



Westchester-Putnam Multiple Listing Service

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2003 FIRST QUARTER RESIDENTIAL REAL ESTATE SALES REPORT WESTCHESTER & PUTNAM COUNTIES, NEW YORK

April 30, 2003

The area's residential real estate market gave mixed signals about its strength and direction in the first three months of 2003. Single-family house sales were noticeably below last year's first quarter postings whereas condominium and cooperative sales were up. Inventory increased, and so too did prices.

Realtor firms participating in the Westchester-Putnam Multiple Listing Service reported 1,695 closings of residential sales in Westchester during the first quarter of 2003, almost 7% fewer than last year's first quarter count. Putnam County's 223 closings were down by 10%. The closings largely reflected sales activity that took place in the period November 2002 through January 2003.

On a seasonally adjusted¹ basis the first quarter of 2003 actually outperformed the prior two quarters of 2002 by a few percentage points but only because of a fast pace in the condominium and cooperative sectors that offset significant retrenchment in the single family house sector. House sales in Westchester were nearly 14% fewer than in the first quarter of 2002; in Putnam County the fall-off was 11%. Westchester condo and co-op sales, on the other hand, were up by 10% and 5%, respectively.

The supply of units for sale normally increases from the fourth quarter to the subsequent first quarter, and it did so during this report period as well. In Westchester, the 4,369 residential units on hand at the end of the first quarter were 18% more than were available at the close of 2002, an increase that was larger than that which might be expected from seasonality alone. Inventory also increased in Putnam County although by lesser percentages. On a year-to-year basis, the first quarter inventory was 13% larger than in 2002.

Inventory has gradually bulked up since the beginning of 2002 and appears to be continuing that trend into the 2003 market. However, it is important to note that the current level of inventory still is far removed from the levels of 6,000 units or more that prevailed prior to the local record-setting sales year of 1999. Any assessment of the Westchester-Putnam real estate market must take into account the overarching fact that in relation to demand, there is a seriously short supply of for-sale housing of all types, a circumstance that will limit sales volume and place upward pressure on prices for the foreseeable future.

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FIRST QUARTER COMPARISONS, 2000 - 2003

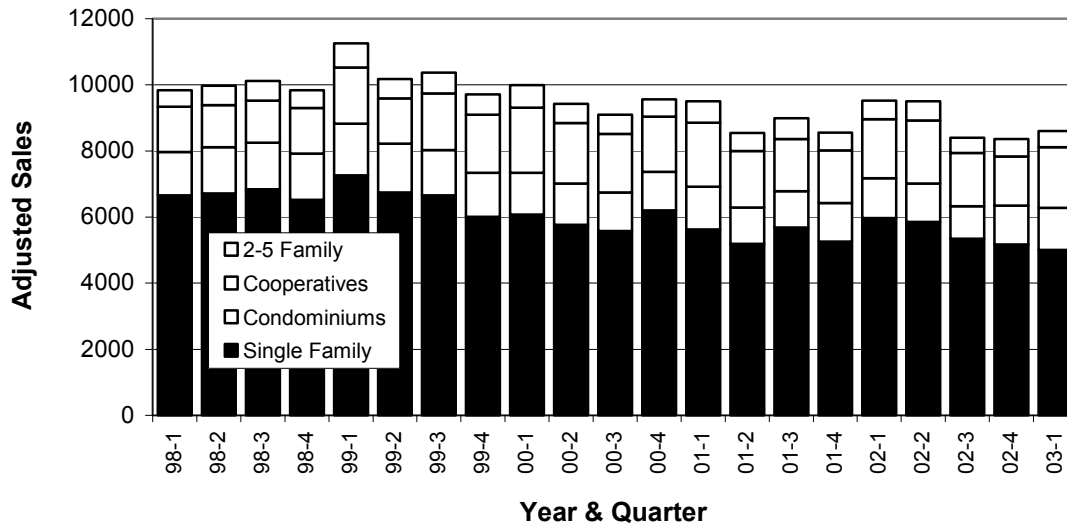
Type Of Property	NUMBER OF SALES				Change 02-03	
	1st 00	1st 01	1st 02	1st 03	Amount	Percent
Westchester County						
Single Family Houses	1,059	1,004	1,092	942	(150)	-13.7%
Condominiums	220	232	224	246	22	9.8%
Cooperatives	373	378	367	387	20	5.4%
2-5 Family Houses	146	144	130	120	(10)	-7.7%
Total	1,798	1,758	1,814	1,695	(119)	-6.6%
Putnam County						
Single Family Houses	208	189	220	197	(23)	-10.5%
Condos & Co-ops	44	30	28	26	(2)	-7.1%
Total	252	219	248	223	(25)	-10.1%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 02-03	
	1st 00	1st 01	1st 02	1st 03	Amount	Percent
Westchester County						
Single Family Houses	542.3	565.7	678.5	650.2	(28.3)	-4.2%
Condominiums	42.3	53.2	63.3	77.2	14.0	22.1%
Cooperatives	29.1	34.4	41.8	53.6	11.8	28.2%
2-5 Family Houses	35.3	41.6	45.9	48.7	2.8	6.0%
Total	649.0	694.9	829.5	829.9	0.4	0.1%
Putnam County						
Single Family Houses	49.3	45.2	70.6	73.5	2.9	4.1%
Condos & Co-ops	6.0	4.4	5.0	5.2	0.2	4.0%
Total	55.3	49.6	75.6	78.7	3.1	4.1%

