



Westchester-Putnam Multiple Listing Service, Inc.

59 South Broadway
 White Plains, NY 10601
 (914) 681-0833 Fax: (914) 681-6044

**2006 FIRST QUARTER RESIDENTIAL REAL ESTATE SALES REPORT
 WESTCHESTER AND PUTNAM COUNTIES, NEW YORK**

April 26, 2006

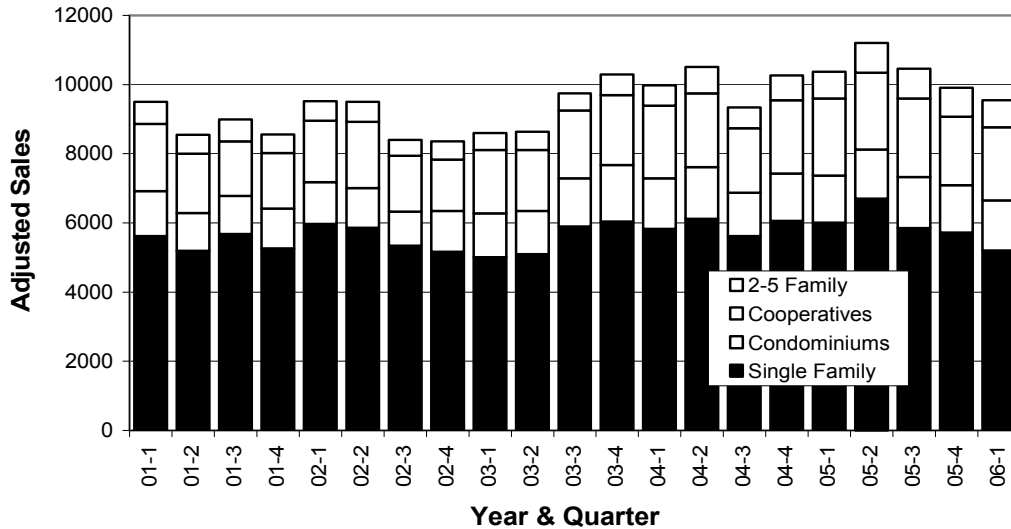
The Westchester-Putnam region has enjoyed a high-flying eight-year stretch in its residential real estate market performance from 1998 through 2005, but now the boom is over, and our area has made a relatively gentle descent to a more sustainable level of sales volume and prices increases.

The 1,823 closings of real estate sales reported in the first quarter of 2006 by firms participating in the Westchester-Putnam Multiple Listing Service were 9% fewer than the number reported a year ago. Single-family house sales in Westchester were down by 14% from a year ago, and co-op sales were down by 6%. Only the condominium sector posted a gain (4%) but that was based on just ten additional sales over last year. In Putnam County total sales were down by 11% from last year.

Type Of Property	NUMBER OF SALES				Change 05-06	
	1st 03	1st 04	1st 05	1st 06	Amount	Percent
Westchester County						
Single Family Houses	942	1,089	1,091	938	(153)	-14.0%
Condominiums	246	281	262	272	10	3.8%
Cooperatives	387	456	470	443	(27)	-5.7%
2-5 Family Houses	120	148	175	170	(5)	-2.9%
Total	1,695	1,974	1,998	1,823	(175)	-8.8%
Putnam County						
Single Family Houses	197	203	198	179	(19)	-9.6%
Condos & Co-ops	26	32	38	32	(6)	-15.8%
Total	223	235	236	211	(25)	-10.6%

The first quarter closings resulted mostly from listing and sales activity that took place in the winter months from late November, 2005 to early February, 2006. On a seasonally adjusted basis¹, the first quarter closed sales in Westchester were equivalent to an annual rate of 9,550 sales, down almost 4% from the prior quarter. This was the third consecutive decrease in the seasonally adjusted rate and it fairly well confirmed the cooling trend that has been reported in much of the nation.

