



## Westchester-Putnam Multiple Listing Service

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### 2002 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT WESTCHESTER AND PUTNAM COUNTIES, NEW YORK

July 31, 2002

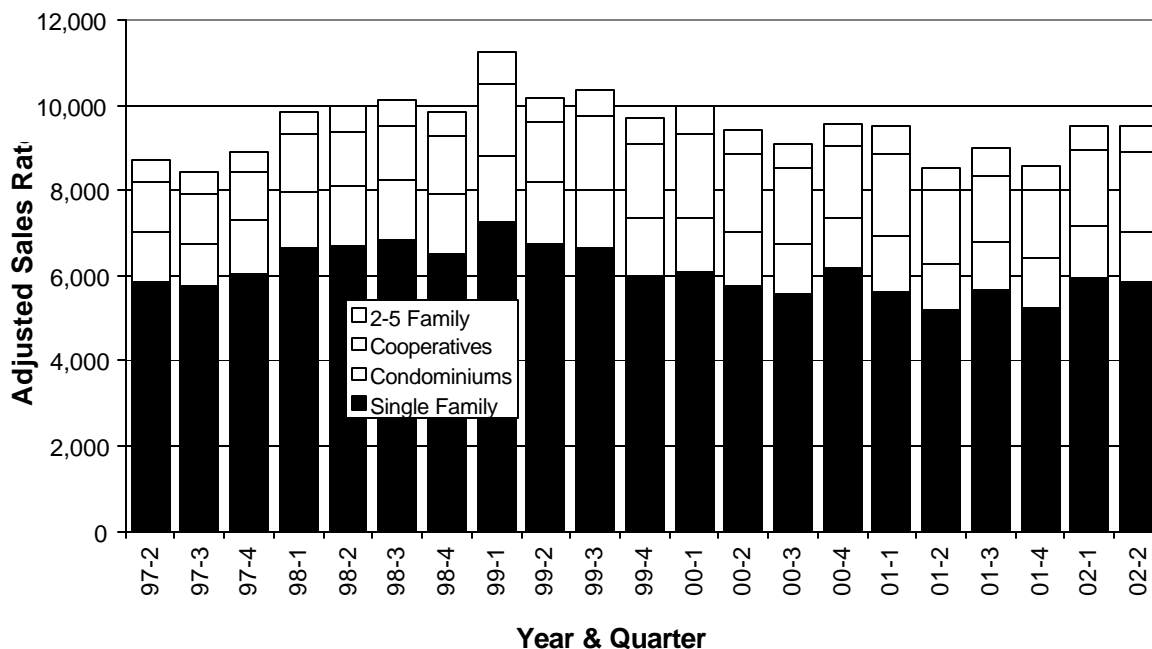
Closings, inventory and prices in the Westchester-Putnam region all increased by significant amounts in the second quarter of 2002 in comparison to last year. Realtor firms participating in the Westchester-Putnam Multiple Listing Service, Inc. reported 2,329 residential real estate closings in Westchester, an increase of 10% over last year's second quarter, reversing the downward trend since 1999. In Putnam County the 346 reported closings were 25% higher than in 2001. The total dollar volume of properties sold in Westchester and Putnam counties was \$1.281 billion.

For the most part, the closings were of properties that were listed and marketed in the first four months of the year, which typically is a busier time than the preceding months. When this seasonality is taken into account, the overall seasonally adjusted<sup>1</sup> pace of sales in Westchester in the second quarter was 9,500 units per year, virtually unchanged from the prior quarter's 9,520-unit level. The rates for single family houses and condominiums actually decreased by 2% and 5%, respectively, but were counterbalanced by a 7% increase for cooperatives and 4% for multi-family houses. Putnam County experienced an 11% increase in its seasonally adjusted rate.

#### QUARTERLY SALES, 2000 2nd QTR - 2002 2ND QTR

	00-2	00-3	00-4	01-1	01-2	01-3	01-4	02-1	02-2	% 01/2-02/2
<b>Westchester County</b>										
Single Family Houses	<b>1,447</b>	1,907	1,444	1,004	<b>1,296</b>	1,908	1,239	1,092	<b>1,444</b>	11%
Condominiums	<b>319</b>	370	289	232	<b>287</b>	340	293	224	<b>298</b>	4%
Cooperatives	<b>442</b>	513	469	378	<b>409</b>	455	447	367	<b>453</b>	11%
2-5 Family	<b>134</b>	160	141	144	<b>130</b>	176	141	130	<b>134</b>	3%
<b>All Westchester</b>	<b>2,342</b>	2,950	2,343	1,758	<b>2,122</b>	2,879	2,120	1,814	<b>2,329</b>	10%
<b>Putnam County</b>										
Single Family Houses	<b>273</b>	332	311	189	<b>240</b>	330	280	220	<b>302</b>	26%
Condos & Co-ops	<b>52</b>	61	43	30	<b>37</b>	69	39	28	<b>44</b>	19%
<b>All Putnam</b>	<b>325</b>	393	354	219	<b>277</b>	399	319	248	<b>346</b>	25%

