



Westchester-Putnam Multiple Listing Service, Inc.

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**2006 SECOND QUARTER
 RESIDENTIAL REAL ESTATE SALES REPORT**

July 24, 2006

Closed real estate transactions in April, May and June continued to run below last year's levels in the Westchester-Putnam real estate market. The closings largely comprised properties that were listed and marketed in the opening months of 2006.

The 2,403 Westchester sales reported by Realtor firms participating in the Westchester-Putnam Multiple Listing Service were down 10% from last year's second quarter, a slight intensification of the 9% drop experienced in the first quarter. Putnam County sales were off by 11% in both the first and second quarters.

The cooling of the market was most evident in the single-family house sector where year-to-year sales were down by 15% in Westchester, although in Putnam County the house sales were only 5% fewer. Cooperative unit sales were down 4% from last year. In contrast, Westchester condominium sales showed a gain of 7% from last year's second quarter, following upon the 4% increase posted in the first quarter of this year.

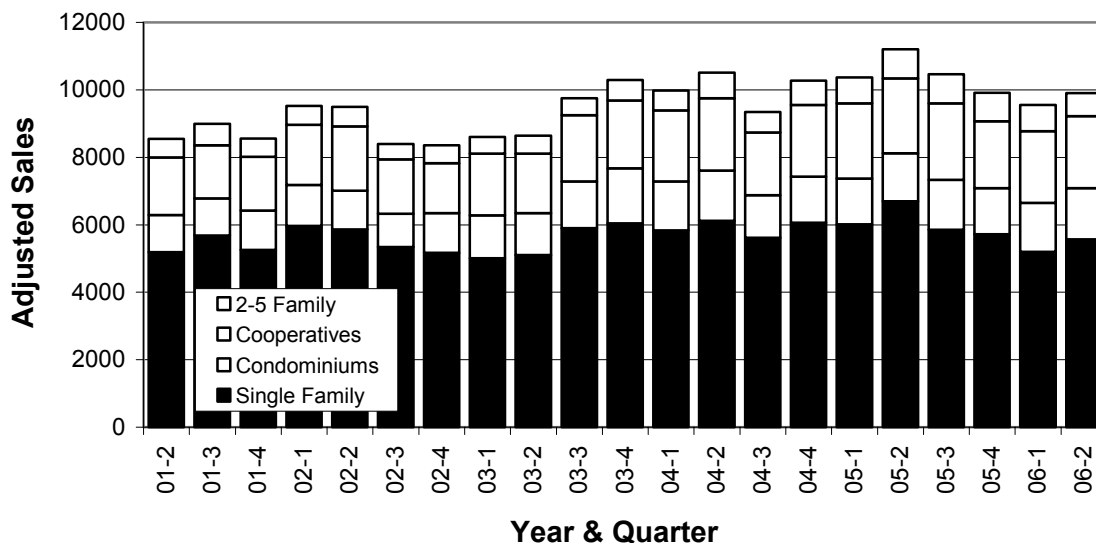
Type Of Property	NUMBER OF SALES				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	1,165	1,458	1,580	1,345	(235)	-14.9%
Condominiums	309	371	351	375	24	6.8%
Cooperatives	452	527	542	522	(20)	-3.7%
2-5 Family Houses	115	175	200	161	(39)	-19.5%
Total	2,041	2,531	2,673	2,403	(270)	-10.1%
Putnam County						
Single Family Houses	237	283	258	245	(13)	-5.0%
Condos & Co-ops	47	44	59	36	(23)	-39.0%
Total	284	327	317	281	(36)	-11.4%

In comparing 2006 with 2005 and observing the slower market so far this year it is important to appreciate that the comparison is against the all-time sales records posted in 2005. The current slowdown may seem steeper more for its suddenness coming off 2005 than for its actual depth. Seasonally adjusted¹, the second quarter sales were equivalent to an annual rate of 9,900 transactions in Westchester and 1,170 in Putnam which are healthy rates on an historical basis. If the current pattern of sales and general economic indicators stabilizes for the balance of the year, 2006 could finish as one of the region's stronger years, possibly ranking among the top four or five in total sales volume. The local real estate market may have lowered its temperature of late but it is by no means cold according to these MLS sales data.

