



July 19, 2010

2010 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT Westchester and Putnam Counties, New York

The Westchester and Putnam County real estate market experienced its third consecutive, post-recession, year-to-year increase in volume in the second quarter of 2010. Realtor firms participating in the Westchester-Putnam Multiple Listing Service, Inc. reported a total of 2,073 closed transactions in Westchester County, a 69% increase over last year's second quarter level. The increase was 41% in Putnam County.

On a seasonally adjusted¹ basis, the second quarter sales in Westchester ran at a rate of about 8,200 units per year, a 20% increase over the first quarter rate. That level of sales was characteristic of the period from 1996 to 1997 which was very strong but still a half-dozen years away from the market peak of 2002 to 2006.

Volume surged in response to the federal tax credit program that required the contracts for eligible transactions to be signed by April 30 and closed by June 30. (The recent extension to September 30 for closings had little to no effect on transactions in progress during the second quarter.) It must also be noted that sales volumes during the first half of 2009 were exceptionally low and that almost any increase in sales would have yielded notable percentage calculations. Still, there was more than enough overall momentum in the second quarter to support a view that an intrinsic recovery was rooted then that did not depend entirely on the stimulus program. Low mortgage interest rates and moderate price reductions also brought purchasers to the closing table.

Condominium and co-operative unit sales were bulked up by a fairly significant across-the-board price relaxation. The median sale price² of a Westchester condo - \$352,250 - was 6% less than in 2009. The co-op unit median of \$169,500 was 5% less. These are the categories that are the most affordable to first time buyers and would have been most likely to have benefited from the tax credit program.

Single-family house prices, on the other hand, experienced an 8% price increase, from \$565,000 in 2009 to \$607,500 in the second quarter of 2010. However, nearly half of that increase was attributable to the expanding market share of the high-end, \$1 million-plus sector that accounted for 20% of all house sales during the second quarter. That figure was 18% in the first quarter of 2010 and 17% in the second quarter of 2009. Percentages in excess of 28% were common during the peak pre-recession quarters. But setting aside the million dollar properties, the median sale price of a Westchester house was \$530,000 this past quarter, a 4% increase over the \$507,250 median in 2009, indicating that pricing as a whole is slowing trending upwards.

In spite of all the sales activity the inventory of properties for sale at the close of the quarter in Westchester was just 3% more than in 2009. In Putnam County the increase was 10%, although against a much smaller base. It appears that the increased sales volume in the second quarter stimulated roughly just enough new listing activity to replenish the sold stock without generating an overhang and while continuing to provide ample choice to purchasers.

The first-time homebuyer tax credit was an important factor in the robust second quarter recovery but it was not the whole story. Unfortunately, WPMLS does not have records of which transactions entailed use of the tax credit program. However, few MLS-participating Realtors have reported that they serviced transactions that actually depended on the tax credit for viability. Rather, the overwhelming message from the field is that prospective purchasers were out in force for a variety of reasons, and the tax credit served to amplify their readiness to buy and to accelerate their timing for doing so.

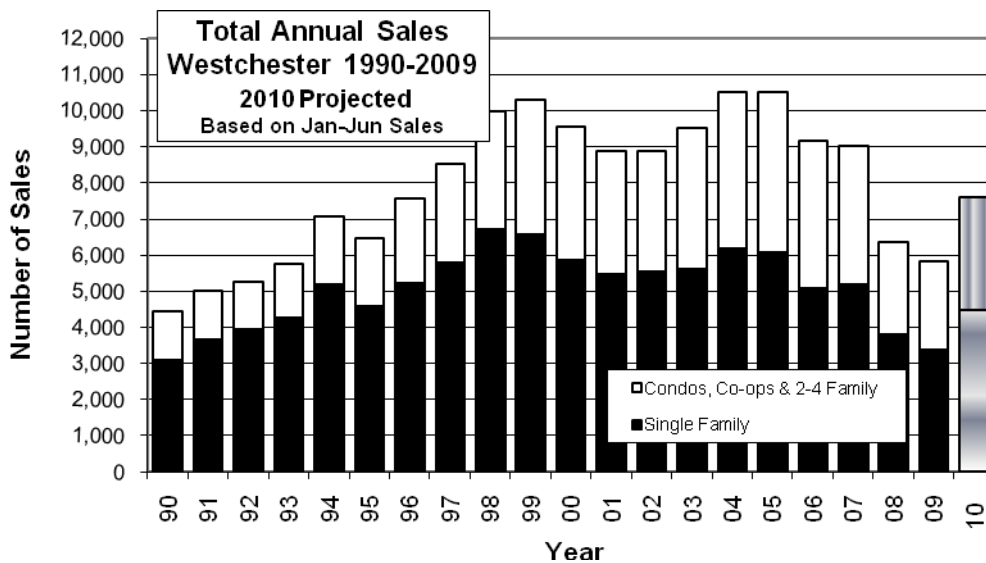
Extraordinarily low mortgage interest rates was one of those driving factors. Except for a short duration uptick in March, average rates on a 30-year conventional loan have steadily decreased from a peak of about 5.6% at the end of 2009, to less than 5.0% today. Adjustable rate products can take the rate nearly to 4.0%. Buyers are perceiving that rates can hardly go lower, and that now is the best time to marry low rates to restrained Westchester and Putnam housing prices to obtain the most affordable position in the housing market.

