



2009 FIRST QUARTER RESIDENTIAL REAL ESTATE REPORT WESTCHESTER AND PUTNAM COUNTIES, NEW YORK

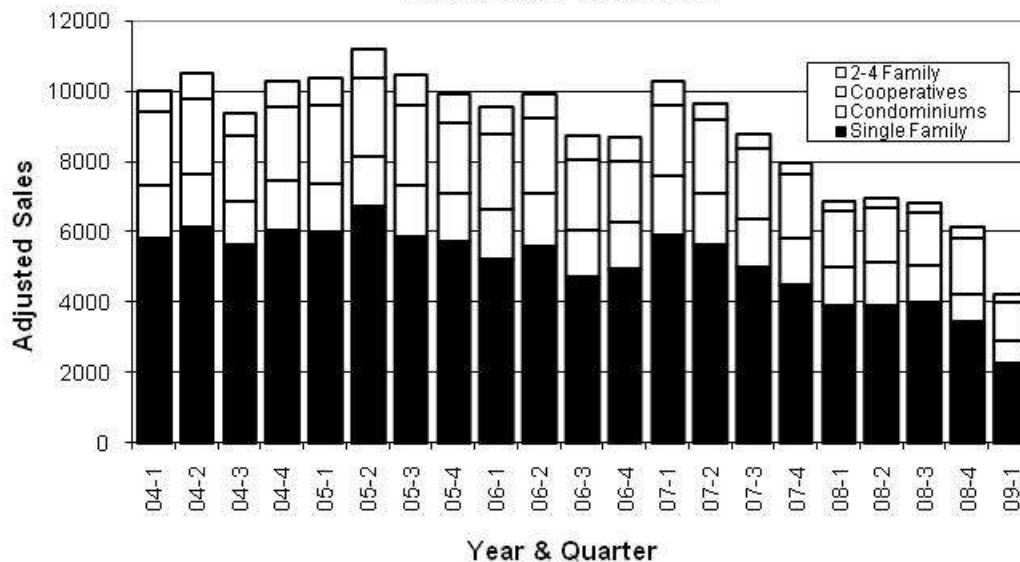
April 27, 2009

Deepening recessionary conditions in the autumn months of 2008 markedly reduced real estate activity in the Westchester region. Plunging equity markets, rising unemployment, weak corporate earnings reports, and pre- and post-election jitters about economic policy and the unknown effects of the various stimulus and bailout plans, all combined to discourage prospective homebuyers from entering the real estate market then. The result of the reduced marketing and showing activity at the end of 2008 was that far fewer closings were posted in the first quarter of 2009.

Realtor firms participating in the Westchester-Putnam Multiple Listing Service reported only 850 closed transactions in Westchester in the first quarter of 2009, a decrease of 37% from the first quarter of 2008. Westchester's single family house market was most affected with a 41% decrease. Putnam County closings were down by 31% from last year.

The first quarter normally posts the lowest closed sales volume of the year since it follows upon reduced sales activity during the holiday season and winter months. However, when the data are adjusted for such seasonality¹, the first quarter 2009 rate of closings was down 31% from the fourth quarter of 2008. The 850 Westchester closings were equivalent to an annual rate of only 4,230 sales, the lowest pace recorded by the Multiple Listing Service since the 1985-1990 period.

**SEASONALLY ADJUSTED QUARTERLY SALES
 Westchester 2004-2009**



SEASONALLY ADJUSTED QUARTERLY SALES, 2007 - 2008

Property Type	2007	2007	2007	2007	2008	2008	2008	2008	2009	%Change 2008/4- 2009/1
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	
Westchester County										
Single Family	5,890	5,630	5,000	4,480	3,920	3,910	4,000	3,440	2,260	-34.3%
Condominiums	1,710	1,470	1,370	1,340	1,060	1,200	1,030	780	650	-16.7%
Cooperatives	2,010	2,070	2,000	1,790	1,600	1,550	1,520	1,570	1,060	-32.5%
2-4 Family	<u>640</u>	<u>460</u>	<u>380</u>	<u>340</u>	<u>260</u>	<u>310</u>	<u>240</u>	<u>350</u>	260	-25.7%
Total	10,250	9,630	8,750	7,960	6,840	6,970	6,790	6,140	4,230	-31.1%
Putnam County										
Single Family	780	910	730	690	690	580	670	580	460	-20.7%
Condos+Co-ops	150	<u>140</u>	<u>160</u>	<u>120</u>	<u>130</u>	<u>90</u>	<u>90</u>	<u>140</u>	90	-35.7%
Total	930	1,050	890	810	820	670	760	730	550	-24.7%

