



**2007 FIRST QUARTER RESIDENTIAL REAL ESTATE SALES REPORT
 WESTCHESTER AND PUTNAM COUNTIES, NEW YORK**

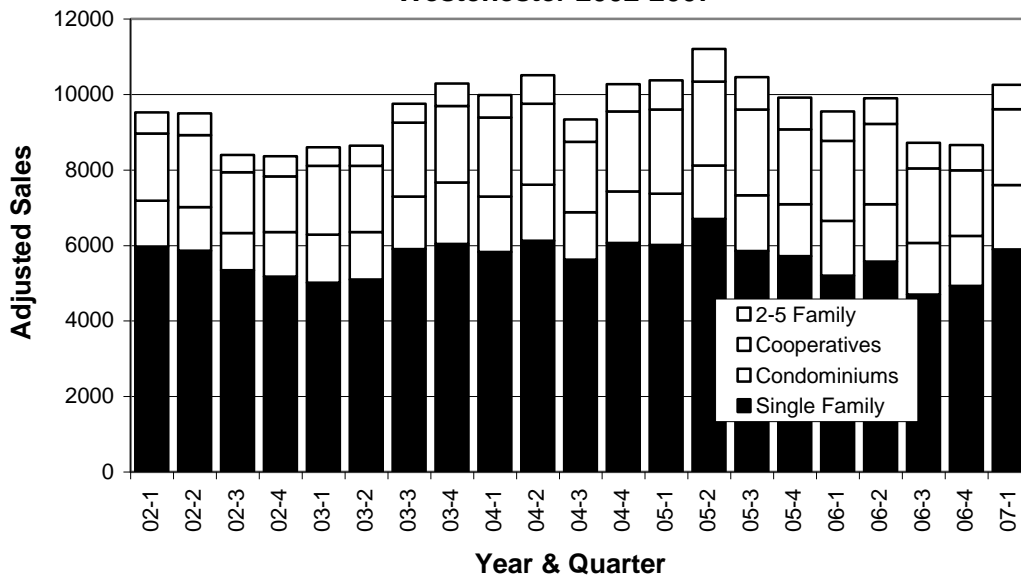
April 24, 2007

Westchester’s residential real estate market evidenced strength in the first quarter of 2007 as the number of reported closed transactions increased by nearly 6% from those of a year ago. Realtors participating in the Westchester-Putnam Multiple Listing Service reported 1,927 closings in Westchester in the first three months of the year, nearly achieving the first quarter record of 1,998 closings established in 2005. First quarter closings largely reflect sales activity in the late autumn and winter months.

Within that overall increase, however, the performance of individual property types varied widely. While single-family house sales increased by 11% and condominiums by 17%, co-op sales numbered 4.5% fewer than last year, and 2-5 family house sales were down by 17%. Further, in Putnam County, total sales were down by 20% from last year.

On a seasonally adjusted¹ basis, because prior quarter sales volumes since 2005 had been trending downwards, the 2007 uptick produced an 18% increase from the prior quarter’s adjusted rate. The actual first quarter sales were equivalent to an annual rate of 10,250 sales in Westchester, which if sustained for the rest of the year would place 2007 on a par with the high-performing 2005 market.

