



Westchester-Putnam Multiple Listing Service, Inc.

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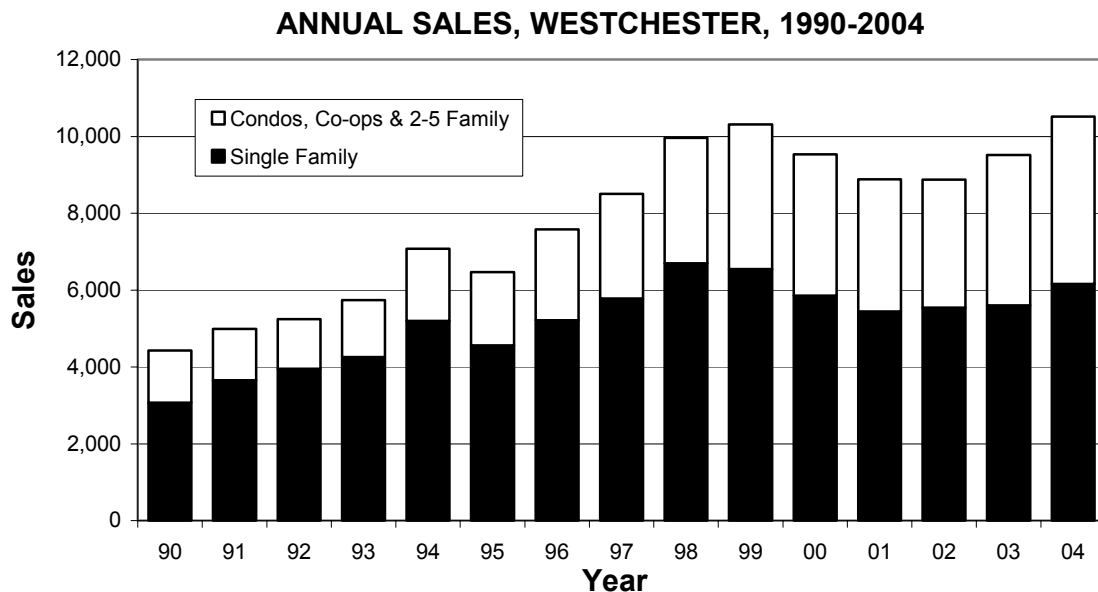
2004 FOURTH QUARTER AND FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

January 31, 2005

2004 was a record-setting year for residential real estate sales in Westchester County. The 10,517 closed sales reported by Realtor firms participating in the Westchester-Putnam Multiple Listing Service surpassed by 2% the prior record of 10,308 sales recorded in 1999, and exceeded 2003's total by 10.5%.

In Putnam County, sales were down 1% from the prior year but 2004 was nevertheless the third-highest volume year after 1999 and 2003. The total dollar volume of sales in Westchester and Putnam Counties combined was a record-high \$6.9 billion.

In Westchester, condominiums and cooperatives accounted for 35% of all residential sales compared to 30% in 1999. Their combined share of sales has steadily increased over the past decade, reflecting their growing proportion of the region's total housing stock as a result of co-op conversions and new condominium construction.



ANNUAL COMPARISONS, 2001- 2004

Type Of Property	NUMBER OF SALES				Change 03 - 04	
	2001	2002	2003	2004	Amount	Percent
Westchester County						
Single Family Houses	5,447	5,546	5,601	6,157	556	9.9%
Condominiums	1,152	1,118	1,404	1,438	34	2.4%
Cooperatives	1,689	1,680	1,975	2,203	228	11.5%
<u>2-5 Family Houses</u>	<u>591</u>	<u>529</u>	<u>539</u>	<u>719</u>	<u>180</u>	<u>33.4%</u>
Total	8,879	8,873	9,519	10,517	998	10.5%
Putnam County						
Single Family Houses	1,039	1,089	1,172	1,139	(33)	-2.8%
<u>Condos & Co-ops</u>	<u>175</u>	<u>161</u>	<u>173</u>	<u>191</u>	<u>18</u>	<u>10.4%</u>
Total	1,214	1,250	1,345	1,330	(15)	-1.1%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 03 - 04	
	2001	2002	2003	2004	Amount	Percent
Westchester County						
Single Family Houses	3,207.5	3,808.4	4,128.2	5,103.2	975.0	23.6%
Condominiums	291.1	332.9	469.9	534.4	64.5	13.7%
Cooperatives	172.2	216.4	294.6	376.7	82.1	27.9%
<u>2-5 Family Houses</u>	<u>182.7</u>	<u>198.5</u>	<u>237.3</u>	<u>361.7</u>	<u>124.4</u>	<u>52.4%</u>
Total	3,853.6	4,556.2	5,130.0	6,376.0	1,246.0	24.3%
Putnam County						
Single Family Houses	290.6	372.1	458.2	481.5	23.3	5.1%
<u>Condos & Co-ops</u>	<u>27.8</u>	<u>30.6</u>	<u>38.4</u>	<u>45.3</u>	<u>6.9</u>	<u>18.0%</u>
Total	318.4	402.7	496.6	526.8	30.2	6.1%

