



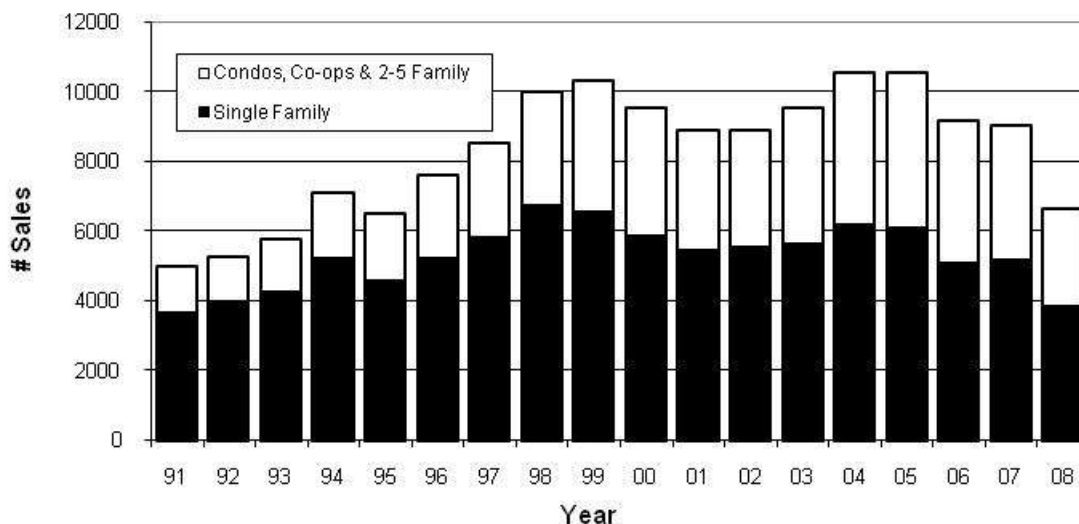
## 2008 FOURTH QUARTER AND FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

January 26, 2009

Although in retrospect we now know that the U.S. economic recession officially commenced in 2007, that fact was not readily evident in the Westchester and Putnam County real estate market at the time. To be sure, the signals of trouble ahead were there to be seen – the steadily decreasing seasonally adjusted sales rates each quarter - but the performance of 2007 as a whole was not so bad as to be termed recessionary. Its 9,022 MLS-posted residential sales in Westchester were a scant 2% fewer than those posted in 2006.

That all changed as 2008 arrived. The first quarter Westchester sales were 31% below 2007's first quarter level. Seasonally adjusted<sup>1</sup>, the 2008 first quarter sales rate was 14% lower than the prior fourth quarter 2007 rate. That steep fall-off continued for the next three quarters. By year end, Realtors participating in the Westchester-Putnam Multiple Listing Service had reported a total of 6,639 sales in all categories of residential real estate, a decrease of 26% from 2007 levels. That was the lowest level of sales compiled by the MLS since 1995. In Putnam County the year to year fall off was 20%.

**ANNUAL SALES**  
**Westchester 1991-2008**



## ANNUAL COMPARISONS, 2005- 2008

Type Of Property	NUMBER OF SALES				Change 07 - 08	
	2005	2006	2007	2008	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	6,072	5,069	5,171	<b>3,805</b>	(1,366)	-26.4%
Condominiums	1,428	1,419	1,445	<b>1,005</b>	(440)	-30.4%
Cooperatives	2,182	1,979	1,972	<b>1,543</b>	(429)	-21.8%
<u>2-4 Family Houses</u>	<u>842</u>	<u>700</u>	<u>434</u>	<b>286</b>	(148)	-34.1%
<b>Total</b>	<b>10,524</b>	<b>9,167</b>	<b>9,022</b>	<b>6,639</b>	<b>(2,383)</b>	<b>-26.4%</b>
<b>Putnam County</b>						
Single Family Houses	1,116	869	773	<b>623</b>	(150)	-19.4%
<u>Condos &amp; Co-ops</u>	<u>190</u>	<u>132</u>	<u>144</u>	<b>111</b>	(33)	-22.9%
<b>Total</b>	<b>1,306</b>	<b>1,001</b>	<b>917</b>	<b>734</b>	<b>(183)</b>	<b>-20.0%</b>