**SEASONALLY ADJUSTED QUARTERLY SALES
 Westchester 2002-2007**



FIRST QUARTER COMPARISONS, 2004 - 2007

Type Of Property	NUMBER OF SALES				Change 06-07	
	1st 04	1st 05	1st 06	1st 07	Amount	Percent
Westchester County						
Single Family Houses	1,089	1,091	938	1,044	106	11.3%
Condominiums	281	262	272	319	47	17.3%
Cooperatives	456	470	443	423	(20)	-4.5%
2-5 Family Houses	148	175	170	141	(29)	-17.1%
Total	1,974	1,998	1,823	1,927	104	5.7%
Putnam County						
Single Family Houses	203	198	179	141	(38)	-21.2%
Condos & Co-ops	32	38	32	28	(4)	-12.5%
Total	235	236	211	169	(42)	-19.9%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 06-07	
	1st 04	1st 05	1st 06	1st 07	Amount	Percent
Westchester County						
Single Family Houses	807.5	892.2	819.5	936.6	117	14.3%
Condominiums	99.2	101.7	112.3	134.0	22	21.3%
Cooperatives	69.5	84.5	87.5	87.5	0	0.0%
2-5 Family Houses	67.5	94.5	98.0	77.6	-20	-21.6%
Total	1,043.7	1,173.0	1,117.3	1,235.7	118	10.1%
Putnam County						
Single Family Houses	78.6	93.8	81.4	66.0	-15	-16.4%
Condos & Co-ops	6.8	10.3	8.6	7.8	-1	-7.8%
Total	85.4	104.1	90.0	73.8	-16	-15.6%

Type Of Property	MEDIAN SALE PRICE				Change 06-07	
	1st 04	1st 05	1st 06	1st 07	Amount	Percent
Westchester County						
Single Family Houses	570,000	615,000	650,000	635,000	-15,000	-2.3%
Condominiums	312,450	354,000	360,000	392,000	32,000	8.9%
Cooperatives	135,500	158,000	172,500	185,000	12,500	7.2%
2-5 Family Houses	435,000	540,000	577,000	535,000	-42,000	-7.3%
Putnam County						
Single Family Houses	340,000	410,000	375,000	400,000	25,000	6.7%
Condos & Co-ops	209,950	277,500	281,000	286,250	5,250	1.9%

Type Of Property	MEAN SALE PRICE				Change 06-07	
	1st 04	1st 05	1st 06	1st 07	Amount	Percent
Westchester County						
Single Family Houses	741,499	817,800	873,182	897,097	23,915	2.7%
Condominiums	353,136	388,122	413,029	419,976	6,947	1.7%
Cooperatives	152,364	179,886	197,443	206,929	9,486	4.8%
2-5 Family Houses	456,315	540,218	576,733	550,202	-26,531	-4.6%
Putnam County						
Single Family Houses	387,011	473,874	454,865	468,427	13,562	3.0%
Condos & Co-ops	214,057	270,721	268,391	280,102	11,711	4.4%

SEASONALLY ADJUSTED QUARTERLY SALES, 2005 - 2007

Property Type	2005	2005	2005	2005	2006	2006	2006	2006	2007	%Change 2006/4- 2007/1
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	
Westchester County										
Single Family	6,010	6,700	5,850	5,720	5,200	5,570	4,700	4,930	5,890	19.5%
Condominiums	1,360	1,420	1,480	1,370	1,450	1,520	1,360	1,320	1,710	29.5%
Cooperatives	2,230	2,220	2,270	1,980	2,120	2,130	1,980	1,740	2,010	15.5%
2-5 Family	<u>770</u>	<u>860</u>	<u>860</u>	<u>840</u>	<u>780</u>	<u>680</u>	<u>680</u>	<u>670</u>	640	-4.5%
Total	10,370	11,200	10,460	9,910	9,550	9,900	8,720	8,660	10,250	18.4%
Putnam County										
Single Family	1,090	1,080	1,190	1,060	990	990	740	670	780	16.4%
Condos+Co-ops	<u>230</u>	<u>240</u>	<u>150</u>	<u>160</u>	<u>180</u>	<u>180</u>	<u>130</u>	<u>90</u>	150	66.7%
Total	1,310	1,320	1,340	1,220	1,170	1,170	870	760	930	22.4%