**SEASONALLY ADJUSTED QUARTERLY SALES
Westchester 2001-2006**



SEASONALLY ADJUSTED QUARTERLY SALES, 2004 - 2006

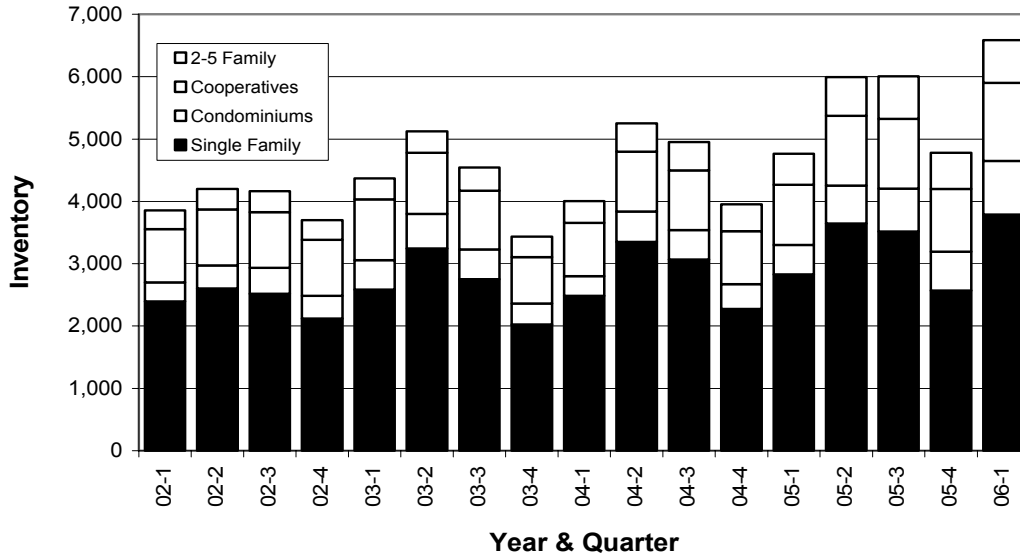
Property Type	2004	2004	2004	2004	2005	2005	2005	2005	2006	%Change 2005/4- 2006/1
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	
Westchester County										
Single Family	5,830	6,120	5,620	6,060	6,010	6,700	5,850	5,720	5,200	-9.1%
Condominiums	1,460	1,490	1,260	1,370	1,360	1,420	1,480	1,370	1,450	5.8%
Cooperatives	2,100	2,140	1,860	2,120	2,230	2,220	2,270	1,980	2,120	7.1%
2-5 Family	<u>590</u>	<u>760</u>	<u>600</u>	<u>720</u>	<u>770</u>	<u>860</u>	<u>860</u>	<u>840</u>	780	-7.1%
Total	9,980	10,510	9,340	10,270	10,370	11,200	10,460	9,910	9,550	-3.6%
Putnam County										
Single Family	1,080	1,190	1,090	1,120	1,090	1,080	1,190	1,060	990	-6.6%
Condos+Co-ops	<u>180</u>	<u>170</u>	<u>190</u>	<u>200</u>	<u>230</u>	<u>240</u>	<u>150</u>	<u>160</u>	180	12.5%
Total	1,260	1,360	1,280	1,320	1,310	1,320	1,340	1,220	1,170	-4.1%

With the decreased pace of sales comes the growth of inventory which has been steadily increasing on a year-to-year basis since 2004. That build-up accelerated in 2006 with 38% more units on the market at the end of the quarter than in 2005. Putnam County's stock increased by 23%.

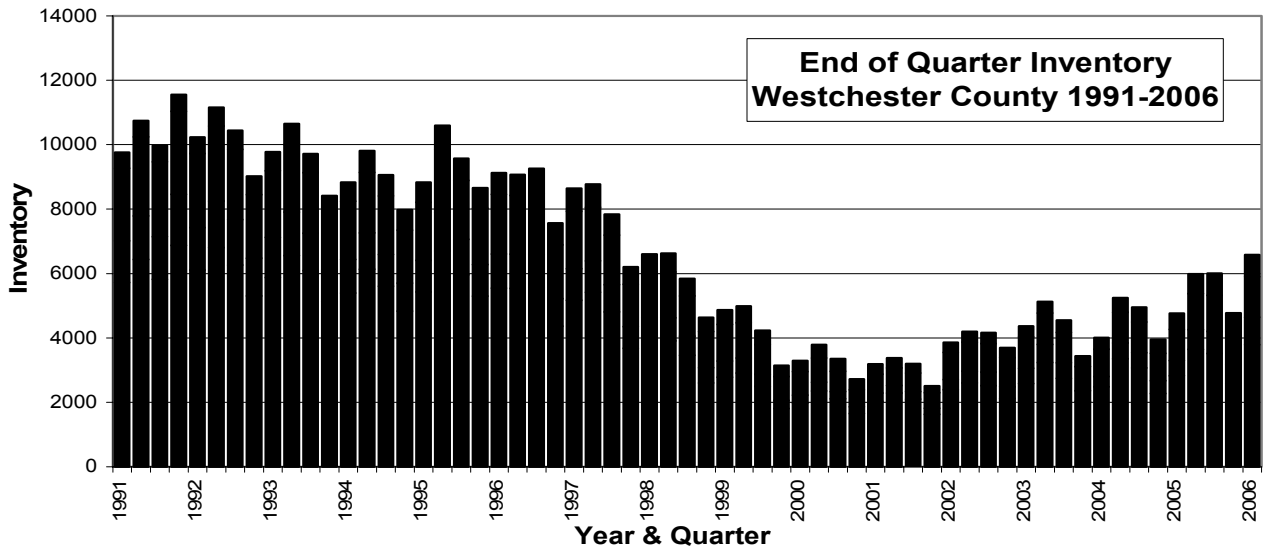
The number of available Westchester condominiums increased by a hefty 81% to 860 units. As has been noted in previous reports, the spate of new condominium construction in White Plains and elsewhere in Westchester has added new and resale units to inventory in this market sector.

