

WESTCHESTER-PUTNAM MULTIPLE LISTING SERVICE, INC.



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2000 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT

July 26, 2000

Sales volume cooled but prices boomed during the peak spring sales period of the Westchester-Putnam residential real estate market. Realtors participating in the Westchester-Putnam Multiple Listing Service* reported 2,342 closed residential sales in Westchester during April, May and June, 6% fewer than during the same period last year. The closings were largely of properties listed and negotiated in February and subsequent months.

Seasonally adjusted¹, the second quarter sales were equivalent to annual rate of 9,420 sales, a decrease of 6% from the first quarter rate. On a year to date basis, Westchester residential sales were running about 8% below 1999's record-setting level.

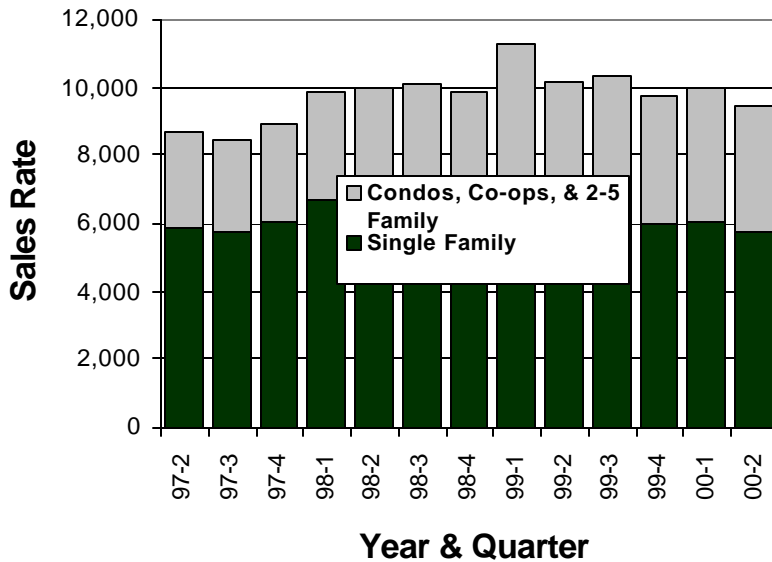
Sales performance varied markedly by property type, however. The dominant single family house sector posted a 10% quarter-to-quarter sales decrease from 1,600 sales last year to 1,447 sales this year. Sales of condominiums were 15% fewer than last year's. Cooperatives, however, posted an impressive 20% gain, from 369 sales to 442.

Overall the quarter's sales volume ranked it third behind the record-setting second quarters of 1998 and 1999 respectively. Low levels of inventory continued to be the main brake on the market but escalating prices and moderately increased mortgage interest rates also added friction. The average rates on a 30-year conventional mortgage approached 9% from time to time during the quarter. The rate in and of itself did not slow the market, but its combination with higher sale prices - hence larger mortgages - did contribute to knocking some buyers out of the market on an affordability basis.

ACTUAL QUARTERLY SALES, 1998-00, WESTCHESTER

<u>TYPE</u>	<u>1998 2nd</u>	<u>1998</u>	<u>1998</u>	<u>1999 1st</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>2000</u>	<u>2000</u>
	<u>Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>
Single Family	1,708	2,275	1,539	1,249	1,600	2,256	1,446	1,059	1,447
Condominiums	354	452	350	269	376	441	337	220	319
Cooperatives	313	365	384	327	369	486	488	373	442
2-5 Family	134	163	152	157	159	176	172	146	134
TOTAL	2,509	3,255	2,425	2,002	2,504	3,359	2,443	1,798	2,342

Seasonally Adjusted Quarterly Sales, Westchester



SEASONALLY ADJUSTED SALES RATES, 1998-00, WESTCHESTER COUNTY

<u>TYPE</u>	<u>1998 2nd Qtr</u>	<u>1998 3rd Qtr</u>	<u>1998 4th Qtr</u>	<u>1999 1st Qtr</u>	<u>1999 2nd Qtr</u>	<u>1999 3rd Qtr</u>	<u>1999 4th Qtr</u>	<u>2000 1st Qtr</u>	<u>2000 2nd Qtr</u>
Single Family	6,710	6,840	6,520	7,260	6,740	6,660	6,010	6,080	5,770
Condominiums	1,400	1,410	1,400	1,570	1,480	1,370	1,330	1,260	1,240
Cooperatives	1,280	1,270	1,380	1,690	1,370	1,710	1,760	1,970	1,840
2-5 Family	580	600	540	740	590	630	610	680	570
TOTAL	9,970	10,120	9,840	11,260	10,180	10,310	9,710	9,990	9,420