Type Of Property	MEDIAN SALE PRICE				Change 03 - 04	
	2001	2002	2003	2004	Amount	Percent
Westchester County						
Single Family Houses	449,900	525,000	564,000	645,000	81,000	14.4%
Condominiums	220,500	266,000	305,000	339,450	34,450	11.3%
Cooperatives	80,000	100,000	126,250	149,000	22,750	18.0%
2-5 Family Houses	295,000	355,000	425,500	480,000	54,500	12.8%
Putnam County						
Single Family Houses	251,750	305,000	351,000	385,000	34,000	9.7%
Condos & Co-ops	161,000	193,000	230,000	242,500	12,500	5.4%

Type Of Property	MEAN SALE PRICE				Change 03 - 04	
	2001	2002	2003	2004	Amount	Percent
Westchester County						
Single Family Houses	588,860	687,443	737,038	828,852	91,814	12.5%
Condominiums	253,218	297,308	334,696	371,653	36,957	11.0%
Cooperatives	101,969	128,104	149,151	170,993	21,842	14.6%
2-5 Family Houses	309,201	374,119	440,243	503,138	62,895	14.3%
Putnam County						
Single Family Houses	281,776	342,585	390,925	422,818	31,893	8.2%
Condos & Co-ops	158,738	189,081	221,961	237,234	15,273	6.9%

There were several reasons why 2004 was such a strong year for real estate, foremost among them mortgage interest rates that were low all year long, thus rendering more affordable the large loans needed in this region's expensive housing market. The year began with rates as low as 6% on 30-year conventional mortgages. Average rates increased to about 6.5% by the springtime but steadily fell back to 6% and less as the year progressed. Neither the prospect nor actual fact of upward adjustments in the Federal Reserve Bank's discount rate seemed to effect long term mortgage interest rates.

Another factor sustaining high sales volume was the stability of the downstate area's economy which instilled confidence in prospective purchasers about job security and availability, thereby supporting their interest in entering the housing market. Westchester's unemployment rate fell to around 4% by mid-year - and stayed there. Job growth, though slight at about 1% for the year, nevertheless was positive.

New York City's vigorous real estate market contributed to Westchester's market, too. The rapid price appreciation of the city's owner-occupied stock, particularly among condos and co-ops in certain Manhattan neighborhoods, where some sources indicated that the average price reached one million dollars, enabled many owners there to relocate into Westchester's high-end single family house market. But there were plenty of Westchester homeowners who also had enjoyed high appreciation over a period of time and who were able to parlay their equity into more highly priced trade-up transactions.

The supply of housing for buyers in 2004 generally was very low by long-term historical standards, but pulled ahead of 2003's inventory by the second quarter of the year, reflecting decisions by prospective sellers to list their properties in what they perceived to be an advantageous market for them. Westchester's 2004 year-end inventory was up by 15% from 2003, and Putnam's inventory was up by 13%. The amount of inventory formation was enough to support the high sales volume but was not enough to ease the upward pressure on prices.

