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2008 FIRST QUARTER RESIDENTIAL REAL ESTATE SALES REPORT WESTCHESTER AND PUTNAM COUNTIES, NEW YORK

April 22, 2008

Although the Westchester-Putnam real estate market outperformed that of New York State and the country during the past two years, the ongoing national economic difficulties finally caught up with our area during the winter months of 2007-2008. The first-quarter closings that resulted from marketing activity in that period were down 30% from a year ago and constituted the largest year over year decrease compiled by the Westchester-Putnam Multiple Listing Service (WPMLS) since it commenced recordkeeping in 1980.

Sales dropped

Realtor firms participating in WPMLS reported 1,340 closed residential transactions in Westchester County from January through March, constituting a 30.5% decrease from the comparable period a year ago. The single-family house and condominium sectors were down by 30.5% and 34.5% respectively, while the highly troubled multi-family sector (2-4 units) slipped by 56%. The brightest spot in Westchester's market was the cooperative unit sector which posted a year over year decline of only 18.9%.

Putnam County fared better than Westchester, having posted only a 9% year over year sales decline, to 154 residential sales. From a statistical aspect however, considering the relatively small size of the Putnam real estate market, just a few sales can make a large percentage difference. The reality for Putnam is that its real estate market has lagged Westchester's for the past two years and that the current percentage fall-off may be just a statistical fluke. It will take another quarter or two to know for sure.

On a seasonally adjusted basis¹, Westchester's first-quarter closings were equivalent to an annual sales rate of 6,840 units, the lowest adjusted rate measured by WPMLS since the 1993-1996 period and 14% below the prior fourth quarter 2007 rate. Although the burst of activity at the beginning of 2007 created hope that our local market was on the way to recovery after the retrenchment of 2006, that outlook dimmed rapidly and precipitously with each succeeding quarter. With its poor first quarter 2008 results, Westchester finally joined the rest of New York's metropolitan counties in the real estate market contraction.

FIRST QUARTER COMPARISONS, 2005 - 2008

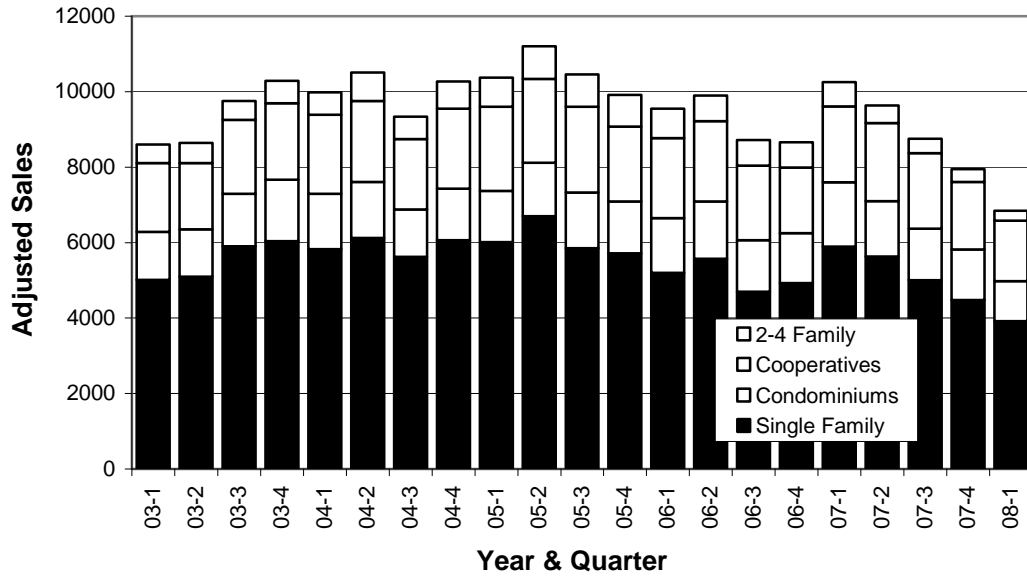
Type Of Property	NUMBER OF SALES				Change 07-08	
	1st 05	1st 06	1st 07	1st 08	Amount	Percent
Westchester County						
Single Family Houses	1,091	938	1,044	726	(318)	-30.5%
Condominiums	262	272	319	209	(110)	-34.5%
Cooperatives	470	443	423	343	(80)	-18.9%
2-4 Family Houses	175	170	141	62	(79)	-56.0%
Total	1,998	1,823	1,927	1,340	(587)	-30.5%
Putnam County						
Single Family Houses	198	179	141	128	(13)	-9.2%
Condos & Co-ops	38	32	28	26	(2)	-7.1%
Total	236	211	169	154	(15)	-8.9%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 07-08	
	1st 05	1st 06	1st 07	1st 08	Amount	Percent
Westchester County						
Single Family Houses	892.2	819.5	936.6	679.2	-257	-27.5%
Condominiums	101.7	112.3	134.0	88.5	-45	-40.5%
Cooperatives	84.5	87.5	87.5	67.0	-21	-23.4%
2-4 Family Houses	94.5	98.0	77.6	31.6	-46	-46.9%
Total	1,173.0	1,117.3	1,235.7	866.3	-369	-33.1%
Putnam County						
Single Family Houses	93.8	81.4	66.0	62.2	-4	-4.7%
Condos & Co-ops	10.3	8.6	7.8	7.4	0	-4.4%
Total	104.1	90.0	73.8	69.6	-4	-4.6%