YEAR TO DATE SALES, WESTCHESTER 2ND QTRS, 1998-2000

<u>TYPE</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>% 98-99</u>
Single Family	2,887	2,849	2,506	-12%
Condominiums	585	645	539	-16%
Cooperatives	573	696	815	17%
2-5 Family	<u>242</u>	<u>316</u>	280	-11%
TOTAL	4,287	4,506	4,140	-8%

Inventory

The supply of units for sale remained extremely tight. The end-of-quarter inventory of 3,788 units in Westchester was 24% below last year's level and 43% below 1998's second quarter supply. Inventory normally builds up in the first half of the year as sellers list their properties for the peak spring market. In 1998 and 1999, the increase in inventory from the first to the second quarters was very slight, from practically no increase in 1998 to just 2% in 1999. This year, however, the increase was 15% over the first quarter, giving some hope that perhaps the shortage of stock at last was beginning to ease, or at least ceasing to grow worse.

END OF QUARTER INVENTORY, 1998-00, WESTCHESTER

<u>TYPE</u>	<u>1998 2nd</u> <u>Qtr</u>	<u>1998</u> <u>3rd Qtr</u>	<u>1998</u> <u>4th Qtr</u>	<u>1999 1st</u> <u>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>
Single Family	3,912	3,467	2,604	2,787	2,912	2,501	1,809	1,980	2,351
Condominiums	717	588	470	499	463	365	250	247	280
Cooperatives	1,415	1,250	1,126	1,130	1,099	926	745	724	742
2-5 Family	584	<u>535</u>	<u>434</u>	<u>453</u>	514	<u>435</u>	<u>337</u>	<u>337</u>	415
TOTAL	6,628	5,840	4,634	4,869	4,988	4,227	3,141	3,288	3,788

Still, the shortage of stock in all price ranges was the most influential constraint on sales volume for the first six months of the year. In the context of continuing high demand for Westchester properties there were many instances of rapid multiple bidding immediately upon listing, followed by sales shortly thereafter. But the underlying and larger reality of insufficient inventory was that many more purchasers either dropped out of the market altogether or slowed their decision-making process in response to what they regarded as inadequate choice. Hence sales volumes declined even as the market often evidenced frenetic activity.

PRICES

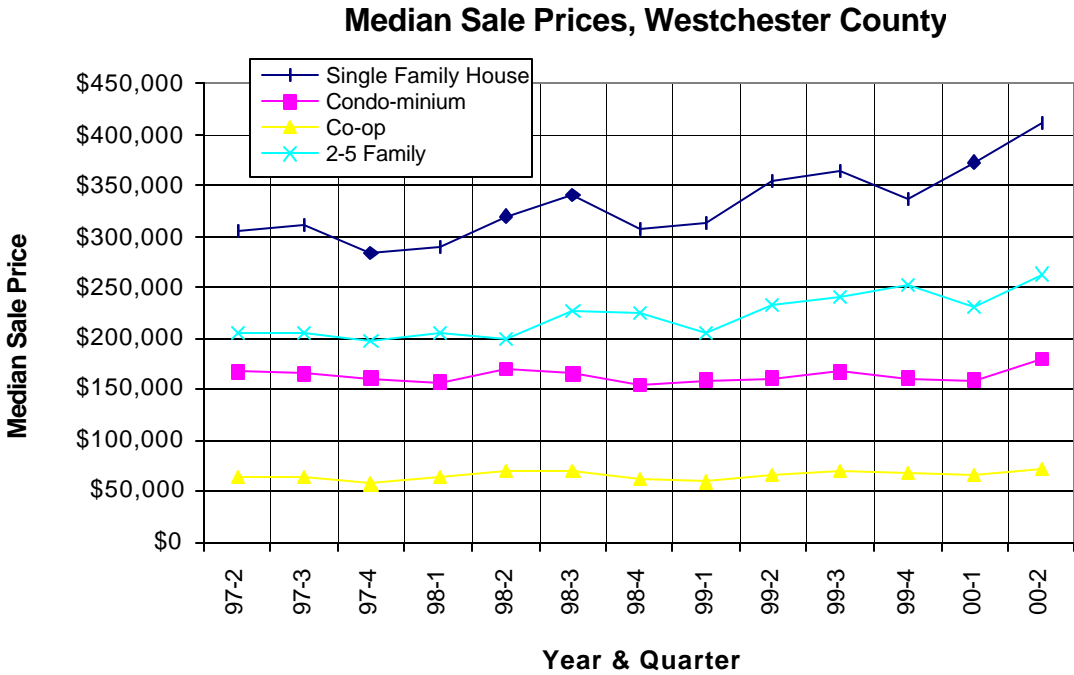
Second quarter price increases were pronounced. Taking all property types together (single family houses, condos, co-ops, and 2-5 family houses), the Westchester market experienced an 11% price increase from last year's second quarter level. The market-wide median sale price² of \$265,000 in 1999 increased by \$30,000 to \$295,000 in 2000.

