



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

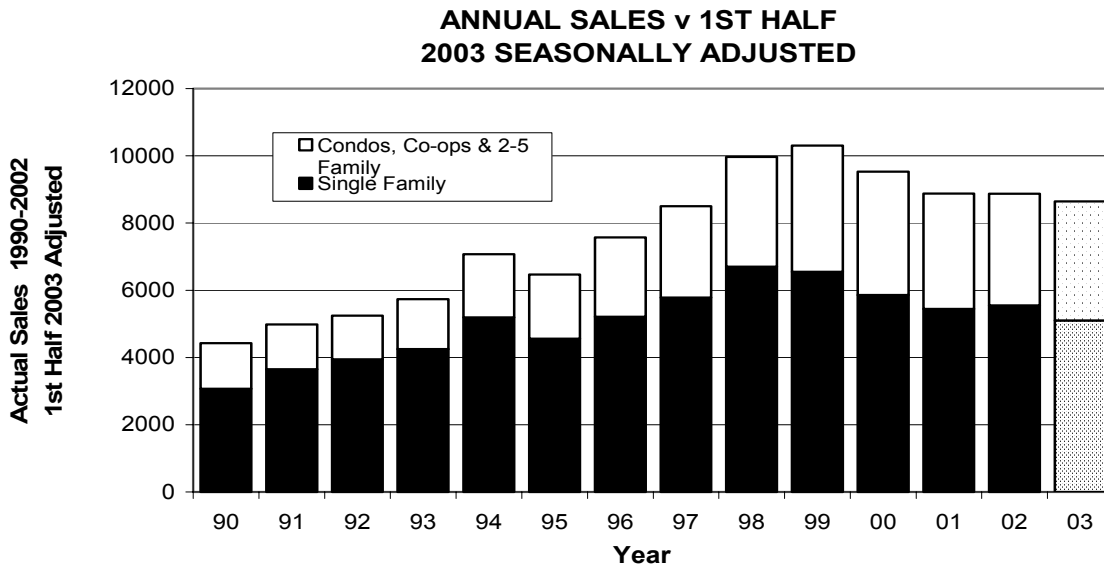
July 29, 2003

Lower sales volume, increased inventory, and higher prices once again defined the area’s real estate market in a pattern that has become well established since the peak sales years of 1998, 1999 and 2000 in the Westchester-Putnam region.

Realtor firms participating in the Westchester-Putnam Multiple Listing Service reported 2,041 closed residential real estate sales in Westchester County during April, May and June of 2003, a level that was 12% below last year’s tally for the similar period. In Putnam County the year to year decline was 18%. The closings largely resulted from listing and marketing activity that took place during February through April of 2003.

Most of the decrease occurred in the single-family house sector – down 19% in Westchester and 22% in Putnam. Multi-family house sales also dropped from last year’s level. Cooperative unit sales hardly changed at all, and condominium sales increased by 4% in Westchester and 7% in Putnam in comparison to last year.

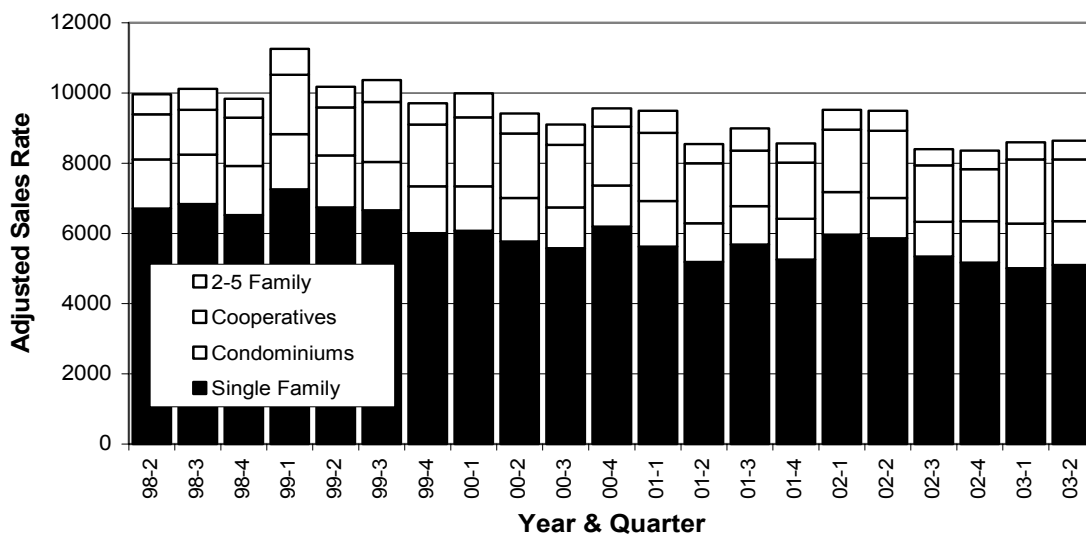
The phenomenon of year-to-year generally declining sales in recent quarters is not a signal of a troubled housing market but rather needs to be evaluated in a multi-year context. The



