

WESTCHESTER-PUTNAM MULTIPLE LISTING SERVICE, INC.



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2001 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT

July 24, 2001

Once again the Westchester-Putnam residential real estate market displayed the seeming paradox of intense consumer activity but significantly decreased overall sales and sales rates. Very simply, while demand for housing in all categories remained very strong, the supply of newly listed properties during the second quarter did not satisfy demand, there were fewer transactions, and buyers competed for the limited available stock, driving prices to new highs.

Realtors participating in the Westchester-Putnam Multiple Listing Service reported 2,122 residential sales in Westchester, a decrease of 9% from last year's second quarter total. In Putnam County the 240 reported sales of single family houses constituted a 12% decrease from last year. The confirmation of the area's continuing real estate slowdown is found in the seasonally adjusted sales rates¹ which generally have trended downward since the beginning of 1999. The second quarter seasonally adjusted rate in Westchester was 8,550 units, a decrease of 10% from the prior quarter, 9% from last year's second quarter, and 16% from the second quarter of 1999. The decreases occurred in all property categories.

Seasonally Adjusted Quarterly Sales

Westchester County

Property Type	1999 2	1999 3	1999 4	2000 1	2000 2	2000 3	2000 4	2001 1	2001 2	%Change 01/1-01/2
Single Family	6,740	6,660	6,010	6,080	5,770	5,580	6,200	5,620	5,190	-8%
Condominiums	1,480	1,370	1,330	1,260	1,240	1,160	1,170	1,300	1,100	-15%
Cooperatives	1,370	1,710	1,760	1,970	1,840	1,780	1,670	1,940	1,710	-12%
2-5 Family	590	<u>630</u>	<u>610</u>	<u>680</u>	570	<u>580</u>	<u>520</u>	<u>640</u>	550	-14%
Total All Types	10,180	10,310	9,710	9,990	9,420	9,100	9,560	9,500	8,550	-10%

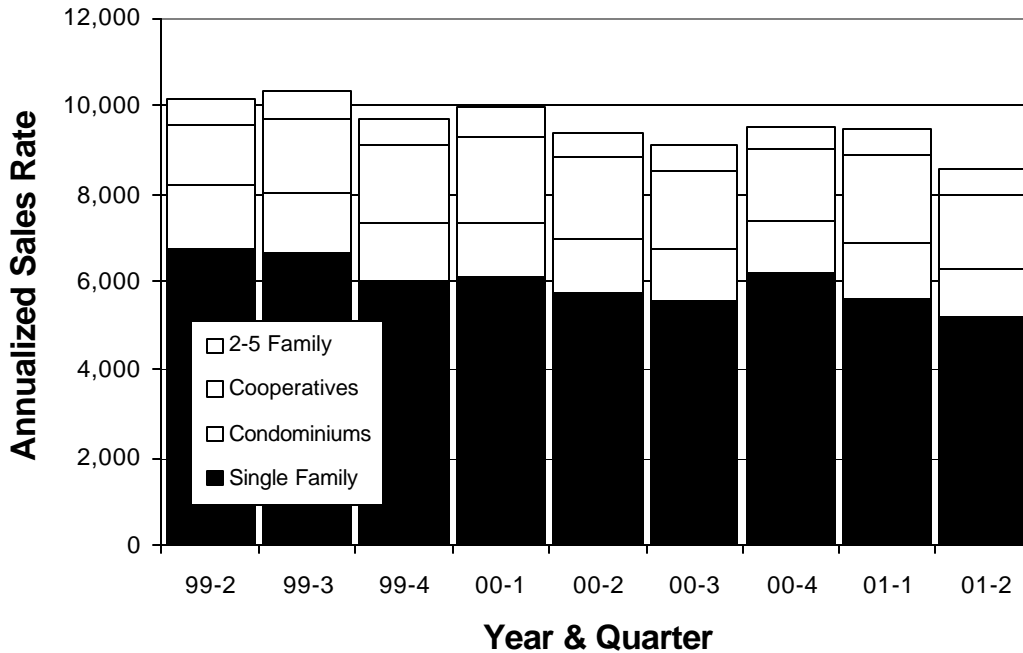
Putnam County

Single Family	1,300	1,240	1,160	1,220	1,090	970	1,330	1,050	1,040	-1%
Condominiums	200	280	210	240	200	190	170	160	170	6%

