



Westchester-Putnam Multiple Listing Service, Inc.

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2004 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT

July 28, 2004

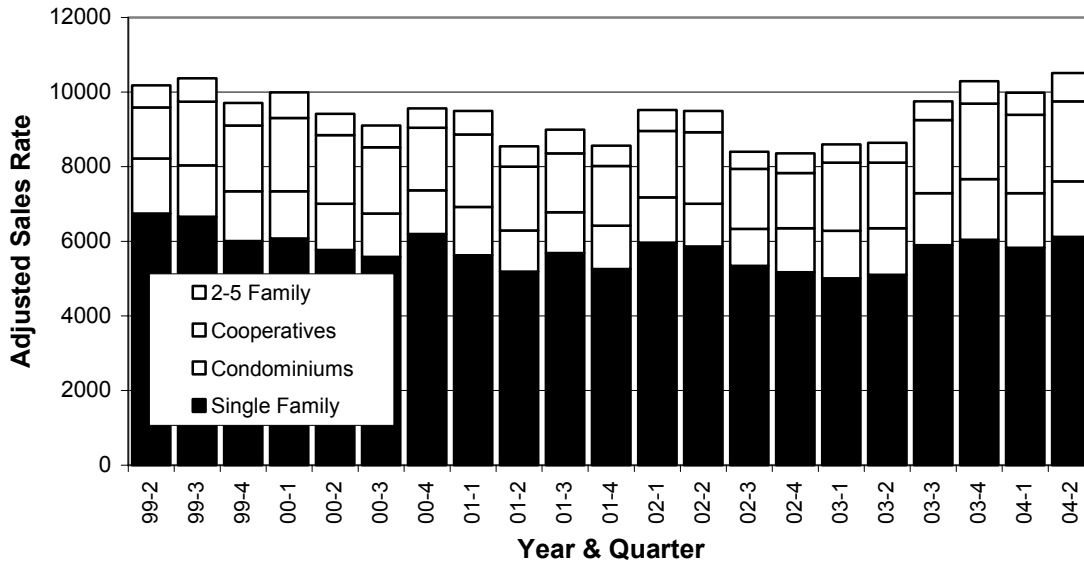
Realtor offices participating in the Westchester-Putnam Multiple Listing Service reported record setting residential real estate sales volumes and prices during the second quarter of 2004. The reported 2,531 closed sales in Westchester County were the most for any second quarter, eclipsing the prior record of 2,509 sales set in 1998, and overall they were 24% above last year's level. Putnam County's 327 sales were the second highest since 2002 and were 15% above last year's level. The second quarter closings largely reflected market activity that took place from January into April, which encompasses much of the customary peak spring sales season.

On a seasonally adjusted¹ basis, Westchester's second-quarter ran at an equivalent annual rate of 10,510 sales, placing it as the second most energetic quarter since the beginning of 1999 when an adjusted rate of 11,260 sales was achieved. Overall for Westchester, the second quarter adjusted rate picked up by a very healthy 5.3% from the first quarter rate; the increase was an even better 7.9% for Putnam County.

During the time these sold and closed properties were first listed and marketed, the mortgage interest rate situation was an important factor in the market. In January, the average rate on a 30-year conventional mortgage was about 6.0%, and it declined thereafter to about 5.5% by the beginning of March. Such historically low rates make housing much more affordable by reducing the monthly carrying costs for a given investment, and therefore bring more buyers into the market. However, in mid-March, the average rate began to climb again, to about 6.5% by May, and there was much talk about further increases later in the year. Typically, when consumers perceive that mortgage interest rates are or will be increasing, many of them accelerate their purchasing decisions, and this was the case in our area as well as in the rest of the country.

In addition to the stimulus from mortgage rates, our local real estate market was powered by generally favorable conditions in our local economy including reports of new corporate relocations to Westchester as well as stability in the labor market. The number of employed residents remained fairly steady as did the seasonally adjusted unemployment rate which has hovered around 4% for more than two years now. Confidence in one's employment is a very important factor in the home buying decision.