Stability in the equity markets may have contributed to a feeling of optimism that the economy was perhaps turning for the better. Although there have been some severely erratic episodes in recent weeks, the longer term run of the markets has been upward. The Dow Jones Industrial Average crossed the 10,000 level in October 2009 and the 11,000 level in April, encompassing the period when home buyers would have been shopping and negotiating most of the transactions that later closed in the second quarter.

Westchester's unemployment rate remains high. The county started the year with a 7.7% rate that was a full percentage point higher than in January of 2009. However, as 2010 progresses the trend line each month is taking the rate below the corresponding 2009 levels. With respect to housing, the main concern about unemployment is not that it takes potential buyers out of the market but that persistent unemployment can lead to foreclosure activity that undermines the market.

Thus far Westchester and Putnam have avoided the negative consequences of excessive foreclosures such as excess, hard-to-market inventory, and devaluation of nearby properties. Data obtained from the Westchester County Clerk's office indicate that foreclosure filings since the start of this year, averaging 220 monthly, are 27% fewer than the peak rate of 300+ per month posted in the second half of last year. Actual foreclosure judgments are averaging 62 monthly so far this year. Those filings that do not go to foreclosure are largely resolved by short sales, and secondarily by work-arounds with cooperating banks.

While a double-dip recession involving significant additional employment losses and weakness in the equity markets could apply a quick brake to housing sales, the evidence from the second quarter performance in this region is that we experienced a jump start and are rolling forward with it.



The Westchester-Putnam Multiple Listing Service, Inc. (WPMLS) is a subsidiary of the Westchester Putnam 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. Prior reports dating back to 1981 are available on the Realtor Association's website, www.wpar.com; click on Market Statistics. A membership directory searchable by municipality is also available on that site.

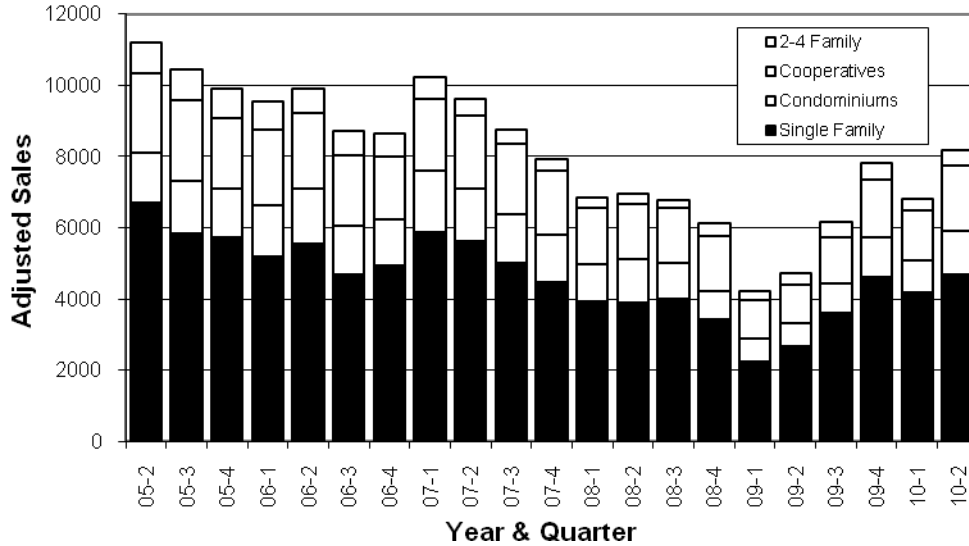
¹ The seasonally adjusted rate is an annualized rate for a given quarter. It represents what the total sales volume would be for the whole year based on the quarter's customary share of total annual sales.

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.

Additional charts and tables follow.

