% from last year. The mean sale price of \$90,070 was 14% higher and indicated that there were increasing numbers of more highly priced units in the co-op sector.

The large price increases more than offset the decline in numbers of sales in terms of dollar volume. The total dollar volume of residential sales posted through WPMLS was more than \$3.8 billion, a 5% increase from



Westchester County

NUMBER OF SALES

<u>Type Of Property</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99 to 00</u>
Single Family Houses	5,783	6,701	6,551	5,857	-11%
Condominiums	1,115	1,387	1,423	1,198	-16%
Cooperatives	1,102	1,322	1,670	1,797	8%
2-5 Family Houses	<u>504</u>	<u>557</u>	<u>664</u>	581	-13%
Total of All Types	8,504	9,967	10,308	9,433	-8%

DOLLAR VALUE OF SALES (\$Millions)

<u>Type Of Property</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$ 2,257	\$ 2,804	\$ 3,060	\$ 3,234	6%
Condominiums	\$ 206	\$ 258	\$ 270	\$ 254	-6%
Cooperatives	\$ 84	\$ 105	\$ 132	\$ 162	23%
2-5 Family Houses	<u>\$ 107</u>	<u>\$ 124</u>	<u>\$ 159</u>	\$ 159	0%
Total of All Types	\$ 2,653	\$ 3,292	\$ 3,621	\$ 3,809	5%

MEDIAN SALE PRICE

<u>Type Of Property</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$300,000	\$ 320,000	\$345,000	\$407,000	18%
Condominiums	\$162,000	\$ 162,500	\$162,000	\$183,000	13%
Cooperatives	\$ 60,000	\$ 65,000	\$ 66,000	\$ 72,500	10%
2-5 Family Houses	\$200,000	\$ 215,000	\$235,000	\$265,000	13%
All Types	\$240,000	\$ 250,000	\$260,000	\$295,000	13%

MEAN SALE PRICE

<u>Type Of Property</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$390,213	\$ 418,460	\$467,106	\$552,300	18%
Condominiums	\$184,484	\$ 187,291	\$189,995	\$212,732	12%
Cooperatives	\$ 75,953	\$ 79,698	\$ 79,070	\$ 90,070	14%
2-5 Family Houses	\$211,310	\$ 222,552	\$240,425	\$273,922	14%
All Types	\$311,912	\$ 330,270	\$351,386	\$403,795	15%

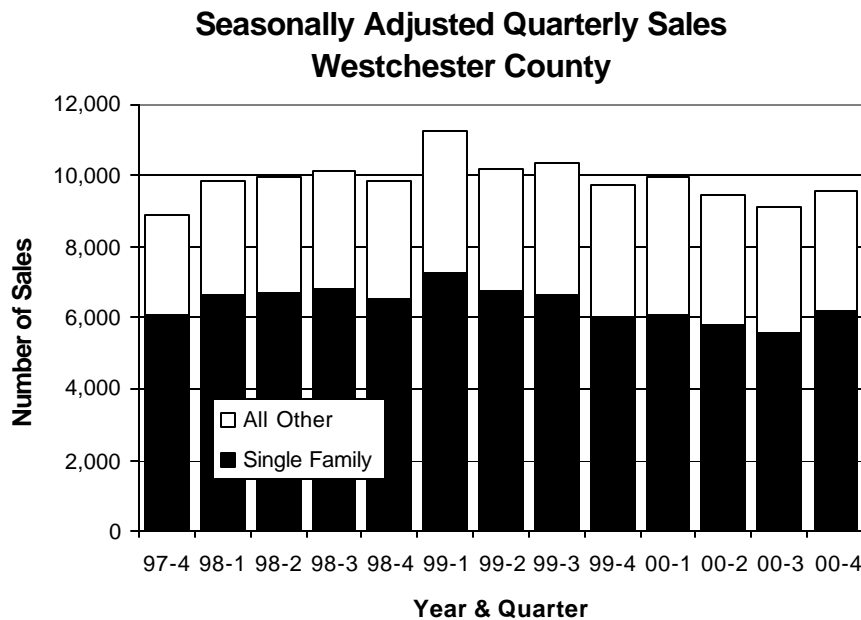
END OF YEAR & QUARTER INVENTORY

<u>Type Of Property</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99 to 00</u>
Single Family Houses	3,683	2,604	1,809	1,655	-9%
Condominiums	666	470	250	206	-18%
Cooperatives	1,323	1,126	745	523	-30%
2-5 Family Houses	<u>531</u>	<u>434</u>	<u>337</u>	340	1%
Total of All Types	6,203	4,634	3,141	2,724	-13%

Fourth Quarter Overview

Westchester's fourth quarter residential sales tally of 2,343 units was 4% less than that of the fourth quarter of 1999. The number of single family house sales, 1,444 units, was practically the same as in 1999's fourth quarter. On a seasonally adjusted basis², the fourth quarter sales rate was equivalent to 9,560 sales per year. Although this was a 5% increase from the third quarter of 2000, it did not approach the rates of 9,900 to 11,000 that prevailed from 1998 through the first quarter of 2000.

