

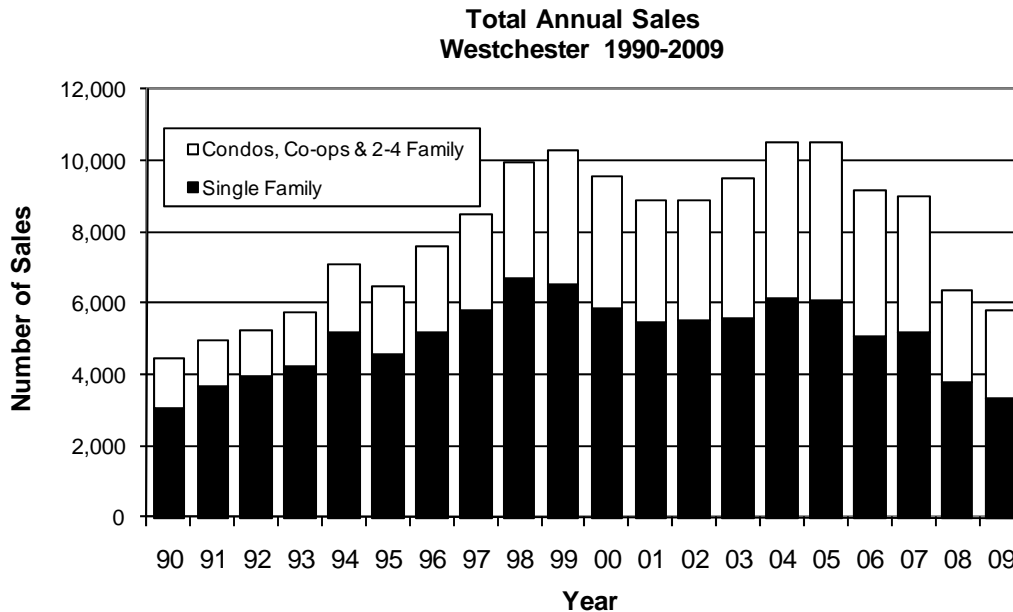


2009 FOURTH QUARTER AND FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

January 20, 2010

The Westchester-Putnam residential real estate market endured deep recession throughout 2009. The 5,824 Westchester sales reported through the Multiple Listing Service were 12% fewer than in 2008, which itself was a recessionary year. Putnam County sales (643 units) also were down by 12% from 2008 to 2009. Such low sales volumes for the Westchester-Putnam region were last recorded in 1993.

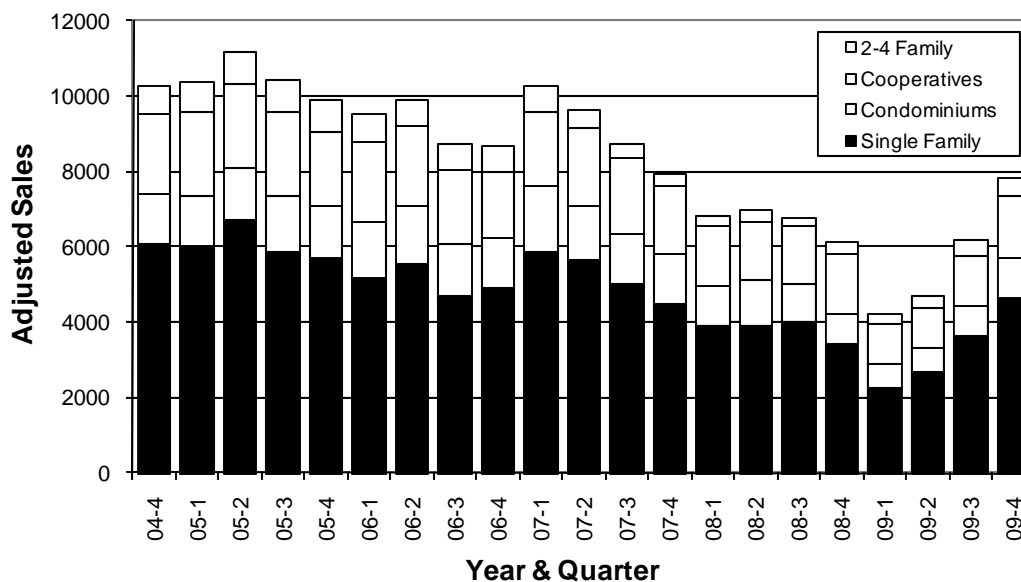
At the same time, sales activity increased with each passing quarter of 2009. In the first quarter Westchester's sales volume had plunged 37% below 2008 levels. In the second quarter the negative year to year difference was 31%, followed by 10% in the third quarter. In the fourth quarter, sales volume finally surpassed that of a year ago, and by significant amounts. Westchester's reported fourth quarter closings of 1,823 properties constituted a 31% increase over the fourth quarter of 2008. The single-family house sector posted a 36% increase. In Putnam County the fourth quarter house sales were 14% more than in 2008.