Type Of Property	NUMBER OF SALES				Change 08-09	
	1st 06	1st 07	1st 08	1st 09	Amount	Percent
Westchester County						
Single Family Houses	938	1,044	726	426	(300)	-41.3%
Condominiums	272	319	209	131	(78)	-37.3%
Cooperatives	443	423	343	231	(112)	-32.7%
2-4 Family Houses	<u>170</u>	<u>141</u>	<u>62</u>	62	-	0.0%
Total	1,823	1,927	1,340	850	(490)	-36.6%
Putnam County						
Single Family Houses	179	141	128	88	(40)	-31.3%
Condos & Co-ops	<u>32</u>	<u>28</u>	<u>26</u>	19	(7)	-26.9%
Total	211	169	154	107	(47)	-30.5%

Prices decreased too. The first quarter median sale price² of a single family house in Westchester was \$532,000, a decrease of \$90,500 or nearly 15% from last year. That price level was last seen in 2003. The Putnam County median of \$411,250 was 20% lower than last year's. The Westchester decrease, however, was not all a case of across-the-board price depreciation. Rather, much of it reflected a severe contraction in the volume of high-end sales. Houses selling for \$1 million or more accounted for only 13% of all sales in the first quarter whereas prior quarters have posted 20% or more. As a result of this change in the contents of the real estate market basket, the mean² sale price of a Westchester house fell to \$695,176, a very large 26% decrease from last year.

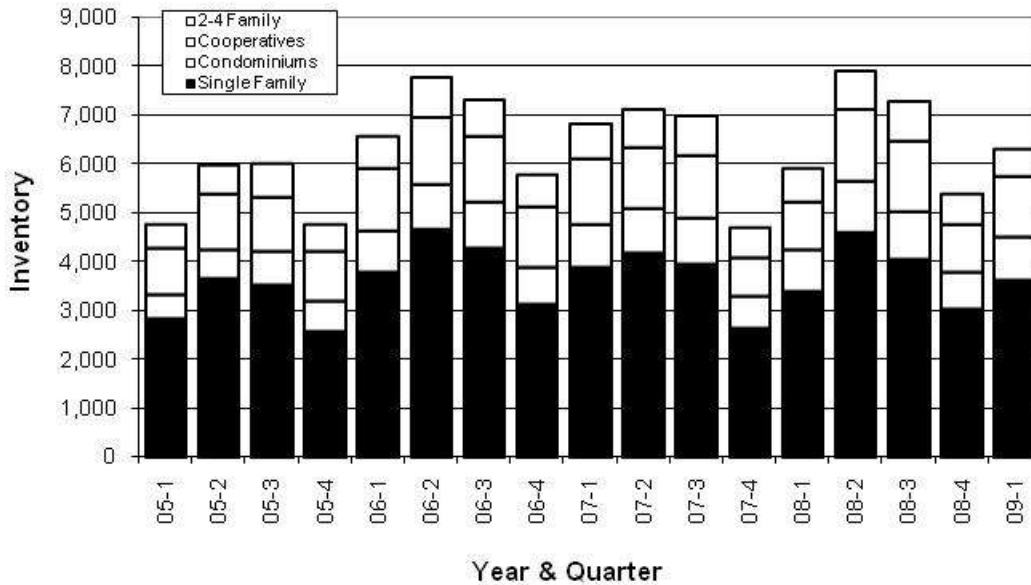
The condominium and cooperative sectors fared better. The median sale price of a Westchester condominium was \$352,000, a decrease of 7% or \$28,000 from last year. The median sale price of a Westchester cooperative unit actually increased by 2%, to \$179,500.