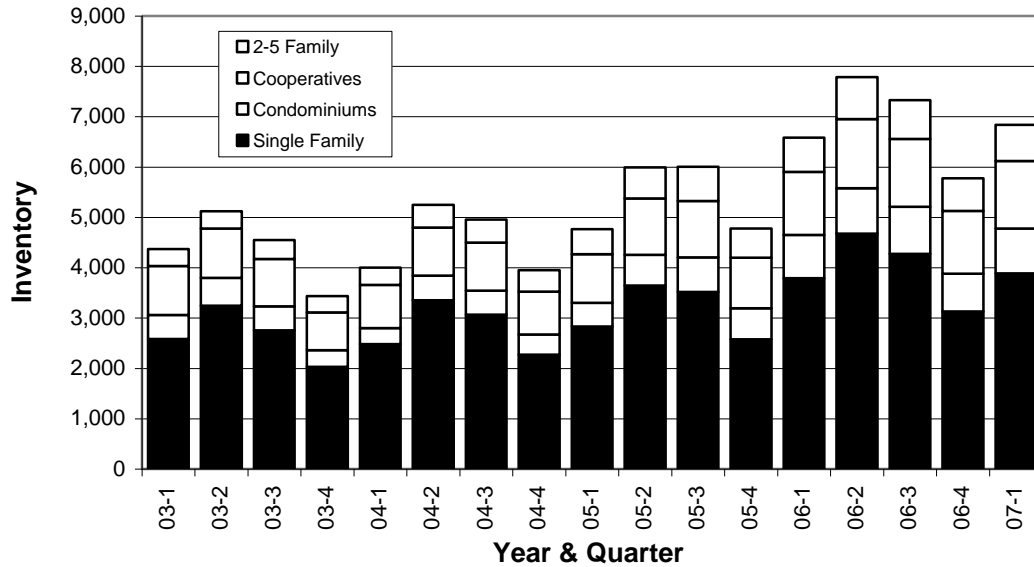
Type Of Property	END OF QUARTER INVENTORY				Change 06-07	
	1st 04	1st 05	1st 06	1st 07	Amount	Percent
Westchester County						
Single Family Houses	2,483	2,830	3,788	3,888	100	2.6%
Condominiums	315	474	860	891	31	3.6%
Cooperatives	859	962	1,253	1,342	89	7.1%
2-5 Family Houses	<u>346</u>	<u>499</u>	<u>684</u>	718	<u>34</u>	5.0%
Total	4,003	4,765	6,585	6,839	254	3.9%
Putnam County						
Single Family Houses	635	714	884	942	58	6.6%
Condos & Co-ops	<u>53</u>	<u>64</u>	<u>72</u>	105	<u>33</u>	45.8%
Total	688	778	956	1,047	91	9.5%

For the second quarter in a row, single-family house prices in Westchester posted a year-to-year decline. The first quarter median² sale price of a Westchester house was \$635,000, down just 2% or \$15,000 from that of a year ago. The mean² (arithmetic average) sale price of \$897,097, however, was up by nearly \$24,000 or about 3%. This combination of data suggests that prices and volume in the high-end market held firm, and in fact 21% of Westchester houses sold for \$1 million or more, the same percentage as in 2006.

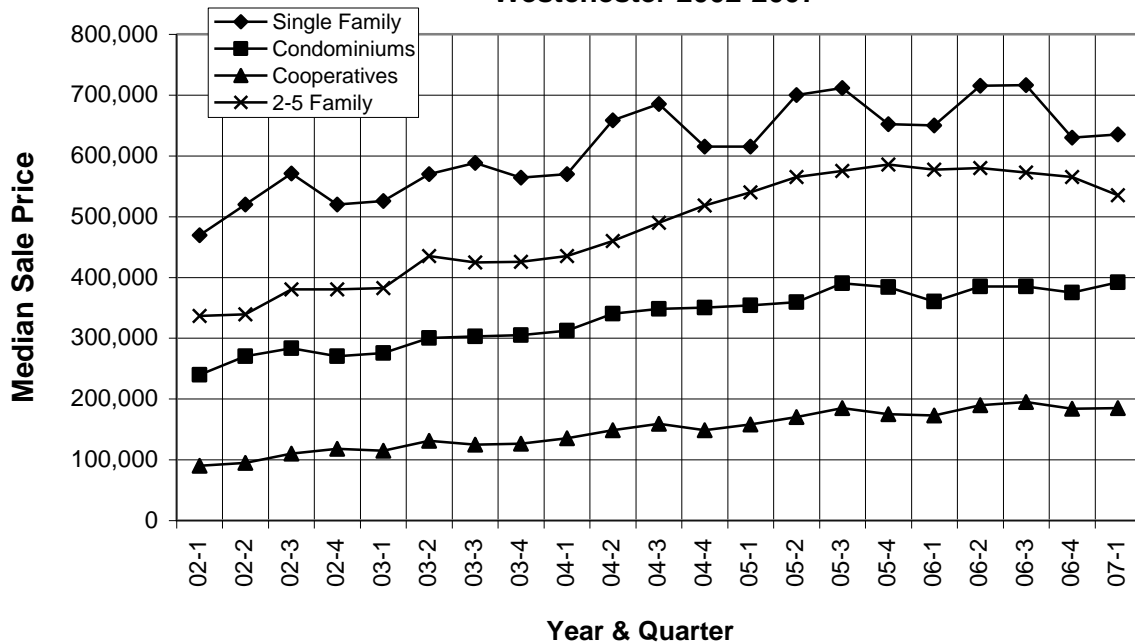
The median sale price of a Westchester condominium was \$392,000 or nearly 9% more than last year. Cooperatives, notwithstanding a nearly 5% decrease in total sales, nevertheless posted a 7% increase in price to a median of \$185,000. Single family houses in Putnam County posted a nearly 7% increase to a \$400,000 median, again, notwithstanding sharply decreased sales volume.