**SEASONALLY ADJUSTED QUARTERLY SALES
Westchester County**



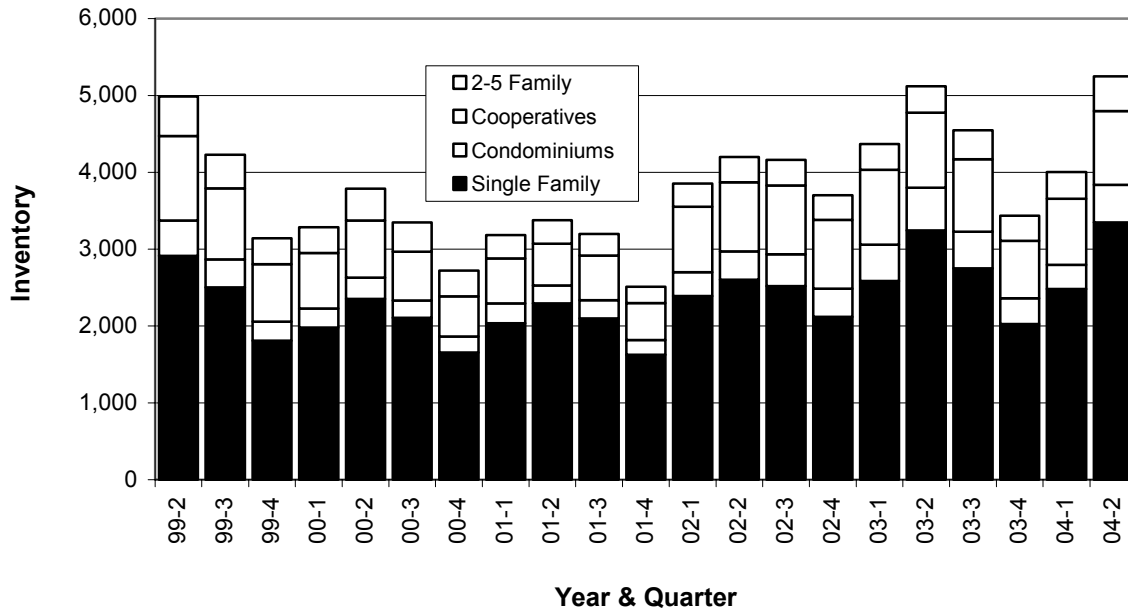
SEASONALLY ADJUSTED QUARTERLY SALES

Property Type	2002 2nd	2002 3rd	2002 4th	2003 1st	2003 2nd	2003 3rd	2003 4th	2004 1st	2004 2nd	%Change 2004/1st- 2004/2nd
Westchester County										
Single Family	5,860	5,340	5,170	5,010	5,100	5,900	6,040	5,830	6,120	5.0%
Condominiums	1,150	990	1,180	1,270	1,250	1,390	1,630	1,460	1,490	2.1%
Cooperatives	1,910	1,610	1,480	1,830	1,760	1,960	2,020	2,100	2,140	1.9%
2-5 Family	580	460	530	490	530	500	600	590	760	28.8%
Total	9,500	8,400	8,360	8,600	8,640	9,750	10,290	9,980	10,510	5.3%
Putnam County										
Single Family	1,300	920	970	1,030	1,010	1,260	1,300	1,080	1,190	10.2%
Condos+Co-ops	200	140	170	130	200	140	220	180	170	-5.6%
Total	1,500	1,060	1,140	1,160	1,210	1,400	1,520	1,260	1,360	7.9%

Notwithstanding the high volume of sales, the second quarter closed with an inventory of 5,250 units in Westchester, a 2.5% increase over last year's level at quarter's end. In Putnam County the inventory was down about 2% from last year. In Westchester there were many more new listings placed on the market this year than last: 5,065 in the second quarter of 2004 compared to 4,483 in the same period of 2003.

To the extent that prospective sellers have flexibility with their need or desire to sell, they respond to market conditions as buyers do. It is likely that many sellers, perceiving that prices were increasing, and surmising that the market might cool on account of rising interest rates, placed their properties on the market sooner than they otherwise might have under different conditions.