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 07 - 08	
	2005	2006	2007	2008	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	5,355.2	4,643.1	4,845.1	<b>3,355.2</b>	(1,489.9)	-30.8%
Condominiums	601.2	601.4	625.9	<b>435.5</b>	(190.4)	-30.4%
Cooperatives	438.1	410.3	421.5	<b>317.6</b>	(103.9)	-24.6%
<u>2-4 Family Houses</u>	<u>484.9</u>	<u>407.5</u>	<u>241.3</u>	<b>136.0</b>	(105.3)	-43.7%
<b>Total</b>	<b>6,879.4</b>	<b>6,062.3</b>	<b>6,133.8</b>	<b>4,244.3</b>	<b>(1,889.5)</b>	<b>-30.8%</b>
<b>Putnam County</b>						
Single Family Houses	520.2	405.9	358.8	<b>273.4</b>	(85.4)	-23.8%
<u>Condos &amp; Co-ops</u>	<u>49.7</u>	<u>35.5</u>	<u>41.4</u>	<b>32.1</b>	(9.3)	-22.5%
<b>Total</b>	<b>569.9</b>	<b>441.4</b>	<b>400.2</b>	<b>305.5</b>	<b>(94.7)</b>	<b>-23.7%</b>

Type Of Property	MEDIAN SALE PRICE				Change 07 - 08	
	2005	2006	2007	2008	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	675,000	680,000	685,000	<b>650,000</b>	(35,000)	-5.1%
Condominiums	375,000	375,000	390,000	<b>385,000</b>	(5,000)	-1.3%
Cooperatives	172,000	185,000	190,000	<b>185,000</b>	(5,000)	-2.6%
2-4 Family Houses	570,000	570,000	546,250	<b>463,750</b>	(82,500)	-15.1%
<b>Putnam County</b>						
Single Family Houses	410,000	410,000	400,000	<b>373,000</b>	(27,000)	-6.8%
Condos & Co-ops	272,500	275,000	280,000	<b>280,000</b>	-	0.0%

Type Of Property	MEAN SALE PRICE				Change 07 - 08	
	2005	2006	2007	2008	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	881,949	915,987	936,982	<b>881,793</b>	(55,189)	-5.9%
Condominiums	421,033	423,791	433,177	<b>433,295</b>	118	0.0%
Cooperatives	200,770	207,338	213,730	<b>205,863</b>	(7,867)	-3.7%
2-4 Family Houses	575,919	582,092	556,102	<b>475,381</b>	(80,721)	-14.5%
<b>Putnam County</b>						
Single Family Houses	466,136	467,090	464,111	<b>438,888</b>	(25,223)	-5.4%
Condos & Co-ops	261,348	269,164	287,793	<b>289,040</b>	1,247	0.4%

## FOURTH QUARTER COMPARISONS, 2005 - 2008

Type Of Property	NUMBER OF SALES				Change 07 - 08	
	4th 05	4th 06	4th 07	4th 08	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	1,316	1,121	1,026	<b>750</b>	(276)	-26.9%
Condominiums	360	345	345	<b>193</b>	(152)	-44.1%
Cooperatives	513	437	441	<b>367</b>	(74)	-16.8%
2-4 Family Houses	215	174	88	<b>85</b>	(3)	-3.4%
<b>Total</b>	<b>2,404</b>	<b>2,077</b>	<b>1,900</b>	<b>1,395</b>	<b>(505)</b>	<b>-26.6%</b>
<b>Putnam County</b>						
Single Family Houses	282	207	181	<b>146</b>	(35)	-19.3%
Condos & Co-ops	42	25	29	<b>32</b>	3	10.3%
<b>Total</b>	<b>324</b>	<b>232</b>	<b>210</b>	<b>178</b>	<b>(32)</b>	<b>-15.2%</b>