**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 more than 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.*

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Seasonally Adjusted Quarterly Sales Westchester



Quarterly Sales History Westchester County

Property Type	1999 2	1999 3	1999 4	2000 1	2000 2	2000 3	2000 4	2001 1	2001 2	%Change 00/2-01/2
Single Family	1,600	2,256	1,446	1,059	1,447	1,907	1,444	1,004	1,296	-10%
Condominiums	376	441	337	220	319	370	289	232	287	-10%
Cooperatives	369	486	488	373	442	513	469	378	409	-7%
2-5 Family	159	<u>176</u>	<u>172</u>	<u>146</u>	134	<u>160</u>	<u>141</u>	<u>144</u>	130	-3%
Total All Types	2,504	3,359	2,443	1,798	2,342	2,950	2,343	1,758	2,122	-9%

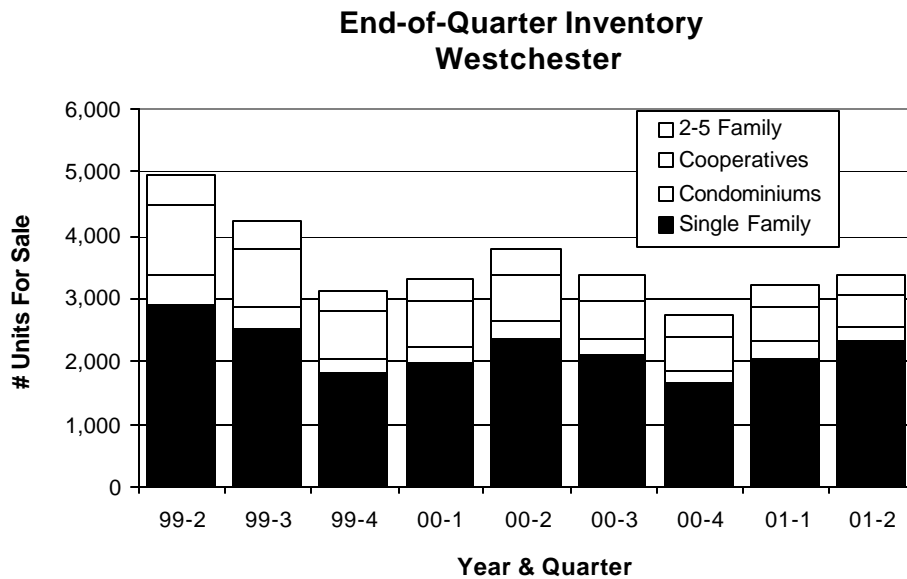
Putnam County

Single Family	292	416	279	208	273	332	311	189	240	-12%
Condominiums	46	93	54	44	52	61	43	30	37	-29%

The total dollar volume of sales was \$942 million in Westchester and \$71 million in Putnam. The Westchester total was 4% below last year's second quarter amount, the first instance of a year-to-year decrease since 1998. Previously, large average price increases had more than made up for sales volume decreases.

Inventory

At the end of the quarter there were 3,378 units in Westchester listed for sale through the Westchester-PutnamMLS, 12% fewer than in 2000 and 32% fewer than in 1999. By far the largest year to year percentage decreases occurred in the condominium, cooperative and multi-family housing sectors at 22%, 36% and 35% respectively. The customary seasonal buildup from the first quarter was anemic, just 194 units. Putnam County's single family house inventory was 18% below last year's level.