Westchester-Putnam region started the decade of the nineties with a real estate recession in the summer of 1990. The area quickly recovered and sales volumes steadily increased to 1997. In 1998, however, there was a disproportionately large increase in sales volume followed by two more very high performance years.

Since the 1998-2000 period the local market has been easing off its prior breakneck pace but is still running hot in comparison to most of the 1990s. Seasonally adjusted<sup>1</sup>, the 2003 second quarter sales were equivalent to an annual sales rate of 8,640 units – not much different than the first quarter rate of 8,600 units. If this pace is maintained for the rest of the year, 2003 will turn out to be the sixth heaviest sales year since the Multiple Listing Service began compiling data in 1981. On the national level, the National Association of Realtors recently forecast that 2003 could set a new sales record.

**SEASONALLY ADJUSTED QUARTERLY SALES  
Westchester County**



**SEASONALLY ADJUSTED QUARTERLY SALES**

Property Type	2001 2nd	2001 3rd	2001 4th	2002 1st	2002 2nd	2002 3rd	2002 4th	2003 1st	2003 2nd	%Change 2003/1st- 2003/2nd
<b>Westchester County</b>										
Single Family	5,190	5,680	5,260	5,970	5,860	5,340	5,170	5,010	<b>5,100</b>	1.8%
Condominiums	1,100	1,100	1,160	1,210	1,150	990	1,180	1,270	<b>1,250</b>	-1.6%
Cooperatives	1,710	1,580	1,600	1,780	1,910	1,610	1,480	1,830	<b>1,760</b>	-3.8%
2-5 Family	550	630	540	560	580	460	530	490	<b>530</b>	8.2%
<b>Total</b>	<b>8,550</b>	<b>8,990</b>	<b>8,560</b>	<b>9,520</b>	<b>9,500</b>	<b>8,400</b>	<b>8,360</b>	<b>8,600</b>	<b>8,640</b>	0.5%
<b>Putnam County</b>										
Single Family	1,040	1,020	1,010	1,210	1,300	920	970	1,030	<b>1,010</b>	-1.9%
Condos+Co-ops	170	210	150	140	200	140	170	130	<b>200</b>	53.8%
<b>Total</b>	<b>1,210</b>	<b>1,230</b>	<b>1,160</b>	<b>1,350</b>	<b>1,500</b>	<b>1,060</b>	<b>1,140</b>	<b>1,160</b>	<b>1,210</b>	4.3%

## SECOND QUARTER COMPARISONS, 2000-2003

Type Of Property	NUMBER OF SALES				Change 02-03	
	2nd 00	2nd 01	2nd 02	2nd 03	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	1,447	1,296	1,444	<b>1,165</b>	(279)	-19.3%
Condominiums	319	287	298	<b>309</b>	11	3.7%
Cooperatives	442	409	453	<b>452</b>	(1)	-0.2%
2-5 Family Houses	134	130	134	<b>115</b>	(19)	-14.2%
<b>Total</b>	<b>2,342</b>	<b>2,122</b>	<b>2,329</b>	<b>2,041</b>	<b>(288)</b>	<b>-12.4%</b>
<b>Putnam County</b>						
Single Family Houses	273	240	302	<b>237</b>	(65)	-21.5%
Condos & Co-ops	52	37	44	<b>47</b>	3	6.8%
<b>Total</b>	<b>325</b>	<b>277</b>	<b>346</b>	<b>284</b>	<b>(62)</b>	<b>-17.9%</b>