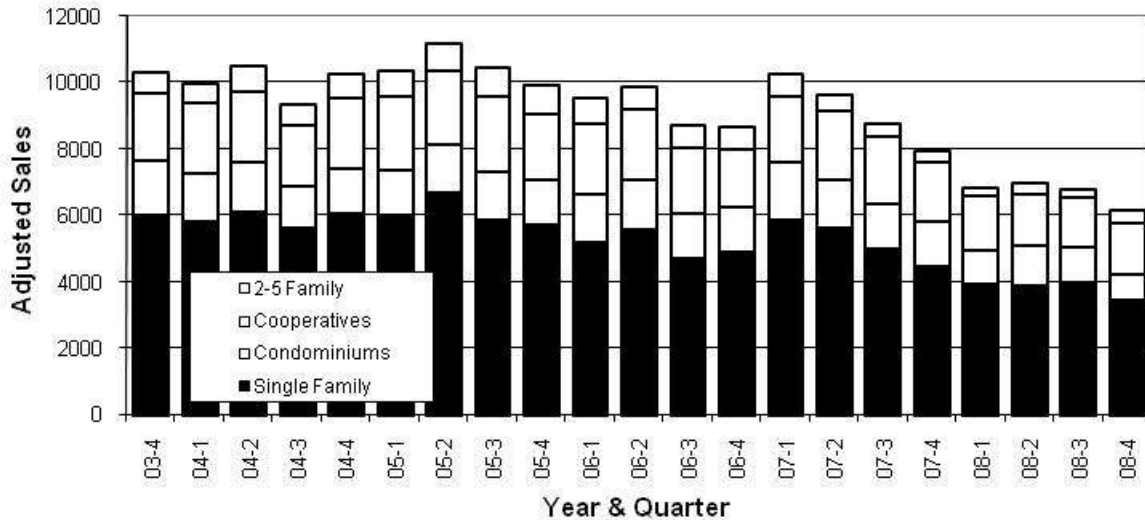
Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 07 - 08	
	4th 05	4th 06	4th 07	4th 08	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	1,115.0	987.0	917.7	<b>558.8</b>	(358.9)	-39.1%
Condominiums	157.0	138.2	154.6	<b>76.0</b>	(78.6)	-50.9%
Cooperatives	105.9	90.0	92.3	<b>74.4</b>	(17.9)	-19.4%
2-4 Family Houses	129.2	99.8	47.7	<b>36.6</b>	(11.1)	-23.2%
<b>Total</b>	<b>1,507.1</b>	<b>1,315.0</b>	<b>1,212.3</b>	<b>745.9</b>	<b>(466.4)</b>	<b>-38.5%</b>
<b>Putnam County</b>						
Single Family Houses	134.0	95.6	78.4	<b>58.7</b>	(19.7)	-25.1%
Condos & Co-ops	10.8	6.2	8.4	<b>10.7</b>	2.3	27.1%
<b>Total</b>	<b>144.8</b>	<b>101.8</b>	<b>86.8</b>	<b>69.4</b>	<b>(17.4)</b>	<b>-20.1%</b>

Type Of Property	MEDIAN SALE PRICE				Change 07 - 08	
	4th 05	4th 06	4th 07	4th 08	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	652,250	630,000	640,000	<b>570,000</b>	(70,000)	-10.9%
Condominiums	383,750	375,000	382,000	<b>355,000</b>	(27,000)	-7.1%
Cooperatives	175,000	184,000	185,000	<b>180,000</b>	(5,000)	-2.7%
2-4 Family Houses	585,500	565,000	555,000	<b>409,000</b>	(146,000)	-26.3%
<b>Putnam County</b>						
Single Family Houses	413,000	420,000	380,000	<b>350,000</b>	(30,000)	-7.9%
Condos & Co-ops	270,000	260,000	255,000	<b>297,062</b>	42,062	16.5%

Type Of Property	MEAN SALE PRICE				Change 07 - 08	
	4th 05	4th 06	4th 07	4th 08	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	847,242	880,449	894,475	<b>745,127</b>	(149,348)	-16.7%
Condominiums	436,194	400,672	448,184	<b>393,560</b>	(54,624)	-12.2%
Cooperatives	206,515	206,043	209,248	<b>202,767</b>	(6,481)	-3.1%
2-4 Family Houses	600,955	573,771	542,605	<b>430,972</b>	(111,633)	-20.6%
<b>Putnam County</b>						
Single Family Houses	475,044	461,773	433,082	<b>402,123</b>	(30,959)	-7.1%
Condos & Co-ops	258,208	247,663	288,362	<b>333,687</b>	45,325	15.7%