End-of-

**Quarter Inventory
Westchester County**

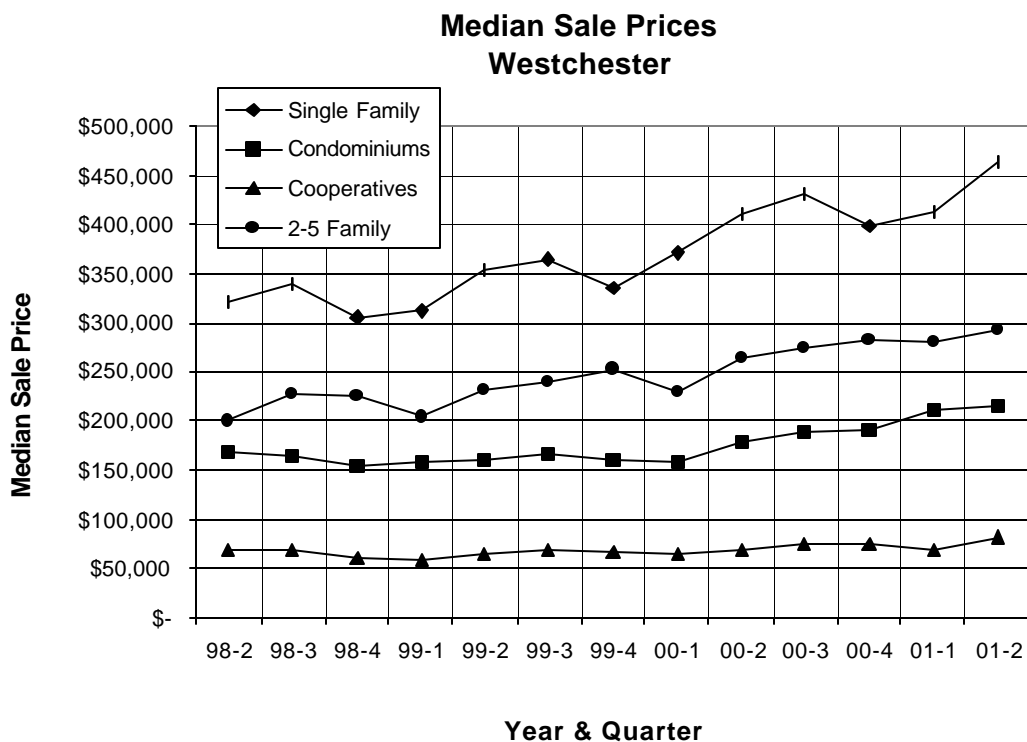
Property Type	1999 2	1999 3	1999 4	2000 1	2000 2	2000 3	2000 4	2001 1	2001 2	%Change 00/2-01/2
Single Family	2,912	2,501	1,809	1,980	2,351	2,107	1,655	2,036	2,296	-2%
Condominiums	463	365	250	247	280	224	206	259	229	-22%
Cooperatives	1,099	926	745	724	742	637	523	586	545	-36%
2-5 Family	514	435	337	337	415	381	340	303	308	-35%
Total All Types	4,988	4,227	3,141	3,288	3,788	3,349	2,724	3,184	3,378	-12%

Putnam County	
Single Family	784 736 541 550 653 639 505 522 553 -18%
Condominiums	103 72 47 54 50 49 27 32 56 11%

There have been plenty of new units coming on the market in recent quarters but they have been purchased relatively quickly on account of strong demand, thus the inventory has not had a chance to rebuild itself. At the same time there has remained a strong unfulfilled demand for housing in the region. Most potential homebuyers faced with a relatively restricted choice take longer to find suitable and affordable properties for themselves, or they withdraw from the market altogether until conditions improve. Thus the market experiences the paradoxical overall contraction even as new inventory is snapped up at a fast pace.

Prices

The companion of high demand and short supply is high prices. Year-to-year median sale price² increases ranged from 13% to 26% across the various property categories in Westchester and Putnam Counties. In Westchester, the second quarter median sale price of a house was \$465,000, a \$53,000 or 13% increase from the prior year. In Putnam the increase was 14%, to a record high \$250,000. These increases resulted from across-the-board price appreciation plus stronger activity at the high end. To illustrate the latter, last year 19% of all single family house sales were for \$750,000 or higher but in 2001, 23% were in that range. Still, the mean (arithmetic average) sale price² of a house, \$609,132, was just 5% higher than last year's, reflecting that at the price pinnacle of the market there were somewhat fewer and less expensive multi-million dollar estates in the sales mix.



