



Westchester-Putnam Multiple Listing Service

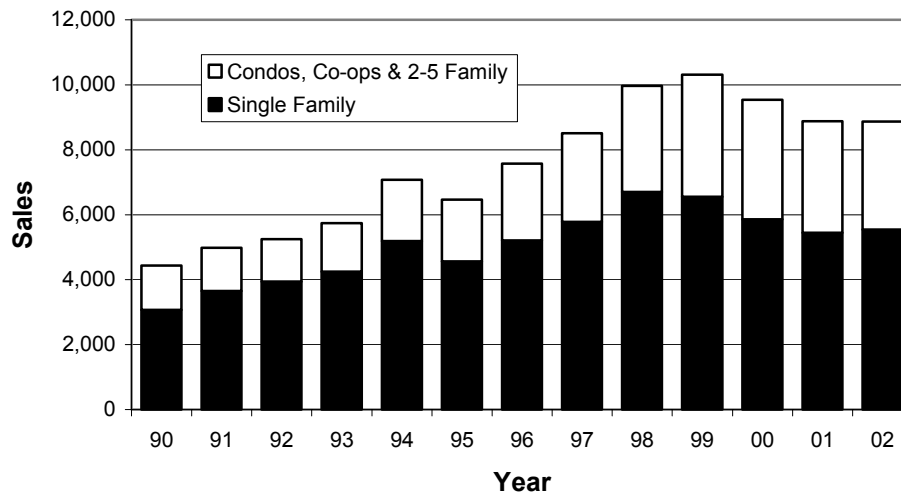
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2002 FOURTH QUARTER AND FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

Released February 3, 2003

The number of closed sales of residential properties in Westchester and Putnam Counties hardly changed at all from 2001 to 2002 according to the posted activity of Realtor firms of the Westchester-Putnam Multiple Listing Service, Inc. In Westchester the 8,873 total reported closings in 2002 were just a half dozen fewer than in 2001. Sales of single family house sales increased by almost 2% but the increase was offset by decreases in the other property types – condominiums, cooperatives, and multi-family houses. In Putnam County there was a 3% increase to 1,250 sales, again resting on single family house sales.

ANNUAL SALES, WESTCHESTER, 1990-2002



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 580 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 or 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 sub-County data are invited to contact participating real estate offices in the desired areas. Any text or data from this report may be reprinted with attribution to Westchester-Putnam Multiple Listing Service, Inc. as the source.

ANNUAL COMPARISONS, 1999- 2002

Type Of Property	NUMBER OF SALES				Change, 01-02	
	1999	2000	2001	2002	Amount	Percent
Westchester County						
Single Family Houses	6,551	5,857	5,447	5,546	99	1.8%
Condominiums	1,423	1,198	1,152	1,118	(34)	-3.0%
Cooperatives	1,670	1,797	1,689	1,680	(9)	-0.5%
2-5 Family Houses	664	581	591	529	(62)	-10.5%
Total	10,308	9,433	8,879	8,873	(6)	-0.1%
Putnam County						
Single Family Houses	1,229	1,124	1,039	1,089	50	4.8%
Condos & Co-ops	247	200	175	161	(14)	-8.0%
Total	1,476	1,324	1,214	1,250	36	3.0%