Year to year fourth quarter price increases tracked those of the years as a whole. The fourth quarter median sale price of a single family house, \$399,000, was \$64,000 or 19% higher than that of 1999's fourth quarter median. The other categories posted similar double digit percentage price increases.



ACTUAL QUARTERLY SALES, 1998-00, WESTCHESTER

<u>TYPE</u>	<u>1998</u> <u>4th Qtr</u>	<u>1999</u> <u>1st Qtr</u>	<u>1999</u> <u>2nd Qtr</u>	<u>1999</u> <u>3rd Qtr</u>	<u>1999</u> <u>4th Qtr</u>	<u>2000</u> <u>1st Qtr</u>	<u>2000</u> <u>2nd Qtr</u>	<u>2000</u> <u>3rd Qtr</u>	<u>2000</u> <u>4th Qtr</u>
Single Family	1,539	1,249	1,600	2,256	1,446	1,059	1,447	1,907	1,444
Condominiums	350	269	376	441	337	220	319	370	289
Cooperatives	384	327	369	486	488	373	442	513	469
2-5 Family	152	157	159	176	172	146	134	160	141
TOTAL	2,425	2,002	2,504	3,359	2,443	1,798	2,342	2,950	2,343

FOURTH QUARTER COMPARISONS, 1997 - 2000 Westchester County, New York

NUMBER OF SALES

<u>Type Of Property</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>4th 2000</u>	<u>% 99 to 00</u>
Single Family Houses	1,439	1,539	1,446	1,444	0%
Condominiums	313	350	337	289	-14%
Cooperatives	300	384	488	469	-4%
2-5 Family Houses	<u>137</u>	<u>152</u>	<u>172</u>	141	-18%
Total of All Types	2,189	2,425	2,443	2,343	-4%

DOLLAR VALUE OF SALES (\$Millions)

<u>Type Of Property</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>4th 2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$ 551.10	\$ 629.20	\$ 691.00	\$ 758.63	10%
Condominiums	\$ 56.20	\$ 62.40	\$ 64.10	\$ 63.12	-2%
Cooperatives	\$ 20.00	\$ 28.88	\$ 38.00	\$ 47.34	25%
2-5 Family Houses	<u>\$ 27.40</u>	<u>\$ 34.09</u>	<u>\$ 44.00</u>	\$ 41.02	-7%
Total of All Types	\$ 654.70	\$ 754.60	\$ 837.10	\$ 910.58	9%

MEDIAN SALE PRICE

<u>Type Of Property</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>4th 2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$284,000	\$306,500	\$335,000	\$399,000	19%
Condominiums	\$160,000	\$155,000	\$160,000	\$191,000	19%
Cooperatives	\$ 56,000	\$ 62,000	\$ 67,000	\$ 77,000	15%
2-5 Family Houses	\$197,000	\$225,000	\$253,500	\$281,950	11%
All Types	\$225,000	\$235,000	\$250,000	\$295,000	18%

MEAN SALE PRICE

<u>Type Of Property</u>	<u>4th 1997</u>	<u>4th 1998</u>	<u>4th 1999</u>	<u>4th 2000</u>	<u>% 99 to 00</u>
Single Family Houses	\$382,994	\$420,997	\$477,844	\$525,696	10%
Condominiums	\$179,640	\$178,309	\$190,157	\$218,391	15%
Cooperatives	\$ 66,586	\$ 75,721	\$ 77,801	\$100,939	30%
2-5 Family Houses	\$200,349	\$224,264	\$255,859	\$290,902	14%
All Types	\$299,097	\$311,254	\$342,620	\$388,638	13%

SEASONALLY ADJUSTED SALES RATES, 1998-00, WESTCHESTER COUNTY

<u>TYPE</u>	<u>1998</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>2000</u>	<u>2000</u>	<u>2000</u>	<u>2000</u>
	<u>4th Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>
Single Family	6,520	7,260	6,740	6,660	6,010	6,080	5,770	5,580	6,200
Condominiums	1,400	1,570	1,480	1,370	1,330	1,260	1,240	1,160	1,170
Cooperatives	1,380	1,690	1,370	1,710	1,760	1,970	1,840	1,780	1,670
2-5 Family	540	<u>740</u>	<u>590</u>	<u>630</u>	610	<u>680</u>	<u>570</u>	<u>580</u>	520
TOTAL	9,840	11,260	10,180	10,310	9,710	9,990	9,420	9,100	9,560

Putnam County

Putnam County's experience roughly paralleled that of Westchester's although at more moderate levels. The single family and condominium sales volumes were the second highest after 1999, although they missed third place by not much. The 1,124 house sales were 9% below 1999's level and the 200 condominium sales were 19% below.

Putnam County's year-end house inventory also dropped from 1999's level but only by 7%. Putnam County does not have a significant inventory of condominium or cooperative units.