Westchester's end of quarter inventory of 6,839 units was only 4% higher than last year's, suggesting that the bulking up from 2005 through 2006 has ceased. These MLS reports have consistently advised that Westchester and Putnam Counties have not had an excess inventory problem for many years. To the contrary, a sales-limiting, price-pumping deficit of inventory has been the rule more often than not.

END OF QUARTER INVENTORY Westchester 2003-2007



MEDIAN SALE PRICE Westchester 2002-2007



A Look Ahead

While the first quarter performance was very encouraging on the whole, one quarter does not constitute a trend. The various indicators addressed in this report did not all point in the same direction and clearly showed a market that was in transition as both buyers and sellers adjusted their strategies for dealing with the slowdown that took place in 2006. It will take another quarter or two for clearer patterns to emerge.

In the single-family house sector in Westchester, for example, sales volumes were constrained in 2006 as sellers resisted price concessions and potential buyers responded with a waiting strategy. Once the impasse was broken by a downward price correction, however, we see that sales activity quickly increased. The 2-3% lower price levels in the fourth quarter of 2006 and first quarter of 2007, when coupled with general inflation, were equivalent to a 4% or 5% price break overall -- just enough to stimulate purchasers without discouraging sellers.

In both the condominium and cooperative markets, on the other hand, prices increased by significant amounts. In the condominium sector, the price increase was in the context of a significant overall sales volume increase as well. In the co-op sector, prices increased while sales volume decreased. And finally, in the multi-family house sector, both sales and prices posted significant declines from last year. Thus each market sector experienced different patterns during the first quarter of this year, in further support of the proposition that more time is needed to ascertain the direction of the market as a whole.

One very important and uncertain factor looming over both the local and national real estate markets is the future direction of mortgage interest rates. During the late autumn and winter period when the first quarter transactions were in negotiation and purchasers were applying for mortgages, rates were generally declining before the holidays but have been generally increasing thereafter, albeit in very small increments.

The increased interest rates diminish the pool of qualified buyers particularly in high-cost areas such as ours. Further, the cumulative effect of rate increases on variable rate mortgages as well as on sub-prime loans has generated a defaulted loan problem which in and of itself does not impact housing sales but which can lead to tighter lending criteria. The National Association of Realtors forecasted that "Tighter lending criteria and fallout from the sub-prime loan debacle will lead to a healthier housing market with greater assurance that owners can handle mortgage adjustments, but higher loan standards will slow the housing recovery." NAR recently forecasted a 2.2% decline in existing home sales this year compared to 2006.³

Our area's strong, local first quarter figures suggest that 2007 volumes will not fall short of last year's, but if mortgage interest rates and tightened lending criteria continue to exert pressure we may have to wait until 2008 for a more lasting bounce-back in our real estate market.

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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.

³NAR forecast released April 10, 2007