**END OF QUARTER INVENTORY
Westchester, 1999-2004**

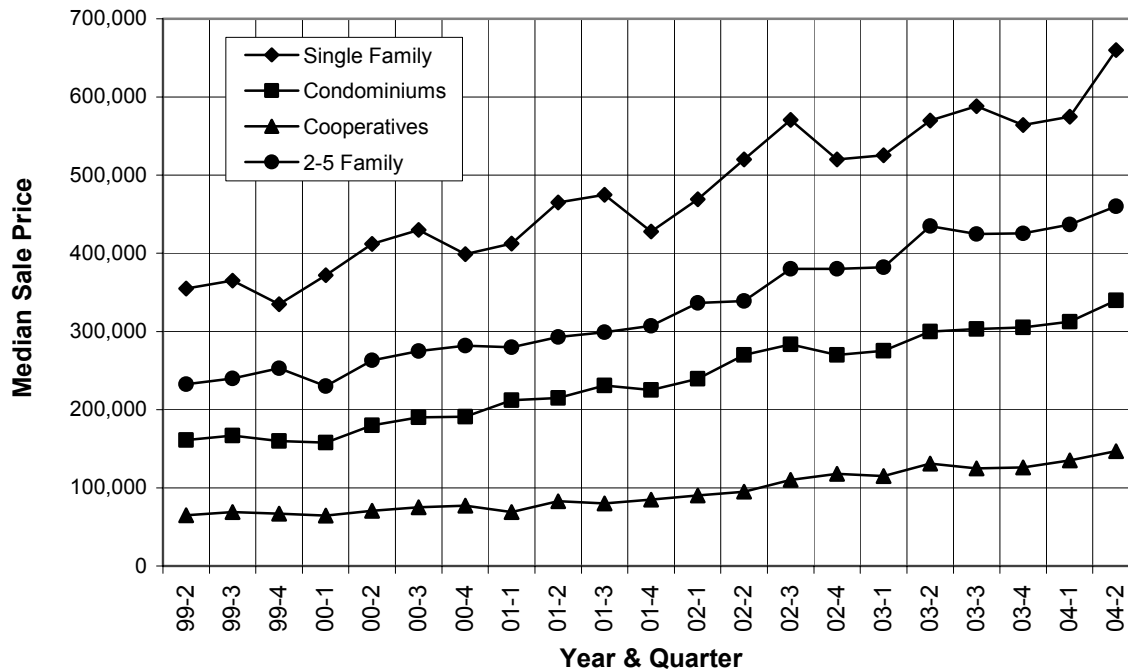


Type Of Property	END OF QUARTER INVENTORY				Change 03-04	
	2nd 01	2nd 02	2nd 03	2nd 04	Amount	Percent
Westchester County						
Single Family Houses	2,296	2,602	3,243	3,350	107	3.3%
Condominiums	229	368	557	489	(68)	-12.2%
Cooperatives	545	901	976	959	(17)	-1.7%
2-5 Family Houses	308	327	346	452	106	30.6%
Total	3,378	4,198	5,122	5,250	128	2.5%
Putnam County						
Single Family Houses	553	720	869	857	(12)	-1.4%
Condos & Co-ops	56	58	73	69	(4)	-5.5%
Total	609	778	942	926	(16)	-1.7%

Median² and mean² sales prices increased enormously during the second quarter. The median sale price of a single family house in Westchester soared past the \$600,000 mark for the first time in any quarter, to reach \$660,000 - a \$90,000, nearly 16%, increase over last year's median. In Putnam County the median price reached \$400,000 for the first time, a \$45,000 or 12.7% increase over last year.

The 16% increase in Westchester and 12% increase in Putnam was not all price appreciation, however, meaning that the identical house would not have sold for 16% or 12% more in 2004 than in 2003. A major driver of the second quarter price picture was a dramatic increase in the number of sales of high-end properties.

