



Westchester-Putnam Multiple Listing Service, Inc.

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2007 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT

July 25, 2007

Half way through 2007 the Westchester-Putnam housing market appears to have leveled out as to sales volume and key price points. So far this year, January through June, Realtors participating in the Westchester-Putnam Multiple Listing Service have reported 4,269 closed residential transactions, just 1% more than during the first half of 2006. That rate of closings, if sustained for the rest of the year, would yield a 12-month total of about 9,800 sales and would result in 2007 ranking fifth in total sales volume after 2005, 2004, 1999 and 1998.

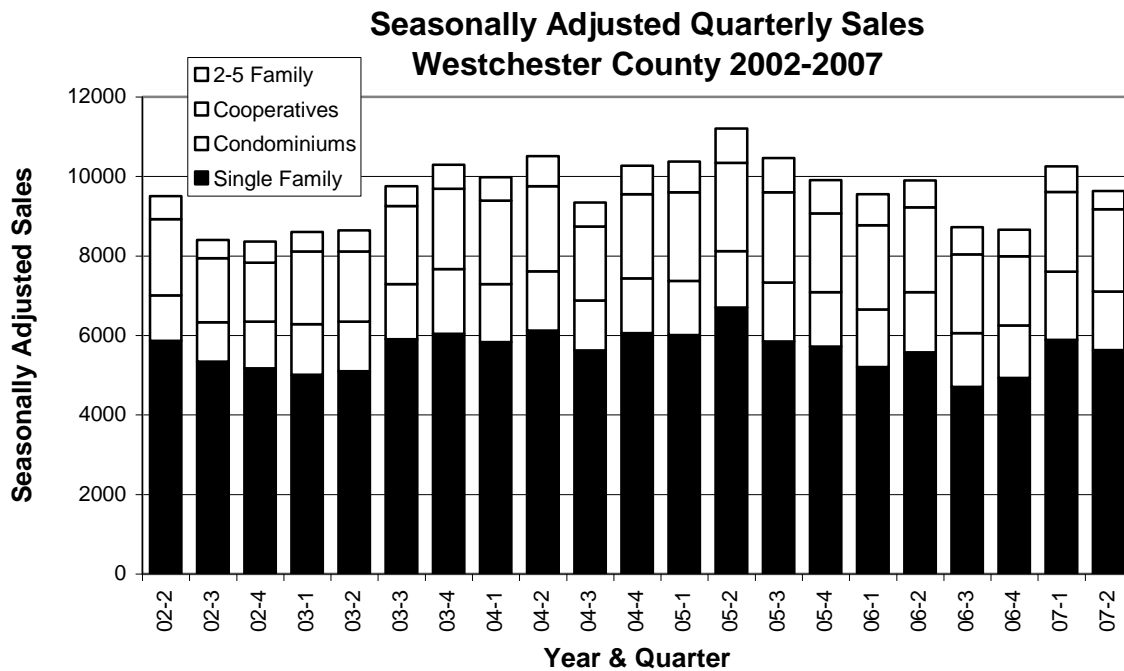
The second-quarter postings, largely resulting from market activity during the early months of 2007, were somewhat weaker than those of the corresponding period of 2006. Single-family house sales in Westchester increased by just 1% but condominium and cooperative sales each decreased by about 3%, and multi-family house sales decreased by one-third from last year. Putnam County house sales were down by 12% from last year.

| Type Of Property | YEAR TO DATE (JAN-JUN) SALES | | | | Change 06-07 | |
|----------------------------|------------------------------|--------------|--------------|--------------|--------------|---------|
| | 2004 | 2005 | 2006 | 2007 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 2,619 | 2,671 | 2,283 | 2,407 | 124 | 5.4% |
| Condominiums | 663 | 613 | 647 | 682 | 35 | 5.4% |
| Cooperatives | 1,017 | 1,012 | 965 | 931 | (34) | -3.5% |
| <u>2-5 Family Houses</u> | 334 | 375 | 331 | 249 | (82) | -24.8% |
| Total | 4,633 | 4,671 | 4,226 | 4,269 | 43 | 1.0% |
| Putnam County | | | | | | |
| Single Family Houses | 493 | 456 | 424 | 357 | (67) | -15.8% |
| <u>Condos & Co-ops</u> | 78 | 97 | 68 | 67 | (1) | -1.5% |
| Total | 571 | 553 | 492 | 424 | (68) | -13.8% |