SEASONALLY ADJUSTED QUARTERLY SALES, 2004 - 2006

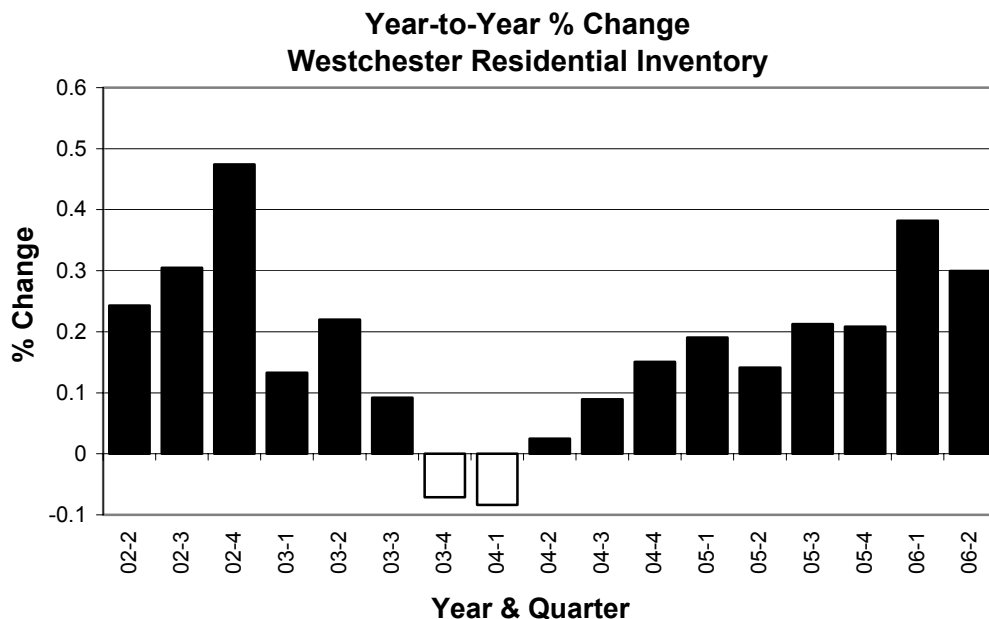
Property Type	2004 2nd	2004 3rd	2004 4th	2005 1st	2005 2nd	2005 3rd	2005 4th	2006 1st	2006 2nd	%Change 2006/1- 2006/2
Westchester County										
Single Family	6,120	5,620	6,060	6,010	6,700	5,850	5,720	5,200	5,570	7.1%
Condominiums	1,490	1,260	1,370	1,360	1,420	1,480	1,370	1,450	1,520	4.8%
Cooperatives	2,140	1,860	2,120	2,230	2,220	2,270	1,980	2,120	2,130	0.5%
2-5 Family	760	600	720	770	860	860	840	780	680	-12.8%
Total	10,510	9,340	10,270	10,370	11,200	10,460	9,910	9,550	9,900	3.7%
Putnam County										
Single Family	1,190	1,090	1,120	1,090	1,080	1,190	1,060	990	990	0.0%
Condos+Co-ops	170	190	200	230	240	150	160	180	180	0.0%
Total	1,360	1,280	1,320	1,310	1,320	1,340	1,220	1,170	1,170	0.0%

