



**2005 FIRST QUARTER RESIDENTIAL REAL ESTATE SALES REPORT
WESTCHESTER AND PUTNAM COUNTIES, NEW YORK**

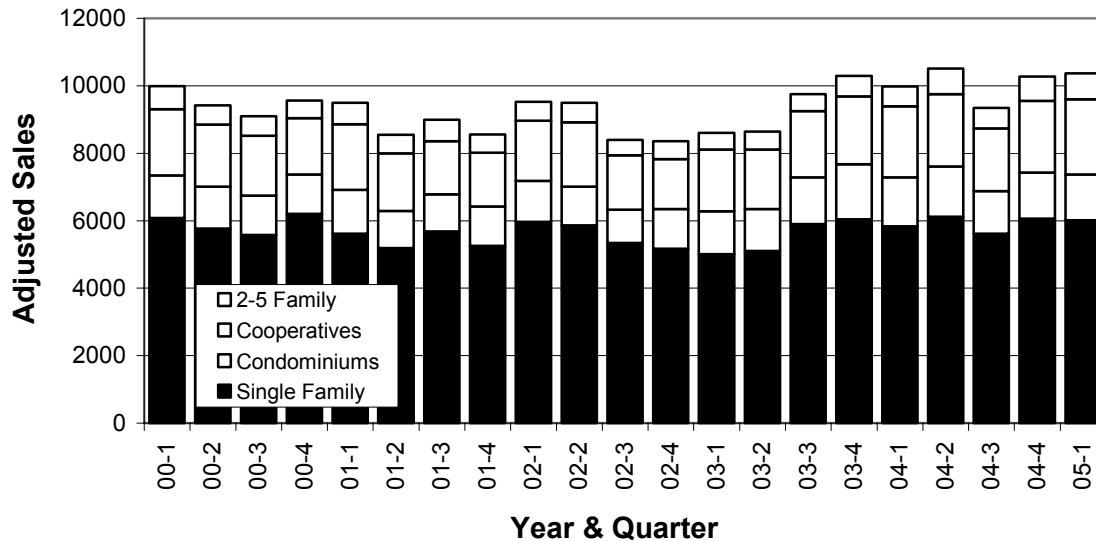
April 27, 2005

2005's first quarter residential real estate closings practically replicated 2004's first quarter results and just nudged the quarter into second place for volume after the record first quarter volume posted in 1999. Realtor firms participating in the Westchester-Putnam Multiple Listing Service, Inc. reported a total of 1,998 closings of residential real estate sales in Westchester in January, February and March, just 24 closings or 1% more than in 2004. In Putnam County the 236 reported closings were just one above 2004's total.

The first quarter closings largely followed upon marketing and sales activity that took place in the final months of 2004 and early January of 2005. The region's economy, as measured by job growth and unemployment rates, was stable and slowly expanding at that time. In November and December of 2004 the Federal Reserve Board twice increased its discount rate by a quarter point, but those increases had no effect then on long-term mortgage interest rates which remained at very low and affordable levels. Thus there were no important outside negative influences to disturb the area's high powered real estate market.

