



July 12, 2011

**2011 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT
Westchester and Putnam Counties, New York**

An assessment of the Westchester-Putnam real estate market in recent months can generate an optimistic or pessimistic outlook depending on how far back one makes the comparisons. Thus far in the two counties, from January 1 to June 30 of this year, total real estate closings reported to the Empire Access Multiple Listing Service were about 16% fewer than for the first half of 2010. On the other hand, they were about 35% ahead of the volume posted in the first half of 2009.

Both comparisons are made to abnormal markets, however. The 2009 data reflected the depth of the recession as it affected real estate in this region. Sales volumes fell to levels not experienced since the early 1990s. To say that there was no direction but up would not have been an exaggeration. 2010's sales volumes, in contrast, and particularly from January to June, reflected the first-time homebuyers tax credit with its initial June 30th closing deadline that had the effect of bulking up the second quarter market activity at the expense of subsequent quarters.

Seasonally adjusted¹, a measure that somewhat evens out the effect of unusual swings in activity, the 2011 second quarter sales rate was equivalent to an annual rate of 6,010 sales in Westchester and 740 in Putnam, down 7% from the prior quarter but substantially ahead of the third and fourth quarters of 2010. From this aspect, the second quarter market could be characterized as on Pause with no clear trend line Forward or Rewind.

Type Of Property	YEAR TO DATE (JAN-JUN) SALES				Change 10-11	
	2nd 08	2nd 09	2nd 10	2nd 11	Amount	Percent
	Westchester County					
Single Family Houses	1,725	1,132	1,949	1,706	(243)	-12.5%
Condominiums	516	303	495	398	(97)	-19.6%
Cooperatives	733	500	756	554	(202)	-26.7%
2-5 Family Houses	136	142	186	172	(14)	-7.5%
Total	3,110	2,066	3,386	2,830	(556)	-16.4%
	Putnam County					
Single Family Houses	276	219	308	261	(47)	-15.3%
Condos & Co-ops	51	37	37	36	(1)	-2.7%
Total	327	255	345	297	(48)	-13.9%

Inventory at the close of the quarter amounted to nearly 8,000 units in Westchester, an increase of 5% from last year. Putnam County's inventory increased by only 2%. Inventory can increase, and has often done so here, in response to a rising market that induces homeowners to list their properties in the expectation of gain. Clearly that was not the case with this second quarter, however. Rather, classic supply and demand economics was in play as demand, measured by actual sales, fell nearly 500 transactions short of last year's count. On the positive side, the level of inventory is not very large by either short- or long-term experience in this area.

The average prices of condominiums and cooperative units were lower than those of a year ago. The median sale price of a Westchester condominium was \$348,500 or just 1% lower. The cooperative unit median, \$157,250, was off by 7% from last year. In both categories the median sale price has been trending downward since 2008. These property types are especially appealing to first-time buyers and other moderate income buyers, but those are the populations that have been most affected by the persistent recessionary conditions and that are missing from the housing market of late.

The single family house sector, in contrast, posted a 2.5% year to year price increase, to a median² of \$622,750. In Putnam County there was an increase of 4%, to \$320,000. These increases do not signal the return of across-the-board price appreciation, however. They resulted from there having been more sales in the upper price ranges relative to the lower price ranges. For example, in this recent second quarter, nearly 24% of all single family houses sold for \$1 million or more. That percentage was 20% in 2010 and 17% in 2009. The same phenomenon occurred in Putnam County, but at much lower price levels.

The overall lackluster performance of the second quarter real estate market reflected the continuing severe impact of the real estate recession that commenced locally in 2008. It is very important to appreciate that the second quarter closings primarily resulted from listings that were placed on the market and shown and negotiated several months earlier. Thus the proper temporal frame of reference for understanding the posted sales volumes and prices is the period from late winter of 2010 to about March of 2011.

During the cited period, average mortgage interest rates were quite low but they were also mostly on an upward track, from about 4.9% in December on a conventional 30-year loan, to about 5.2% by early March. This amount of increase in and of itself is not enough to stop a market, but it is a negative factor nevertheless.

Unemployment continued to hold back the market as well. Westchester's unemployment rate generally has been lower in 2011 than in 2010 but nevertheless it hovered around 7%, a level that was nearly twice that of the pre-recession period. Widespread unemployment engenders concern among even employed consumers as to their financial stability, and thus applies a brake to real estate purchases.

There were also some positive factors. The equity markets, as measured by the Dow Jones Industrial Average, appeared to be in a recovery mode. Also – and of special importance to this region – the New York City market appeared to be on the upswing. It is difficult to obtain consistent and complete information on the City's real estate market, but the reports of several of the larger brokerages indicate that sales volumes increased by anywhere from 4 to 10% on an annualized basis, and prices were up 5 to 7%. This may be continuing, and if that is so, it could be the single most powerful factor in the recovery of the suburban real estate market. Buyers from New York City have accounted for as much as 15-20% of the real estate transactions in Westchester.