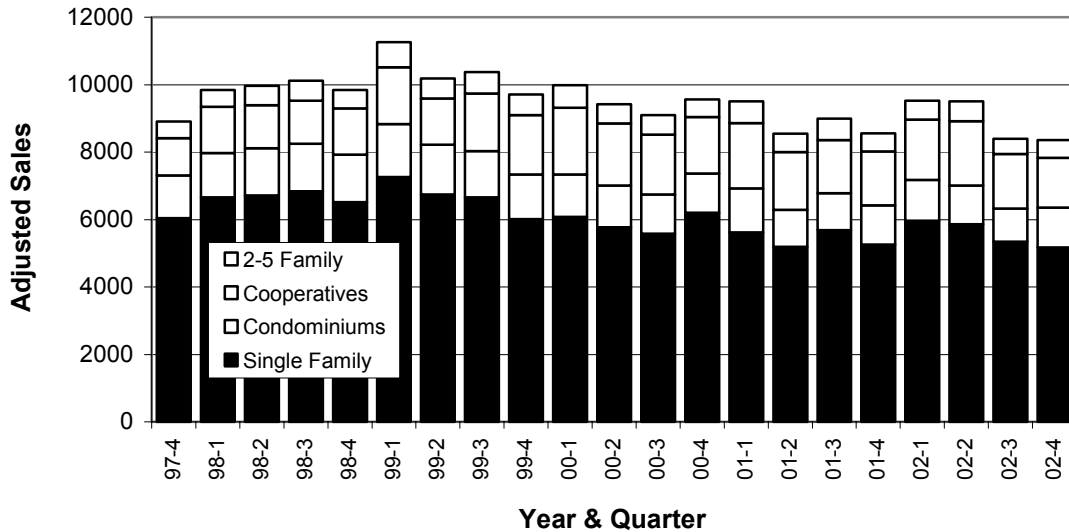
Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change, 01-02	
	1999	2000	2001	2002	Amount	Percent
Westchester County						
Single Family Houses	3,060.0	3,234.0	3,207.5	3,808.4	600.9	18.7%
Condominiums	270.0	254.0	291.1	332.9	41.8	14.4%
Cooperatives	132.0	162.0	172.2	216.4	44.2	25.6%
2-5 Family Houses	159.0	159.0	182.7	198.5	15.8	8.6%
Total	3,621.0	3,809.0	3,853.6	4,556.2	702.6	18.2%
Putnam County						
Single Family Houses	267.5	287.5	290.6	372.1	81.5	28.0%
Condos & Co-ops	33.4	28.6	27.8	30.6	2.8	10.2%
Total	300.9	316.1	318.4	402.7	84.3	26.5%

Type Of Property	MEDIAN SALE PRICE				Change, 01-02	
	1999	2000	2001	2002	Amount	Percent
Westchester County						
Single Family Houses	345,000	407,000	449,900	525,000	75,100	16.7%
Condominiums	162,000	183,000	220,500	266,000	45,500	20.6%
Cooperatives	66,000	72,500	80,000	100,000	20,000	25.0%
2-5 Family Houses	235,000	265,000	295,000	355,000	60,000	20.3%
Putnam County						
Single Family Houses	200,000	237,000	251,750	305,000	53,250	21.2%
Condos & Co-ops	137,500	145,745	161,000	193,000	32,000	19.9%

Type Of Property	MEAN SALE PRICE				Change, 01-02	
	1999	2000	2001	2002	Amount	Percent
Westchester County						
Single Family Houses	467,106	552,300	588,860	687,443	98,583	16.7%
Condominiums	189,995	212,732	253,218	297,308	44,090	17.4%
Cooperatives	79,070	90,070	101,969	128,104	26,135	25.6%
2-5 Family Houses	240,425	273,922	309,201	374,119	64,918	21.0%
Putnam County						
Single Family Houses	218,665	255,753	281,776	342,585	60,809	21.6%
Condos & Co-ops	135,369	143,639	158,738	189,081	30,343	19.1%

There was a more negative cast to the market in the fourth quarter of 2002 than for the year as a whole. In Westchester, the 2,028 reported fourth quarter sales were 4% lower than those of a year ago, including the single family house sector. On a seasonally adjusted¹ basis the first half of the year was quite strong whereas the pace of sales cooled during the third and fourth quarters.