SEASONALLY ADJUSTED QUARTERLY SALES

Westchester 2000-2005



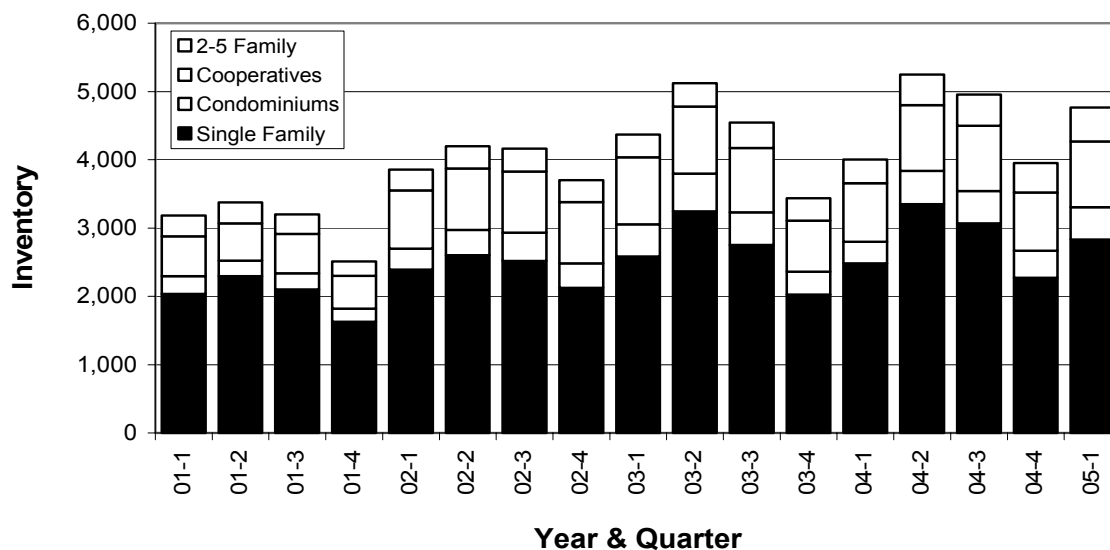
SEASONALLY ADJUSTED QUARTERLY SALES, 2003 - 2005

Property Type	2003 1st	2003 2nd	2003 3rd	2003 4th	2004 1st	2004 2nd	2004 3rd	2004 4th	2005 1st	%Change 2004/4- 2005/1
Westchester County										
Single Family	5,010	5,100	5,900	6,040	5,830	6,120	5,620	6,060	6,010	-0.8%
Condominiums	1,270	1,250	1,390	1,630	1,460	1,490	1,260	1,370	1,360	-0.7%
Cooperatives	1,830	1,760	1,960	2,020	2,100	2,140	1,860	2,120	2,230	5.2%
2-5 Family	<u>490</u>	<u>530</u>	<u>500</u>	<u>600</u>	<u>590</u>	<u>760</u>	<u>600</u>	<u>720</u>	770	6.9%
Total	8,600	8,640	9,750	10,290	9,980	10,510	9,340	10,270	10,370	1.0%
Putnam County										
Single Family	1,030	1,010	1,260	1,300	1,080	1,190	1,090	1,120	1,090	-2.7%
Condos+Co-ops	<u>130</u>	<u>200</u>	<u>140</u>	<u>220</u>	<u>180</u>	<u>170</u>	<u>190</u>	<u>200</u>	230	15.0%
Total	1,160	1,210	1,400	1,520	1,260	1,360	1,280	1,320	1,310	-0.8%

Seasonally adjusted¹ the 1,998 first quarter closings in Westchester were equivalent to a robust rate of 10,370 sales on an annual basis, 1% higher than in the prior quarter, and placed this quarter among the top half-dozen on record with the MLS. Putnam County's adjusted rate decreased by about 1% but still was high in comparison to that of most prior quarters.

The inventory of units for sale increased from the fourth quarter to the first quarter, as it usually does, but also increased on a year to year basis. The end-of-quarter inventory of 4,765 units in Westchester was 19% more than last year's and was the highest since the first quarter of 1999. In Putnam County the year to year increase was 13%, to 778 units. These levels were still very low in relation to historical levels of 8-10,000 units during the early to mid-1990s and were far below the quantities needed to relieve the demand-supply imbalance in our region.