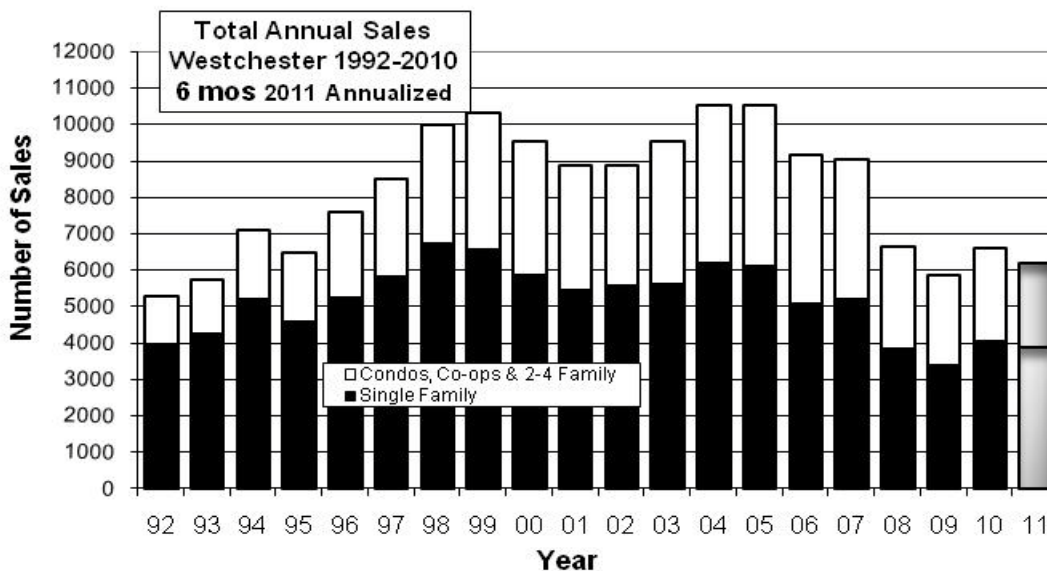
In the meantime, these second quarter results carry no trend line with them. The market is fragile and how it goes from here depends entirely on a wide range of economic and public policy factors ranging from mortgage interest rates and job growth, to alteration of tax policy (elimination of the mortgage interest deduction?), possible regulation of down payments (“Qualified Residential Mortgages”), the future management of the secondary mortgage market, even the outcome of the debate over the national debt limit, to the extent that its resolution affects real estate tax policy and spending on housing support programs. Uncertainty prevails at all levels and our Westchester-Putnam local real estate market is caught up in that.

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The Empire Access Multiple Listing Service, Inc. (EAMLS) is a subsidiary of the Westchester Putnam Association of Realtors, Inc. EAMLS serves more than 880 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. EAMLS 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 Empire Access 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.

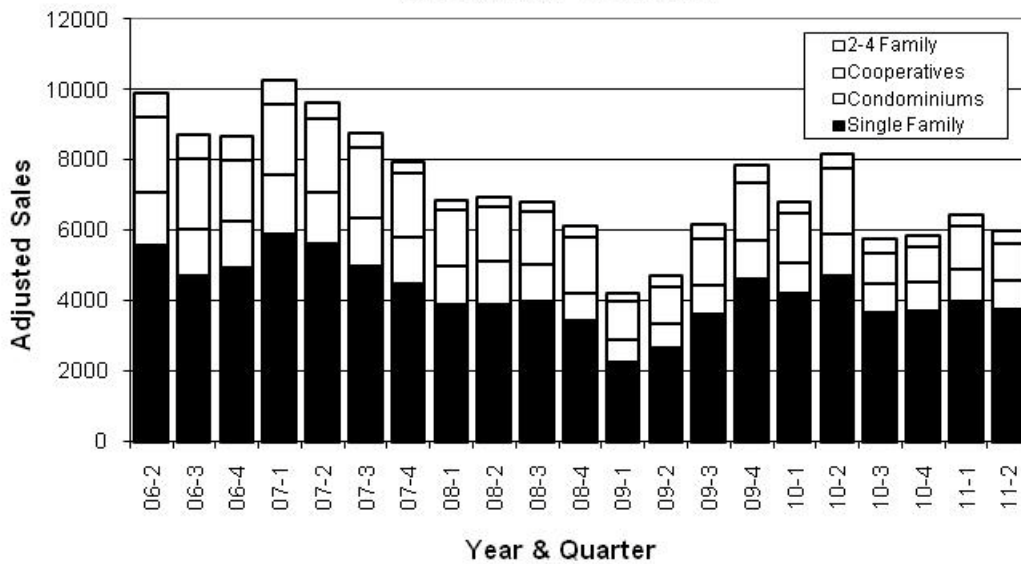
¹ The seasonally adjusted rate is an annualized rate for a given quarter. It represents what the total sales volume would be for the whole year based on the quarter’s customary share of total annual sales.