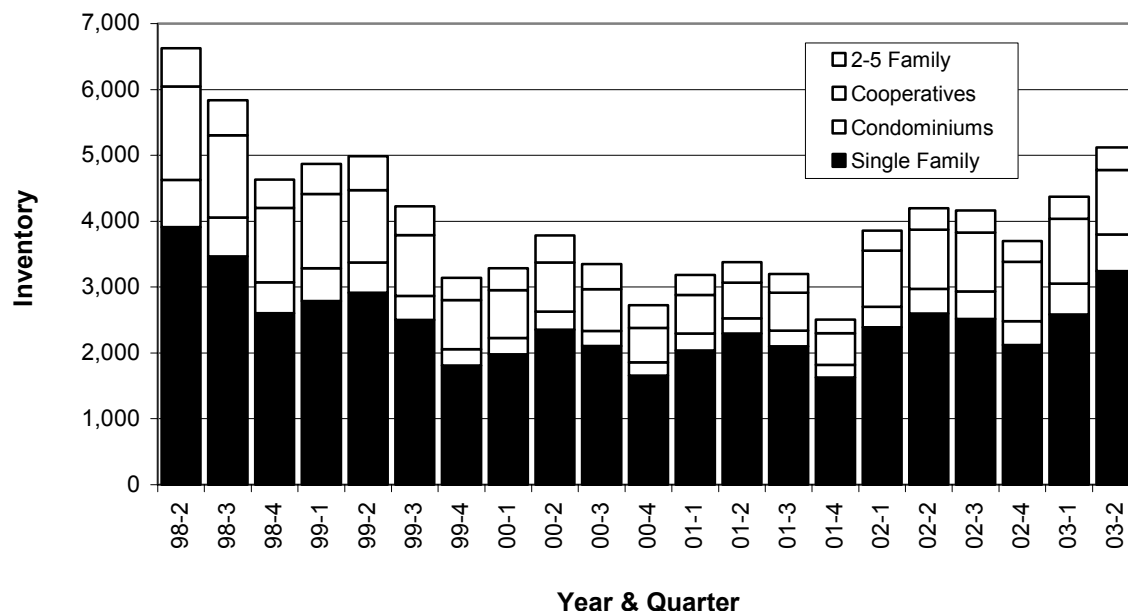
Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 02-03	
	2nd 00	2nd 01	2nd 02	2nd 03	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	838.2	789.4	985.8	<b>861.4</b>	(124.4)	-12.6%
Condominiums	65.2	71.7	85.7	<b>98.3</b>	12.6	14.7%
Cooperatives	39.2	42.9	57.8	<b>68.1</b>	10.3	17.8%
2-5 Family Houses	38.1	38.3	47.6	<b>52.3</b>	4.7	9.9%
<b>Total</b>	<b>981.7</b>	<b>942.3</b>	<b>1,176.9</b>	<b>1,080.2</b>	<b>(96.8)</b>	<b>-8.2%</b>
<b>Putnam County</b>						
Single Family Houses	67.6	65.3	96.0	<b>93.0</b>	(3.0)	-3.1%
Condos & Co-ops	7.0	6.2	8.0	<b>11.1</b>	3.0	37.5%
<b>Total</b>	<b>74.6</b>	<b>71.5</b>	<b>104.0</b>	<b>104.0</b>	<b>(0.0)</b>	<b>0.0%</b>

### Inventory

The flip side of the sales volume coin, and the main factor blocking Westchester-Putnam from the potential new sales records that may be enjoyed by the rest of the country, is the continuing shortage of inventory even as the level of inventory has increased by more than 20% over the past year. In Westchester County there were 5,122 listed residential units at the close of the second quarter compared to 4,198 a year ago. In Putnam County the count went from 778 to 942 units.