Fourth quarter closings in Westchester were down by 27% on a year to year basis. Putnam County closings were down by 15%. When adjusted for seasonality, the fourth quarter Westchester rate was equivalent to 6,140 sales per year, a decrease of nearly 10% from the prior quarter's rate. It is important to note that the fourth quarter closings resulted from property marketing activity that took place largely during the summer months and do not at all reflect the impact of the economic chaos that commenced in October of 2008. The damage to the real estate market from that period won't be officially measurable until the close of the first quarter of 2009 at the earliest.

### SEASONALLY ADJUSTED QUARTERLY SALES Westchester 2003-2008



### SEASONALLY ADJUSTED QUARTERLY SALES, 2005 - 2007

Property Type	2006	2007	2007	2007	2007	2008	2008	2008	2008	%Change 2008/3rd- 2008/4th
	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
<b>Westchester County</b>										
Single Family	4,930	5,890	5,630	5,000	4,480	3,920	3,910	4,000	<b>3,440</b>	-14.0%
Condominiums	1,320	1,710	1,470	1,370	1,340	1,060	1,200	1,030	<b>780</b>	-24.3%
Cooperatives	1,740	2,010	2,070	2,000	1,790	1,600	1,550	1,520	<b>1,570</b>	3.3%
2-5 Family	<u>670</u>	<u>640</u>	<u>460</u>	<u>380</u>	<u>340</u>	<u>260</u>	<u>310</u>	<u>240</u>	<b>350</b>	45.8%
<b>Total</b>	8,660	10,250	9,630	8,750	7,960	6,840	6,970	6,790	6,140	-9.6%
<b>Putnam County</b>										
Single Family	670	780	910	730	690	690	580	670	<b>580</b>	-13.4%
Condos+Co-ops	<u>90</u>	<u>150</u>	<u>140</u>	<u>160</u>	<u>120</u>	<u>130</u>	<u>90</u>	<u>90</u>	<b>140</b>	55.6%
<b>Total</b>	760	930	1,050	890	810	820	670	760	<b>730</b>	-3.9%

Although sales volumes plunged, Westchester-Putnam sellers resisted price concessions for much of the year. Over the entire year, the median sale price<sup>2</sup> of a single family house in Westchester decreased by only 5% from 2007, by \$35,000 to a twelve-month average of \$650,000. Westchester condo and co-op medians decreased by only 1% and 3% respectively. Putnam County's single family median decreased by 7% to \$373,000. Only the multi-family (2-4 unit) sector endured a large price cut –down 15% to a median of \$463,750.

Mean sale prices<sup>2</sup> decreased by roughly the same percentages, suggesting that downward price movement, such as it was, was fairly evenly spread over all property types and price ranges within them including houses selling for one million dollars or more. For the first time since WPMLS began tracking million-dollar-plus sales in 2000, that sector lost some market share, constituting 22.8% of Westchester house sales in 2008 in comparison to 25.4% in 2007 and 24.7% in 2006.