Type Of Property	INVENTORY AT DECEMBER 31				Change 03 - 04	
	2001	2002	2003	2004	Amount	Percent
Westchester County						
Single Family Houses	1,625	2,121	2,026	2,273	247	12.2%
Condominiums	193	364	334	397	63	18.9%
Cooperatives	481	897	748	853	105	14.0%
<u>2-5 Family Houses</u>	<u>211</u>	<u>318</u>	<u>328</u>	<u>430</u>	<u>102</u>	<u>31.1%</u>
Total	2,510	3,700	3,436	3,953	517	15.0%
Putnam County						
Single Family Houses	508	673	562	616	54	9.6%
<u>Condos & Co-ops</u>	<u>40</u>	<u>53</u>	<u>41</u>	<u>67</u>	<u>26</u>	<u>63.4%</u>
Total	548	726	603	683	80	13.3%

FOURTH QUARTER COMPARISONS, 2001 - 2004

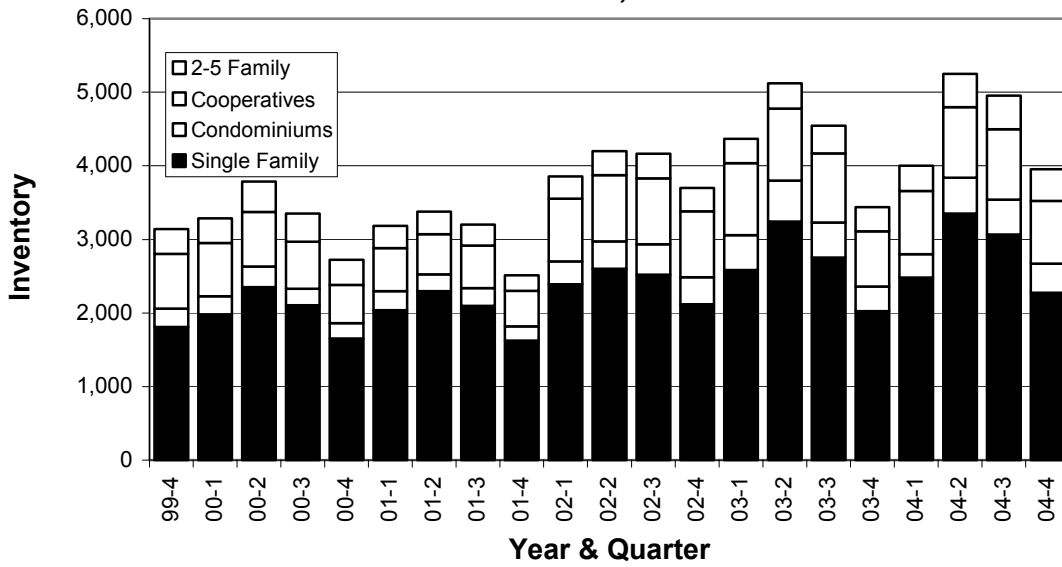
Type Of Property	NUMBER OF SALES				Change 03 - 04	
	4th 01	4th 02	4th 03	4th 04	Amount	Percent
Westchester County						
Single Family Houses	1,239	1,194	1,374	1,430	56	4.1%
Condominiums	293	290	402	361	(41)	-10.2%
Cooperatives	447	409	537	562	25	4.7%
2-5 Family Houses	141	135	150	184	34	22.7%
Total	2,120	2,028	2,463	2,537	74	3.0%
Putnam County						
Single Family Houses	280	268	330	303	(27)	-8.2%
Condos & Co-ops	39	41	50	49	(1)	-2.0%
Total	319	309	380	352	(28)	-7.4%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 03 - 04	
	4th 01	4th 02	4th 03	4th 04	Amount	Percent
Westchester County						
Single Family Houses	801.5	971.3	971.3	1,124.8	153.5	15.8%
Condominiums	86.9	141.9	141.9	136.0	(5.9)	-4.1%
Cooperatives	54.0	82.7	82.7	96.5	13.8	16.7%
2-5 Family Houses	52.8	69.2	69.2	100.2	31.0	44.8%
Total	995.2	1,265.0	1,265.0	1,457.5	192.5	15.2%
Putnam County						
Single Family Houses	99.9	126.9	126.9	131.2	4.3	3.4%
Condos & Co-ops	8.2	11.4	11.4	12.2	0.8	7.3%
Total	108.1	138.2	138.2	143.4	5.2	3.7%