MEDIAN SALE PRICES Westchester County



The Westchester-Putnam MLS database indicates that there were 319 sales of Westchester properties in excess of one million dollars during the second quarter of 2004 compared to 192 in 2003, a 66% increase. In the next tier down, from \$750,000 to \$999,999, there were 274 sales in the second quarter of 2004 compared to 191 in 2003, a 43% increase. The two categories together accounted for about 41% of all single family house sales in 2004 compared to 33% in 2003. These volumes and percentages far exceeded the normal 'bracket creep' that occurs as all properties eventually move into higher price ranges over time.

Thus returning to the 16% price increase of the median sale price of a house over last year, some was due to true price appreciation but much was due to the inclusion of many more high-end properties in the sales mix. Surprisingly, year to year price appreciation was higher – about 8% -for properties that sold for less than \$750,000 than for the high end properties – about 4%.

Although the price increases in the other categories of housing were not as dramatic as those in the single family house sector, they were substantial nevertheless. The median sale price of a Westchester condominium reached \$340,000, up by \$40,000 or 13.3% from last year. The median sale price of a Westchester cooperative increased by \$16,000 or 12.2% to a new high of \$147,000.

The combination of higher sales volume and higher prices resulted in record-setting dollar volumes for a second quarter. The total second quarter dollar volume in Westchester was \$1.556 billion, a 44% increase from last year. In Putnam County the total was \$130.6 million, a 26% increase.

SECOND QUARTER COMPARISONS, 2001-2004

Type Of Property	NUMBER OF SALES				Change 03-04	
	2nd 01	2nd 02	2nd 03	2nd 04	Amount	Percent
Westchester County						
Single Family Houses	1,296	1,444	1,165	1,458	293	25.2%
Condominiums	287	298	309	371	62	20.1%
Cooperatives	409	453	452	527	75	16.6%
2-5 Family Houses	130	134	115	175	60	52.2%
Total	2,122	2,329	2,041	2,531	490	24.0%
Putnam County						
Single Family Houses	240	302	237	283	46	19.4%
Condos & Co-ops	37	44	47	44	(3)	-6.4%
Total	277	346	284	327	43	15.1%

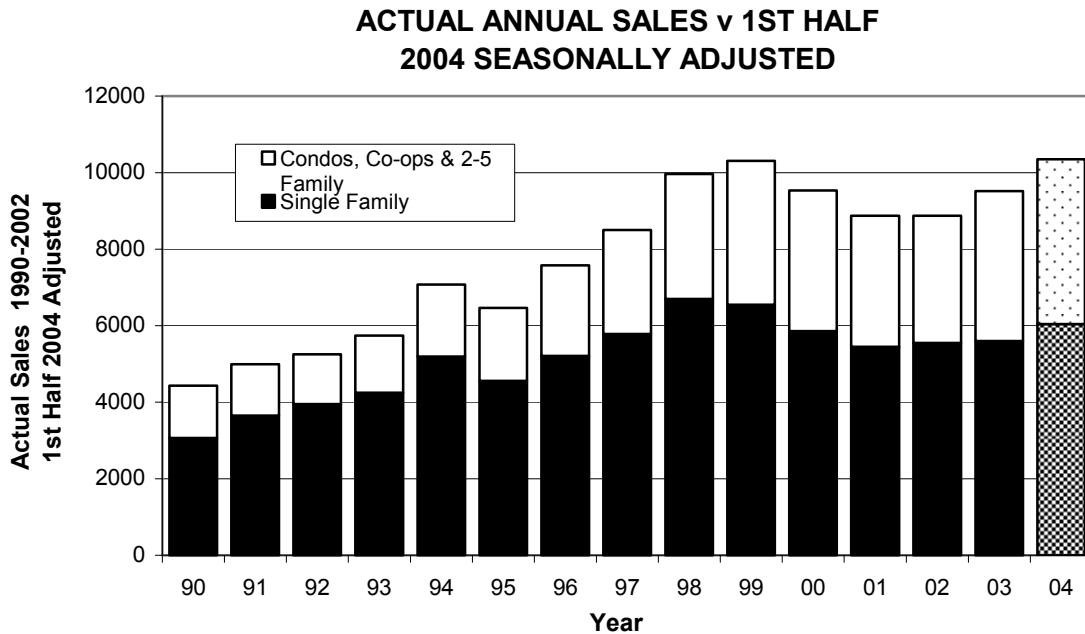
Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 03-04	
	2nd 01	2nd 02	2nd 03	2nd 04	Amount	Percent
Westchester County						
Single Family Houses	789.4	985.8	861.4	1,244.5	383.1	44.5%
Condominiums	71.7	85.7	98.3	138.9	40.6	41.2%
Cooperatives	42.9	57.8	68.1	87.3	19.2	28.2%
2-5 Family Houses	38.3	47.6	52.3	85.0	32.7	62.5%
Total	942.3	1,176.9	1,080.2	1,555.7	475.5	44.0%
Putnam County						
Single Family Houses	65.3	96.0	93.0	120.5	27.5	29.6%
Condos & Co-ops	6.2	8.0	11.1	10.1	(1.0)	-8.6%
Total	71.5	104.0	104.0	130.6	26.6	25.6%

