



**2007 THIRD QUARTER
RESIDENTIAL REAL ESTATE SALES REPORT**

October 22, 2007

Westchester's residential real estate market continued to firm up with incrementally higher sales volumes and prices posted during the third quarter of the year (July-August-September). Realtors participating in the Westchester-Putnam Multiple Listing Service reported 2,740 closed transactions during the period, a slight gain of just under 1% from 2006 totals. The third-quarter closings largely resulted from market activity that took place in the late spring through mid-summer months. The total dollar volume of the closings was nearly \$2 billion, an increase of 3% from last year.

Westchester's single-family house sector posted the strongest gain in sales, 5.5%, over last year's third-quarter total. The co-op sector followed with a 2.0% gain, and condominium sales increased by just a half percent. However, total sales volume for the quarter was tamped down by a continuing, significant fall-off in multi-family sales (properties with two to four residential units¹). The 102 posted third-quarter sales in that category numbered 43% fewer than last year's.

Type Of Property	NUMBER OF SALES				Change 06-07	
	3rd 04	3rd 05	3rd 06	3rd07	Amount	Percent
Westchester County						
Single Family Houses	2,108	2,002	1,592	1,679	87	5.5%
Condominiums	414	425	395	397	2	0.5%
Cooperatives	624	620	551	562	11	2.0%
2-4 Family Houses	201	231	180	102	(78)	-43.3%
Total	3,347	3,278	2,718	2,740	22	0.8%
Putnam County						
Single Family Houses	343	362	228	224	(4)	-1.8%
Condos & Co-ops	64	49	38	47	9	23.7%
Total	407	411	266	271	5	1.9%

Putnam County's market continued to lag Westchester's. The 224 posted single-family house sales for Putnam were at about the same low level as last year's third-quarter total. The 47 reported condo sales constituted a 24% increase from last year but that percentage derived from a very small base. Overall, Putnam County sales volume was down about 34% from its peak performance in 2004-2005 whereas the Westchester market was down only 18% and has been improving.

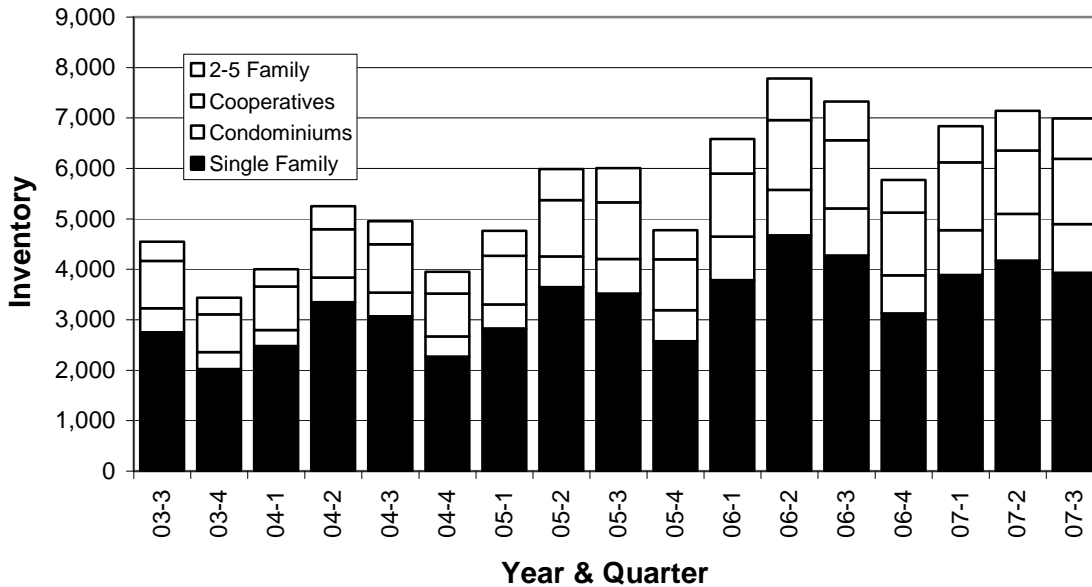
On a year-to-date basis, Westchester's single-family house sales through the third quarter of 2007 were a healthy 4% ahead of last year's. The weaker performance of the other categories, however, particularly multi-family properties, braked the overall gain. Putnam County's single-family house sector continued in decline with 12% fewer sales year to date than last year at this time.