Type Of Property	MEDIAN SALE PRICE				Change 07-08	
	1st 05	1st 06	1st 07	1st 08	Amount	Percent
Westchester County						
Single Family Houses	615,000	650,000	635,000	622,500	-12,500	-2.0%
Condominiums	354,000	360,000	392,000	380,000	-12,000	-3.1%
Cooperatives	158,000	172,500	185,000	176,000	-9,000	-4.9%
2-4 Family Houses	540,000	577,000	535,000	515,000	-20,000	-3.7%
Putnam County						
Single Family Houses	410,000	375,000	400,000	386,500	-13,500	-3.4%
Condos & Co-ops	277,500	281,000	286,250	242,000	-44,250	-15.5%

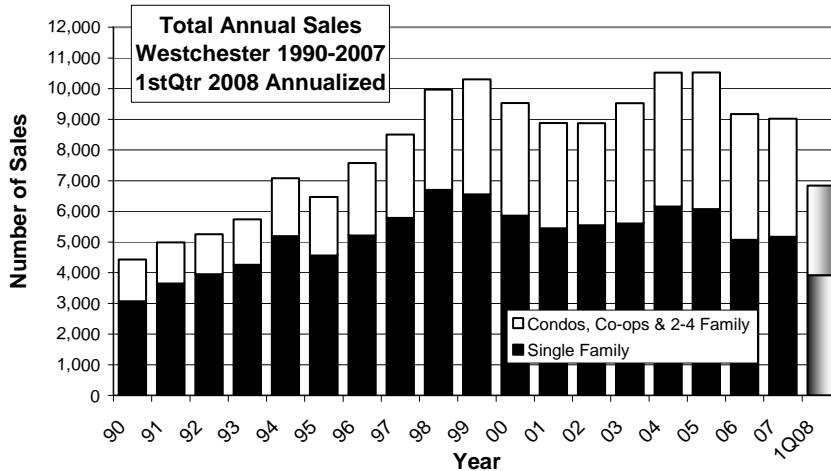
Type Of Property	MEAN SALE PRICE				Change 07-08	
	1st 05	1st 06	1st 07	1st 08	Amount	Percent
Westchester County						
Single Family Houses	817,800	873,182	897,097	935,556	38,459	4.3%
Condominiums	388,122	413,029	419,976	423,483	3,507	0.8%
Cooperatives	179,886	197,443	206,929	195,310	-11,619	-5.6%
2-4 Family Houses	540,218	576,733	550,202	509,591	-40,611	-7.4%
Putnam County						
Single Family Houses	473,874	454,865	468,427	485,912	17,485	3.7%
Condos & Co-ops	270,721	268,391	280,102	285,450	5,348	1.9%