## SEASONALLY ADJUSTED QUARTERLY SALES Westchester County

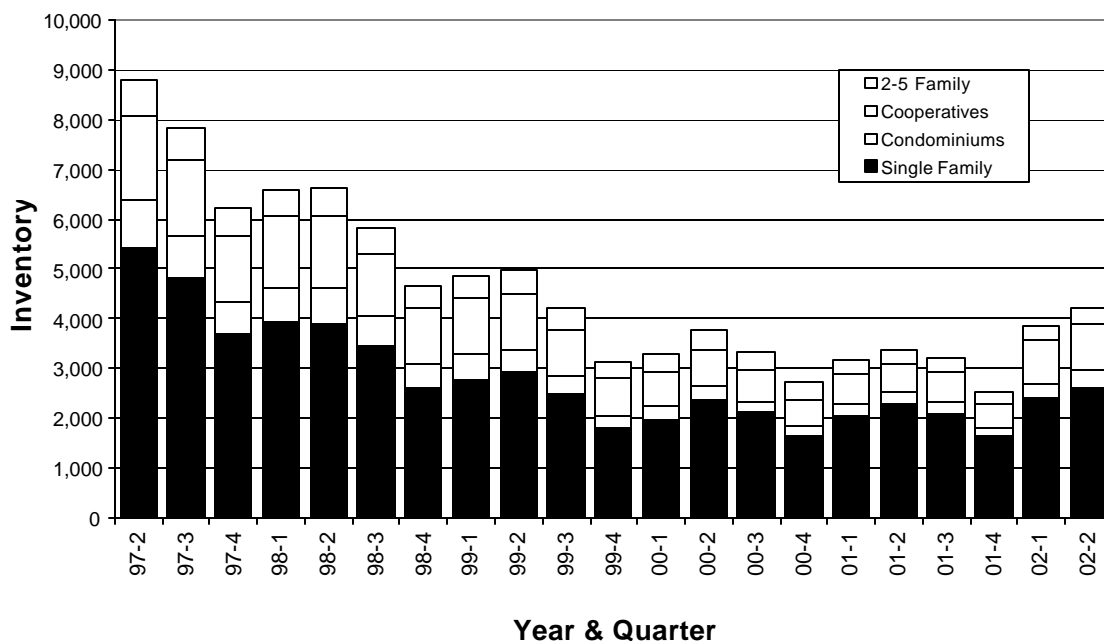


### SEASONALLY ADJUSTED QUARTERLY SALES RATES, 2000-2002 2ND QTR

	00-2	00-3	00-4	01-1	01-2	01-3	01-4	02-1	02-2	% 02/1-02/2
<b>Westchester County</b>										
Single Family Houses	5,770	5,580	6,200	5,620	5,190	5,680	5,260	<b>5,970</b>	<b>5,860</b>	-2%
Condominiums	1,240	1,160	1,170	1,300	1,100	1,100	1,160	<b>1,210</b>	<b>1,150</b>	-5%
Cooperatives	1,840	1,780	1,670	1,940	1,710	1,580	1,600	<b>1,780</b>	<b>1,910</b>	7%
2-5 Family	<u>570</u>	<u>580</u>	<u>520</u>	<u>640</u>	<u>550</u>	<u>630</u>	<u>540</u>	<b>560</b>	<b>580</b>	4%
<b>All Westchester</b>	<b>9,420</b>	<b>9,100</b>	<b>9,560</b>	<b>9,500</b>	<b>8,550</b>	<b>8,990</b>	<b>8,560</b>	<b>9,520</b>	<b>9,500</b>	0%
<b>Putnam County</b>										
Single Family Houses	1,090	970	1,330	1,050	1,040	1,020	1,010	<b>1,210</b>	<b>1,300</b>	7%
Condos & Co-ops	<u>200</u>	<u>190</u>	<u>170</u>	<u>160</u>	<u>170</u>	<u>210</u>	<u>150</u>	<b>140</b>	<b>200</b>	43%
<b>All Putnam</b>	<b>1,290</b>	<b>1,160</b>	<b>1,500</b>	<b>1,210</b>	<b>1,210</b>	<b>1,230</b>	<b>1,160</b>	<b>1,350</b>	<b>1,500</b>	11%

The strong sales market was supported by substantial new inventory as the quarter progressed. Ordinarily, inventory increases from the first through the second quarters of each year as the spring market develops, a pattern that obtained in 2002 as well but at a higher level than usual. By the end of the quarter (June 30), Westchester's residential inventory stood at 4,198 units, 24% more than in 2001, and the highest level since mid-1999. Putnam County's end-of-quarter inventory of 778 units was 28% higher than last year's. It appears that there was an influx of new listings by homeowners who perceived the probability of quick sales at high prices in the vigorous market.