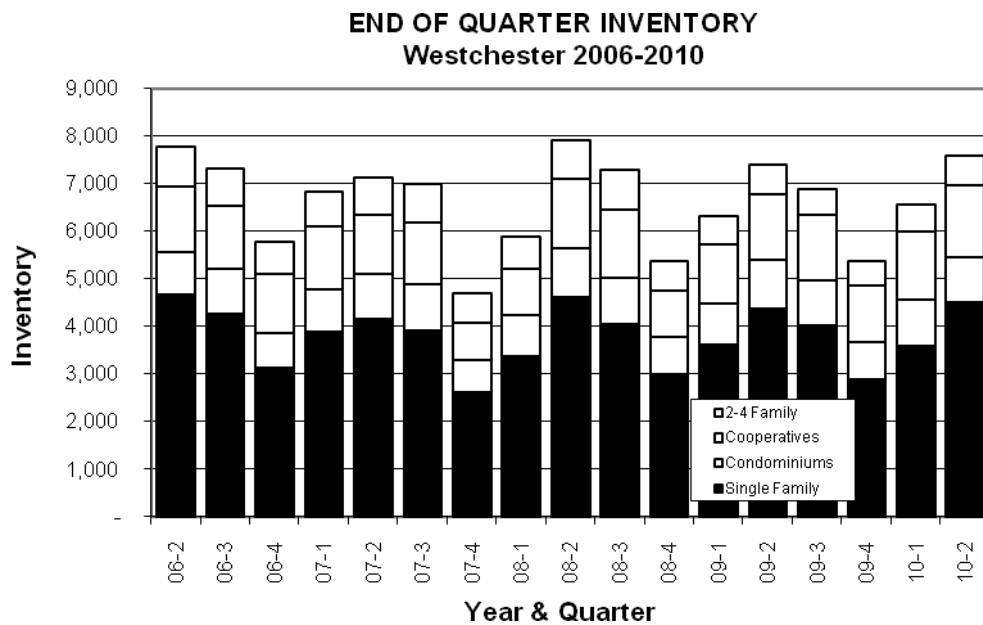
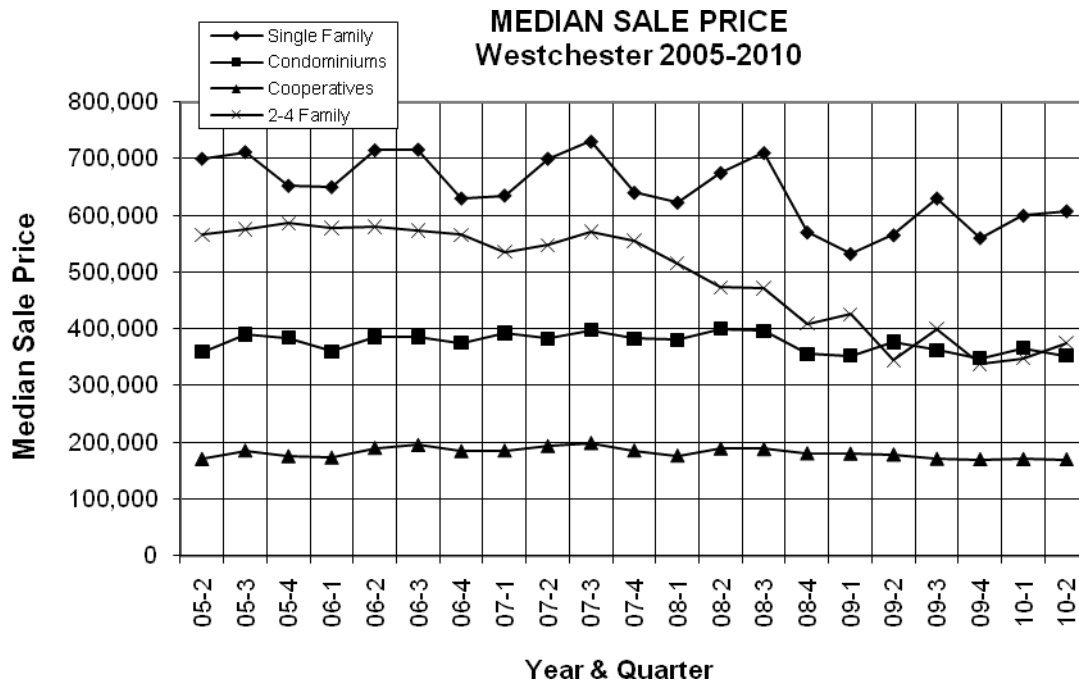
SECOND QUARTER 2007 - 2010						
Type Of Property	NUMBER OF SALES				Change 09-10	
	2nd 07	2nd 08	2nd 09	2nd 10	Amount	Percent
Westchester County						
Single Family Houses	1,363	999	706	1,193	487	69.0%
Condominiums	363	307	172	315	143	83.1%
Cooperatives	508	390	269	462	193	71.7%
2-4 Family Houses	108	74	80	103	23	28.8%
Total	2,342	1,770	1,227	2,073	846	68.9%
Putnam County						
Single Family Houses	216	148	131	184	53	40.5%
Condos & Co-ops	39	25	18	24	6	33.3%
Total	255	173	149	208	59	39.6%
DOLLAR VOLUME OF SALES (\$Millions)						
Type Of Property					Change 09-10	
	2nd 07	2nd 08	2nd 09	2nd 10	Amount	Percent
Westchester County						
Single Family Houses	1,315.9	893.6	534.4	971.8	437.3	81.8%
Condominiums	153.9	138.1	69.9	124.9	55.0	78.7%
Cooperatives	111.0	81.4	54.2	88.3	34.2	63.1%
2-4 Family Houses	61.6	36.8	27.2	38.4	11.2	41.3%
Total	1,642.3	1,149.9	685.7	1,223.4	537.7	78.4%
Putnam County						
Single Family Houses	103.9	66.4	45.4	62.3	17.0	37.4%
Condos & Co-ops	11.0	6.7	4.4	6.1	1.7	39.3%
Total	114.9	73.1	49.7	68.4	18.7	37.5%
MEDIAN SALE PRICE						
Type Of Property					Change 09-10	
	2nd 07	2nd 08	2nd 09	2nd 10	Amount	Percent
Westchester County						
Single Family Houses	700,000	674,900	565,000	607,500	42,500	7.5%
Condominiums	382,500	400,000	375,875	352,250	(23,625)	-6.3%
Cooperatives	193,000	188,500	178,000	169,500	(8,500)	-4.8%
2-4 Family Houses	547,500	472,500	344,750	375,000	30,250	8.8%
Putnam County						
Single Family Houses	398,500	400,000	325,000	306,750	(18,250)	-5.6%
Condos & Co-ops	280,000	282,000	231,000	242,500	11,500	5.0%
MEAN SALE PRICE						
Type Of Property					Change 09-10	
	2nd 07	2nd 08	2nd 09	2nd 10	Amount	Percent
Westchester County						
Single Family Houses	965,414	894,467	756,982	814,556	57,574	7.6%
Condominiums	423,930	449,800	406,264	396,478	(9,786)	-2.4%
Cooperatives	218,496	208,835	201,333	191,161	(10,172)	-5.1%
2-4 Family Houses	570,137	497,564	339,976	373,087	33,111	9.7%
Putnam County						
Single Family Houses	481,059	448,512	346,367	338,742	(7,625)	-2.2%
Condos & Co-ops	281,758	267,856	241,950	252,821	10,871	4.5%