Prices

Except for multi-family houses, second quarter price changes were not large. The median sale price¹ of a single-family house in Westchester was \$700,000 or just 2% below last year's record-high second quarter median of \$715,000. That was the third consecutive quarter for which the median was below the prior year's figure, albeit by only 2 - 3%. At the same time, the mean sale price¹ was \$965,414 or 3% higher than last year, and the

| Type Of Property | NUMBER OF SALES | | | | Change 06-07 | |
|---------------------------|-----------------|--------------|--------------|--------------|--------------|---------|
| | 2nd 04 | 2nd 05 | 2nd 06 | 2nd 07 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 1,458 | 1,580 | 1,345 | 1,363 | 18 | 1.3% |
| Condominiums | 371 | 351 | 375 | 363 | (12) | -3.2% |
| Cooperatives | 527 | 542 | 522 | 508 | (14) | -2.7% |
| 2-5 Family Houses | 175 | 200 | 161 | 108 | (53) | -32.9% |
| Total | 2,531 | 2,673 | 2,403 | 2,342 | (61) | -2.5% |
| Putnam County | | | | | | |
| Single Family Houses | 283 | 258 | 245 | 216 | (29) | -11.8% |
| Condos & Co-ops | 44 | 59 | 36 | 39 | 3 | 8.3% |
| Total | 327 | 317 | 281 | 255 | (26) | -9.3% |



| Property Type | SEASONALLY ADJUSTED QUARTERLY SALES, 2005 - 2007 | | | | | | | | %Change 2007/1- 2007/2 | |
|---------------------------|--|---------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------------------|-------------|
| | 2005 2nd | 2005 3rd | 2005 4th | 2006 1st | 2006 2nd | 2006 3rd | 2006 4th | 2007 1st | | 2007 2nd |
| Westchester County | | | | | | | | | | |
| Single Family | 6,700 | 5,850 | 5,720 | 5,200 | 5,570 | 4,700 | 4,930 | 5,890 | 5,630 | -4.4% |
| Condominiums | 1,420 | 1,480 | 1,370 | 1,450 | 1,520 | 1,360 | 1,320 | 1,710 | 1,470 | -14.0% |
| Cooperatives | 2,220 | 2,270 | 1,980 | 2,120 | 2,130 | 1,980 | 1,740 | 2,010 | 2,070 | 3.0% |
| 2-5 Family | 860 | 860 | 840 | 780 | 680 | 680 | 670 | 640 | 460 | -28.1% |
| Total | 11,200 | 10,460 | 9,910 | 9,550 | 9,900 | 8,720 | 8,660 | 10,250 | 9,630 | -6.0% |
| Putnam County | | | | | | | | | | |
| Single Family | 1,080 | 1,190 | 1,060 | 990 | 990 | 740 | 670 | 780 | 910 | 16.7% |
| Condos+Co-ops | 240 | 150 | 160 | 180 | 180 | 130 | 90 | 150 | 140 | -6.7% |
| Total | 1,320 | 1,340 | 1,220 | 1,170 | 1,170 | 870 | 760 | 930 | 1,050 | 12.9% |