## END OF QUARTER INVENTORY Westchester County



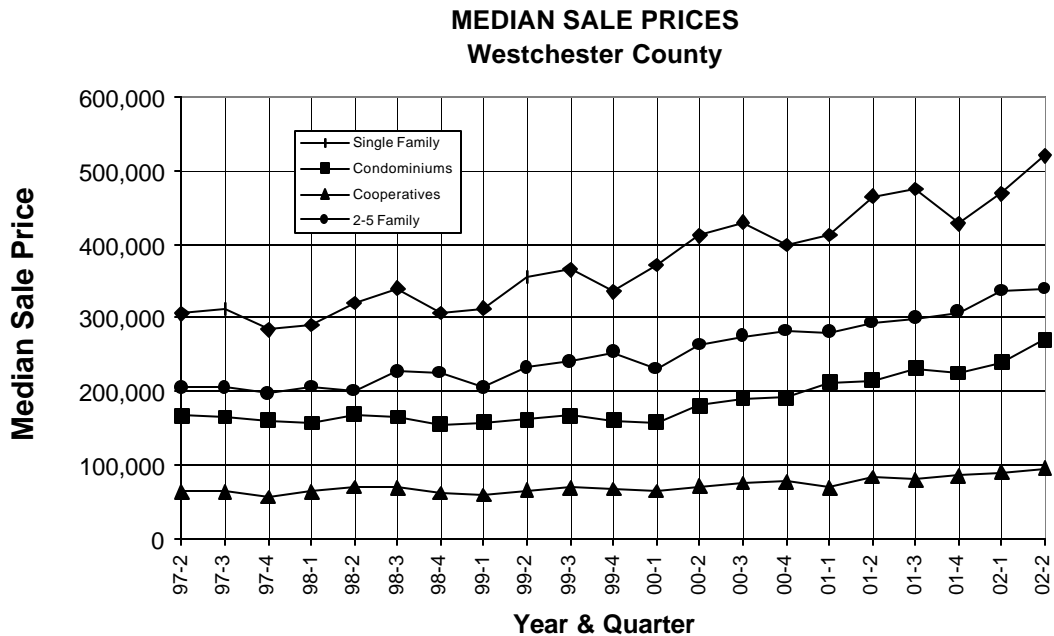
### END-OF-QUARTER INVENTORY, 2000 2ND QTR - 2002 2ND QTR

	00-2	00-3	00-4	01-1	01-2	01-3	01-4	02-1	02-2	% 01/2-02/2
<b>Westchester County</b>										
Single Family Houses	2,351	2,107	1,655	2,036	2,296	2,099	1,625	2,392	2,602	13%
Condominiums	280	224	206	259	229	239	193	309	368	61%
Cooperatives	742	637	523	586	545	568	481	852	901	65%
2-5 Family	415	381	340	303	308	284	211	303	327	6%
<b>All Westchester</b>	<b>3,788</b>	<b>3,349</b>	<b>2,724</b>	<b>3,184</b>	<b>3,378</b>	<b>3,190</b>	<b>2,510</b>	<b>3,856</b>	<b>4,198</b>	<b>24%</b>
<b>Putnam County</b>										
Single Family Houses	653	639	505	522	553	639	508	630	720	30%
Condos & Co-ops	50	49	27	32	56	32	40	61	58	4%
<b>All Putnam</b>	<b>703</b>	<b>688</b>	<b>532</b>	<b>554</b>	<b>609</b>	<b>671</b>	<b>548</b>	<b>691</b>	<b>778</b>	<b>28%</b>

Their perceptions were correct, as the seasonally high demand for housing in this region outpaced the growth of inventory, resulting in very high price increases over an already high base. The median sale price<sup>2</sup> of a Westchester single-family house reached \$520,000, an all-time high that was 12% or \$55,000 more than last year's median. The price appreciation occurred in all price ranges. Also, very high-end housing increased its market share: 28% of Westchester houses sold for \$750,000 or more compared to 23% last year. In Putnam County, the median sale price rose to \$283,000, a 13% or \$33,000 increase from last year.

Condominiums achieved record median price levels as well: \$270,000 in Westchester, a 26% increase from last year; and \$190,500 in Putnam County, an 8% increase. The condominium sector experienced more sales of more highly priced units.