Type Of Property	MEDIAN SALE PRICE				Change 02-03	
	1st 00	1st 01	1st 02	1st 03	Amount	Percent
Westchester County						
Single Family Houses	372,000	412,500	469,100	525,500	56,400	12.0%
Condominiums	158,000	212,000	239,500	275,500	36,000	15.0%
Cooperatives	64,500	69,000	90,000	115,000	25,000	27.8%
2-5 Family Houses	230,000	280,000	336,500	382,550	46,050	13.7%
Putnam County						
Single Family Houses	227,500	223,500	285,000	340,000	55,000	19.3%
Condos & Co-ops	150,000	150,000	183,750	212,750	29,000	15.8%

Type Of Property	MEAN SALE PRICE				Change 02-03	
	1st 00	1st 01	1st 02	1st 03	Amount	Percent
Westchester County						
Single Family Houses	512,133	563,435	621,323	690,211	68,888	11.1%
Condominiums	192,380	229,382	282,375	313,676	31,301	11.1%
Cooperatives	77,980	91,015	113,905	138,393	24,488	21.5%
2-5 Family Houses	241,798	289,057	353,364	405,705	52,341	14.8%
Putnam County						
Single Family Houses	236,949	247,611	320,967	372,952	51,985	16.2%
Condos & Co-ops	136,727	145,825	178,692	199,826	21,134	11.8%