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

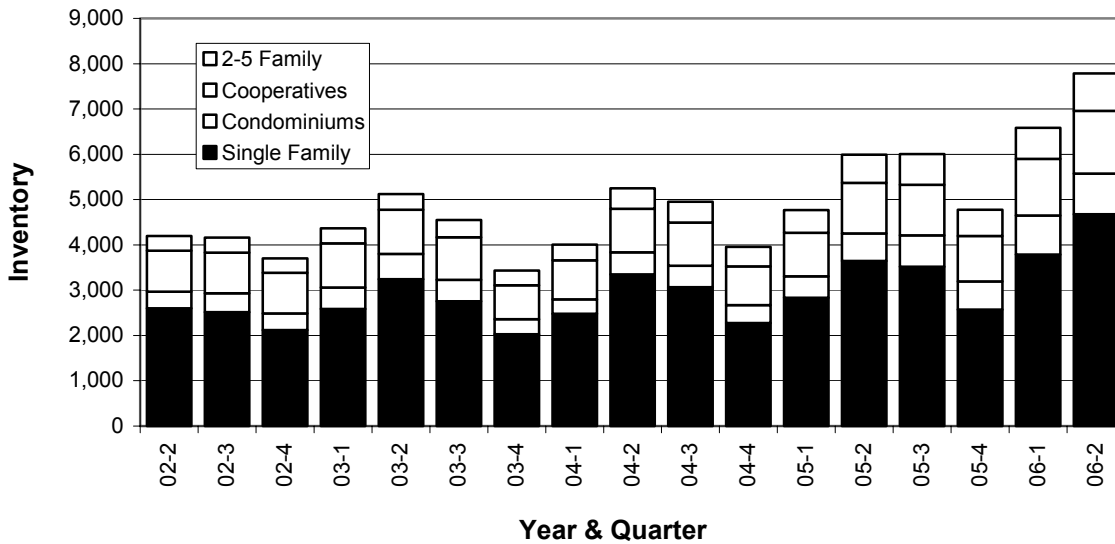


Increased inventory nearly always accompanies slower sales rates. Westchester's end-of-quarter stock of 7,784 units was 30% more than last year's inventory at that date. Putnam County's inventory was 23% higher. However, in Westchester, at the end of the first quarter, inventory was 38% higher than a year ago. The graph of year-to-year percentage change in inventory shows the buildup that commenced in the second quarter of 2004 and that accelerated through most quarters into the first quarter of this year, but it also demonstrates the potential for stabilization if the second quarter's deceleration sets the pattern for the rest of the year. The second quarter inventory is now roughly at 1997 levels, before the multi-year burst of sales activity that drew down the available stock in all property categories. (See page 7 for a graph of inventory from 1991 to date.)

Type Of Property	END OF QUARTER INVENTORY				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	3,243	3,350	3,644	4,676	1,032	28.3%
Condominiums	557	489	609	901	292	47.9%
Cooperatives	976	959	1,119	1,378	259	23.1%
<u>2-5 Family Houses</u>	346	452	618	829	211	34.1%
Total	5,122	5,250	5,990	7,784	1,794	29.9%
Putnam County						
Single Family Houses	869	857	944	1,129	185	19.6%
<u>Condos & Co-ops</u>	73	69	64	112	48	75.0%
Total	942	926	1,008	1,241	233	23.1%



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



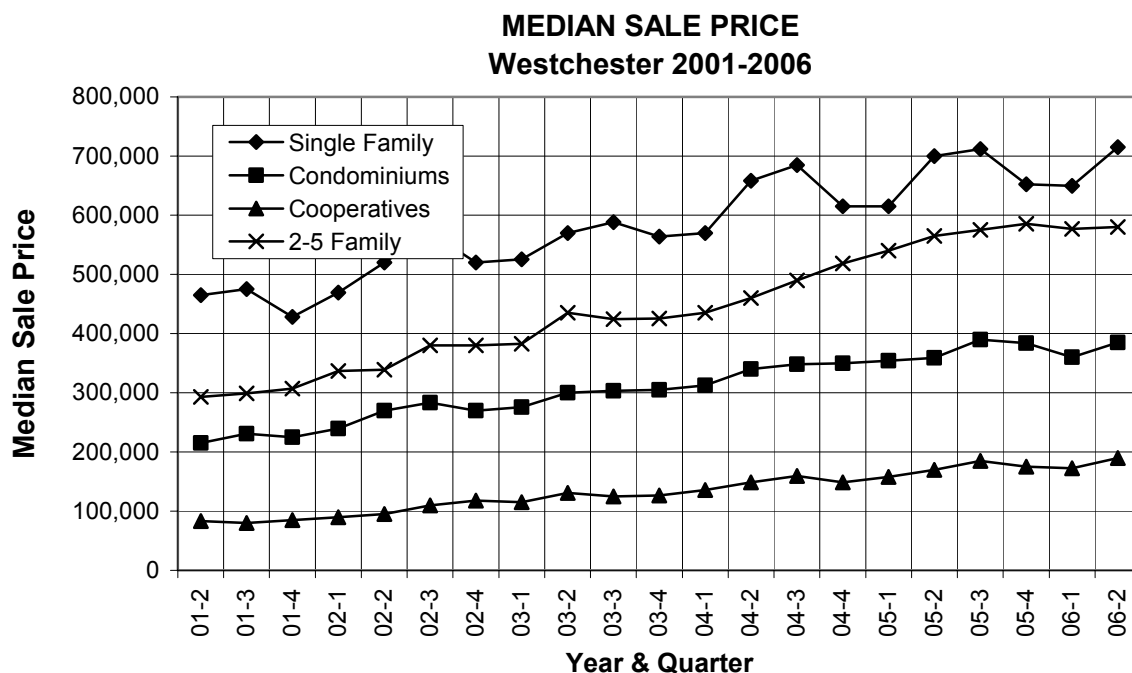
Notwithstanding the significant accumulation of inventory in all of the residential categories, median² sale prices were higher than last year's. The median sale price of a Westchester single-family house increased by \$15,000 or 2.1% to \$715,000 - just keeping pace with inflation. The mean² sale price of a Westchester house climbed 2.5% to \$937,959. Houses selling in excess of \$1 million accounted for 28% of second quarter house sales compared to 26% during 2005's second quarter. In Putnam County the median sale price of a house increased by nearly 14% to \$438,500.