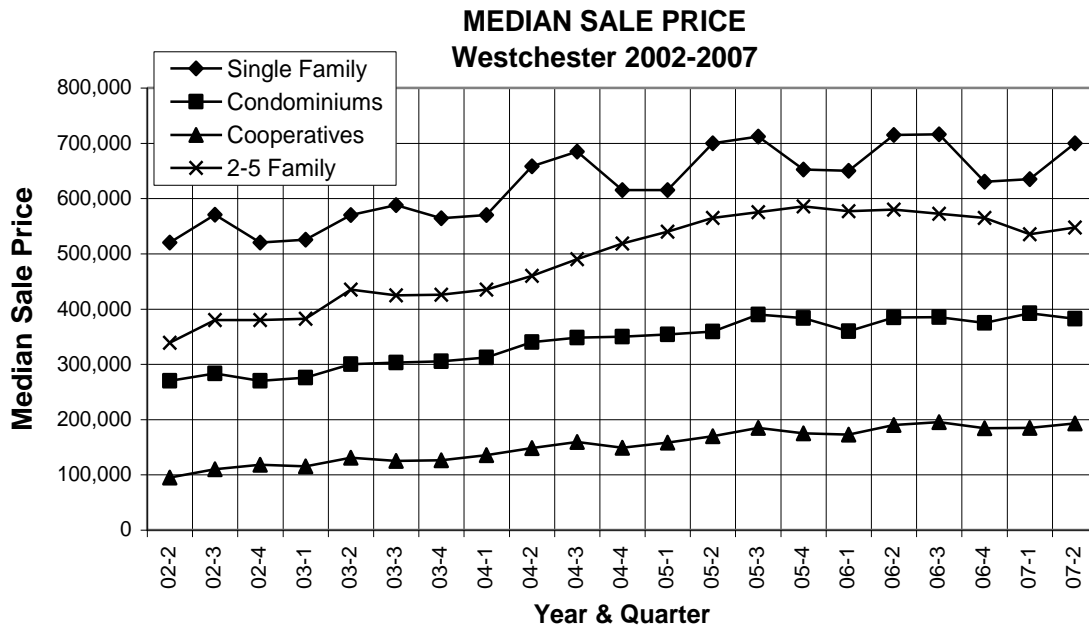
percentage of sales in excess of \$1 million was 28%. Thus it appears that the middle-market reset itself at price levels just a little below the records achieved in 2005-2006 whereas the high-end market continued to maintain market share as well as reflect the presence of some very highly priced transactions. Putnam County did not fare well in the single-family house sector, however. The \$398,500 median sale price of a Putnam house was 9% or \$40,000 less than that of last year.

The condominium median of \$382,500 decreased a little (less than 1%) from 2006. The co-op median, on the other hand, increased by nearly 2% to \$193,000 - the second-highest level on record. Also, the mean sale price increased by nearly 6% to \$218,496, indicating that there were some fairly highly priced units in the sales mix. As noted, the median sale price of a 2-5 family house fell by 6% to \$547,500.

| Type Of Property | MEDIAN SALE PRICE | | | | Change 06-07 | |
|---------------------------|-------------------|---------|---------|----------------|--------------|---------|
| | 2nd 04 | 2nd 05 | 2nd 06 | 2nd 07 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 660,000 | 700,000 | 715,000 | 700,000 | (15,000) | -2.1% |
| Condominiums | 340,000 | 359,000 | 384,900 | 382,500 | (2,400) | -0.6% |
| Cooperatives | 147,000 | 170,000 | 189,750 | 193,000 | 3,250 | 1.7% |
| 2-5 Family Houses | 460,000 | 565,000 | 580,000 | 547,500 | (32,500) | -5.6% |
| Putnam County | | | | | | |
| Single Family Houses | 400,000 | 386,125 | 438,500 | 398,500 | (40,000) | -9.1% |
| Condos & Co-ops | 237,750 | 266,500 | 274,375 | 280,000 | 5,625 | 2.1% |

| Type Of Property | MEAN SALE PRICE | | | | Change 06-07 | |
|---------------------------|-----------------|---------|---------|----------------|--------------|---------|
| | 2nd 04 | 2nd 05 | 2nd 06 | 2nd 07 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 853,542 | 915,345 | 937,959 | 965,414 | 27,455 | 2.9% |
| Condominiums | 374,462 | 408,733 | 447,248 | 423,930 | (23,318) | -5.2% |
| Cooperatives | 165,739 | 201,479 | 206,525 | 218,496 | 11,971 | 5.8% |
| 2-5 Family Houses | 485,638 | 567,894 | 588,971 | 570,137 | (18,834) | -3.2% |
| Putnam County | | | | | | |
| Single Family Houses | 425,631 | 439,712 | 475,638 | 481,059 | 5,421 | 1.1% |
| Condos & Co-ops | 230,550 | 256,132 | 275,013 | 281,758 | 6,745 | 2.5% |

| Type Of Property | DOLLAR VOLUME OF SALES (\$Millions) | | | | Change 06-07 | |
|---------------------------|-------------------------------------|----------------|----------------|----------------|---------------|--------------|
| | 2nd 04 | 2nd 05 | 2nd 06 | 2nd 07 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 1,244.5 | 1,446.2 | 1,261.6 | 1,315.9 | 54.3 | 4.3% |
| Condominiums | 138.9 | 143.5 | 167.7 | 153.9 | (13.8) | -9.6% |
| Cooperatives | 87.3 | 109.2 | 107.8 | 111.0 | 3.2 | 2.9% |
| 2-5 Family Houses | 85.0 | 113.6 | 94.8 | 61.6 | (33.2) | -29.2% |
| Total | 1,555.7 | 1,812.5 | 1,631.9 | 1,642.3 | 10.4 | 0.6% |
| Putnam County | | | | | | |
| Single Family Houses | 120.5 | 113.4 | 116.5 | 103.9 | (12.6) | -11.1% |
| Condos & Co-ops | 10.1 | 15.1 | 9.9 | 11.0 | 1.1 | 7.2% |
| Total | 130.6 | 128.5 | 126.4 | 114.9 | (11.5) | -9.0% |