ANNUAL COMPARISONS, 2006- 2009						
NUMBER OF SALES					Change 08 - 09	
Type Of Property	2006	2007	2008	2009	Amount	Percent
Westchester County						
Single Family Houses	5,069	5,171	3,805	3,353	(452)	-11.9%
Condominiums	1,419	1,445	1,005	821	(184)	-18.3%
Cooperatives	1,979	1,972	1,543	1,268	(275)	-17.8%
<u>2-4 Family Houses</u>	<u>700</u>	<u>434</u>	<u>286</u>	<u>382</u>	<u>96</u>	<u>33.6%</u>
Total	9,167	9,022	6,639	5,824	(815)	-12.3%
Putnam County						
Single Family Houses	869	773	623	546	(77)	-12.4%
<u>Condos & Co-ops</u>	<u>132</u>	<u>144</u>	<u>111</u>	<u>97</u>	<u>(14)</u>	<u>-12.6%</u>
Total	1,001	917	734	643	(91)	-12.4%
DOLLAR VOLUME OF SALES (\$Millions)					Change 08 - 09	
Type Of Property	2006	2007	2008	2009	Amount	Percent
Westchester County						
Single Family Houses	4,643.1	4,845.1	3,355.2	2,561.3	(793.9)	-23.7%
Condominiums	601.4	625.9	435.5	325.7	(109.7)	-25.2%
Cooperatives	410.3	421.5	317.6	244.7	(73.0)	-23.0%
<u>2-4 Family Houses</u>	<u>407.5</u>	<u>241.3</u>	<u>136.0</u>	<u>139.4</u>	<u>3.4</u>	<u>2.5%</u>
Total	6,062.3	6,133.8	4,244.3	3,271.1	(973.2)	-22.9%
Putnam County						
Single Family Houses	405.9	358.8	273.4	194.0	(79.4)	-29.0%
<u>Condos & Co-ops</u>	<u>35.5</u>	<u>41.4</u>	<u>32.1</u>	<u>23.1</u>	<u>(9.0)</u>	<u>-28.0%</u>
Total	441.4	400.2	305.5	217.1	(88.4)	-28.9%
MEDIAN SALE PRICE					Change 08 - 09	
Type Of Property	2006	2007	2008	2009	Amount	Percent
Westchester County						
Single Family Houses	680,000	685,000	650,000	580,000	(70,000)	-10.8%
Condominiums	375,000	390,000	385,000	355,000	(30,000)	-7.8%
Cooperatives	185,000	190,000	185,000	175,000	(10,000)	-5.4%
<u>2-4 Family Houses</u>	<u>570,000</u>	<u>546,250</u>	<u>463,750</u>	<u>370,000</u>	<u>(93,750)</u>	<u>-20.2%</u>
Putnam County						
Single Family Houses	410,000	400,000	373,000	334,750	(38,250)	-10.3%
<u>Condos & Co-ops</u>	<u>275,000</u>	<u>280,000</u>	<u>280,000</u>	<u>221,000</u>	<u>(59,000)</u>	<u>-21.1%</u>
MEAN SALE PRICE					Change 08 - 09	
Type Of Property	2006	2007	2008	2009	Amount	Percent
Westchester County						
Single Family Houses	915,987	936,982	881,793	763,893	(117,900)	-13.4%
Condominiums	423,791	433,177	433,295	396,760	(36,535)	-8.4%
Cooperatives	207,338	213,730	205,863	192,964	(12,899)	-6.3%
<u>2-4 Family Houses</u>	<u>582,092</u>	<u>556,102</u>	<u>475,381</u>	<u>364,863</u>	<u>(110,518)</u>	<u>-23.2%</u>
Putnam County						
Single Family Houses	467,090	464,111	438,888	355,393	(83,495)	-19.0%
<u>Condos & Co-ops</u>	<u>269,164</u>	<u>287,793</u>	<u>289,040</u>	<u>238,057</u>	<u>(50,983)</u>	<u>-17.6%</u>