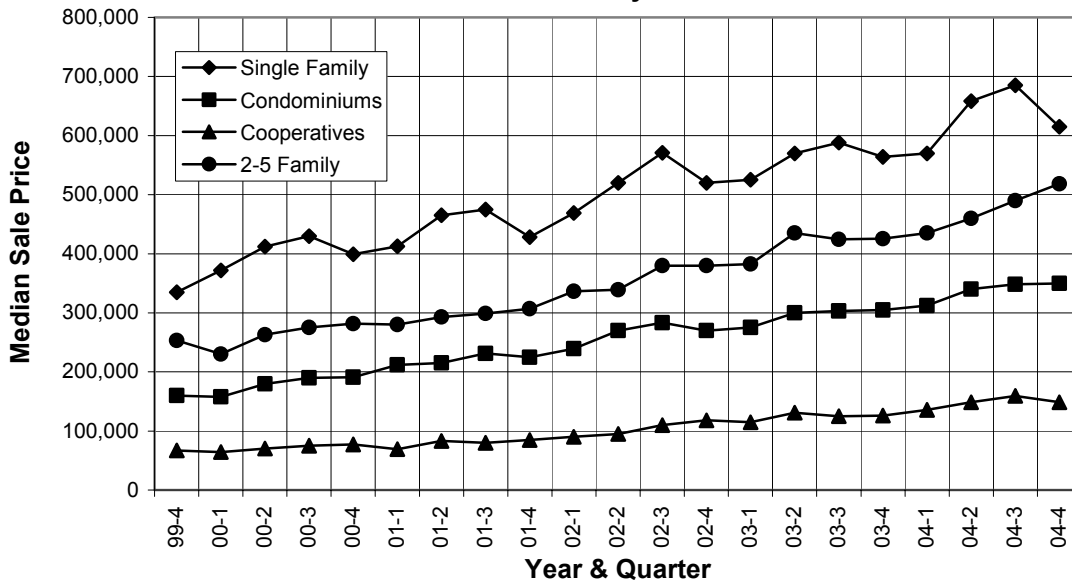
Type Of Property	MEDIAN SALE PRICE				Change 03 - 04	
	4th 01	4th 02	4th 03	4th 04	Amount	Percent
Westchester County						
Single Family Houses	428,000	520,000	545,500	615,000	69,500	12.7%
Condominiums	225,000	270,000	322,500	350,000	27,500	8.5%
Cooperatives	85,000	118,000	130,000	148,750	18,750	14.4%
2-5 Family Houses	307,000	380,000	456,250	518,250	62,000	13.6%
Putnam County						
Single Family Houses	263,000	330,000	349,450	390,000	40,550	11.6%
Condos & Co-ops	145,000	205,000	232,000	257,500	25,500	11.0%

Type Of Property	MEAN SALE PRICE				Change 03 - 04	
	4th 01	4th 02	4th 03	4th 04	Amount	Percent
Westchester County						
Single Family Houses	539,270	671,303	706,893	786,583	79,690	11.3%
Condominiums	255,591	299,744	352,927	376,639	23,712	6.7%
Cooperatives	110,845	131,910	153,936	171,791	17,855	11.6%
2-5 Family Houses	333,904	391,322	461,335	544,664	83,329	18.1%
Putnam County						
Single Family Houses	304,147	372,775	384,437	433,110	48,673	12.7%
Condos & Co-ops	144,176	199,217	227,350	249,147	21,797	9.6%

END OF QUARTER INVENTORY Westchester, 1999-2004



MEDIAN SALE PRICE Westchester County 1999-2004



In Westchester, the 2004 median sale prices¹ of all four property categories tracked by the Westchester-Putnam MLS were higher than 2003's medians by double digit percentages, and all of them established annual records. The full-year median sale price of a single family house in Westchester was \$645,000, an increase of \$81,000 or 14% over 2003. In Putnam County the median sale price of a single family house increased from 2003 by \$34,000 or 10%, to \$385,000. Westchester co-op prices increased by a very substantial 18% to a median of \$149,000 for the year.

Mean sale prices¹ increased by roughly comparable percentages, and this fact, together with unpublished price bracket distribution data available to WPMLS, suggested that all segments of the market experienced roughly equal price appreciation over the course of the year.

After several years of large annual price increases, the whole market - but particularly the single family house sector - clearly has tilted to the upper price ranges. For example, in 2004 about 21% of all single family house sales were for \$1,000,000 or more. Another 18% sold in the range of \$750,000 to \$1,000,000. Those percentages in the prior record year of 1999 were just 6% in each case.