Type Of Property	MEDIAN SALE PRICE				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	570,000	660,000	700,000	715,000	15,000	2.1%
Condominiums	300,000	340,000	359,000	384,900	25,900	7.2%
Cooperatives	131,000	147,000	170,000	189,750	19,750	11.6%
2-5 Family Houses	435,000	460,000	565,000	580,000	15,000	2.7%
Putnam County						
Single Family Houses	355,000	400,000	386,125	438,500	52,375	13.6%
Condos & Co-ops	242,500	237,750	266,500	274,375	7,875	3.0%

Type Of Property	MEAN SALE PRICE				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	739,399	853,542	915,345	937,959	22,614	2.5%
Condominiums	318,247	374,462	408,733	447,248	38,515	9.4%
Cooperatives	150,660	165,739	201,479	206,525	5,046	2.5%
2-5 Family Houses	454,969	485,638	567,894	588,971	21,077	3.7%
Putnam County						
Single Family Houses	392,213	425,631	439,712	475,638	35,926	8.2%
Condos & Co-ops	235,151	230,550	256,132	275,013	18,881	7.4%

The largest price increase was posted in the cooperative unit sector. The co-op median sale price of \$189,750 was nearly 12% higher than last year's price. Condominium price increases were next largest at 7.2%, to \$384,900, notwithstanding that the condo sector also experienced the largest percentage increase in inventory. The supply of condominiums is still quite low with respect to demand.

Taking sales volume and prices together, the second quarter market generated more than \$1.6 billion in dollar volume in Westchester County, and \$126 million in Putnam County. The Westchester volume was 12% less than last year's but otherwise was the second highest second quarter amount on record.



Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	861.4	1,244.5	1,446.2	1,261.6	(184.6)	-12.8%
Condominiums	98.3	138.9	143.5	167.7	24.2	17.4%
Cooperatives	68.1	87.3	109.2	107.8	(1.4)	-1.6%
2-5 Family Houses	52.3	85.0	113.6	94.8	(18.8)	-22.1%
Total	1,080.2	1,555.7	1,812.5	1,631.9	(180.6)	-11.6%
Putnam County						
Single Family Houses	93.0	120.5	113.4	116.5	3.1	2.6%
Condos & Co-ops	11.1	10.1	15.1	9.9	(5.2)	-51.5%
Total	104.0	130.6	128.5	126.4	(2.1)	-1.6%

Type Of Property	YEAR TO DATE (JAN-JUN) SALES				Change 05-06	
	2nd 03	2nd 04	2nd 05	2nd 06	Amount	Percent
Westchester County						
Single Family Houses	2,107	2,619	2,671	2,283	(388)	-14.5%
Condominiums	555	663	613	647	34	5.5%
Cooperatives	839	1,017	1,012	965	(47)	-4.6%
2-5 Family Houses	235	334	375	331	(44)	-11.7%
Total	3,736	4,633	4,671	4,226	(445)	-9.5%
Putnam County						
Single Family Houses	434	493	456	424	(32)	-7.0%
Condos & Co-ops	73	78	97	68	(29)	-29.9%
Total	507	571	553	492	(61)	-11.0%

A Look Ahead

As noted earlier in this report, the performance of the local real estate market thus far in 2006 suffers from comparison with the records set in 2005. While the overall 10-11% reduction in sales is not insignificant, neither does it denote a dead or dying market as some have maintained. Total sales volume is strong. The amount of inventory is not at a level that could damage underlying property values. Prices may be only inching up in the single family house sector but they definitely are not plummeting. No bubbles have burst. Reductions from initial asking prices, resulting from over-estimation by sellers who are not yet educated to the new market realities, are not the same as actual reductions of current property values.

