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Third Quarter 2008 Westchester County Real Estate Report

(As recorded telephone report – 800-640-4393 ext. 212)

Hi. This is Alan Kellam of Century 21 Haviland. Thanks for calling for my 3rd Qtr. 2008 report on the Westchester real estate market. We all know that there are extraordinary pressures on the economy, related, at least in part, to an artificially inflated real estate market over the past few years. For a while, activity in the county, while softening, held up better than in many areas. But, undeniably, the slowdown has hit home over the past 3 quarters.

Sales have dropped significantly in Westchester, and average prices have come down. But there are signs of moderation which can benefit realistic sellers and careful buyers.

The number of residential sales in the 3rd qtr. – July thru September – is down 23% vs. the same period last year. For 2008 so far, sales are down by 25 %, and it's across the board: Single-family sales down 25%; condo's down 24%; coops down 21%; and sales of 2-5 family homes continue downward at 43%.

Now, what about prices?

The fact of the matter is that there is hope for moderation that will benefit sellers who market their homes effectively; and for buyers who shop wisely. While sales have declined significantly over the past year...prices have declined moderately. While total sales have dropped over 20% this year, prices have dropped 5% on single-family homes and a little over 2% on coops These are now back to '05 levels. Prices for condo's rose this year and are a bit higher than '05.

Buyers and sellers both need a measure of stability. Sellers, of course, want the best price they can get for their homes, but they are faced by increases in competitive inventories.. On the other hand, buyers are, in some cases, unable to get a mortgage or one as big as they would like. They are hopeful that they can find a great house at a great price – but they are afraid of buying before the prices have reached the bottom.

My advice to buyers and sellers in today's market?

Buyers – research the market thoroughly to understand what homes are selling for and to set expectations within your budget. Consult a mortgage lender to determine how much you can afford to pay each month – and remember that mortgage payments and real estate taxes (after STAR deduction) make up the bulk of your expenses. A higher priced home with a relatively low tax assessment could actually cost less per month than a lower priced house with a high tax – and vice versa. Do the math. Get the help of a realtor that you like early in your search. A good one will be happy to help you get started – even if it's before you're ready to buy.

Sellers – get the real lowdown on the market. Find out what comparable homes have listed for, how much they've sold for, and how long they've taken to sell. Look at the most recent sales you can – they're the best indicators. Get a good agent to do the homework. Set a realistic price that you can live with. Remember, setting a price too high often works against a good sale, because if it's too high for too long, real buyers – who are looking a little lower – may not even find out that your house is on the market.

Thanks again for calling. To see the full market report, compiled by the Westchester-Putnam Board of Realtors, go to www.wcbr.net and click on market statistics. For community information and access to every home listed in Westchester and Putnum, and to learn more about how I work with my clients, go to my website, www.kellamstrategies.com. And for first time buyers, stay on the line and listen to my recording on extension 2138. And to reach me personally, call me at 914-741-0070.



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