Condominium and cooperative sale prices also experienced a major boost as more consumers sought those housing types, in many cases as an alternative to highly priced single family houses. The median sale price of a condominium reached \$215,000, a 19% or \$35,000 increase from last year. The cooperative unit median of \$83,000 was an increase of 18% or \$12,500 from last year. The last time that co-op median prices were over \$80,000 was in 1993.

Median Sale Price

Westchester County

Property Type	1999-2	2000-2	2001-2	Change 00 - 01	
				Amount	Percent
Single Family	\$ 355,000	\$ 412,000	\$ 465,000	\$ 53,000	13%
Condominiums	\$ 161,000	\$ 180,000	\$ 215,000	\$ 35,000	19%
Cooperatives	\$ 65,000	\$ 70,500	\$ 83,000	\$ 12,500	18%
2-5 Family	\$ 232,500	\$ 263,000	\$ 293,000	\$ 30,000	11%
All Types	\$ 265,000	\$ 295,000	\$ 333,500	\$ 38,500	13%

Putnam County

Single Family	\$ 195,000	\$ 218,360	\$ 250,000	\$ 31,640	14%
Condominiums	\$ 136,500	\$ 141,000	\$ 177,000	\$ 36,000	26%

Mean Sale Price

Westchester County

Property Type	1999-2	2000-2	2001-2	Change 00 - 01	
				Amount	Percent
Single Family	\$ 466,958	\$ 579,240	\$ 609,132	\$ 29,892	5%
Condominiums	\$ 192,489	\$ 207,461	\$ 250,333	\$ 42,872	21%
Cooperatives	\$ 78,682	\$ 88,744	\$ 104,964	\$ 16,220	18%
2-5 Family	\$ 232,533	\$ 284,611	\$ 294,387	\$ 9,776	3%
All Types	\$ 353,640	\$ 419,173	\$ 444,148	\$ 24,975	6%

Putnam County

Single Family	\$ 217,210	\$ 247,638	\$ 272,524	\$ 24,886	10%
Condominiums	\$ 133,693	\$ 134,532	\$ 164,896	\$ 30,364	23%

Dollar Value of Sales (\$Millions)

Westchester County

Property Type	1999-2	2000-2	2001-2	Change 00 - 01	
				Amount	Percent
Single Family	\$ 747.13	\$ 838.16	\$ 789.44	\$ (48.72)	-6%
Condominiums	\$ 71.47	\$ 65.16	\$ 71.70	\$ 6.54	10%
Cooperatives	\$ 29.03	\$ 39.22	\$ 42.93	\$ 3.71	9%
2-5 Family	\$ 36.97	\$ 38.14	\$ 38.27	\$ 0.13	0%
All Types	\$ 885.52	\$ 981.70	\$ 942.34	\$ (39.36)	-4%

Putnam County

Single Family	\$ 63.43	\$ 67.61	\$ 65.27	\$ (2.34)	-3%
Condominiums	\$ 6.15	\$ 7.00	\$ 6.21	\$ (0.79)	-11%

A Look Ahead

The engines driving the Westchester-Putnam housing market include strong regional and national economic conditions, low mortgage interest rates, and underlying demand powered by population growth including significant migration to the suburbs from New York City. None of these factors is exhibiting important weaknesses or retreat for the near term. At the same time our area is pumping its customary supply of new listings into the inventory, boosted just a little by a spate of new construction. Thus demand for housing will continue to outweigh supply, inventory will remain low by historical standards, and prices will remain high.

In that context there is a distinct possibility of noticeably lower sales rates and somewhat lower prices in the next several quarters. The extremely high price level of the single family house market may become self-limiting as it outpaces the supply of high-income households who can afford such prices. Further, the condominium and cooperative sectors have reached such low levels of inventory that they will be unable to sustain current high sales rates. However, although the overall outlook is for less market activity, the powerful demand for housing in our area will prevent any truly serious market setback in the foreseeable future.

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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.*

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