Type Of Property	MEDIAN SALE PRICE				Change 03-04	
	2nd 01	2nd 02	2nd 03	2nd 04	Amount	Percent
Westchester County						
Single Family Houses	465,000	520,000	570,000	660,000	90,000	15.8%
Condominiums	215,000	270,000	300,000	340,000	40,000	13.3%
Cooperatives	83,000	95,000	131,000	147,000	16,000	12.2%
2-5 Family Houses	293,000	339,000	435,000	460,000	25,000	5.7%
Putnam County						
Single Family Houses	250,000	283,000	355,000	400,000	45,000	12.7%
Condos & Co-ops	177,000	190,500	242,500	237,750	(4,750)	-2.0%

Type Of Property	MEAN SALE PRICE				Change 03-04	
	2nd 01	2nd 02	2nd 03	2nd 04	Amount	Percent
Westchester County						
Single Family Houses	609,132	682,694	739,399	853,542	114,143	15.4%
Condominiums	250,333	287,592	318,247	374,462	56,215	17.7%
Cooperatives	104,964	127,613	150,660	165,739	15,079	10.0%
2-5 Family Houses	294,387	355,182	454,969	485,638	30,669	6.7%
Putnam County						
Single Family Houses	272,524	317,787	392,213	425,631	33,418	8.5%
Condos & Co-ops	164,896	182,738	235,151	230,550	(4,601)	-2.0%

A Look Ahead

The seasonally adjusted Westchester sales rate for the first six months of 2004 was 10,350 units. If that high level continues for the balance of 2004, this year will close out as a contender for the record of 10,308 sales posted in 1999. The current rate of inventory formation seems capable of supporting high sales volume. What is also needed is continued economic growth - or at least the absence of setbacks and layoffs - and not too much of an increase in mortgage interest rates.



Thus far, in spite of the recent increase in the Federal Reserve's interbank lending rate, long-term mortgage interest rates have not changed very much. But even if long-term rates begin to increase after a while, prospective home buyers still will have access to much lower variable rate mortgage instruments to buffer the impact. Further, as we enter the third quarter, there still seem to be many buyers and sellers who are in the market now because they perceive that conditions for a transaction will be more favorable now than later in the year. They are likely to carry the Westchester-Putnam sales surge at least into the third quarter.

If there is a cautionary note for the future it is the possible misperception by both buyers and sellers as to the market value of their property and the highly unlikely prospect for continued double-digit price appreciation as the year progresses. For one thing, there is a noticeable amount of seasonality in prices, and the established pattern in our area is for average prices to decrease from the second to the third quarter. More important, as noted in this report, the increasing weight of high-end properties in the market basket is skewing the price averages for all properties as a whole. If the moderate and lower priced segment of the market gets bid up out of proportion to its underlying value with respect to the high-end properties, we may develop a mini-bubble in that sector should the whole market cool off later this year and next.

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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 730 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.

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 sales at very low or very high prices.*

As of January 2005

2004 PRIOR QUARTER ADJUSTED SALES DATA					
<i>Reflecting late-reported sales by MLS Participants</i>					
	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	