SEASONALLY ADJUSTED QUARTERLY SALES Westchester County

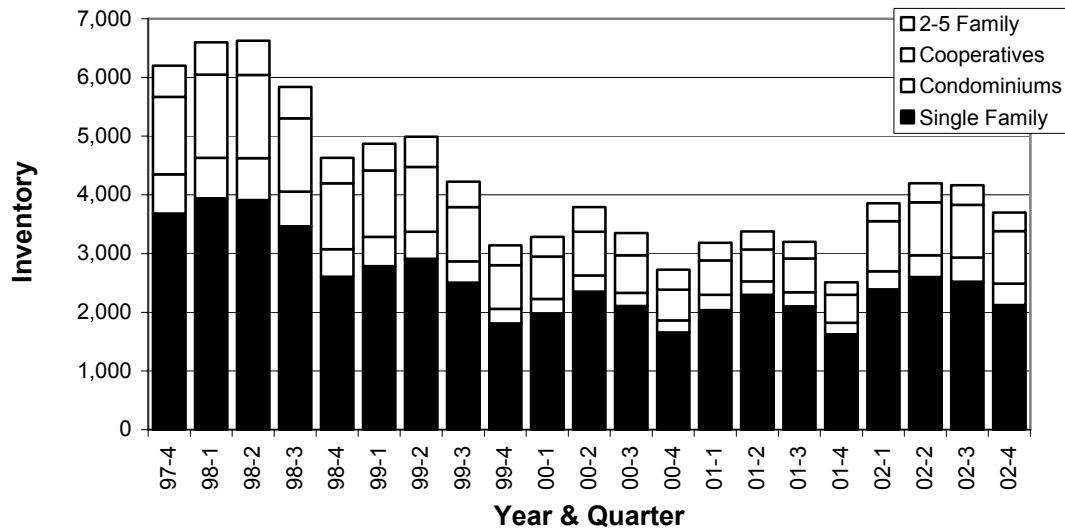


SEASONALLY ADJUSTED QUARTERLY SALES

Property Type	2000 4th	2001 1st	2001 2nd	2001 3rd	2001 4th	2002 1st	2002 2nd	2002 3rd	2002 4th	%Change 2002/3- 2002/4
Westchester County										
Single Family	6,200	5,620	5,190	5,680	5,260	5,970	5,860	5,340	5,170	-3.3%
Condominiums	1,170	1,300	1,100	1,100	1,160	1,210	1,150	990	1,180	16.1%
Cooperatives	1,670	1,940	1,710	1,580	1,600	1,780	1,910	1,610	1,480	-8.8%
2-5 Family	520	640	550	630	540	560	580	460	530	13.2%
Total	9,560	9,500	8,550	8,990	8,560	9,520	9,500	8,400	8,360	-0.5%
Putnam County										
Single Family	1,330	1,050	1,040	1,020	1,010	1,210	1,300	920	970	5.2%
Condos+Co-ops	170	160	170	210	150	140	200	140	170	17.6%
Total	1,500	1,210	1,210	1,230	1,160	1,350	1,500	1,060	1,140	7.0%

The level of inventory in each quarter of 2002 was higher than that of the corresponding quarter in 2001. By year-end of 2002 there were 3,700 units available for sale in Westchester County and 726 units in Putnam County; these levels were, respectively, 47% and 33% more than 2001's year-end count. However, the percentage increases are exaggerated because they were calculated against a very low base. The recent inventory is far below the levels of 6,000 or more units available in 1998, and 10,000 or more units in the early 1990s and earlier. Short supply remains the shortest leash on the performance of the Westchester and Putnam real estate markets.

END OF QUARTER INVENTORY Westchester, 1997-2002



Type Of Property	INVENTORY AT DECEMBER 31				Change, 00-01	
	1999	2000	2001	2002	Amount	Percent
Westchester County						
Single Family Houses	1,809	1,655	1,625	2,121	496	30.5%
Condominiums	250	206	193	364	171	88.6%
Cooperatives	745	523	481	897	416	86.5%
<u>2-5 Family Houses</u>	<u>337</u>	<u>340</u>	<u>211</u>	<u>318</u>	<u>107</u>	<u>50.7%</u>
Total	3,141	2,724	2,510	3,700	1,190	47.4%
Putnam County						
Single Family Houses	541	505	508	673	165	32.5%
<u>Condos & Co-ops</u>	<u>47</u>	<u>27</u>	<u>40</u>	<u>53</u>	<u>13</u>	<u>32.5%</u>
Total	588	532	548	726	178	32.5%