SEASONALLY ADJUSTED QUARTERLY SALES Westchester County



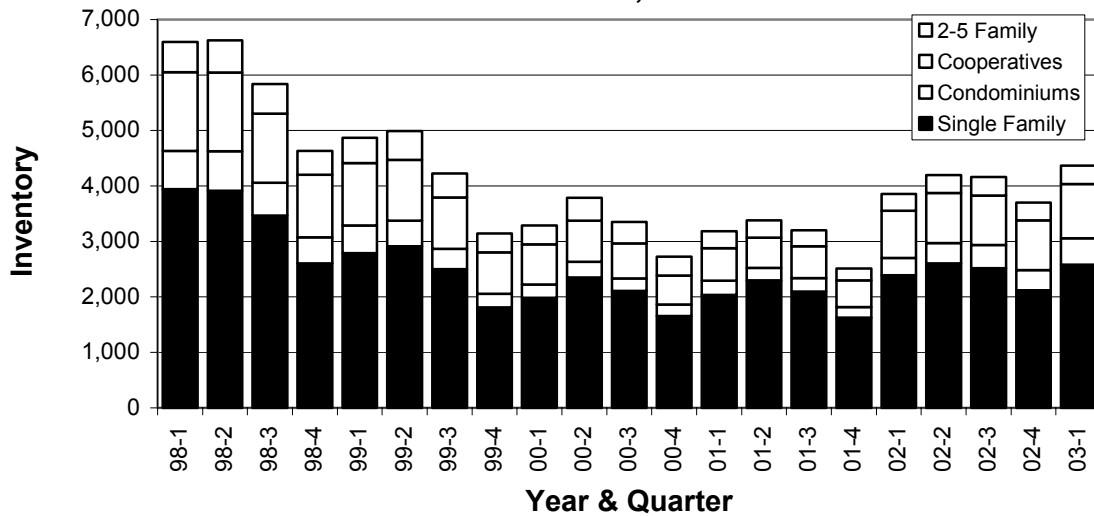
SEASONALLY ADJUSTED QUARTERLY SALES

Property Type	2001 1st	2001 2nd	2001 3rd	2001 4th	2002 1st	2002 2nd	2002 3rd	2002 4th	2003 1st	%Change 2002/4- 2003/1
Westchester County										
Single Family	5,620	5,190	5,680	5,260	5,970	5,860	5,340	5,170	5,010	-3.1%
Condominiums	1,300	1,100	1,100	1,160	1,210	1,150	990	1,180	1,270	7.6%
Cooperatives	1,940	1,710	1,580	1,600	1,780	1,910	1,610	1,480	1,830	23.6%
2-5 Family	640	550	630	540	560	580	460	530	490	-7.5%
Total	9,500	8,550	8,990	8,560	9,520	9,500	8,400	8,360	8,600	2.9%
Putnam County										
Single Family	1,050	1,040	1,020	1,010	1,210	1,300	920	970	1,030	6.2%
Condos+Co-ops	160	170	210	150	140	200	140	170	130	-23.5%
Total	1,210	1,210	1,230	1,160	1,350	1,500	1,060	1,140	1,160	1.8%

That imbalance of supply and demand accounts for much of the first quarter's high prices in relation to those of a year ago. The first quarter median sale price² of a single family house in Westchester was \$525,500, 12% above last year's price. In Putnam County, the \$340,000 median was 19% higher. The median price of a Westchester condominium increased by 15% to \$275,000. The median price of a cooperative unit increased by 28% to \$115,000.

There had been some speculation in the closing months of 2002 that local prices were softening or would soon do so, particularly in the high-end of the single family house market. Some analysts went so far as to predict that a pricing "bubble" was about to burst. However, the data from the first quarter postings show otherwise.

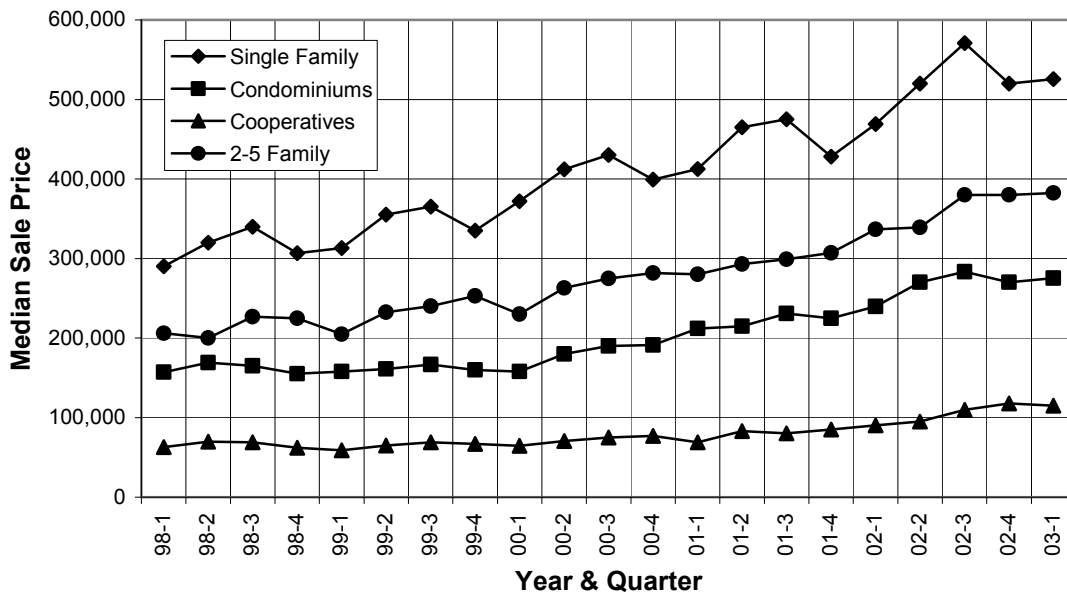
**END OF QUARTER INVENTORY
Westchester, 1998-2003**