**SEASONALLY ADJUSTED QUARTERLY SALES
Westchester 2005-2010**



SEASONALLY ADJUSTED QUARTERLY SALES, 2008 - 2010										
Property Type	2008 2nd	2008 3rd	2008 4th	2009 1st	2009 2nd	2009 3rd	2009 4th	2010 1st	2010 2nd	%Change 2010/1- 2010/2
Westchester County										
Single Family	3,910	4,000	3,440	2,260	2,690	3,630	4,620	4,200	4,700	11.9%
Condominiums	1,200	1,030	780	650	650	820	1,100	910	1,210	33.0%
Cooperatives	1,550	1,520	1,570	1,060	1,050	1,300	1,620	1,380	1,850	34.1%
2-4 Family	<u>310</u>	<u>240</u>	<u>350</u>	<u>260</u>	<u>330</u>	<u>420</u>	<u>500</u>	<u>340</u>	440	29.4%
Total	6,970	6,790	6,140	4,230	4,720	6,170	7,840	6,830	8,200	20.1%
Putnam County										
Single Family	580	670	580	460	510	620	660	650	700	7.7%
Condos+Co-ops	<u>90</u>	<u>90</u>	<u>140</u>	<u>90</u>	<u>70</u>	<u>100</u>	<u>140</u>	<u>60</u>	100	66.7%
Total	670	760	730	550	580	720	800	710	800	12.7%

Type Of Property	END OF QUARTER INVENTORY				Change 09-10	
	2nd 07	2nd 08	2nd 09	2nd 10	Amount	Percent
Westchester County						
Single Family Houses	4,173	4,616	4,393	4,528	135	3.1%
Condominiums	926	1,042	1,024	944	(80)	-7.8%
Cooperatives	1,255	1,460	1,382	1,511	129	9.3%
2-4 Family Houses	<u>786</u>	<u>807</u>	<u>603</u>	616	<u>13</u>	2.2%
Total	7,140	7,925	7,402	7,599	197	2.7%
Putnam County						
Single Family Houses	1,080	1,082	897	977	80	8.9%
Condos & Co-ops	<u>119</u>	<u>139</u>	<u>119</u>	144	<u>25</u>	21.0%
Total	1,199	1,221	1,016	1,121	105	10.3%



END