FOURTH QUARTER COMPARISONS, 1999 - 2002

Type Of Property	NUMBER OF SALES				Change, 01-02	
	4th 99	4th 00	4th 01	4th 02	Amount	Percent
Westchester County						
Single Family Houses	1,446	1,444	1,239	1,194	(45)	-3.6%
Condominiums	337	289	293	290	(3)	-1.0%
Cooperatives	488	469	447	409	(38)	-8.5%
2-5 Family Houses	172	141	141	135	(6)	-4.3%
Total	2,443	2,343	2,120	2,028	(92)	-4.3%
Putnam County						
Single Family Houses	279	311	280	268	(12)	-4.3%
Condos & Co-ops	54	43	39	41	2	5.1%
Total	333	354	319	309	(10)	-3.1%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change, 01-02	
	4th 99	4th 00	4th 01	4th 02	Amount	Percent
Westchester County						
Single Family Houses	691.0	758.6	666.4	801.5	135.1	20.3%
Condominiums	64.1	63.1	74.9	86.9	12.0	16.0%
Cooperatives	38.0	47.3	49.6	54.0	4.5	9.0%
2-5 Family Houses	44.0	41.0	47.1	52.8	5.7	12.1%
Total	837.1	910.6	839.7	995.2	155.5	18.5%
Putnam County						
Single Family Houses	61.2	83.2	85.2	99.9	14.7	17.3%
Condos & Co-ops	7.4	6.4	5.6	8.2	2.6	45.9%
Total	68.6	89.6	90.8	108.1	17.3	19.1%

Type Of Property	MEDIAN SALE PRICE				Change, 01-02	
	4th 99	4th 00	4th 01	4th 02	Amount	Percent
Westchester County						
Single Family Houses	335,000	399,000	428,000	520,000	92,000	21.5%
Condominiums	160,000	191,000	225,000	270,000	45,000	20.0%
Cooperatives	67,000	77,000	85,000	118,000	33,000	38.8%
2-5 Family Houses	253,500	281,950	307,000	380,000	73,000	23.8%
Putnam County						
Single Family Houses	197,000	239,900	263,000	330,000	67,000	25.5%
Condos & Co-ops	140,000	149,900	145,000	205,000	60,000	41.4%

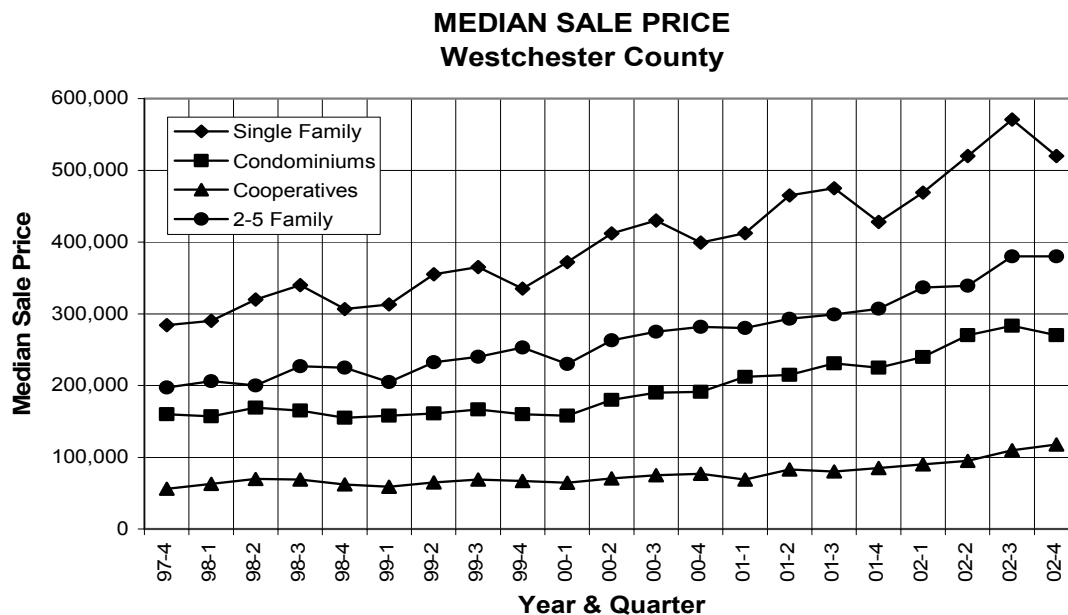
Type Of Property	MEAN SALE PRICE				Change, 01-02	
	4th 99	4th 00	4th 01	4th 02	Amount	Percent
Westchester County						
Single Family Houses	477,844	525,696	539,270	671,303	132,033	24.5%
Condominiums	190,157	218,391	255,591	299,744	44,153	17.3%
Cooperatives	77,801	100,939	110,845	131,910	21,065	19.0%
2-5 Family Houses	255,859	290,902	333,904	391,322	57,418	17.2%
Putnam County						
Single Family Houses	223,570	267,481	304,147	372,775	68,628	22.6%
Condos & Co-ops	137,881	153,021	144,176	199,217	55,041	38.2%

Prices soared in 2002, particularly during the record-setting third quarter when the median sale price² of a single-family house in Westchester reached \$570,750 and the condominium median reached \$283,500. On a 12-month basis, the average price of a Westchester single-family house was \$525,000, up 17% from 2001. The 12-month averages for condominiums and cooperatives were \$266,000 and \$100,000 respectively, each more than 20% higher than in 2001.