YEAR TO DATE SALES (Jan - Sep)					Change 06-07	
Property Type	2004	2005	2006	2007	Amount	Percent
Westchester County						
Single Family	4,727	4,722	3,933	4,086	153	3.9%
Condominiums	1,077	1,054	1,064	1,079	15	1.4%
Cooperatives	1,641	1,653	1,535	1,493	(42)	-2.7%
2-5 Family	535	619	521	351	(170)	-32.6%
Total	7,980	8,048	7,053	7,009	(44)	-0.6%
Putnam County						
Single Family	836	830	661	581	(80)	-12.1%
Condos+Co-ops	142	147	107	114	7	6.5%
Total	978	977	768	695	(73)	-9.5%

Notwithstanding the fairly level rates of sales from 2006 through 2007, the inventory of properties for sale decreased in both counties by the end of the third quarter. Westchester's end-of-quarter stock of 6,992 listings was nearly 5% below last year's level, with a decrease of nearly 8% concentrated in the single-family house sector. Only the condo sector posted a year to year gain. In Putnam County the single-family housing stock was nearly 4% less than last year's total. In both counties the reduction of inventory largely resulted from fewer listings being placed on the market by prospective sellers, some of whom, having the discretion to do so, have determined to wait out the market until they judge that conditions are more favorable to them.

END OF QUARTER INVENTORY					Change 06-07	
Type Of Property	3rd 04	3rd 05	3rd 06	3rd 07	Amount	Percent
Westchester County						
Single Family Houses	3,068	3,519	4,273	3,934	(339)	-7.9%
Condominiums	473	688	936	964	28	3.0%
Cooperatives	955	1,118	1,346	1,291	(55)	-4.1%
2-5 Family Houses	456	680	771	803	32	4.2%
Total	4,952	6,005	7,326	6,992	(334)	-4.6%
Putnam County						
Single Family Houses	822	942	1,095	1,053	(42)	-3.8%
Condos & Co-ops	67	78	109	116	7	6.4%
Total	889	1,020	1,204	1,169	(35)	-2.9%

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

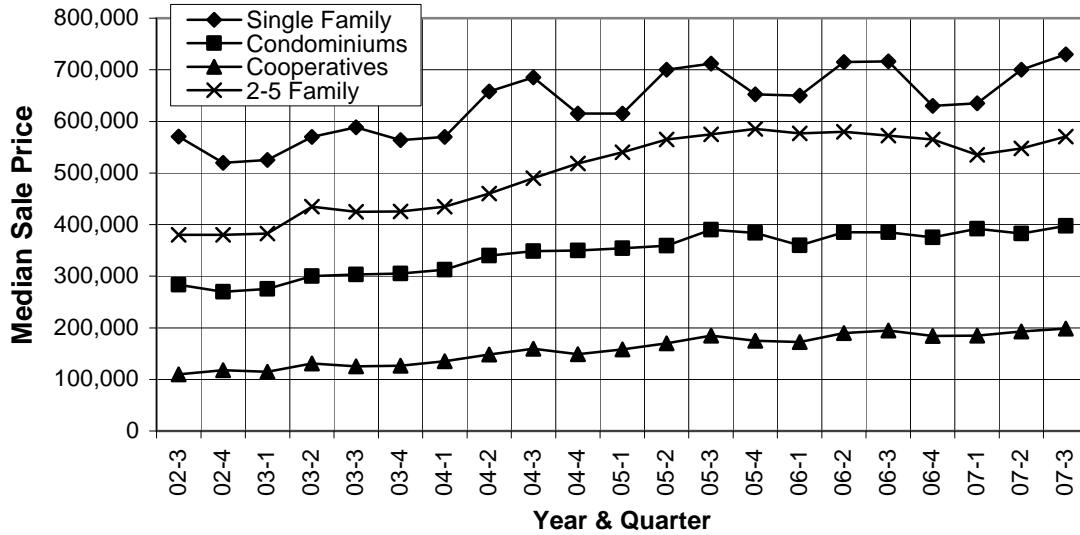


With the exception of multi-family houses, prices in every category in both Westchester and Putnam increased by amounts ranging from 2% to 7%. The median sale price² of a single-family house in Westchester increased by almost 2%, to \$730,000. In Putnam County the median sale price of \$432,500 was nearly 7% higher than last year.