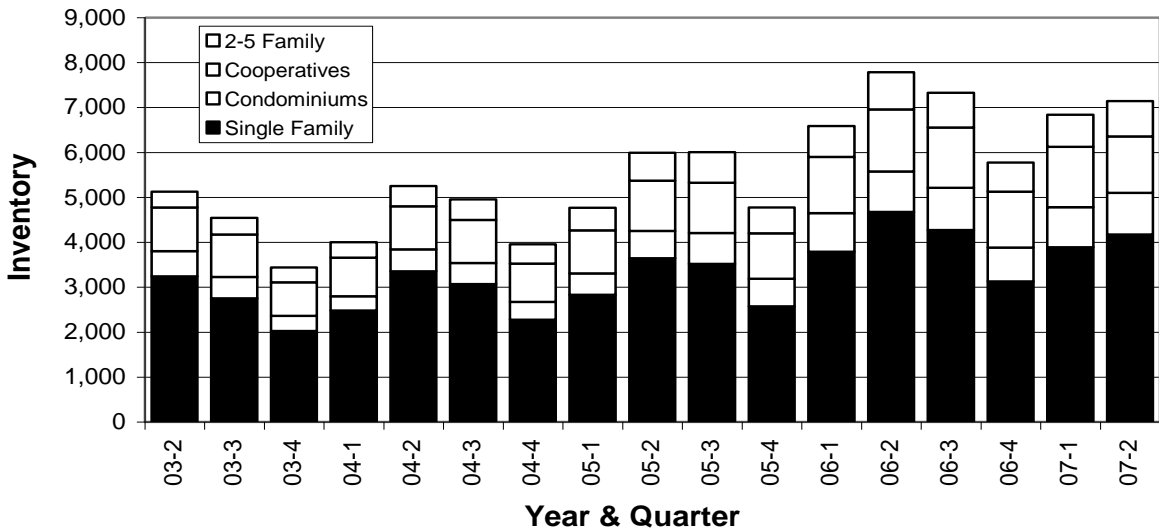
Inventory

The figures for second quarter inventory ended a twelve-quarter run of year-to-year increases that ranged from 2% in 2004 to 38% in the first quarter of 2006, when the current market retrenchment took hold locally. But as of June 30, 2007, there were 7,140 active residential listings posted with the Multiple Listing Service, a decrease of 8% from a year ago. The single-family house inventory was down by nearly 11%. Only the condominium sector posted an increase of about 3%, to 926 units.

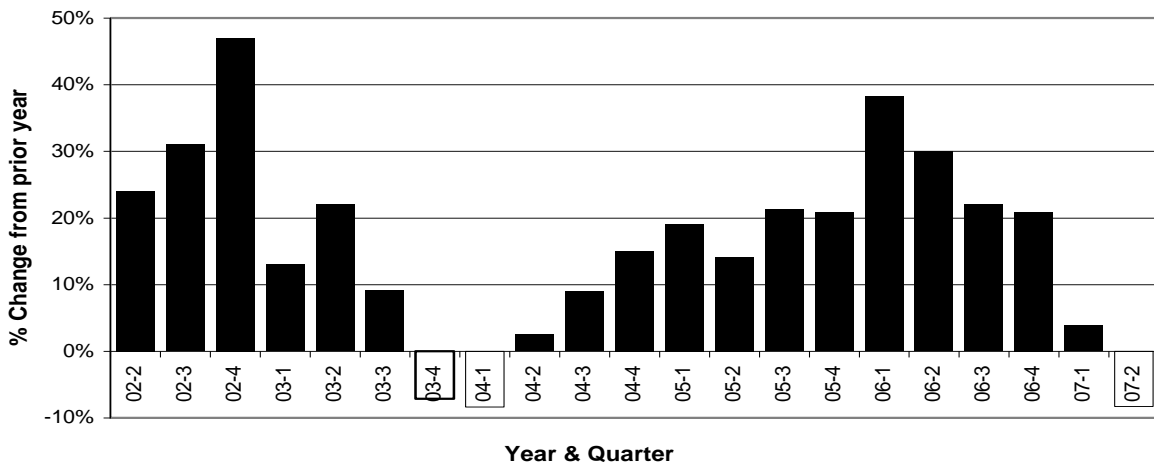
Inventory had bulked up in 2004 and 2005 in response to a vigorous market that enticed more potential sellers to participate in it. High sales rates kept a lid on the size of the increases. In the first quarter of 2006, however, when sales volume slowed suddenly, inventory spiked. In the subsequent quarters there were year-to-year increases but in progressively smaller amounts until this second quarter of 2007 when an actual decrease occurred. The current reduction is attributable not to high sales volume but to sellers who have the discretion to wait for what they believe will be better market conditions in the future and who are electing to do so.

