



**Westchester-Putnam Multiple Listing Service, Inc.**

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**2009 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT  
 WESTCHESTER AND PUTNAM COUNTIES, NEW YORK**

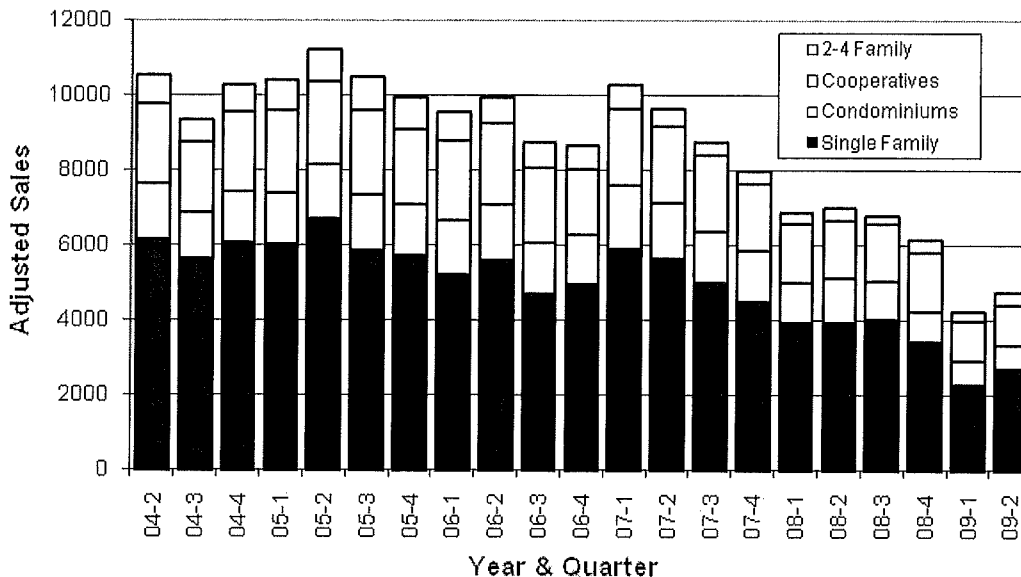
July 22, 2009

Although recent Westchester and Putnam County sales volumes remained well below the levels achieved in 2008 and prior years, the trend to ever-weaker sales rates since 2007 was noticeably arrested during the second quarter of 2009.

Realtors participating in the Westchester-Putnam Multiple Listing Service reported 1,227 closed residential transactions in Westchester County, and 149 in Putnam County, during April, May and June of 2009. The second quarter closings largely resulted from marketing activity during the winter months. Those closing volumes were, respectively, 31% and 14% less than last year's second quarter volumes. However, they were considerably improved over the first quarter results when year to year closings were off by 37% in Westchester and 31% in Putnam.

Seasonally adjusted<sup>1</sup>, Westchester's overall second quarter sales were equivalent to an annual sales rate of 4,720 units, an increase of 12% from the prior quarter. The single family house component of that rate posted a healthy 19% increase. In Putnam County the seasonally adjusted single family house rate of 510 units per year was 11% higher than that of the first quarter. Except for a very minor blip in the adjusted rate in the second quarter of 2008, the second quarter 2009 results were the first significant break in the unrelenting decline in sales rates since the first quarter of 2007.