Notwithstanding the overall large increase on a percentage basis, the current end-of-quarter inventory of 6,585 residential units in Westchester is only about what it was in 1998 when this area's real estate boom entered full swing. Prior to 1998, inventory commonly exceeded 9,000 and even 10,000 units. The huge surge of sales after 1998 and 1999 drove inventory down to as few as 3,000 units by 2001 and 2002. That low level was abnormal; the current level is on the return route to normalcy.

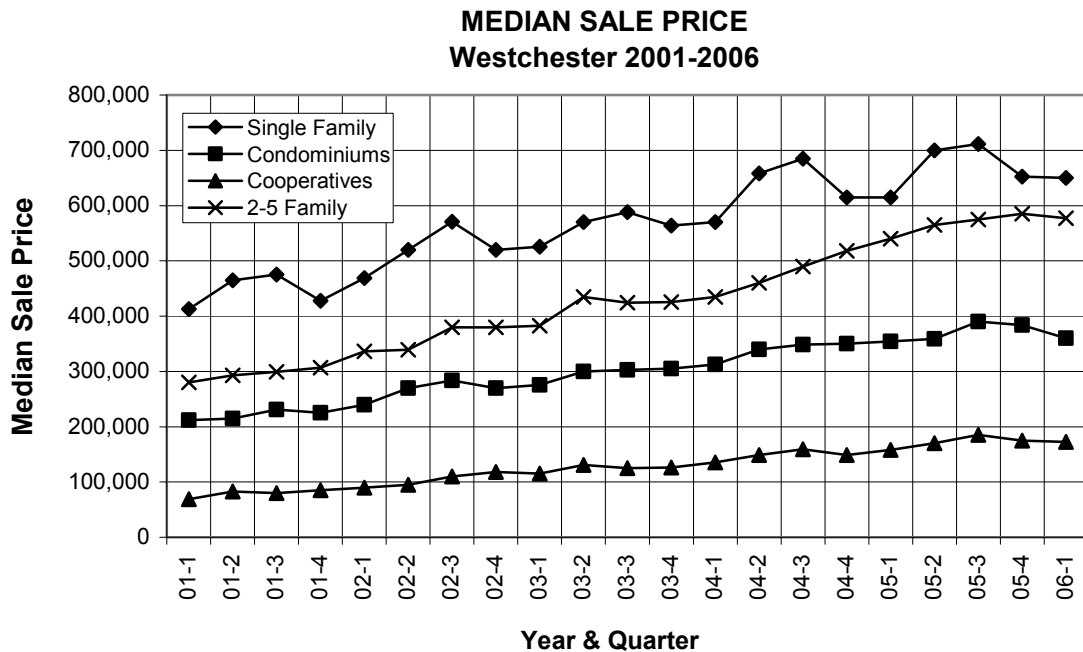
**END OF QUARTER INVENTORY
Westchester 2002-2006**



END OF QUARTER INVENTORY					Change 05-06	
Type Of Property	1st 03	1st 04	1st 05	1st 06	Amount	Percent
Westchester County						
Single Family Houses	2,583	2,483	2,830	3,788	958	33.9%
Condominiums	474	315	474	860	386	81.4%
Cooperatives	978	859	962	1,253	291	30.2%
<u>2-5 Family Houses</u>	<u>334</u>	<u>346</u>	<u>499</u>	684	185	37.1%
Total	4,369	4,003	4,765	6,585	1,820	38.2%
Putnam County						
Single Family Houses	706	635	714	884	170	23.8%
<u>Condos & Co-ops</u>	<u>61</u>	<u>53</u>	<u>64</u>	72	8	12.5%
Total	767	688	778	956	178	22.9%



Another indicator of a return to a “normal” market is that first-quarter average prices increased by less than double-digit percentages on an annual basis, confirming the trend to price moderation of the past several quarters. The median sale price² of a Westchester single family house increased by 5.7% from \$615,000 last year to \$650,000 in this first quarter of 2006. In Putnam County the \$375,000 median sale price was 8.5% below last year’s median.