The median sale price of a Westchester cooperative unit increased by \$12,000 or 14% from last year to \$95,000 this year. This was the highest median price for cooperatives since 1992. Like the condo market, the co-op market saw more sales of more highly priced units. The mean sale price<sup>2</sup> of a co-op climbed by 22% or \$22,649 to \$127,613.



**MEDIAN SALE PRICE, 2ND QUARTER**

Property Type	2000-2	2001-2	2002-2	Change 2001-2002	
				Amount	Percent
<b>Westchester County</b>					
Single Family Houses	\$ 412,000	\$ 465,000	\$ 520,000	\$ 55,000	12%
Condominiums	\$ 180,000	\$ 215,000	\$ 270,000	\$ 55,000	26%
Cooperatives	\$ 70,500	\$ 83,000	\$ 95,000	\$ 12,000	14%
2-5 Family	\$ 263,000	\$ 293,000	\$ 339,000	\$ 46,000	16%
<b>Putnam County</b>					
Single Family Houses	\$ 218,360	\$ 250,000	\$ 283,000	\$ 33,000	13%
Condos & Co-ops	\$ 141,000	\$ 177,000	\$ 190,500	\$ 13,500	8%

**MEAN SALE PRICE, 2ND QUARTER**

Property Type	2000-2	2001-2	2002-2	Change 2001-2002	
				Amount	Percent
<b>Westchester County</b>					
Single Family Houses	\$ 579,240	\$ 609,132	\$ 682,694	\$ 73,562	12%
Condominiums	\$ 207,461	\$ 250,333	\$ 287,592	\$ 37,259	15%
Cooperatives	\$ 88,744	\$ 104,964	\$ 127,613	\$ 22,649	22%
2-5 Family	\$ 284,611	\$ 294,387	\$ 355,182	\$ 60,795	21%
<b>Putnam County</b>					
Single Family Houses	\$ 247,638	\$ 272,524	\$ 317,787	\$ 45,263	17%
Condos & Co-ops	\$ 134,532	\$ 164,896	\$ 182,738	\$ 17,842	11%

**DOLLAR VOLUME (\$Millions), 2ND QUARTER**

Property Type	2000-2	2001-2	2002-2	Change 2001-2002	
				Amount	Percent
<b>Westchester County</b>					
Single Family Houses	\$ 838.16	\$ 789.44	\$ 985.81	\$ 196.37	25%
Condominiums	\$ 65.16	\$ 71.70	\$ 85.70	\$ 14.00	20%
Cooperatives	\$ 39.22	\$ 42.93	\$ 57.81	\$ 14.88	35%
2-5 Family	\$ 38.14	\$ 38.27	\$ 47.59	\$ 9.32	24%
<b>Westchester Total</b>	\$ 981.70	\$ 942.34	\$ 1,176.92	\$ 234.58	25%
<b>Putnam County</b>					
Single Family Houses	\$ 67.61	\$ 65.27	\$ 95.97	\$ 30.70	47%
Condos & Co-ops	\$ 7.00	\$ 6.21	\$ 8.04	\$ 1.83	29%
<b>Putnam Total</b>	\$ 74.61	\$ 71.48	\$ 104.01	\$ 32.53	46%

**A LOOK AHEAD**

The market performance presented in this report derives from the conditions that existed during the first several months of 2002 – which were mostly favorable for the local real estate market. These included: still another quarter of historically low mortgage interest rates; fairly low levels of unemployment of the area's labor force; and steady albeit unexceptional job growth. The economic shock wave from the September 11 attacks passed through the northern suburbs without apparent long-lasting damage. The region was, and continues to be, subject to high levels of demand for housing from new household formation.

Since then, mortgage interest rates have fallen even lower. However, unemployment has crept past the 4% level and new job formation has been lackluster. Further, there is a crisis of confidence in the stock market. The negative cast of the area's (and nation's) economy could lead to a retrenchment in the housing market, as prospective homebuyers postpone their decisions until they feel more secure about their jobs and their savings. On the other hand, the market could be bolstered by purchasers who perceive real estate to be a secure investment in uncertain times. Both phenomena could play themselves out simultaneously among different segments of the population.

The underlying demographics of the region argue for continued strong demand for housing at least by first-time and second-time buyers who are either starting or enlarging a family. They will be interested in the more affordable sector of the market. Further, they are not likely to be heavily invested in the stock market, and will not be held back from a purchase decision if the market fails to recover. In contrast, buyers who are in the market on a discretionary basis - to upgrade their residence or to move to a new location – may put those ambitions on hold, especially if they have suffered significant investment losses. The combination of these two factors may lead to a local housing market in the third and fourth quarters that will be slower and somewhat less expensive, especially in the high end sector.

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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 more than 550 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 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.*

<sup>1</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.*

<sup>2</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.*