As in Westchester, there was a very large 19% increase in price levels in Putnam County. The full-year median sale price of a single family house was \$237,000, up \$37,000 from 1999. The mean sale price of \$255,753 was 17% higher. The \$145,745 median sale price of a Putnam County condominium was 6% higher than in 1999.

PUTNAM COUNTY, NEW YORK ANNUAL COMPARISONS, 1997- 2000

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 99- 00</u>
NUMBER OF SALES					
Single Family Houses	817	1,107	1,229	1,124	-9%
Condominiums	130	185	247	200	-19%
DOLLAR VALUE OF SALES*					
Single Family Houses	\$ 159.10	\$ 234.00	\$ 267.50	\$ 287.47	7%
Condominiums	\$ 15.70	\$ 23.10	\$ 33.40	\$ 28.58	-14%
MEDIAN SALE PRICE					
Single Family Houses	\$176,000	\$190,000	\$200,000	\$237,000	19%
Condominiums	\$123,500	\$126,500	\$137,500	\$145,745	6%
MEAN SALE PRICE					
Single Family Houses	\$194,737	\$211,343	\$218,665	\$255,753	17%
Condominiums	\$120,769	\$124,615	\$135,369	\$143,639	6%
END OF YEAR INVENTORY					
Single Family Houses	956	734	541	505	-7%
Condominiums	116	96	47	27	-43%

FOURTH QUARTER COMPARISONS, 1997- 2000

	<u>4th-1997</u>	<u>4th-1998</u>	<u>4th-1999</u>	<u>4th-2000</u>	<u>% 99- 00</u>
NUMBER OF SALES					
Single Family Houses	223	373	279	311	11%
Condominiums	40	59	54	43	-20%
SEASONALLY ADJUSTED					
Single Family Houses	940	1,320	1,160	1,330	15%
Condominiums	160	240	210	170	-19%
DOLLAR VALUE OF SALES*					
Single Family Houses	\$ 44.70	\$ 67.51	\$ 61.20	\$ 83.19	36%
Condominiums	\$ 4.80	\$ 7.06	\$ 7.40	\$ 6.43	-13%
MEDIAN SALE PRICE					
Single Family Houses	\$181,500	\$188,000	\$197,000	\$239,900	22%
Condominiums	\$119,000	\$118,000	\$140,000	\$149,900	7%
MEAN SALE PRICE					
Single Family Houses	\$200,518	\$217,058	\$223,570	\$267,481	20%
Condominiums	\$120,538	\$119,740	\$137,881	\$153,021	11%

Analysis

2000 could have been a record-setting year for real estate sales in Westchester and Putnam Counties had it not been for the severe shortage of for-sale inventory.

The strong demand for housing was powered in part by favorable economic conditions both nationally and in New York City and in the lower Hudson region itself. These included historically low unemployment rates and declining vacancy rates in the commercial office space market, the latter bringing job growth and the attendant need to house new workers. Moderate and stable mortgage interest rates also supported demand. Although the average rate on a 30-year conventional mortgage approached 9% in the spring of 2000, the average steadily decreased thereafter to less than 8% by year-end.

The erratic, mostly negative behavior of the stock markets in the last quarter of the year did not affect this region's housing sales in 2000. Poor performance in the stock markets can erode consumer (and homebuyer) confidence if sustained and particularly if coupled with actual economic decline. However, there was not enough time for concerns to build up so as to affect sales in the closing months of the year.

Thus the major brake on the housing market, and the reason for the declining sales, was the lack of inventory. Powerful sales levels since 1996 simply have outpaced the supply of new listings coming onto the market each year. Continuing that pattern, newly marketed properties in 2000 were snapped up fairly quickly, and the base stock never had a chance to rebuild.

A Look Ahead

Most economists have been predicting a period of economic decline in the near future, and the main issue among them is whether there will be a "hard" or "soft" landing. The gyrations of the stock market, should they continue for some months into 2001, also might instill a degree of reticence among prospective homebuyers. However, considering the huge excess of demand for housing in Westchester and Putnam Counties there would have to be a particularly severe, and unlikely, economic reversal early in 2001 to drive that demand down to levels that could be absorbed by new stock coming into the market.

Therefore, the prospect is for demand for housing to continue to exceed supply, but to a lesser degree than in the past. Accordingly, there still will be pressure on the inventory sufficient to drive it down a little more, or at least prevent it from significantly rebuilding. With slight inventory, the actual number of sales will be constrained, and 2001 sales may fall short of 2000's level by a few percentage points.

Another constraint on sales likely will be a growing resistance to high Westchester prices, in all price categories. A slackening of consumer willingness to pay premium prices in the so-called luxury market was already being reported by Realtors in the fourth quarter of 2000, and will likely continue into 2001. The customary seasonal price increases in the first and second quarters of 2001 probably will not be as great as last year, resulting in somewhat lower median and mean prices for 2001 as a whole.

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¹ *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.*

² *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.*