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.

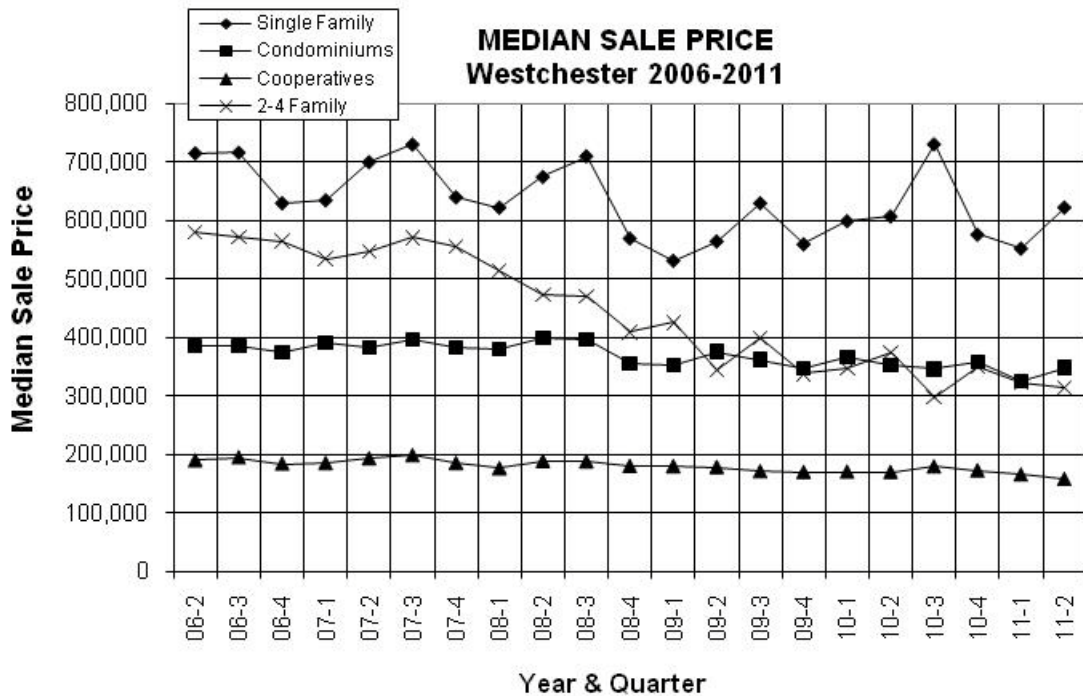


Type Of Property	NUMBER OF SALES				Change 10-11	
	2nd 08	2nd 09	2nd 10	2nd 11	Amount	Percent
Westchester County						
Single Family Houses	999	706	1,193	986	(207)	-17.4%
Condominiums	307	172	315	219	(96)	-30.5%
Cooperatives	390	269	462	286	(176)	-38.1%
2-4 Family Houses	74	80	103	92	(11)	-10.7%
Total	1,770	1,227	2,073	1,583	(490)	-23.6%
Putnam County						
Single Family Houses	148	131	184	122	(62)	-33.7%
Condos & Co-ops	25	18	24	21	(3)	-12.5%
Total	173	149	208	143	(65)	-31.3%