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



**SEASONALLY ADJUSTED QUARTERLY SALES, 2007 - 2009**

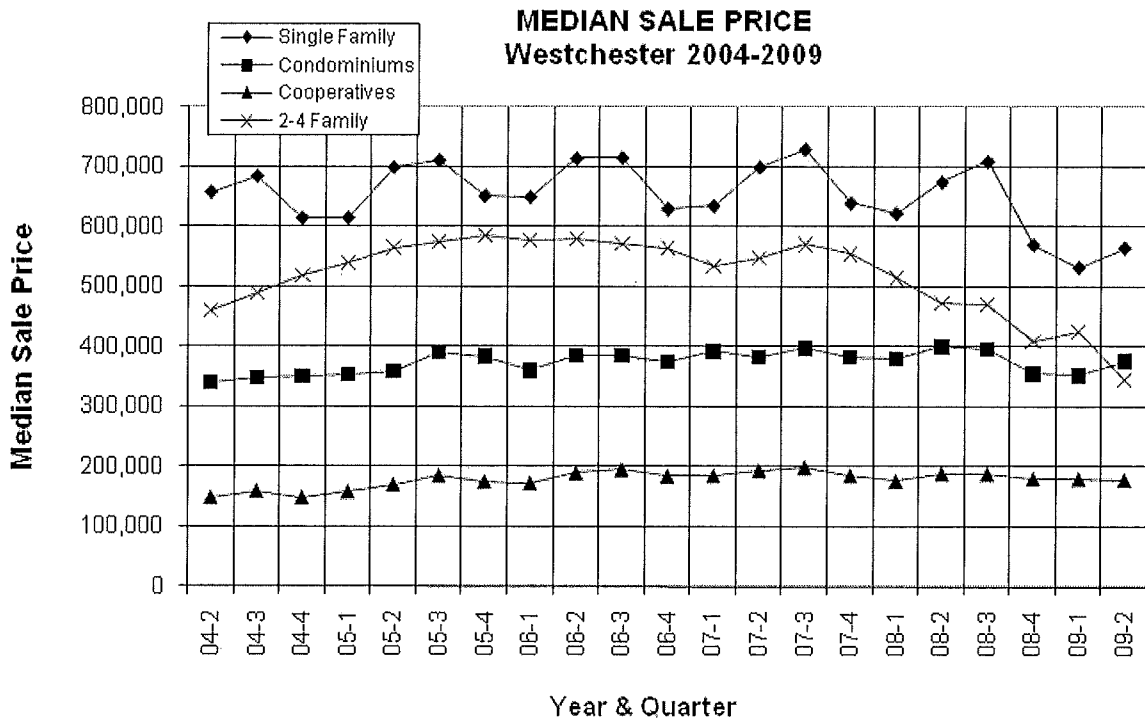
Property Type	2007	2007	2007	2008	2008	2008	2008	2009	2009	%Change 2009/1- 2009/2
	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	
<b>Westchester County</b>										
Single Family	5,630	5,000	4,480	3,920	3,910	4,000	3,440	2,260	<b>2,690</b>	19.0%
Condominiums	1,470	1,370	1,340	1,060	1,200	1,030	780	650	<b>650</b>	0.0%
Cooperatives	2,070	2,000	1,790	1,600	1,550	1,520	1,570	1,060	<b>1,050</b>	-0.9%
2-4 Family	460	380	340	260	310	240	350	260	<b>330</b>	26.9%
<b>Total</b>	9,630	8,750	7,960	6,840	6,970	6,790	6,140	4,230	<b>4,720</b>	11.6%
<b>Putnam County</b>										
Single Family	910	730	690	690	580	670	580	460	<b>510</b>	10.9%
Condos+Co-ops	140	160	120	130	90	90	140	90	<b>70</b>	-22.2%
<b>Total</b>	1,050	890	810	820	670	760	730	550	<b>580</b>	5.5%

Type Of Property	NUMBER OF SALES				Change 08-09	
	2nd 06	2nd 07	2nd 08	2nd 09	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	1,345	1,363	999	<b>706</b>	(293)	-29.3%
Condominiums	375	363	307	<b>172</b>	(135)	-44.0%
Cooperatives	522	508	390	<b>269</b>	(121)	-31.0%
2-4 Family Houses	161	108	74	<b>80</b>	6	8.1%
<b>Total</b>	2,403	2,342	1,770	<b>1,227</b>	(543)	-30.7%
<b>Putnam County</b>						
Single Family Houses	245	216	148	<b>131</b>	(17)	-11.5%
Condos & Co-ops	36	39	25	<b>18</b>	(7)	-28.0%
<b>Total</b>	281	255	173	<b>149</b>	(24)	-13.9%

Average sale prices fell a bit more since the first quarter. The second quarter median sale price<sup>2</sup> of a single family house in Westchester was \$565,000, 16.3% less than during the second quarter of 2008 whereas the first quarter difference had been 14.5%. Putnam County's second quarter single family house median was \$325,000, a decrease of 19%.