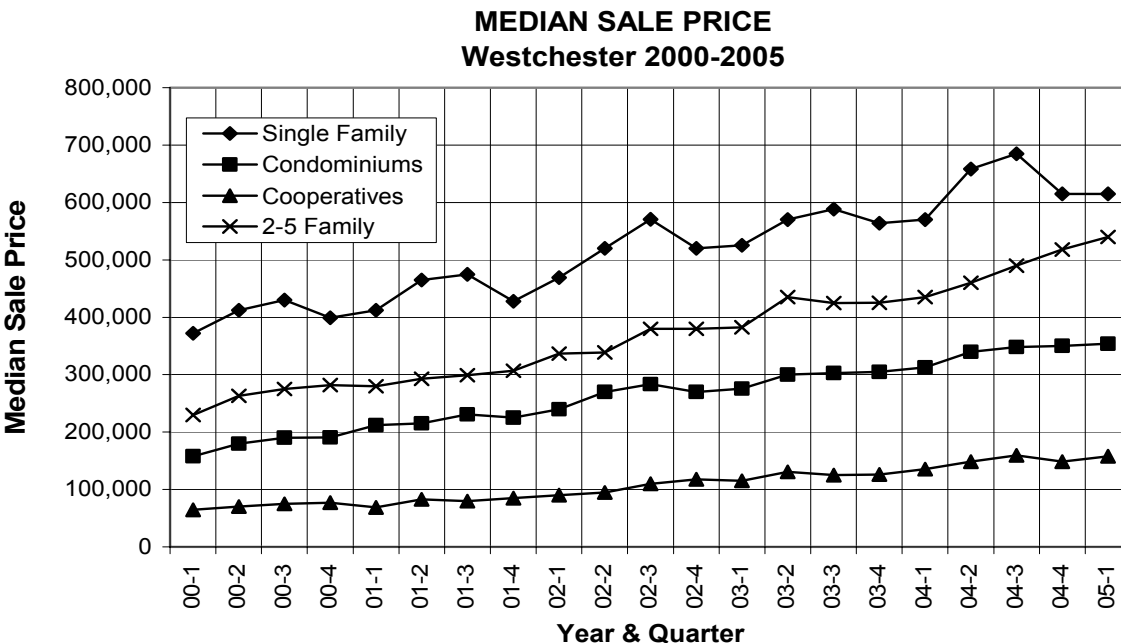
END OF QUARTER INVENTORY Westchester 2001-2005



Type Of Property	END OF QUARTER INVENTORY				Change 04-05	
	1st 02	1st 03	1st 04	1st 05	Amount	Percent
Westchester County						
Single Family Houses	2,392	2,583	2,483	2,830	347	14.0%
Condominiums	309	474	315	474	159	50.5%
Cooperatives	852	978	859	962	103	12.0%
<u>2-5 Family Houses</u>	<u>303</u>	<u>334</u>	<u>346</u>	<u>499</u>	<u>153</u>	<u>44.2%</u>
Total	3,856	4,369	4,003	4,765	762	19.0%
Putnam County						
Single Family Houses	630	706	635	714	79	12.4%
<u>Condos & Co-ops</u>	<u>61</u>	<u>61</u>	<u>53</u>	<u>64</u>	<u>11</u>	<u>20.8%</u>
Total	691	767	688	778	90	13.1%

Prices in both counties and in all categories of residential real estate were significantly higher in 2005's first quarter than in 2004, but in the case of single family houses the percentage increase eased off to a single digit. The first quarter median² sale price of a single family house in Westchester was \$615,000, up by \$45,000 or 8% from the prior year. In the previous quarters of 2004 the year to year increases had ranged from 13% to 16%. The first quarter mean² sale price increased by 10% to \$817,800.

The deceleration of single family price increases in Westchester appears to have roughly equally impacted all price categories and did not signal stress in the high-end segment as some analysts had speculated. To the contrary, the high-end market maintained its share of sales volume. Properties selling for \$1 million or more accounted for 18% of first quarter sales in 2005 and 16% in 2004; the comparable figures for properties selling in the range of \$750 – 999,000 were 18% and 16% respectively as well. The two percentage-point difference represented ordinary inflationary bracket creep.



FIRST QUARTER COMPARISONS, 2002 - 2005

Type Of Property	NUMBER OF SALES				Change 04-05	
	1st 02	1st 03	1st 04	1st 05	Amount	Percent
Westchester County						
Single Family Houses	1,092	942	1,089	1,091	2	0.2%
Condominiums	224	246	281	262	(19)	-6.8%
Cooperatives	367	387	456	470	14	3.1%
2-5 Family Houses	130	120	148	175	27	18.2%
Total	1,814	1,695	1,974	1,998	24	1.2%
Putnam County						
Single Family Houses	220	197	203	198	(5)	-2.5%
Condos & Co-ops	28	26	32	38	6	18.8%
Total	248	223	235	236	1	0.4%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 04-05	
	1st 02	1st 03	1st 04	1st 05	Amount	Percent
Westchester County						
Single Family Houses	678.5	650.2	807.5	892.2	84.7	10.5%
Condominiums	63.3	77.2	99.2	101.7	2.5	3.2%
Cooperatives	41.8	53.6	69.5	84.5	15.0	28.1%
2-5 Family Houses	45.9	48.7	67.5	94.5	27.0	55.5%
Total	829.5	829.9	1,043.7	1,173.0	129.3	15.6%
Putnam County						
Single Family Houses	70.6	73.5	78.6	93.8	15.2	20.7%
Condos & Co-ops	5.0	5.2	6.8	10.3	3.5	67.1%
Total	75.6	78.7	85.4	104.1	18.7	23.8%