**SEASONALLY ADJUSTED QUARTERLY SALES
Westchester 2006-2011**

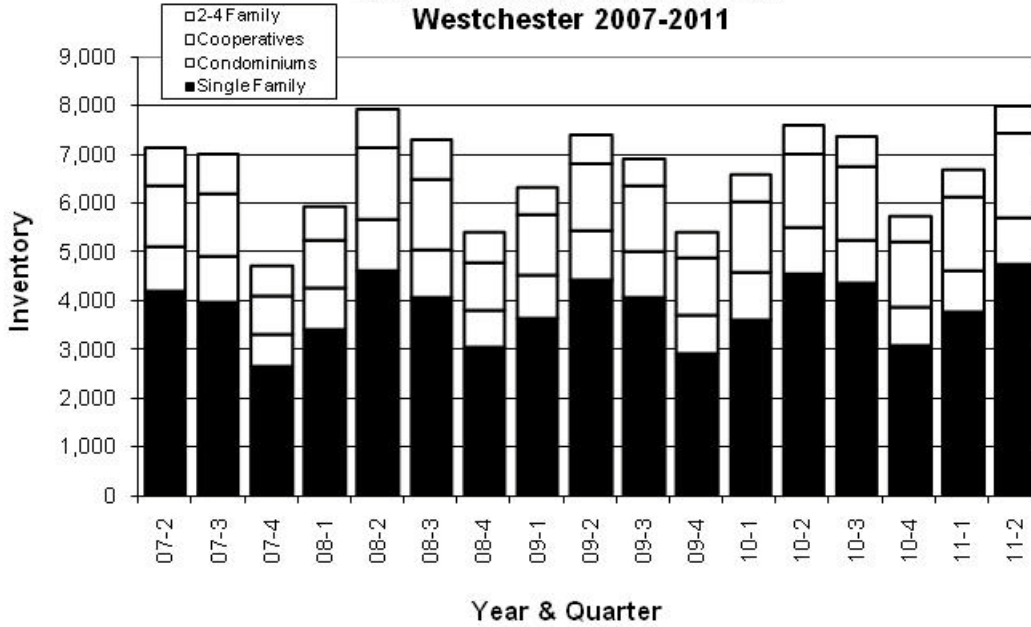


SEASONALLY ADJUSTED QUARTERLY SALES, 2009 - 2011										
Property Type	2009 2nd	2009 3rd	2009 4th	2010 1st	2010 2nd	2010 3rd	2010 4th	2011 1st	2011 2nd	%Change 2011/1- 2011/2
Westchester County										
Single Family	2,690	3,630	4,620	4,200	4,700	3,660	3,720	3,980	3,780	-5.0%
Condominiums	650	820	1,100	910	1,210	810	820	900	800	-11.1%
Cooperatives	1,050	1,300	1,620	1,380	1,850	900	1,010	1,260	1,060	-15.9%
2-4 Family	330	420	500	340	440	380	320	330	370	12.1%
Total	4,720	6,170	7,840	6,830	8,200	5,750	5,870	6,470	6,010	-7.1%
Putnam County										
Single Family	510	620	660	650	700	500	550	730	640	-12.3%
Condos+Co-ops	70	100	140	60	100	40	90	70	100	42.9%
Total	580	720	800	710	800	540	640	800	740	-7.5%



Type Of Property	MEDIAN SALE PRICE				Change 10-11	
	2nd 08	2nd 09	2nd 10	2nd 11	Amount	Percent
Westchester County						
Single Family Houses	674,900	565,000	607,500	622,750	15,250	2.5%
Condominiums	400,000	375,875	352,250	348,500	(3,750)	-1.1%
Cooperatives	188,500	178,000	169,500	157,250	(12,250)	-7.2%
2-4 Family Houses	472,500	344,750	375,000	314,000	(61,000)	-16.3%
Putnam County						
Single Family Houses	400,000	325,000	306,750	320,000	13,250	4.3%
Condos & Co-ops	282,000	231,000	242,500	240,000	(2,500)	-1.0%
MEAN SALE PRICE						
Type Of Property	2nd 08	2nd 09	2nd 10	2nd 11	Change 10-11	
Westchester County						
Single Family Houses	894,467	756,982	814,556	857,261	42,705	5.2%
Condominiums	449,800	406,264	396,478	410,402	13,924	3.5%
Cooperatives	208,835	201,333	191,161	190,984	(177)	-0.1%
2-4 Family Houses	497,564	339,976	373,087	321,151	(51,936)	-13.9%
Putnam County						
Single Family Houses	448,512	346,367	338,742	407,642	68,900	20.3%
Condos & Co-ops	267,856	241,950	252,821	236,898	(15,923)	-6.3%

**END OF QUARTER INVENTORY
Westchester 2007-2011**



Type Of Property	END OF QUARTER INVENTORY				Change 10-11	
	2nd 08	2nd 09	2nd 10	2nd 11	Amount	Percent
Westchester County						
Single Family Houses	4,616	4,393	4,528	4,720	192	4.2%
Condominiums	1,042	1,024	944	967	23	2.4%
Cooperatives	1,460	1,382	1,511	1,721	210	13.9%
2-4 Family Houses	<u>807</u>	<u>603</u>	<u>616</u>	<u>590</u>	<u>(26)</u>	<u>-4.2%</u>
Total	7,925	7,402	7,599	7,998	399	5.3%
Putnam County						
Single Family Houses	1,082	897	977	1,008	31	3.2%
Condos & Co-ops	<u>139</u>	<u>119</u>	<u>144</u>	<u>133</u>	<u>(11)</u>	<u>-7.6%</u>
Total	1,221	1,016	1,121	1,141	20	1.8%