Single family house prices increased the most. In Westchester, the median sale price crossed the \$400,000 mark for the first time. The \$412,000 median was \$57,000 or 16% higher than last year's second quarter median. This powerful increase was due to a highly competitive market in all price ranges but particularly among the larger and more expensive properties (4+ bedrooms at \$500,000 and higher). The mean sale price² of \$579,240 was 24% higher than last year's, reflecting the strong influence of substantial numbers of high-priced and luxury sales. The whole market pricing structure was pulled upward as a result.

The median sale price of a Westchester condominium increased by \$19,000 or 12% to \$180,000, also a record level. The median sale price of a cooperative unit increased by \$5,500 or 8% to \$70,500. The mean sale price of a co-op increased by 13% to \$88,744, indicating a growing consumer interest in the larger and more luxurious units.

WESTCHESTER COUNTY

SINGLE FAMILY HOUSES	2nd Qtr 98	2nd Qtr 99	2nd Qtr 00	% Change 99 to 00
Number of Sales	1,708	1,600	1,447	-10%



Dollar Volume (\$millions)	\$700.87	\$747.13	\$838.16	12%
Inventory @ end of Qtr	3,912	2,912	2,351	-19%
Median Sale Price				
All Units	\$320,000	\$355,000	\$412,000	16%
0 - 2 Bedrooms	\$176,000	\$178,000	\$210,000	18%
3 Bedrooms	\$255,000	\$280,000	\$325,000	16%
4+ Bedrooms	\$412,275	\$462,500	\$565,000	22%
Mean Sale Price				
All Units	\$410,344	\$466,958	\$579,240	24%
0-2 Bedrooms	\$207,901	\$227,363	\$271,995	20%
3 Bedrooms	\$286,739	\$311,922	\$367,995	18%
4+ Bedrooms	\$520,979	\$594,425	\$747,855	26%

WESTCHESTER COUNTY

<u>CONDOMINIUMS</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	354	376	319	-15%
Dollar Volume (\$millions)	\$69.31	\$71.47	\$65.16	-9%
Inventory @ end of Qtr	717	463	280	-40%
Median Sale Price				
All Units	\$169,000	\$161,000	\$180,000	12%
0 - 2 Bedrooms	\$156,000	\$145,000	\$165,000	14%
3 Bedrooms	\$265,000	\$250,000	\$269,900	8%
4+ Bedrooms	\$399,000	\$225,000	\$255,000	13%
Mean Sale Price				
All Units	\$195,795	\$192,489	\$207,461	8%
0-2 Bedrooms	\$165,960	\$168,129	\$184,950	10%
3 Bedrooms	\$266,924	\$265,806	\$322,392	21%
4+ Bedrooms	\$437,727	\$350,166	\$365,250	4%

WESTCHESTER COUNTY

<u>COOPERATIVES</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	313	369	442	20%
Dollar Volume (\$millions)	\$26.30	\$29.03	\$39.22	35%
Inventory @ end of Qtr	1,415	1,099	742	-32%
Median Sale Price				
All Units	\$69,825	\$65,000	\$70,500	8%
0 - 2 Bedrooms	\$65,000	\$62,500	\$69,000	10%
3 Bedrooms	\$110,000	\$112,000	\$122,000	9%
4+ Bedrooms	\$255,000	\$85,000	\$453,000	433%
Mean Sale Price				
All Units	\$84,015	\$78,682	\$88,744	13%
0-2 Bedrooms	\$76,448	\$72,715	\$81,455	12%
3 Bedrooms	\$154,010	\$158,610	\$211,000	33%
4+ Bedrooms	\$330,000	\$100,000	\$453,000	353%

WESTCHESTER COUNTY

<u>2-5 FAMILY HOUSES</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	134	159	134	-16%
Dollar Volume (\$millions)	\$28.07	\$36.97	\$38.14	3%
Inventory @ end of Qtr	584	514	415	-19%
Median Sale Price	\$200,000	\$232,500	\$263,000	13%
Mean Sale Price	\$209,502	\$232,533	\$284,611	22%

WESTCHESTER COUNTY

<u>ALL RESIDENTIAL* SALES</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	2,509	2,504	2,342	-6%
Dollar Volume (\$millions)	\$824.55	\$885.52	\$981.70	11%
Inventory @ end of Qtr	6,628	4,988	3,788	-24%
Median Sale Price				
All Units	\$252,000	\$265,000	\$295,000	11%
0 - 2 Bedrooms	\$117,000	\$115,500	\$110,000	-5%
3 Bedrooms	\$254,000	\$275,000	\$320,000	16%
4+ Bedrooms	\$412,275	\$460,000	\$565,000	23%
Mean Sale Price				
All Units	\$328,636	\$353,640	\$419,173	19%
0-2 Bedrooms	\$135,141	\$132,932	\$142,229	7%
3 Bedrooms	\$280,493	\$301,079	\$357,593	19%
4+ Bedrooms	\$519,619	\$590,968	\$745,676	26%

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

PUTNAM COUNTY

Putnam County's experience was roughly parallel to Westchester's except at lower overall price levels. The median sale price of a single family house in Putnam was \$218,360, the first time the median exceeded \$200,000 in that county; the amount of increase was \$23,360 or 12% over last year's second quarter median. The median sale price of a condominium was \$141,000, up \$4,500 or 3% from last year.