There is a certain amount of seasonality in prices and fourth quarter prices will be lower than third quarter prices more often than not. That was true in 2002 except for cooperatives where the median sale price continued upward to \$118,000 in the fourth quarter, a 7% increase from the third quarter median of \$110,000. Also, in Putnam County, the fourth quarter median for a single family house was \$330,000, a 5% increase from the third quarter median of \$315,000. Those increases reflected ongoing competition for more moderately priced properties.

During the fourth quarter, member Realtors began reporting a noticeable softening in the so-called luxury home market, i.e., residences selling for \$1 million or more. Those reports reflected perceptions of showing and negotiating activity which may well portend reduced sales and lower prices in the first quarter of 2003 when then the sales will have closed. However, as to the actual closed sales in 2002, both the 12-month and fourth quarter data show that million-dollar sales actually increased their market share from the prior year. In 2002 they accounted for 9% of all sales compared to 6% in 2001. There were no signals from the earlier data of an impending fourth-quarter fall-off.

The high price levels during the year more than offset static or declining sales counts to produce record-high dollar volumes in 2002. The value of residential sales in 2002 was more than \$4.5 billion in Westchester and \$0.4 billion in Putnam, about 19% more than in 2001.



Analysis & A Look Ahead

While the rest of the nation enjoyed record-high home sales in 2002, the Westchester-Putnam area was held back due to a severe shortage of inventory that is one-third to one-half of normal levels. The consequences of low inventory are the reduced sales rates and the higher prices that we have experienced since 1999 and 2000. Our local inventory was drawn down during the 1990s and particularly from 1996 through 2000 by extraordinarily high sales volumes. The residential real estate market then was powered by a variety of factors including: population growth and new household formation both here and in New York City, the latter driving additional migration to the suburbs; historically low mortgage interest rates; some job growth; and low unemployment rates. The amount of new construction in relation to demand during that time was feeble.

There seems to be little prospect for a change in these conditions for the immediate future. Neither the 9/11 tragedy nor the uncertainty in the stock market have altered the basic conditions that influence the presence of consumers in the housing market. In spite of the occasional negative headline about job losses in 2002, Westchester actually managed some slight job growth by the end of the year. Our unemployment rate stayed between 3 – 4% for the entire year whereas it approached 6% nationally and 8% in New York City.

Some forecasters expect to see an increase in mortgage interest rates in 2003, which would make housing less affordable and thereby drive some buyers out of the market. However, rates are now at their lowest level in forty years, just a few tenths of a point away from 6.0% on 30-year fixed rate mortgages and as low as 4% on some variable rate instruments. There would have to be a substantial increase, which is not predicted, in order to have an important effect on our local market.

The most negative local factor is the diminished position of many investors in the stock market as well as the attendant loss of jobs in the financial sector in New York City. Both conditions affect demand for Westchester housing and are contributory reasons why, if recent reports are correct, there is a slackened pace in the high-end sector of our market.

However, the fundamentals of our Westchester-Putnam local economy are sound and therefore the outlook is for continued strong demand for housing in 2003. We will be starting the year with more inventory than at the start of 2002 and this may enable a higher rate of sales by a few percentage points. Unfilled demand will combine with new demand to outweigh supply, particularly in the middle market. Therefore, median prices are likely to remain high and to resemble those posted in 2002. In the high-end sector, the marketing slowdown reported in the fourth quarter of 2002 may reflect itself in fewer closings and lower prices in the first quarter of 2003. That circumstance may pull down the overall mean sale prices for the quarter but is not likely to affect median sale prices very much. Inventory probably will increase a little as 2003 progresses and will contribute to relaxation of prices to some small degree.

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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.*