In Westchester's case the 2% price increase for houses partly reflected an across-the-board gain in all price ranges but also partly resulted from a steady increase in the proportion of high-end sales. Properties that have sold for \$1 million or more have steadily increased their share of market from about 21% at the start of 2006 to 28% in the past two quarters of 2007. That is a large shift even when bracket creep from inflation is factored out, and it is enough in and of itself to drag the median upwards without much contribution from real price appreciation. In Putnam County, in contrast, given the small number of sales and relative absence of high-end properties, the 7% third quarter increase in median sale price may well have resulted from a chance string of more expensive sales; it will take another quarter or two to know for sure.

Type Of Property	MEDIAN SALE PRICE				Change 06-07	
	3rd 04	3rd 05	3rd 06	3rd 07	Amount	Percent
Westchester County						
Single Family Houses	685,000	711,700	716,125	730,000	13,875	1.9%
Condominiums	348,250	390,000	385,000	397,500	12,500	3.2%
Cooperatives	159,250	185,000	195,000	198,500	3,500	1.8%
2-4 Family Houses	490,000	575,000	572,450	570,750	(1,700)	-0.3%
Putnam County						
Single Family Houses	385,000	425,000	405,000	432,500	27,500	6.8%
Condos & Co-ops	255,000	274,000	287,250	285,000	(2,250)	-0.8%

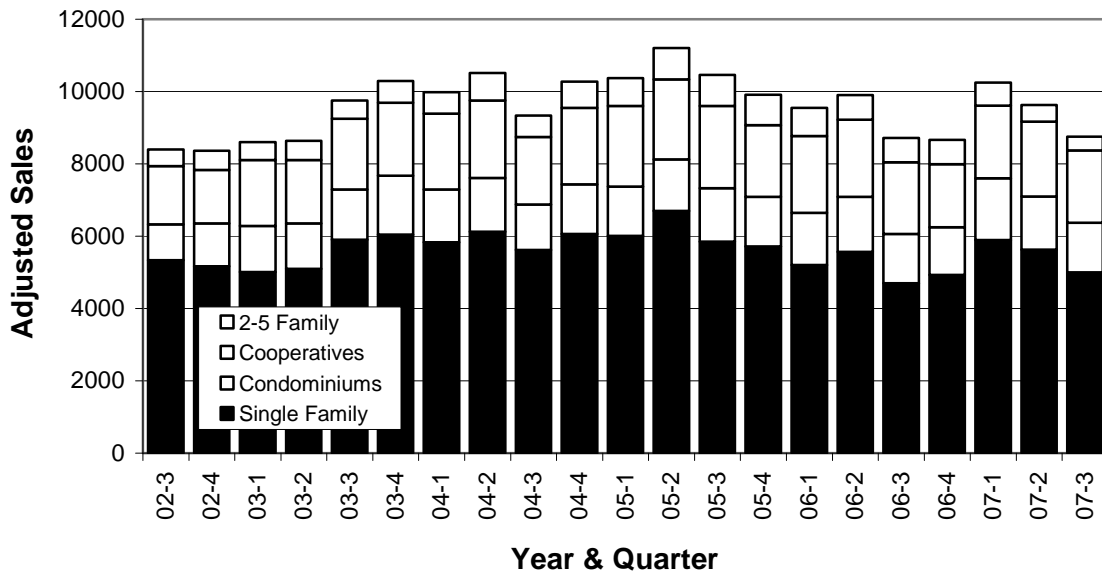
**MEDIAN SALE PRICE
Westchester 2002-2007**