The Westchester decrease was not all due to across-the-board depreciation. Some of it reflected the continuing marked weakness in the high end of the market. Westchester houses selling for \$1 million or more constituted only 17% of all sales during the second quarter of 2009 whereas that ratio ranged from 22% to 27% during much of 2007 and 2008. In contrast, million-dollar transactions in Putnam County have always been few and far between, and its descending sale prices result more from price cutting by sellers than from change in the composition of the market basket there.

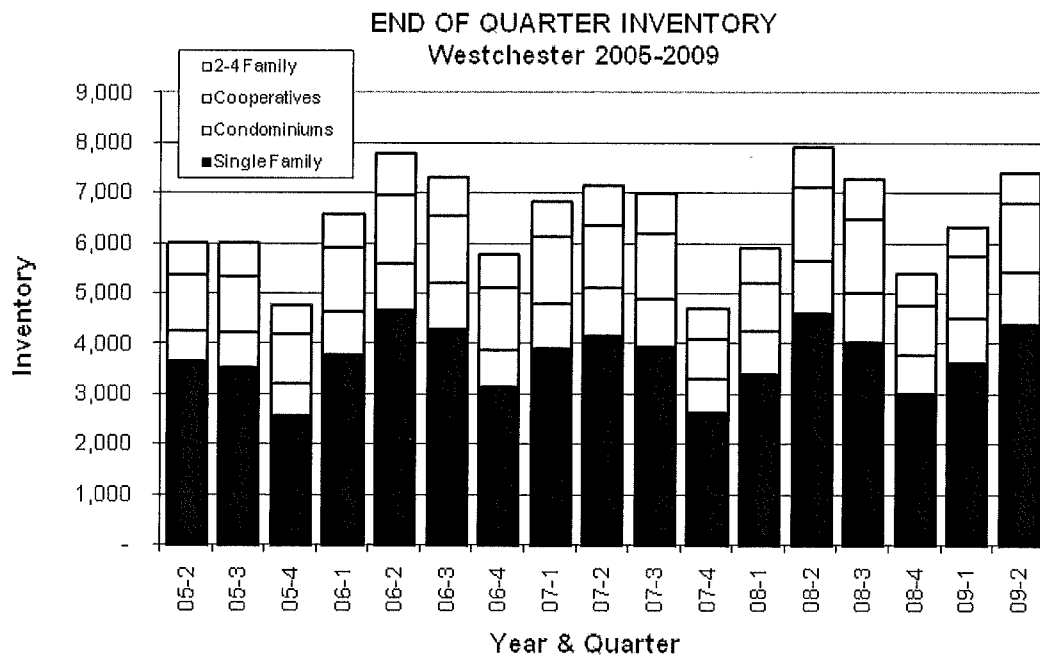
An incidental pricing datum of interest in this report is that for the first time since the MLS has been keeping records, the median sale price of a multifamily (2-4 unit) house, \$344,750, fell below that of a condominium, \$375,875. Westchester's multifamily sector has been the hardest hit by the recession in both prices and sales volumes.