SEASONALLY ADJUSTED QUARTERLY SALES

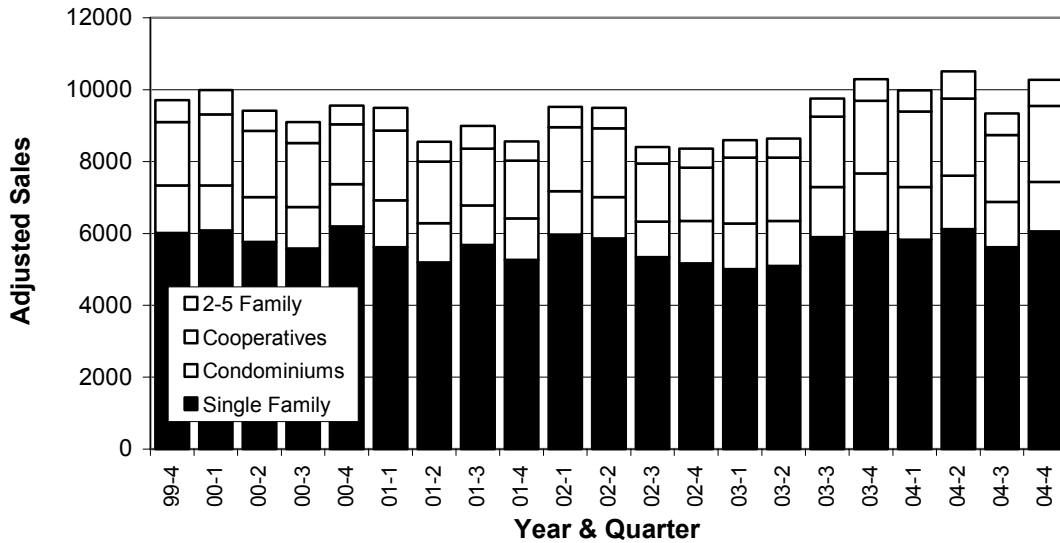
Property Type	2002 4th	2003 1st	2003 2nd	2003 3rd	2003 4th	2004 1st	2004 2nd	2004 3rd	2004 4th	%Change 2004/3- 2004/4
Westchester County										
Single Family	5,170	5,010	5,100	5,900	6,040	5,830	6,120	5,620	6,060	7.8%
Condominiums	1,180	1,270	1,250	1,390	1,630	1,460	1,490	1,260	1,370	8.7%
Cooperatives	1,480	1,830	1,760	1,960	2,020	2,100	2,140	1,860	2,120	14.0%
2-5 Family	<u>530</u>	<u>490</u>	<u>530</u>	<u>500</u>	<u>600</u>	<u>590</u>	<u>760</u>	<u>600</u>	<u>720</u>	20.0%
Total	8,360	8,600	8,640	9,750	10,290	9,980	10,510	9,340	10,270	10.0%
Putnam County										
Single Family	970	1,030	1,010	1,260	1,300	1,080	1,190	1,090	1,120	2.8%
Condos+Co-ops	<u>170</u>	<u>130</u>	<u>200</u>	<u>140</u>	<u>220</u>	<u>180</u>	<u>170</u>	<u>190</u>	<u>200</u>	5.3%
Total	1,140	1,160	1,210	1,400	1,520	1,260	1,360	1,280	1,320	3.1%

Fourth quarter activity mirrored that of the year as a whole. The 2,537 Westchester closings were the most for any fourth quarter and were 3% more than last year's fourth quarter total. Those closings largely reflected listing and marketing activity that occurred in the late summer and early autumn months. Putnam County did not fare as well; its fourth quarter closings were down by 7% from last year.

However, when seasonally adjusted², the fourth quarter rates for both Westchester and Putnam Counties were running at a high level in comparison to the first three quarters of the year. In Westchester, the seasonally adjusted rate of 10,270 sales was 10% higher than that of the third quarter; in Putnam County the adjusted rate of 1,320 sales was 3% higher.

Fourth quarter prices tracked the double digit increases of the year as a whole. The median sale price of a Westchester single family house was \$615,000, up \$69,500 or 12.7% from last year. Putnam's median of \$390,000 was up \$40,550 or 11.6%.

**SEASONALLY ADJUSTED QUARTERLY SALES
Westchester County 1999-2004**



A Look Ahead

2005 kicks off with strong momentum from 2004 including the fourth quarter thereof. The pattern of inventory formation of the past eighteen months, if it continues into 2005, seems sufficient to support a high rate of sales.