Our local real estate market, and the nation's, is vulnerable to increases in mortgage interest rates. So far, however, notwithstanding a spate of interventions by the Federal Reserve, with very few exceptions rates on conventional 30-year loans are below 7%, and adjustable rate loans are available at one percentage point lower.³ These are low interest rates by historical standards. Other economic factors affecting the real estate market are positive. These include, for Westchester and Putnam: slow but steady job growth, a low unemployment rate, the absence of alarming swings in the stock market, and continued strength in New York City's housing market which allows the trade-up into the suburban market. The fundamentals are strong and ought to support a healthy but calmer real estate market for some time to come.

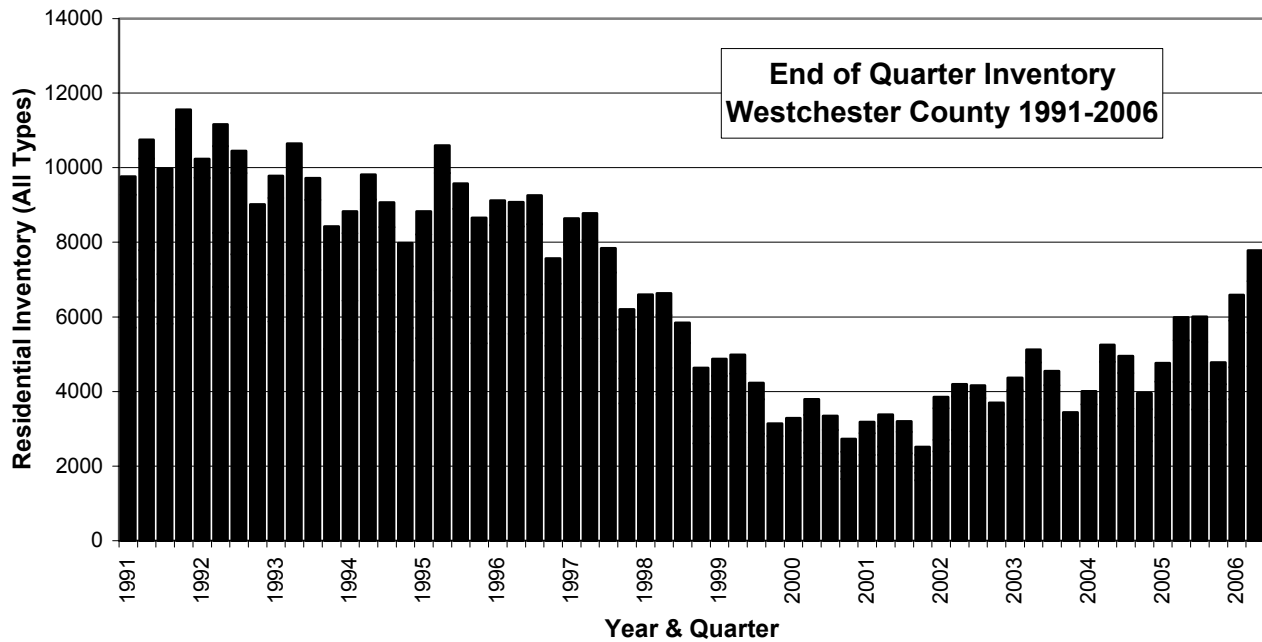
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The Westchester-Putnam Multiple Listing Service, Inc. (WPMLS) is a subsidiary of the Westchester County Board of Realtors, Inc. and the Putnam County Association of Realtors, Inc. WPMLS serves more than 1,000 real estate offices having listings in 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.

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.

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



Corrected Y axis 7/25/06

Real estate statistics and reports dating back to 1981 are available on the Web site of the Westchester County Board of Realtors, Inc., www.wcbr.net.