SEASONALLY ADJUSTED QUARTERLY SALES Westchester 2003-2008



SEASONALLY ADJUSTED QUARTERLY SALES, 2006 - 2008

Property Type	2006	2006	2006	2006	2007	2007	2007	2007	2008	%Change 2007/4- 2008/1
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	
Westchester County										
Single Family	5,200	5,570	4,700	4,930	5,890	5,630	5,000	4,480	3,920	-12.5%
Condominiums	1,450	1,520	1,360	1,320	1,710	1,470	1,370	1,340	1,060	-20.9%
Cooperatives	2,120	2,130	1,980	1,740	2,010	2,070	2,000	1,790	1,600	-10.6%
2-4 Family	780	680	680	670	640	460	380	340	260	-23.5%
Total	9,550	9,900	8,720	8,660	10,250	9,630	8,750	7,960	6,840	-14.1%
Putnam County										
Single Family	990	990	740	670	780	910	730	690	690	0.0%
Condos+Co-ops	180	180	130	90	150	140	160	120	130	8.3%
Total	1,170	1,170	870	760	930	1,050	890	810	820	1.2%

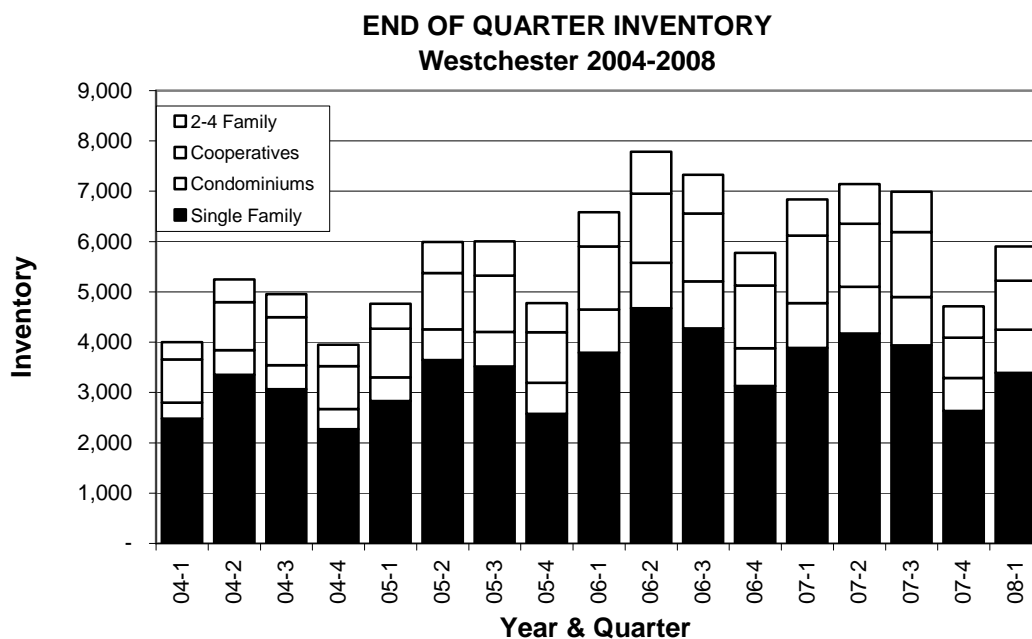


Inventory shrank

Unlike many other areas, Westchester and Putnam Counties' markedly reduced sales volume has not resulted in an accumulation of inventory. To the contrary, Westchester's end-of-quarter inventory of 5,903 residential units was 14% below last year's first-quarter level. Putnam County inventory was down by 12%.