Type Of Property	MEDIAN SALE PRICE				Change 05-06	
	1st 03	1st 04	1st 05	1st 06	Amount	Percent
Westchester County						
Single Family Houses	525,500	570,000	615,000	650,000	35,000	5.7%
Condominiums	275,500	312,450	354,000	360,000	6,000	1.7%
Cooperatives	115,000	135,500	158,000	172,500	14,500	9.2%
2-5 Family Houses	382,550	435,000	540,000	577,000	37,000	6.9%
Putnam County						
Single Family Houses	340,000	340,000	410,000	375,000	(35,000)	-8.5%
Condos & Co-ops	212,750	209,950	277,500	281,000	3,500	1.3%

Sales distribution by price range tilted slightly in favor of high-end houses. Westchester properties selling for \$1 million or more accounted for 21% of single family house sales in this first quarter compared to 18% in 2005 and 16% in 2004.

The median sale price of cooperative units reached a record high (for a first quarter) of \$172,500, an increase of 9.2% from last year. The \$360,000 median sale price of condominiums also set a first-quarter record, although the year to year percentage increase was only 1.7%. However, the mean sale price² of condominiums increased by

6.4% to \$413,029, suggesting along with the bulking up of inventory that more highly priced units from new developments were making their presence felt in the marketplace, a trend that is likely to continue.

Type Of Property	MEAN SALE PRICE				Change 05-06	
	1st 03	1st 04	1st 05	1st 06	Amount	Percent
Westchester County						
Single Family Houses	690,211	741,499	817,800	873,182	55,382	6.8%
Condominiums	313,676	353,136	388,122	413,029	24,907	6.4%
Cooperatives	138,393	152,364	179,886	197,443	17,557	9.8%
2-5 Family Houses	405,705	456,315	540,218	576,733	36,515	6.8%
Putnam County						
Single Family Houses	372,952	387,011	473,874	454,865	(19,009)	-4.0%
Condos & Co-ops	199,826	214,057	270,721	268,391	(2,330)	-0.9%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 05-06	
	1st 03	1st 04	1st 05	1st 06	Amount	Percent
Westchester County						
Single Family Houses	650.2	807.5	892.2	819.5	(72.7)	-8.2%
Condominiums	77.2	99.2	101.7	112.3	10.6	10.7%
Cooperatives	53.6	69.5	84.5	87.5	3.0	4.2%
2-5 Family Houses	48.7	67.5	94.5	98.0	3.5	5.1%
Total	829.9	1,043.7	1,173.0	1,117.3	(55.7)	-5.3%
Putnam County						
Single Family Houses	73.5	78.6	93.8	81.4	(12.4)	-15.8%
Condos & Co-ops	5.2	6.8	10.3	8.6	(1.7)	-24.8%
Total	78.7	85.4	104.1	90.0	(14.1)	-16.5%

A Look Ahead

The first quarter postings typically reflect the relative inactivity of the real estate market during the deep winter months. Other than the usual holidays and occasional bad weather, there were no significant factors either propelling or retarding the workings of the real estate market during this period.

Mortgage interest rates changes were restrained throughout the period and in fact were decreasing until early February, notwithstanding several upward interventions by the Federal Reserve in short term rates. The average rate on a thirty-year conventional mortgage remained below 6.5% for the entire period. Although the Federal Reserve may increase its overnight rate several times more in response to perceived inflationary pressure, it is not at all clear from past experience that this will translate into significantly more expensive mortgage products that would erode real estate sales. At release of this report in late April, the average rate on a thirty-year conventional loan had not reached 7.0%, and variable rate products could be found as low as 5.5%.³

Our area's general economy is in sound condition, too. The unemployment dial has been stuck near 4% on the meter for the past couple of years, long enough to accurately reflect low structural unemployment and not a labor force that has given up searching. Job growth has persisted at 1-2% per year. There have been no downsizings or relocations on a scale to cause concern. The stock market has exhibited some volatility but not at a nail-biting level.

The Westchester-Putnam housing market is not immune to any potentially serious slowdown of the national economy brought on by inflation (including gasoline prices), domestic and international political developments, or other factors that might erode the ability and confidence of prospective purchasers. At the same time, because our local eight-year run has been founded on classic principles of supply and demand, not on speculative building or speculative investment by buyers, we are experiencing a relatively smooth transition to a slower, even "normal" real estate market.

Sales volume may remain off by 10-15% from 2005 for the entire balance of 2006, resetting to levels that are more characteristic of those of 2003. Inventory likely will continue to increase on a year-to-year basis, but there is a long way to go before our area can be regarded as having problematic excess stock in relation to demand. Price increases probably will level off to a percentage point or two more than underlying inflation, mirroring the performance of real estate over the very long term. In short, no more records for a while but no big trouble, either.

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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 900 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.

¹The 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.

²The 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.

³HSH Associates Weekly Market Trends; www.hsh.com