There are no obvious problems looming in the region’s economy. Commercial brokers are forecasting a strong year for the County’s office market, with corporate relocations bringing new jobs – hence new housing demand – to our area. No large-scale downsizings are known or anticipated, and the unemployment rate is widely expected to stay flat or even decrease from its current low level. Further, the general economy as well as the real estate market in New York City – a major supplier of purchasers of Westchester real estate – is giving no signals of decline.

However, nearly every analyst expects mortgage interest rates to increase throughout 2005. Most analysts are forecasting a series of small increases accumulating to about one to one and one-half percentage points over the course of the year. If that is accurate there will be only a moderate negative effect on our area’s real estate market. The hardest hit will be entry-level buyers who already are struggling to afford even the below-median range of the single-family house market, and who increasingly will need to look to condominiums and cooperatives for their homeownership goals. Trade-up buyers on the other hand, whether from New York City or the Westchester-Putnam region, relying more on equity in their current property than on cash savings, will not be as strongly affected by moderate increases in mortgage interest rates.

Thus 2005 is expected to be a strong year for real estate sales, perhaps ranking among the top three or four high-volume years, but it probably will not be a record-setting year. Further, considering the enormous price appreciation of the past three years there is a strong likelihood that the rate of increase will abate, especially in the high-end segment of the market. Single digit price increases, perhaps around 7-8%, are the more likely outcome.

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 800 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, but not altered, with attribution to Westchester-Putnam Multiple Listing Service, Inc. as the source.

Note to parties who record and maintain data from these sales reports: This fourth quarter 2004 report contains a page of tables titled "2004 PRIOR QUARTER ADJUSTED SALES DATA" that include real estate sales reported to the Westchester-Putnam Multiple Listing Service after the quarter during which the transactions occurred, i.e., late-reported transactions not included in the original quarterly sales reports. The 2004 fourth quarter data are included for convenient comparison and data entry.

¹ *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 sales at very low or very high prices.*

² *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.*

2004 PRIOR QUARTER ADJUSTED SALES DATA

Reflecting late-reported sales by MLS Participants

NUMBER OF SALES				
Type Of Property	1st 04	2nd 04	3rd 04	4th 04
Westchester County				
Single Family Houses	1,089	1,530	2,108	1,430
Condominiums	281	382	414	361
Cooperatives	456	561	624	562
2-5 Family Houses	148	186	201	184
Total	1,974	2,659	3,347	2,537
Putnam County				
Single Family Houses	203	290	343	303
Condos & Co-ops	32	46	64	49
Total	235	336	407	352
DOLLAR VOLUME OF SALES (\$Millions)				
Type Of Property	1st 04	2nd 04	3rd 04	4th 04
Westchester County				
Single Family Houses	807.5	1,307.0	1,863.9	1,124.8
Condominiums	99.2	143.3	155.9	136.0
Cooperatives	69.5	93.7	117.0	96.5
2-5 Family Houses	67.5	90.2	103.8	100.2
Total	1,043.7	1,634.2	2,240.6	1,457.5
Putnam County				
Single Family Houses	78.6	122.6	149.1	131.2
Condos & Co-ops	6.8	10.7	15.6	12.2
Total	85.4	133.3	164.7	143.4
MEDIAN SALE PRICE				
Type Of Property	1st 04	2nd 04	3rd 04	4th 04
Westchester County				
Single Family Houses	570,000	658,250	685,000	615,000
Condominiums	312,450	340,000	348,250	350,000
Cooperatives	135,500	148,500	159,250	148,750
2-5 Family Houses	435,000	460,000	490,000	518,250
Putnam County				
Single Family Houses	340,000	399,950	385,000	390,000
Condos & Co-ops	209,950	237,750	255,000	257,500
MEAN SALE PRICE				
Type Of Property	1st 04	2nd 04	3rd 04	4th 04
Westchester County				
Single Family Houses	741,499	854,280	884,108	786,583
Condominiums	353,136	375,205	376,598	376,639
Cooperatives	152,364	166,955	187,517	171,791
2-5 Family Houses	456,315	485,060	516,328	544,684
Putnam County				
Single Family Houses	387,011	422,929	434,824	433,110
Condos & Co-ops	214,057	232,373	243,314	249,147