FOURTH QUARTER COMPARISONS, 2006 - 2009						
Type Of Property	NUMBER OF SALES				Change 08 - 09	
	4th 06	4th 07	4th 08	4th 09	Amount	Percent
Westchester County						
Single Family Houses	1,121	1,026	750	1,021	271	36.1%
Condominiums	345	345	193	277	84	43.5%
Cooperatives	437	441	367	395	28	7.6%
2-4 Family Houses	174	88	85	130	45	52.9%
Total	2,077	1,900	1,395	1,823	428	30.7%
Putnam County						
Single Family Houses	207	181	146	167	21	14.4%
Condos & Co-ops	25	29	32	32	-	0.0%
Total	232	210	178	199	21	11.8%
DOLLAR VOLUME OF SALES (\$Millions)						
Type Of Property					Change 08 - 09	
	4th 06	4th 07	4th 08	4th 09	Amount	Percent
Westchester County						
Single Family Houses	987.0	917.7	558.8	751.5	192.6	34.5%
Condominiums	138.2	154.6	76.0	110.2	34.2	45.0%
Cooperatives	90.0	92.3	74.4	75.6	1.2	1.6%
2-4 Family Houses	99.8	47.7	36.6	44.3	7.7	21.0%
Total	1,315.0	1,212.3	745.9	981.6	235.7	31.6%
Putnam County						
Single Family Houses	95.6	78.4	58.7	58.4	(0.4)	-0.6%
Condos & Co-ops	6.2	8.4	10.7	7.4	(3.3)	-31.1%
Total	101.8	86.8	69.4	65.7	(3.7)	-5.3%
MEDIAN SALE PRICE						
Type Of Property					Change 08 - 09	
	4th 06	4th 07	4th 08	4th 09	Amount	Percent
Westchester County						
Single Family Houses	630,000	640,000	570,000	560,000	(10,000)	-1.8%
Condominiums	375,000	382,000	355,000	347,500	(7,500)	-2.1%
Cooperatives	184,000	185,000	180,000	169,500	(10,500)	-5.8%
2-4 Family Houses	565,000	555,000	409,000	337,750	(71,250)	-17.4%
Putnam County						
Single Family Houses	420,000	380,000	350,000	325,000	(25,000)	-7.1%
Condos & Co-ops	260,000	255,000	297,062	217,500	(79,562)	-26.8%
MEAN SALE PRICE						
Type Of Property					Change 08 - 09	
	4th 06	4th 07	4th 08	4th 09	Amount	Percent
Westchester County						
Single Family Houses	880,449	894,475	745,127	736,034	(9,093)	-1.2%
Condominiums	400,672	448,184	393,560	397,708	4,148	1.1%
Cooperatives	206,043	209,248	202,767	191,334	(11,433)	-5.6%
2-4 Family Houses	573,771	542,605	430,972	341,096	(89,876)	-20.9%
Putnam County						
Single Family Houses	461,773	433,082	402,123	349,446	(52,677)	-13.1%
Condos & Co-ops	247,663	288,362	333,687	229,819	(103,868)	-31.1%