Again, a longer term perspective is useful for understanding why the persistent accumulation of inventory is not causing price reductions or stimulating increased sales volume as yet. Prior to the 1998-2000 peak market cited above, inventory in Westchester often exceeded 9,000 units. After the period, however, it had been drawn down to as few as 2,500 units. Putnam County had a similar experience. The addition of new inventory in recent quarters is picking up speed, but the actual amount of inventory remains far below what is needed to sustain significantly higher sales volumes.

## END OF QUARTER INVENTORY Westchester, 1998-2003



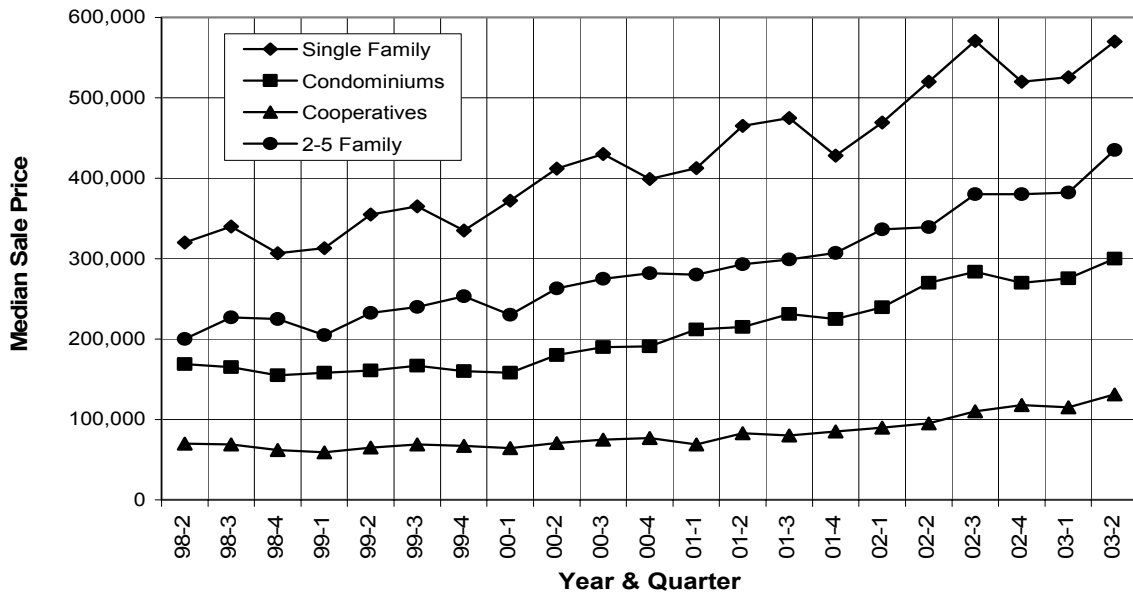
Type Of Property	END OF QUARTER INVENTORY				Change 02-03	
	2nd 00	2nd 01	2nd 02	2nd 03	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	2,351	2,296	2,602	<b>3,243</b>	641	24.6%
Condominiums	280	229	368	<b>557</b>	189	51.4%
Cooperatives	742	545	901	<b>976</b>	75	8.3%
2-5 Family Houses	415	308	327	<b>346</b>	19	5.8%
<b>Total</b>	<b>3,788</b>	<b>3,378</b>	<b>4,198</b>	<b>5,122</b>	<b>924</b>	<b>22.0%</b>
<b>Putnam County</b>						
Single Family Houses	653	553	720	<b>869</b>	149	20.7%
Condos & Co-ops	50	56	58	<b>73</b>	15	25.9%
<b>Total</b>	<b>703</b>	<b>609</b>	<b>778</b>	<b>942</b>	<b>164</b>	<b>21.1%</b>

### Prices

As has been noted in these reports many times before, the natural consequence of short supply in relation to demand is higher prices. The second quarter median sale price<sup>2</sup> of a single family house in Westchester was \$570,000, up by \$50,000 or nearly 10% from that of a year ago. In Putnam County the median house price increased by 28% to \$355,000, a figure that was the Westchester median as recently as 1999.