As has been observed before in these reports, Westchester seems to have an above average number of homeowners with considerable control over whether and when to list their properties for sale. Possibly our area has a higher percentage of households whose principal earners are in or around retirement mode and who are under no particular compulsion to relocate at a certain time, if relocate is what they intend to do. Possibly also the generally healthy regional economy is not generating much involuntary employment-based relocation activity. Whatever the explanation, many potential home sellers are exercising their discretion to hold their properties off the market until they perceive more favorable conditions, thus keeping inventory on the lean side.

Westchester's inventory has not increased much in response to foreclosure activity either. Foreclosure rates have more than doubled in the past year but not all the filings (some 200 monthly of late) result in distressed properties being dumped on the market. There were 80 foreclosure judgments in December of 2007, an increase of about 50-60 over 2005 levels. Some prospective foreclosures are resolved through refinancing or other work-arounds by borrowers and lenders including through so-called short sales. Other properties are acquired by investors without immediately competing head to head with ordinary listings in the open market. This is not to say that foreclosures aren't a major concern for the future, only that they did not have much of an effect on the first quarter market conditions.

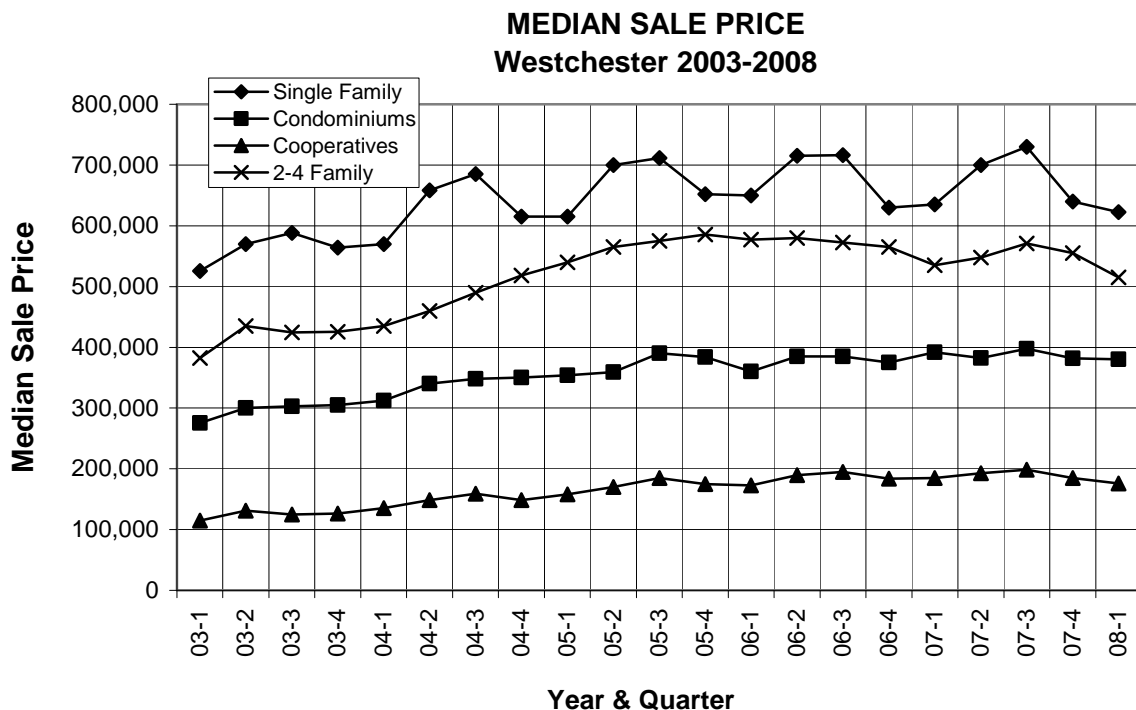


Type Of Property	END OF QUARTER INVENTORY				Change 07-08	
	1st 05	1st 06	1st 07	1st 08	Amount	Percent
Westchester County						
Single Family Houses	2,830	3,788	3,888	3,388	(500)	-12.9%
Condominiums	474	860	891	859	(32)	-3.6%
Cooperatives	962	1,253	1,342	974	(368)	-27.4%
2-4 Family Houses	499	684	718	682	(36)	-5.0%
Total	4,765	6,585	6,839	5,903	(936)	-13.7%
Putnam County						
Single Family Houses	714	884	942	821	(121)	-12.8%
<u>Condos & Co-ops</u>	64	72	105	106	1	1.0%
Total	778	956	1,047	927	(120)	-11.5%

Prices pulled back

Westchester and Putnam County first quarter sale prices held up fairly well in the face of the very much reduced activity by buyers. The first quarter median sale price² of a Westchester single family house was \$622,500 or just 2% lower than in 2007. In Putnam County the decrease was 3%, to \$386,500. At the same time, both Counties experienced an approximately 4% increase in the mean² sale price of single family houses, an indication that there were some highly priced transactions in the sales mix. High-end single family properties - those that sold for \$1 million or more - accounted for 31% of first quarter sales compared to 21% in 2007.

The first quarter median sale price for Westchester condominiums was \$380,000 or 3% below last year's level. The co-op sector experienced across the board price slippage of about 5% since last year, to a \$176,000 median.



A LOOK AHEAD