SEASONALLY ADJUSTED QUARTERLY SALES Westchester 2004-2009

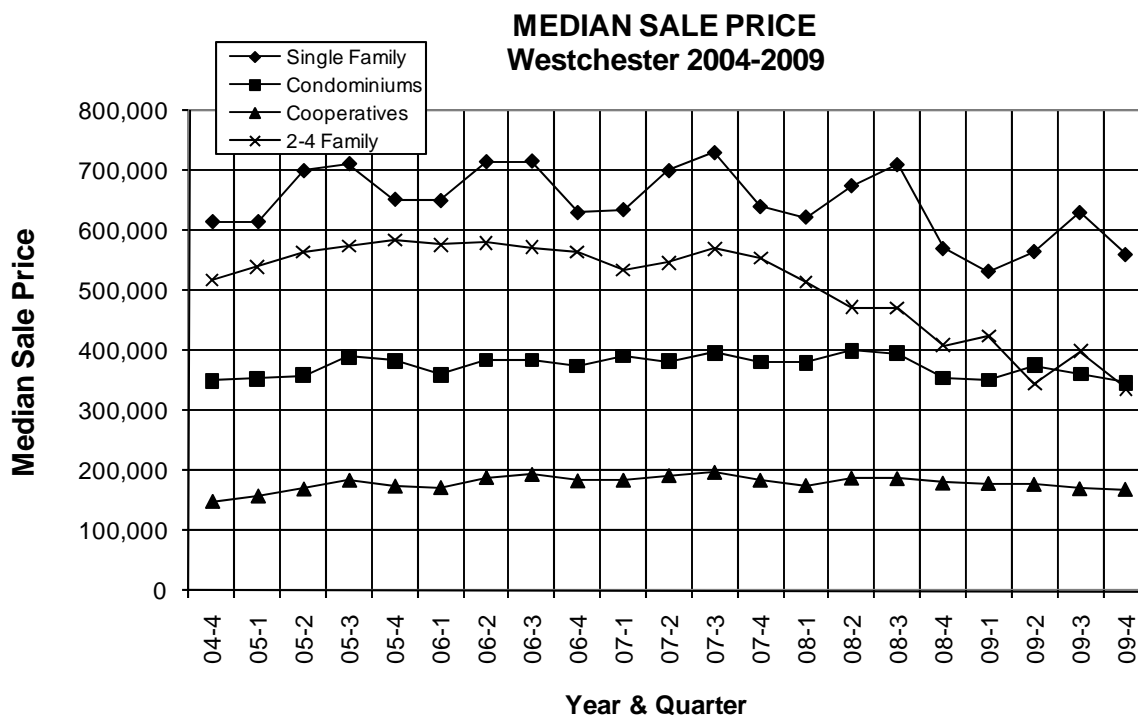


SEASONALLY ADJUSTED QUARTERLY SALES, 2007 - 2009										
Property Type	2007 4th	2008 1st	2008 2nd	2008 3rd	2008 4th	2009 1st	2009 2nd	2009 3rd	2009 4th	%Change 2009/3- 2009/4
Westchester County										
Single Family	4,480	3,920	3,910	4,000	3,440	2,260	2,690	3,630	4,620	27.3%
Condominiums	1,340	1,060	1,200	1,030	780	650	650	820	1,100	34.1%
Cooperatives	1,790	1,600	1,550	1,520	1,570	1,060	1,050	1,300	1,620	24.6%
2-5 Family	340	260	310	240	350	260	330	420	500	19.0%
Total	7,960	6,840	6,970	6,790	6,140	4,230	4,720	6,170	7,840	27.1%
Putnam County										
Single Family	690	690	580	670	580	460	510	620	660	6.5%
Condos+Co-ops	120	130	90	90	140	90	70	100	140	40.0%
Total	810	820	670	760	730	550	580	720	800	11.1%

Seasonally adjusted¹, the fourth quarter sales rate in Westchester was equivalent to 7,840 units per year, an increase of 27% from the prior quarter. Putnam County's seasonally adjusted rate climbed to 800 units per year, an increase of 11% from the prior quarter. Some of this reenergized market activity was attributable to the federal tax credit stimulus program whose term was extended, eligibility expanded, and usefulness enhanced by supportive New York State programs, such that home-buying decision-making by first-time buyers was accelerated. However, first-time home buying is a limited fraction of the Westchester-Putnam market. Much more of the fourth quarter rebound could be attributed to an emerging recovery in the real estate market as a whole, driven in large measure by decreasing price levels that finally stimulated demand, and by stable, low mortgage interest rates.

The 2009 median sale price¹ of a Westchester single-family house was \$580,000 or about 11% less than in 2008. That price was a full \$105,000 or 15% less than the \$685,000 median sale price posted in the 2007 peak year. As has been previously noted

in these reports, some of the price slippage in our area has been due to the particular weakness of the high-end sector, namely houses selling for \$1 million or more. Such properties accounted for only 17% of all sales in 2009 whereas the ratio ranged from 21% to 25% during the period 2004 to 2008.