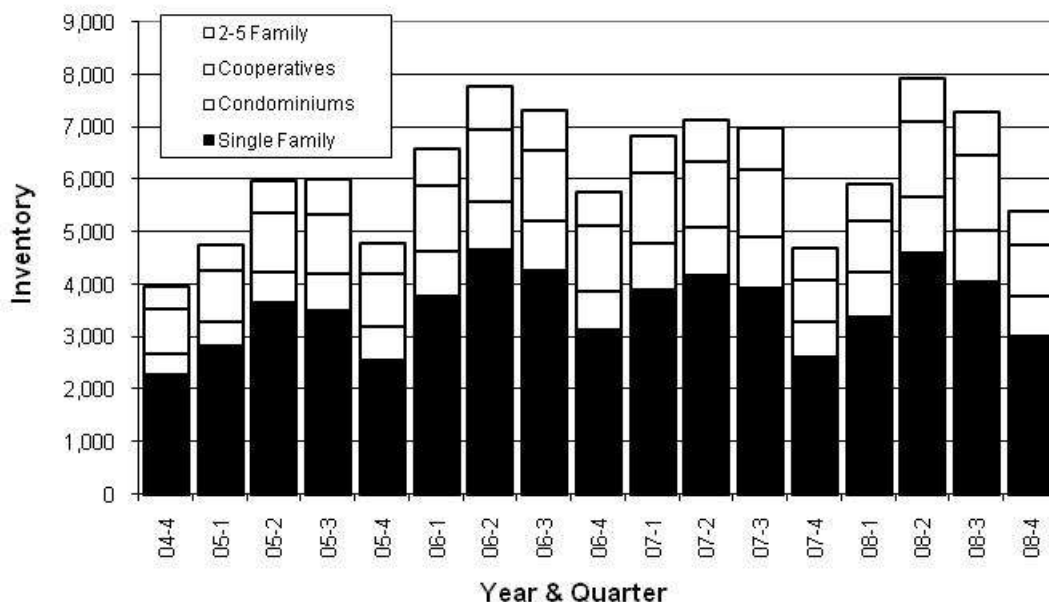


The pricing of fourth quarter closings was a different story, however, with median and mean prices down by more substantial percentages than for the year as a whole. The Westchester single family house median was \$570,000, down 11% or \$70,000 from the fourth quarter of 2007. The year over year percentage decreases for condos and co-ops were 7% and 3% respectively. Mean sale prices were down by even larger percentages, indicating that there was proportionately more price cutting and less activity at the high end. The proportion of million dollar sales in the fourth quarter of 2008 was only 15% in comparison to 18% in the fourth quarter of 2007.

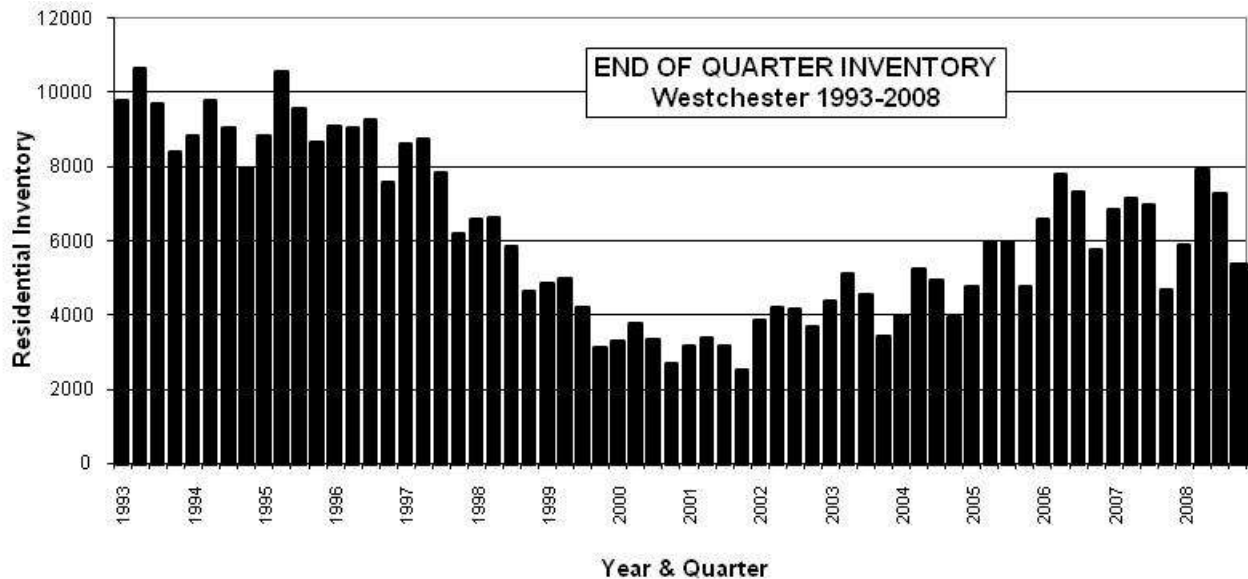
Westchester inventory posted with WPMLS stood at 5,392 units at December 31, 2008, an increase of 14.5% or 383 units from 2007 year-end. Putnam County inventory increased by only 2.7% to 828 units in the same period. Fourth quarter inventory is typically the lowest of the year, and as the clock strikes midnight for the new year, inventory technically falls even more sharply as many prior-year listing agreements are dated to expire at that time. Inventory thereafter steadily rebuilds itself as some listing agreements are renewed and other new units come onto the market. There was nothing different about the 2008-2009 transition in that regard.