Type Of Property	MEDIAN SALE PRICE				Change 04-05	
	1st 02	1st 03	1st 04	1st 05	Amount	Percent
Westchester County						
Single Family Houses	469,100	525,500	570,000	615,000	45,000	7.9%
Condominiums	239,500	275,500	312,450	354,000	41,550	13.3%
Cooperatives	90,000	115,000	135,500	158,000	22,500	16.6%
2-5 Family Houses	336,500	382,550	435,000	540,000	105,000	24.1%
Putnam County						
Single Family Houses	285,000	340,000	340,000	410,000	70,000	20.6%
Condos & Co-ops	183,750	212,750	209,950	277,500	67,550	32.2%

Type Of Property	MEAN SALE PRICE				Change 04-05	
	1st 02	1st 03	1st 04	1st 05	Amount	Percent
Westchester County						
Single Family Houses	621,323	690,211	741,499	817,800	76,301	10.3%
Condominiums	282,375	313,676	353,136	388,122	34,986	9.9%
Cooperatives	113,905	138,393	152,364	179,886	27,522	18.1%
2-5 Family Houses	353,364	405,705	456,315	540,218	83,903	18.4%
Putnam County						
Single Family Houses	320,967	372,952	387,011	473,874	86,863	22.4%
Condos & Co-ops	178,692	199,826	214,057	270,721	56,664	26.5%

Westchester condominiums and cooperatives, in contrast to single family houses, experienced still another quarter of year to year double digit price increases. The median sale price of a Westchester condo was \$354,000 or 13% above last year's median. The co-op median of \$158,000 was up by 17% from last year. The percentage increases occurred fairly equally among all price levels of these two types of housing.

Putnam County house prices crossed the \$400,000 threshold for the first time, reaching a median of \$410,000, a 21% increase over last year. The mean sale price of \$473,874 was higher by 22%. Putnam County's percentage increases were higher than Westchester's – but at the same time, like Westchester's, they applied evenly to all price ranges.

The high first quarter prices and sales levels combined to produce \$1.2 billion of total dollar volume of sales in Westchester, an increase of 16% from 2004. In Putnam County the dollar volume climbed by 24% to \$104 million.

A look ahead

The phenomenon of a mere 8% year to year price increase in Westchester's single family house sector, in contrast to the double digit percentage increases of the recent quarters, may be the first sign of a slowdown in our region's housing market. But as noted above, the slower rate of increase did not result from problems in any particular submarket segment. Neither was it a result of rising mortgage interest rates. To the contrary, rates were trending down to below 6% on 30-year conventional mortgages during the time the buyers who launched these first quarter closings were actively in the marketplace.

We can also eliminate local and national economic conditions as reasons for the gentler price increase. Local job growth was slight but positive, as it has been for several years. The local unemployment rate remained in the 4% range where it has rested for many months. There were no spectacular downsizings or business relocations out of the area to undermine the confidence of prospective buyers. Neither were there stock market gyrations sufficient to rattle home buyers and investors.

The remaining suspect then is Westchester's high price structure in and of itself: it may be starting to bend from its own weight. Middle-range prices of \$615,000 or higher may have begun to outrun the incomes of buyers even after the deployment of equity in their current residence, and it may be time for prices to pause while incomes catch up. If that is an accurate supposition we will know it for sure if there is another quarter or two of smaller price increases for single-family houses. Such price moderation should start to manifest itself in the condo and cooperative sectors as well.

Or... the 8% first quarter price increase may just be a statistical aberration. No matter how the market develops, it should be recalled that ordinary single-digit percentage price increases were not very long ago considered normal and healthy in this area.

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 825 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.*