Type Of Property	MEDIAN SALE PRICE				Change 08-09	
	1st 06	1st 07	1st 08	1st 09	Amount	Percent
Westchester County						
Single Family Houses	650,000	635,000	622,500	532,000	-90,500	-14.5%
Condominiums	360,000	392,000	380,000	352,000	-28,000	-7.4%
Cooperatives	172,500	185,000	176,000	179,500	3,500	2.0%
2-4 Family Houses	577,000	535,000	515,000	411,250	-103,750	-20.1%
Putnam County						
Single Family Houses	375,000	400,000	386,500	342,450	-44,050	-11.4%
Condos & Co-ops	281,000	286,250	242,000	218,000	-24,000	-9.9%



Type Of Property	MEAN SALE PRICE				Change 08-09	
	1st 06	1st 07	1st 08	1st 09	Amount	Percent
Westchester County						
Single Family Houses	873,182	897,097	935,556	695,176	-240,380	-25.7%
Condominiums	413,029	419,976	423,483	393,965	-29,518	-7.0%
Cooperatives	197,443	206,929	195,310	188,061	-7,249	-3.7%
2-4 Family Houses	576,733	550,202	509,591	425,488	-84,103	-16.5%
Putnam County						
Single Family Houses	454,865	468,427	485,912	359,591	-126,321	-26.0%
Condos & Co-ops	268,391	280,102	285,450	259,147	-26,303	-9.2%

**END OF QUARTER INVENTORY
Westchester 2005-2009**



Type Of Property	END OF QUARTER INVENTORY				Change 08-09	
	1st 06	1st 07	1st 08	1st 09	Amount	Percent
Westchester County						
Single Family Houses	3,788	3,888	3,388	3,615	227	6.7%
Condominiums	860	891	859	879	20	2.3%
Cooperatives	1,253	1,342	974	1,246	272	27.9%
2-4 Family Houses	<u>684</u>	<u>718</u>	<u>682</u>	<u>584</u>	<u>(98)</u>	<u>-14.4%</u>
Total	6,585	6,839	5,903	6,324	421	7.1%
Putnam County						
Single Family Houses	884	942	821	705	(116)	-14.1%
Condos & Co-ops	<u>72</u>	<u>105</u>	<u>106</u>	<u>96</u>	<u>(10)</u>	<u>-9.4%</u>
Total	956	1,047	927	801	(126)	-13.6%

The inventory of MLS-listed Westchester properties stood at 6,324 units at the end of the first quarter, an increase of 7% since last year. Putnam County inventory decreased by 14%. The 2009 Westchester inventory was actually less than that of the first quarter of 2007, once again illustrating the volatility of this local market indicator in terms of the different forces that affect it. In 2007 the inventory was “high” because sellers were attracted to list by the still-favorable market conditions then. In 2009 the inventory could also be regarded as “high”, but for the opposite reason. At the same time, the 2009 inventory could also be regarded as exceptionally low, considering the 37% decrease in sales volume. The wild card that defeats ordinary supply and demand analysis in Westchester continues to be the ability of potential sellers to time their listing activity to market conditions. As of March 30, 2009, they were still largely withdrawn from the market.

It appears from the dismal first quarter results that the Westchester real estate market was particularly hard hit by the chaos that occurred in the equity markets during the autumn of 2008. The Dow Jones index fell by 25% from late September to mid October, followed by a similar large decline in the first half of November. Higher-income households heavily vested in stocks watched their portfolios plunge in value, thus putting a chill on any thoughts of homebuying. Increasing unemployment in the financial services industries also put a damper on the real estate market.

Our region's close dependence on the banking and financial sectors – which brought the real estate recession home to us with special severity and speed – may also be the factor that rejuvenates the local market as conditions improve. It appears that the “bail out” mechanisms of the Obama administration and Congress have served to stabilize the banking sector, and the stock markets appear to have stabilized as well.

The administration and Congress have also enacted legislation to mitigate the market-corroding effects of foreclosures (Making Home Affordable Program). Westchester does not have a severe local problem with foreclosures but will nevertheless benefit if nationally some measure of control is achieved. Add to this the resumption of mortgage lending by community banks, mortgage interest rates that are still very low, and inducements to buy such as the \$8,000 first-time homebuyers credit, and it can be argued that a framework of conditions and policies is in place to take advantage of any confidence-building turnarounds in the general economy that may occur such as lower unemployment and higher corporate earnings.

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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 nearly 900 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.

¹ *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.*

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 unusually low or high prices.*