Type Of Property	MEAN SALE PRICE				Change 06-07	
	3rd 04	3rd 05	3rd 06	3rd 07	Amount	Percent
Westchester County						
Single Family Houses	884,108	919,285	950,005	966,987	16,982	1.8%
Condominiums	376,598	440,436	431,184	435,308	4,124	1.0%
Cooperatives	187,517	212,618	219,154	218,553	(601)	-0.3%
2-4 Family Houses	516,328	587,013	606,663	578,819	(27,844)	-4.6%
Putnam County						
Single Family Houses	434,824	476,398	464,547	469,849	5,302	1.1%
Condos & Co-ops	243,314	263,109	273,135	297,292	24,157	8.8%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 06-07	
	3rd 04	3rd 05	3rd 06	3rd 07	Amount	Percent
Westchester County						
Single Family Houses	1,863.9	1,840.4	1,512.4	1,623.6	111.2	7.4%
Condominiums	155.9	187.2	170.3	172.8	2.5	1.5%
Cooperatives	117.0	131.8	120.8	122.8	2.0	1.7%
2-4 Family Houses	103.8	135.6	109.2	59.0	(50.2)	-46.0%
Total	2,240.6	2,295.0	1,912.7	1,978.2	65.5	3.4%
Putnam County						
Single Family Houses	149.1	172.5	105.9	105.2	(0.7)	-0.7%
Condos & Co-ops	15.6	12.9	10.4	14.0	3.6	34.9%
Total	164.7	185.4	116.3	119.2	2.9	2.5%

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



SEASONALLY ADJUSTED QUARTERLY SALES, 2005 - 2007

Property Type	2005 3rd	2005 4th	2006 1st	2006 2nd	2006 3rd	2006 4th	2007 1st	2007 2nd	2007 3rd	%Change 2007/2- 2007/3
Westchester County										
Single Family	5,850	5,720	5,200	5,570	4,700	4,930	5,890	5,630	5,000	-11.2%
Condominiums	1,480	1,370	1,450	1,520	1,360	1,320	1,710	1,470	1,370	-6.8%
Cooperatives	2,270	1,980	2,120	2,130	1,980	1,740	2,010	2,070	2,000	-3.4%
2-5 Family	860	840	780	680	680	670	640	460	380	-17.4%
Total	10,460	9,910	9,550	9,900	8,720	8,660	10,250	9,630	8,750	-9.1%
Putnam County										
Single Family	1,190	1,060	990	990	740	670	780	910	730	-19.8%
Condos+Co-ops	150	160	180	180	130	90	150	140	160	14.3%
Total	1,340	1,220	1,170	1,170	870	760	930	1,050	890	-15.2%

A look ahead

The third-quarter picture for Westchester was clouded somewhat by the very poor performance of the multi-family housing sector which operated at less than half of its peak levels posted in 2004 and 2005. This sector reflects investor activity much more so than the other sectors do. The message from the plummeting sales volume was that investors in that period were less attracted to real estate in comparison to other types of investment opportunities, and shifted their activity away from real estate accordingly.

Setting aside that special segment of real estate, however, the Westchester residential market was fairly strong during the third quarter and clearly was not in decline in spite of outside negative factors including rising mortgage interest rates. During the late spring-to- summer period when the third-quarter sold-properties were listed and marketed, average 30-year conventional mortgage interest rates increased from about 6.4% to 6.8%, enough to make borrowers take notice but not enough to slow the market, at least not locally. The sub-prime mortgage problem was just emerging then but had not yet had its broader effect on general credit availability. In that same period the various stock market indices were posting impressive gains, and in the lower Hudson Valley region job growth remained steady and unemployment remained low. Thus it was a supportive environment for recovery in the real estate market.

Currently not much has changed with respect to the overall favorable economic conditions that powered the third-quarter closings. Mortgage interest rates have even declined a little in recent weeks. Area Realtors are reporting that some prospective purchasers have had problems obtaining mortgages on terms reflective of their credit scores but that usually there have been successful work-arounds to complete those transactions. Thus again, setting aside the troubled multi-family housing sector, it appears that the market is in a recovery mode and that 2007 Westchester sales volumes and prices may well outpace those of 2006 by year-end. Putnam County will probably lag for another 6 - 9 months but stability in the inner metropolitan region will eventually reach the more distant suburbs.

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¹ *Effective with this report WPMLS has revised the residential multi-family category to consist of properties having two to four dwelling units, reflecting a widely accepted limitation for conventional residential financing above which commercial financing is commonly required. The prior breakpoint was two to five units, reflecting the threshold for rent control at six or more dwelling units. The change in definition affects only those properties having exactly five dwelling units. Surveys of the archived database indicate that such properties were and are very few in number and would have had no meaningful impact on prior statistics presented in these reports, hence no adjustments have been made.*

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.*