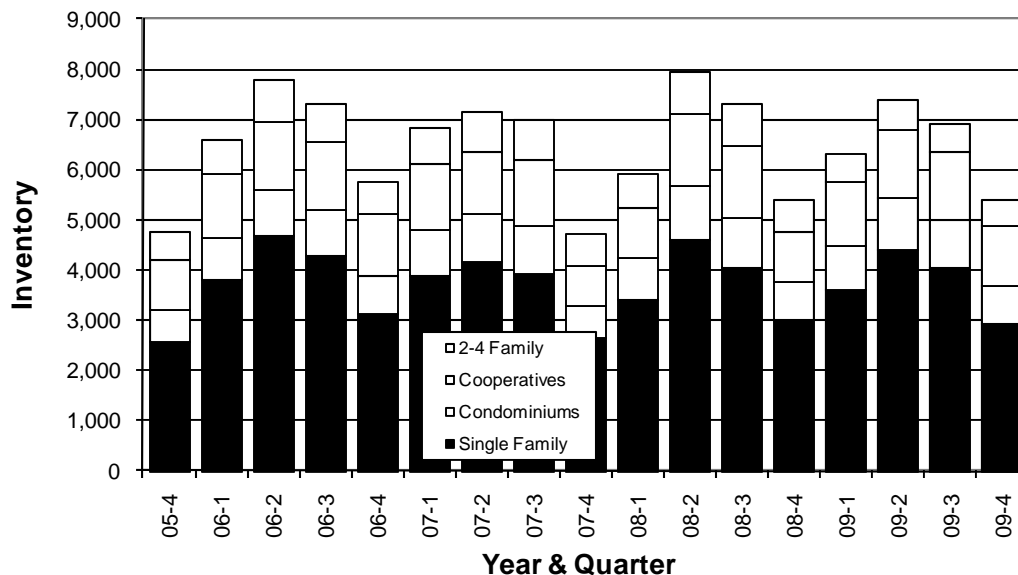


On a quarter-by-quarter basis, the Westchester single family median sale price was \$532,000 in the first quarter and \$565,000 in the second quarter of 2009, down 15% and 16% respectively from the comparable 2008 periods. In the third quarter the \$630,000 median was down 11%. In the fourth quarter the median sale price of \$560,000 was down by only 2% from the fourth quarter of 2008. The pricing path of the condominium and cooperative sectors was less direct than that but there was a net upward movement in those sectors, too, over the course of the year. There was a clear trend line through 2009 toward price recovery rather than further price decreases.

One local factor that tended to militate against the precipitous loss of market value experienced in many other parts of the nation was the relatively stable inventory of properties for sale. The 2009 year-end inventory in Westchester of 5,380 properties was virtually unchanged from the 2008 level. This was in spite of the increasing spate of foreclosure filings that averaged 200 monthly in the first half of the year but that exceeded 300 monthly in the second half.

Only about 20% of the area's foreclosure filings result in actual foreclosure judgments; the balance seem mostly to be resolved through short sales although some few are resolved through refinancing, negotiated forbearance or other workouts. It appears that for 2009 at least, there were not enough short sales or transactions of lender-owned properties at significantly sub-market prices to cause an unmanageable overhang of inventory or to drag down the overall market pricing structure. What continues to most control the amount of inventory in Westchester and Putnam is the willingness and ability of potential home sellers to stay out of the market until conditions improve. Smaller inventory usually means greater resistance to price devaluation.

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



Type Of Property	INVENTORY AT DECEMBER 31				Change 08 - 09	
	2006	2007	2008	2009	Amount	Percent
Westchester County						
Single Family Houses	3,130	2,635	3,018	2,909	(109)	-3.6%
Condominiums	751	656	765	765	-	0.0%
Cooperatives	1,244	799	983	1,193	210	21.4%
2-5 Family Houses	649	621	626	513	(113)	-18.1%
Total	5,774	4,711	5,392	5,380	(12)	-0.2%
Putnam County						
Single Family Houses	850	701	740	731	(9)	-1.2%
Condos & Co-ops	93	105	88	123	35	39.8%
Total	943	806	828	854	26	3.1%

What is starting to look like recovery in the real estate market of course can still be derailed by other adverse conditions such as increased mortgage interest rates, persistent unemployment, and reversals in the equity markets that induce new caution by investors and ultimately all consumers including home buyers. For now the equity markets are giving encouragement as investors have watched the Dow Jones Industrial Average climb from less than 7,000 in March to more than 10,000 by December of 2009. Average mortgage interest rates flashed red in June as rates on 30-year conventional loans briefly exceeded 6.0%, but they steadily progressed downward to as low as 5.0% since then. However, forecasters seem to be hedging their bets as to whether rates will climb again. Just a percentage point increase, especially if sudden, could frustrate a real estate recovery.

The most worrisome threat to the area's real estate market is the persistently high rate of unemployment throughout 2009 and probably continuing into 2010. The concern is that this will lead to ever increasing numbers of foreclosure filings. Up to now the Westchester-Putnam real estate market has been able to absorb the moderate amounts of short sale and lender-owned properties in relation to the entire inventory of properties for sale. With many more foreclosures, however, there could come a tipping point at

which an overhang of inventory develops and prices of both normal and impaired properties start to cascade downwards.

But this is not the case for now, and clearly the pattern of quarterly activity in 2009 and particularly the fourth quarter have established a momentum for improved conditions in 2010. Sales volumes are exceeding what might be expected from the tax credit programs alone. Westchester and Putnam County prices, which have not approached the level of collapse experienced in many other areas of the nation, seem to have leveled out in the range of 15-16% below their peaks in 2006 and 2007 – enough to renew buyer interest - and are closing in on 2008 levels. If the price trends continue, the first quarter of 2010 might show sales prices slightly ahead of what they were in the first quarter of 2009.

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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.*