| Type Of Property | END OF QUARTER INVENTORY | | | | Change 06-07 | |
|-----------------------------|--------------------------|--------|--------|--------------|--------------|---------|
| | 2nd 04 | 2nd 05 | 2nd 06 | 2nd 07 | Amount | Percent |
| Westchester County | | | | | | |
| Single Family Houses | 3,350 | 3,644 | 4,676 | 4,173 | (503) | -10.8% |
| Condominiums | 489 | 609 | 901 | 926 | 25 | 2.8% |
| Cooperatives | 959 | 1,119 | 1,378 | 1,255 | (123) | -8.9% |
| 2-5 Family Houses | 452 | 618 | 829 | 786 | (43) | -5.2% |
| Total | 5,250 | 5,990 | 7,784 | 7,140 | (644) | -8.3% |
| Putnam County | | | | | | |
| Single Family Houses | 857 | 944 | 1,129 | 1,080 | (49) | -4.3% |
| Condos & Co-ops | 69 | 64 | 112 | 119 | 7 | 6.3% |
| Total | 926 | 1,008 | 1,241 | 1,199 | (42) | -3.4% |

**END OF QUARTER INVENTORY
Westchester 2003-2007**



**Year-to-Year Percent Change in Inventory
Westchester County**



Observations

Since 2006 the residential real estate market is still in the doldrums in many areas of the country, particularly where there has been overbuilding pumped up by over-ambitious purchasing by investors. That circumstance and other negative economic news affects consumer perceptions of real estate even in fairly healthy regions such as our own.

One possible local casualty is our multi-family house sector which has experienced declining sales volume and prices in this and prior quarters since 2006. This particular market sector - which is small in relation to the others - is the one most influenced by investment rather than simple home ownership-motivated purchasing. Realtors who work in this sector report that for now at least, investors are finding stocks and other investments to offer a higher gain than is available from appreciation or leveraged rent rolls on 2-5 family houses, and they are stepping away from that market as a result.

Overall, however, the Westchester-Putnam region's passage from the feverish markets of 2004 and 2005 to the adjusted realities of 2006 and 2007 has been not too rough - more of a dip than a dive. Sales volumes have reset to levels that are fairly strong when viewed in the long term. There has been a slight downward price correction in the range of 2-3% in the main property categories but there are no signals of larger price reductions to come. Inventory is far from excessive.

Westchester and Putnam Counties continue to benefit from proximity to New York City's vigorous housing market and economy that generates a continuous stream of buyers for the suburban housing markets. Our own region is in good economic shape too, with unemployment dropping to as low as 3.3% and jobs increasing by 1% since last year. But the wild card in this hand has been and continues to be mortgage financing - both interest rate levels and the more recent problem with sub-prime lending.

Thus far restrained mortgage interest rates have been a positive factor in both the local and national housing markets. Interest rates on 30-year fixed rate mortgages have been as low as 5.7% in the past three years. Although rates had climbed to nearly 7.0% in the summer of last year they have since leveled out at around 6.5% or lower - which is important for real estate affordability in high cost areas such as ours.

Right now the more worrisome issue is whether the debacle in sub-prime lending will manifest itself in the form of tighter lending criteria in the conventional market, which in turn would eliminate some moderate-income and first-time homebuyers from the market. Member Realtors have reported some instances of buyers having unusual difficulty obtaining financing, but not on a large scale. Absent problems with mortgage financing, there is no reason to expect any further erosion of sales volumes or prices in the Westchester-Putnam housing market.

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¹ *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.*