The same problems afflicting the majority of the nation's real estate markets have caught up to Westchester and Putnam Counties. These include the continuing fall out from the sub-prime loan implosion: higher rates of foreclosures and tighter credit standards, and higher mortgage interest rates on jumbo loans which are more important to the real estate market in high cost areas like ours. It must be noted, however, that overall mortgage interest rates were fairly low - generally in the range of 6.1% to 6.6% on 30-year fixed rate loans during the winter months that generated the first quarter closings. There are no expectations for rates to increase in the coming months.

The metropolitan region has also been buffeted by the downward spiral in the stock market which not only affects the financial district workers whose bonuses energize the ultra high-end market, but more importantly, which threatens the homebuying confidence of ordinary households worried about their savings and pension plans. Fortunately, the troubles in the investment markets have not been accompanied by serious job losses and unemployment, at least not in this area. The year over year job totals for our region held firm, and the official unemployment rate nudged up very little over the same period.

While Westchester and Putnam may be fortunate to have avoided the worst effects of the national real estate market recession up to now, there are serious threats ahead. One of them is that the foreclosure problem has not played itself out. The local trend has been for foreclosure filings and judgments to nearly double every twelve months. Foreclosed properties could at some point in 2008 become a highly visible element in the market in a literal visual sense, particularly if they are concentrated in geographic areas. It appears this is already beginning to happen in some of Westchester's southern tier cities where there are emerging clusters of for-sale properties, some of which are in various stages of neglect. Their obvious effect is to depress the property values in their entire neighborhoods, a condition that can then ripple out to larger areas.

Another threat to our local market is the possibility of a retrenchment in Manhattan's real estate market. Manhattan-based buyers have accounted for as much as 15% of Westchester real estate transactions over the years. If that market seizes up such that relocation-minded condo and co-op owners can't easily sell their units in order to move to the suburbs, Westchester and Putnam will quickly feel their absence. Some Manhattan brokerages are reporting a softer market there lately but the extent of any contraction is not yet confirmed.

Given the economic threats as well as uncertainties about whether any corrective measures will be taken - such as State or Federal enactment of meaningful foreclosure prevention measures - it would be wildly speculative to forecast the direction of the local real estate market for the coming months. Our real estate market's long term record with the cycles of real estate is that compared to most other areas we are more acquainted with prosperity than adversity. Having arrived late to the current recession, we might be lucky enough to depart early as well.

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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 more than 1,000 real estate offices having listings in 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 annual 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 very low or very high prices.*