These reports have repeatedly advised that Westchester real estate inventory often confounds the conventional wisdom of supply and demand, sometimes increasing when sales activity increases, and sometimes decreasing when the market is slow. Derivative measures such as “months of inventory” are of only limited use for gauging our local market’s status though they may serve for very general comparisons with distant markets.

### END OF QUARTER INVENTORY Westchester 2004-2008



Type Of Property	INVENTORY AT DECEMBER 31				Change 07 - 08	
	2005	2006	2007	2008	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	2,573	3,130	2,635	<b>3,018</b>	383	14.5%
Condominiums	617	751	656	<b>765</b>	109	16.6%
Cooperatives	1,008	1,244	799	<b>983</b>	184	23.0%
<b>2-5 Family Houses</b>	<u>578</u>	<u>649</u>	<u>621</u>	<u><b>626</b></u>	<u>5</u>	<u>0.8%</u>
<b>Total</b>	<b>4,776</b>	<b>5,774</b>	<b>4,711</b>	<b>5,392</b>	<b>681</b>	<b>14.5%</b>
<b>Putnam County</b>						
Single Family Houses	750	850	701	<b>740</b>	39	5.6%
<b>Condos &amp; Co-ops</b>	<u>71</u>	<u>93</u>	<u>105</u>	<u><b>88</b></u>	<u>(17)</u>	<u>-16.2%</u>
<b>Total</b>	<b>821</b>	<b>943</b>	<b>806</b>	<b>828</b>	<b>22</b>	<b>2.7%</b>



The just-closed fourth quarter inventory was certainly larger than last year's on account of the slower pace of sales all year long, but not to an extreme. At least for the present there is no glut of for-sale properties in Westchester and Putnam Counties, not even with the increased levels of foreclosed lender-owned properties of the past two years. This report contains both a short- and long-term chart of Westchester end-of-quarter inventory levels dating back to 1993. It is readily apparent from that record that the current inventory is far below the levels of 8,000 or more units that characterized the early 1990s and which few deemed excessive at the time.

The fourth quarter data, then, showed a sharper dip in sales rates than for the preceding three quarters, the beginnings of substantive price reductions, and a moderate but by no means alarming increase in the number of properties for sale. This position is much stronger than that of many other parts of the nation where prices are off by 25% or more, vacant properties abound, and sales activity has all but vanished.

Our region's real estate market is caught up in the same economic maelstrom that is raging across the nation, bringing reduced access to credit, increased foreclosures and exposure to unsound mortgage loans, and rising unemployment. A particular worry for Westchester and Putnam is unemployment in the financial services sector resulting from the collapse of some major investment houses in New York City, the full effect of which on real estate is not yet known.

At the same time, however, the local economy is stronger than in most areas, the unemployment rate is not as severe, and household income here is higher than average, providing for better credit scores and qualification for mortgage loans. The supply of housing for sale is generous but not excessive. Westchester housing prices are in rare retreat and are presenting a more affordable prospect to moderate income and first time buyers. If the various economic stimulus programs under consideration by the new administration in Washington are able to restore some economic confidence among the general public, that achievement, together with historically low mortgage interest rates and the factors cited above, could combine to move Westchester-Putnam real estate out of recession as quickly as we entered it.

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 nearly 1,000 real estate offices having listings in Bronx, 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.

<sup>1</sup> *The seasonally adjusted rate is an annualized rate for a given quarter. It represents what the total sales volume would be for the whole year based on the quarter's customary share of total sales. For example, if a quarter customarily accounts for 20% of annual sales, the seasonally adjusted rate would be five times the actual number of sales reported for that quarter. This allows the four quarters to be compared to each other according to their equivalent annual rates.*

<sup>2</sup> *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 unusually low or high prices.*