The median for a Westchester condominium reached \$300,000, an increase of \$30,000 or 11% from last year. The highest percentage increase - 38% - occurred among Westchester cooperative units where the median progressed from \$95,000 in 2002 to \$131,000 in the second quarter of 2003. The co-op price increase was fueled not only by across the board, competition - stimulated price appreciation, but also by a surge of sales in the range of \$160,000 to \$250,000. Luxury co-op sales have increased, too; there have been 16 sales in excess of \$500,000 thus far in 2003.

### MEDIAN SALE PRICES Westchester County



Type Of Property	MEDIAN SALE PRICE				Change 02-03	
	2nd 00	2nd 01	2nd 02	2nd 03	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	412,000	465,000	520,000	<b>570,000</b>	50,000	9.6%
Condominiums	180,000	215,000	270,000	<b>300,000</b>	30,000	11.1%
Cooperatives	70,500	83,000	95,000	<b>131,000</b>	36,000	37.9%
2-5 Family Houses	263,000	293,000	339,000	<b>435,000</b>	96,000	28.3%
<b>Putnam County</b>						
Single Family Houses	218,360	250,000	283,000	<b>355,000</b>	72,000	25.4%
Condos & Co-ops	141,000	177,000	190,500	<b>242,500</b>	52,000	27.3%

Type Of Property	MEAN SALE PRICE				Change 02-03	
	2nd 00	2nd 01	2nd 02	2nd 03	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	579,240	609,132	682,694	<b>739,399</b>	56,705	8.3%
Condominiums	207,461	250,333	287,592	<b>318,247</b>	30,655	10.7%
Cooperatives	88,744	104,964	127,613	<b>150,660</b>	23,047	18.1%
2-5 Family Houses	284,611	294,387	355,182	<b>454,969</b>	99,787	28.1%
<b>Putnam County</b>						
Single Family Houses	247,638	272,524	317,787	<b>392,213</b>	74,426	23.4%
Condos & Co-ops	134,532	164,896	182,738	<b>235,151</b>	52,413	28.7%

There has been and continues to be no sign at all through the second quarter that any sector of the Westchester-Putnam residential real estate market is resting upon a price bubble. An examination of sales distribution by price ranges indicates that sales shares remained fairly constant among all price ranges including high end houses of \$750,000 and \$1,000,000 or more.

## General Economic Conditions & Outlook

Notwithstanding the sluggish state of the national and state economies during the early part of 2003 (the period that generated the second quarter's closed transactions), very low mortgage interest rates helped sustain a healthy level of home buying activity. The average rate on a 30-year conventional mortgage was under 6% and approached 5% during the period. Although rates have begun to creep up again since the close of the quarter, there is a very long distance to go before such increases become a problem in the real estate market.

In general, those most benefiting from low mortgage interest rates are first-time buyers and other buyers trading up from inexpensive entry level housing. In the Westchester-Putnam area, however, high prices tend to position the down payment as a much more limiting factor for those buyers than monthly carrying costs including mortgage payments. Still, to the extent that the favorable rates have generated activity in the surrounding region, Westchester and Putnam have benefited from the resulting trade-up and inter-county relocation transactions.

The Westchester-Putnam region has also enjoyed a better employment market than New York State and the nation generally. Perceptions about job security or the ability to obtain a job figure highly in the consumer's decision whether to buy a property. Locally the unemployment rate was 4% or less during the period whereas it was mostly over 6% on a statewide basis. The number of employed Westchester-Putnam residents slightly increased during the period as did the number of jobs in our area.

Most analysts are predicting a slow but steady improvement in the economy over the coming months. Under those circumstances there is no reason to believe that the local real estate market will weaken. However, even at the current high rate at which inventory is rebuilding it will probably take at least another year before the supply is such that it can support significantly higher sales volumes or ease the pressure on prices.

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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 600 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.*

<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.*