Type Of Property	END OF QUARTER INVENTORY				Change 02-03	
	1st 00	1st 01	1st 02	1st 03	Amount	Percent
Westchester County						
Single Family Houses	1,980	2,036	2,392	2,583	191	8.0%
Condominiums	247	259	309	474	165	53.4%
Cooperatives	724	586	852	978	126	14.8%
2-5 Family Houses	337	303	303	334	31	10.2%
Total	3,288	3,184	3,856	4,369	513	13.3%
Putnam County						
Single Family Houses	550	522	630	706	76	12.1%
Condos & Co-ops	54	32	61	61	-	0.0%
Total	604	554	691	767	76	11.0%

First, mean (“average”) sales prices² in all four residential categories tracked by the Westchester-Putnam MLS increased by roughly the same rates as did median sales prices. This suggests that price appreciation occurred fairly evenly both among and within these categories over all or most price ranges. Second, an examination of unpublished sales distribution data by price ranges supports this conclusion including, specifically, for so-called high end properties. For example, in Westchester, sales of million-dollar-plus houses accounted for 12% of all sales in the first quarter of 2002, and 14% in the first quarter of 2003. In the \$500,000 to \$999,999 range, the shares of total sales were 35% in the first quarter of 2002 and 39% in 2003. Even after adjustment for “bracket creep” it is plain that the high end held its share, albeit of a smaller market overall. There just is no evidence of a bubble of any kind in our local market.

MEDIAN SALE PRICE Westchester County



Thus sales volume continues to be suppressed below what it could be, and prices boosted, by the low inventory problem. At the same time during this period there was a loss of motivation by some potential homebuyers, brought on by negative political and economic circumstances including the then-brewing conflict in Iraq, the mostly downward-trending volatility in the stock market, reports of unfavorable economic conditions and employment prospects in general, and forecasts of large tax increases to pay for deficits at all levels of government. Virtually the only good news for homebuyers during the period was the steady decline of mortgage interest rates to new record-lows.

Even the weather contributed to the sales slowdown. Although the well known seasonality of real estate is based more on the school “season” than the weather seasons, the particularly harsh and snowy winter of 2002-2003 did take its toll on marketing activity and therefore sales. The area’s Realtors reported that it was more difficult to make or keep appointments and that transactions were slowed as a result.

It is difficult to present an outlook for the second quarter and beyond. Much depends on how the region’s homebuyers, in February, March and April, reacted to the war with Iraq. First there was the tension of the threatening build-up to war that likely would have troubled prospective purchasers. However, that was followed by the fairly quick and trouble-free prosecution of the conflict. Since the period consisted more of the former than the latter, we might expect second-quarter sales volume to be down from last year, too. However, if there are no long-term messy consequences from the war and the national economy begins to rebound, the Westchester-Putnam market will be poised for a quick recovery in the third quarter of this year.

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.

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.*