Type Of Property	MEDIAN SALE PRICE				Change 08-09	
	2nd 06	2nd 07	2nd 08	2nd 09	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	715,000	700,000	674,900	<b>565,000</b>	(109,900)	-16.3%
Condominiums	384,900	382,500	400,000	<b>375,875</b>	(24,125)	-6.0%
Cooperatives	189,750	193,000	188,500	<b>178,000</b>	(10,500)	-5.6%
2-4 Family Houses	580,000	547,500	472,500	<b>344,750</b>	(127,750)	-27.0%
<b>Putnam County</b>						
Single Family Houses	438,500	398,500	400,000	<b>325,000</b>	(75,000)	-18.8%
Condos & Co-ops	274,375	280,000	282,000	<b>231,000</b>	(51,000)	-18.1%

Type Of Property	MEAN SALE PRICE				Change 08-09	
	2nd 06	2nd 07	2nd 08	2nd 09	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	937,959	965,414	894,467	<b>756,982</b>	(137,485)	-15.4%
Condominiums	447,248	423,930	449,800	<b>406,264</b>	(43,536)	-9.7%
Cooperatives	206,525	218,496	208,835	<b>201,333</b>	(7,502)	-3.6%
2-4 Family Houses	588,971	570,137	497,564	<b>339,976</b>	(157,588)	-31.7%
<b>Putnam County</b>						
Single Family Houses	475,638	481,059	448,512	<b>346,367</b>	(102,145)	-22.8%
Condos & Co-ops	275,013	281,758	267,856	<b>241,950</b>	(25,906)	-9.7%

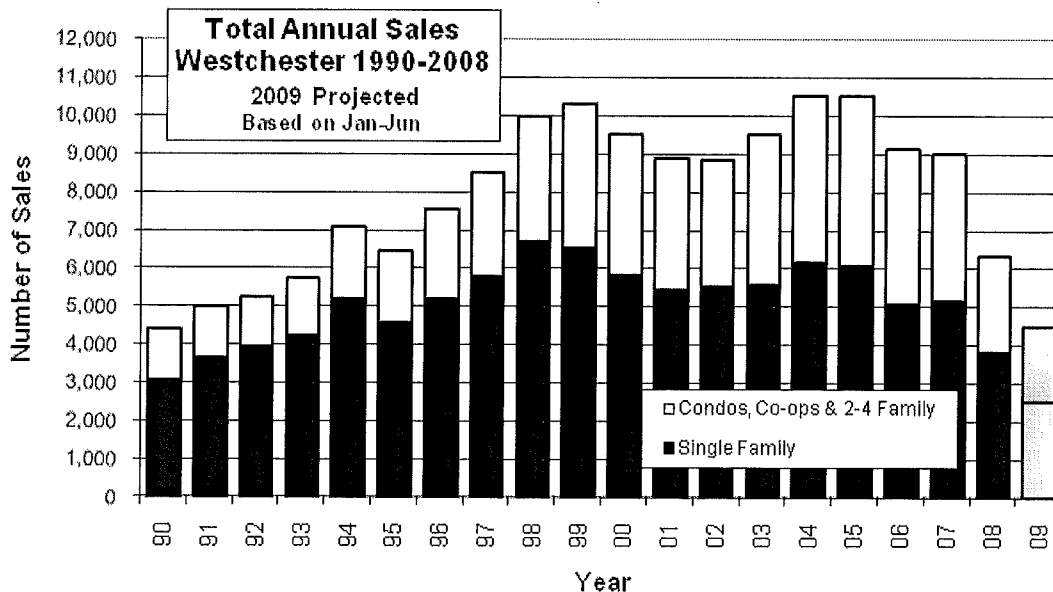
Compared to last year, the end-of-quarter inventory this year was lower in all categories of housing in both counties. The June 30<sup>th</sup> inventory of residential properties for sale in Westchester was 7,402 units, down almost 7% from last year. In Putnam County the decrease was almost 17%, to 1,016 units. Some of that decrease flowed from the quickened pace of sales from the first to the second quarter. Much, however, reflected the reluctance of many potential sellers, particularly during the early spring of 2009, to venture into what they regarded as an unpromising real estate market.