The County's second quarter sales volume of 273 units was 7% lower than last year's. Seasonally adjusted it was equivalent to a sales rate of 1,090 units per year, an 11% decrease from the first quarter's seasonally adjusted rate. Putnam's end-of-quarter inventory of 653 houses was 17% lower than last year's but, as in Westchester, that number was substantially (19%) more than the first quarter level, suggesting that here, too, the inventory shortage might have bottom

ACTUAL QUARTERLY SALES, 1998-00, PUTNAM COUNTY

	<u>1998</u>	<u>1998</u>	<u>1998</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>1999 4th</u>	<u>2000</u>	<u>2000</u>
<u>TYPE</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>Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>
Single Family	240	373	373	242	292	416	279	208	273
Condominiums	37	60	59	54	46	93	54	44	52

SEASONALLY ADJUSTED SALES RATES, 1998-00, PUTNAM COUNTY

	<u>1998</u>	<u>1998</u>	<u>1998</u>	<u>1999</u>	<u>1999</u>	<u>1999</u>	<u>1999 4th</u>	<u>2000</u>	<u>2000</u>
<u>TYPE</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>Qtr</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>
Single Family	940	1,120	1,320	1,410	1,300	1,240	1,160	1,220	1,090
Condominiums	150	190	240	310	200	280	210	240	200

PUTNAM COUNTY

<u>SINGLE FAMILY HOUSES</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	240	292	273	-7%
Dollar Volume (\$millions)	\$53.33	\$63.43	\$67.61	7%
Inventory @ end of Qtr	1,027	784	653	-17%
Median Sale Price				
All Units	\$192,000	\$195,000	\$218,360	12%
0 - 2 Bedrooms	\$119,900	\$116,000	\$132,000	14%
3 Bedrooms	\$185,000	\$190,000	\$224,000	18%
4+ Bedrooms	\$254,500	\$299,900	\$323,000	8%
Mean Sale Price				
All Units	\$222,188	\$217,210	\$247,638	14%
0-2 Bedrooms	\$138,284	\$129,675	\$139,956	8%
3 Bedrooms	\$193,514	\$200,595	\$232,273	16%
4+ Bedrooms	\$290,223	\$313,230	\$350,347	12%

PUTNAM COUNTY

<u>CONDOMINIUMS</u>	<u>2nd Qtr 98</u>	<u>2nd Qtr 99</u>	<u>2nd Qtr 00</u>	<u>% Change 99 to 00</u>
Number of Sales	37	46	52	13%
Dollar Volume (\$millions)	\$4.73	\$6.15	\$7.00	14%
Inventory @ end of Qtr	158	103	50	-51%
Median Sale Price				
All Units	\$127,900	\$136,500	\$141,000	3%
0 - 2 Bedrooms	\$127,900	\$135,000	\$140,000	4%
3 Bedrooms	\$126,000	\$158,500	\$153,000	-3%
4+ Bedrooms	na	na	na	
Mean Sale Price				
All Units	\$127,783	\$133,693	\$134,532	1%
0-2 Bedrooms	\$125,073	\$133,142	\$133,204	0%
3 Bedrooms	\$158,500	\$158,500	\$167,750	6%
4+ Bedrooms	na	na	na	

¹ 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.

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 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.

A LOOK AHEAD

Although levels of inventory showed signs of having stabilized by the end of the second quarter, that is far from a confirmed trend thus far in 2000. Even if inventory does rebuild at double digit percentage rates it will take a year or two for the supply to be able to sustain the extraordinary sales pace that occurred in 1998 and 1999. Thus sales volumes are likely to remain 10% or lower than last year's at least through the end of 2000.

Thanks to economic health and job growth at the national, regional and local levels, there continues to be a very strong demand for all kinds of housing in Westchester and Putnam Counties. At the same time, the significant price increases across all property types and price ranges, coupled with mortgage interest rates that are likely to remain at their current moderately high levels, or even to increase somewhat, will discourage ever larger numbers of prospective purchasers from entering the market. A much larger inventory is needed to alleviate the price pressures and restore the kind of balance that will promote larger numbers of sales.

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****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 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.***