Type Of Property	END OF QUARTER INVENTORY				Change 08-09	
	2nd 06	2nd 07	2nd 08	2nd 09	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	4,676	4,173	4,616	<b>4,393</b>	(223)	-4.8%
Condominiums	901	926	1,042	<b>1,024</b>	(18)	-1.7%
Cooperatives	1,378	1,255	1,460	<b>1,382</b>	(78)	-5.3%
2-4 Family Houses	829	786	807	<b>603</b>	(204)	-25.3%
<b>Total</b>	<b>7,784</b>	<b>7,140</b>	<b>7,925</b>	<b>7,402</b>	(523)	-6.6%
<b>Putnam County</b>						
Single Family Houses	1,129	1,080	1,082	<b>897</b>	(185)	-17.1%
Condos & Co-ops	112	119	139	<b>119</b>	(20)	-14.4%
<b>Total</b>	<b>1,241</b>	<b>1,199</b>	<b>1,221</b>	<b>1,016</b>	(205)	-16.8%

## A Look Ahead

If the next six months of 2009 continue the incremental improvement in the real estate market that was exhibited by this second quarter performance, the year-end result will be a total sales volume in the range of 4,750-5,000 units in Westchester, and 580-650 units in Putnam, thereby ranking 2009's market performance at the same general level as that of the early 1990s. The positive element within that low expectation is that we will have bottomed out this year and could hope for continuing improvement in 2010 and beyond.



Of course one quarter's figures do not constitute a trend and the surrounding economic environment needs to be supportive of further recovery. So far there is a very mixed picture in the variables that most affect residential real estate:

- The sharply increased rate of unemployment in this region - 7% and climbing - is troubling. Prospective purchasers who do not have a sense of confidence in their employment are not likely to commit to a real estate transaction.
- The equity markets, on the other hand, seem to be headed in the right direction of late. In the late winter of 2008 and the opening months of 2009, the period during which most of the second quarter closings were generated, the Dow Jones Industrial Average fell from around 8,500 to 8,000, and then further plunged to below 6,400 by March. But since then there has been a recovery back to 8,500 and higher. The performance of the New York Stock Exchange and other equity markets is vitally important to the average consumer whose retirement and other funds may be invested there. Confidence in one's long-term financial security breeds the confidence necessary for entering the real estate market.

- The rates of foreclosures and short sales in this region are proving not to be destructive of the overall real estate market. According to RealtyTrac's mid-year market report, New York State dropped to 38<sup>th</sup> place among all states in the rate of foreclosures for the first six months. In that context, the Westchester County Clerk's office is posting an average of 75 foreclosure judgments monthly for the first six months of 2009. Keeping in mind that there has always been an underlying rate of 20-30 judgments per month even in non-recessionary periods, the current numbers just are not large enough to significantly affect market inventory or prices.
- Although mortgage interest rates briefly ratcheted up by a half-percentage point in mid-June to more than 6% on a 30-year fixed rate loan, they have since subsided to a range of 5.5 – 5.8% where they have been for much of the period since January 1. That kind of stability – and at an historically low level, too - is good for the real estate market.

Nevertheless, the Westchester market could benefit from additional relief at both the high and low ends. Jumbo loans, which are important in Westchester's still high-priced market, are up to a full percentage point more expensive than conventional loans, and Realtors report that borrowers have a more difficult time obtaining them. At the other end of the spectrum, there is no hard evidence that the \$8,000 federal credit that would be of most use to first-time and moderate income purchasers is actually having its intended effect of stimulating sales here. Realtors report that the credit would be more useful if it could be "monetized", i.e., be made available up front to pay for closing costs, and reconciled with the purchaser's tax liability afterwards.

The bottom line from the uncertainties of these general economic conditions is that it would be unwise to move from hoping for a real estate recovery, to actually predicting one based on the slight encouragement from the second quarter results. Still, for the past year and a half we have not had anything but discouragement from the quarterly data and even a slight opportunity for optimism is welcome.

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 more than 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 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.*