

Hudson Valley Luxury Market

Dutchess, Columbia, and Ulster County Luxury Residential Sales

Third Quarter 2011

- Market settling in to a new equilibrium after years of boom and bust
- While volume remains low, properties are selling quicker and at fairly constant discount to listing prices
- Current prices represent good value for luxury properties, considering cost of new construction

Written in collaboration with RP Hubbell & Company, and Walter Cadette

The past quarter's data reflect a market that is settling in to a new equilibrium after years of boom and bust. Prices for the region as a whole and for its three counties individually have been essentially flat for the past three years, despite considerable fluctuation from quarter to quarter. The past quarter's median price was almost the same as it was during the two-year period 2009-2010, and it was essentially unchanged from the spring reading. (It is the median price that is reflective of the underlying market; unlike the average price, that does not give undue weight to

sales at the very top end of the price range.)

The number of properties sold in the past quarter was far below trend. But that seems to have been more for seasonal than for fundamental reasons. It was summer, after all. The spring selling season, moreover, was significantly more active than reported in these pages in July. Six sales were picked up from non-MLS data – that is, sales generated from “exclusive” contracts with brokers, as well as “private” sales. (Because many of these were at the high-end of the market, the median

sales price for the quarter is also now higher in the tables than first reported.)

All in all, incoming data reflect a new, possibly long-run, market environment. Prices seem to have stabilized. Volumes, while still low, are up from the bust years. And luxury properties are selling quicker than they had been, and at a fairly constant discount to listing prices. Sellers, the message is, seem to have become more realistic in listing their properties.

Many sellers apparently have become reconciled to the idea

Hudson Valley Market Matrix, All Sales \$750,000 and over													
	2007		2008		2009		2010		Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Median Sale Price	\$ 950,000	\$ 990,000	\$ 966,500	\$ 1,150,000	\$ 1,275,000	\$ 1,132,500	\$ 993,378	\$ 1,050,000	\$ 1,080,000				
Average Sale Price	\$ 1,257,000	\$ 1,255,000	\$ 1,186,700	\$ 1,567,031	\$ 1,518,199	\$ 1,615,863	\$ 2,912,322	\$ 1,452,368	\$ 1,115,469				
# of Sales	206	165	108	49	19	30	22	34	21				
Avg. DOM	229	217	256	204	168	239	227	292	195				
Avg. List Price	\$ 1,363,914	\$ 1,420,515	\$ 1,323,325	\$ 1,655,420	\$ 1,622,722	\$ 1,688,117	\$ 1,729,456	\$ 1,687,684	\$ 1,718,870				
Listing Discount	-7.84%	-11.65%	-10.32%	-10.25%	-6.07%	-14.42%	-16.06%	-12.07%	-10.01%				
Listing Inventory	---	---	---	---	424	457	444	521	507				

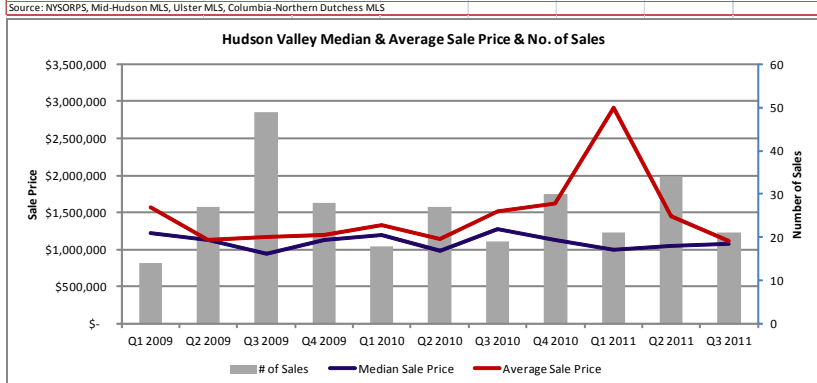
Source, all tables & graphs: NYSORPS, Mid-Hudson MLS, Ulster MLS, Columbia-Northern Dutchess MLS

that the prices of the boom years will not come again at all soon, if ever within their planning horizons. And, many have good reason to bow to this new reality – those especially hard hit by the financial crisis, others who must relocate, and still others wanting to downsize and shed the relatively high costs of taxes and upkeep of large properties.

Potential buyers, for their part, remain on the hunt for post-boom bargains. They can choose from a relatively large number of properties on the market, to judge by the listing inventory. They can still drive a hard bargain for all but the unusual high-end properties which can be, and often are, bid away from the potential buyers whose pencils are all too finely sharpened.

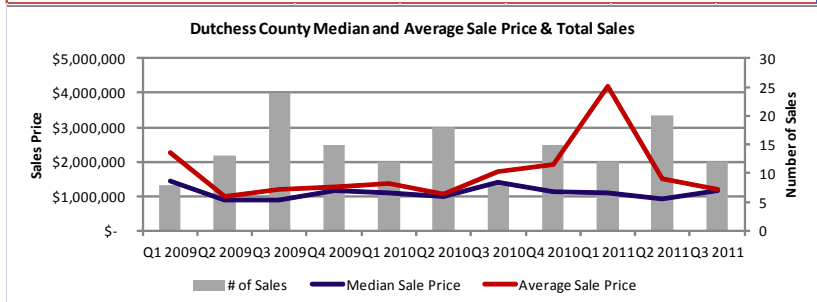
The buyers may well still have the upper hand. But with many sellers now more realistic about what their properties are worth in today's market, prices have come down to ranges that represent good value. In so many cases, they are far below replacement cost for the kind of quality and craftsmanship built into luxury properties in the past. And the strong bid

Hudson Valley Median Sale Price by Market Subset							
All sales \$750,000 and over	2007	2008	2009	2010	Q1 2011	Q2 2011	Q3 2011
\$750,000 - \$999,999							
Median	\$ 845,000	\$ 850,000	\$ 850,000	\$ 885,829	\$ 832,592	\$ 803,400	\$ 855,000
# of Sales	127	99	59	39	13	18	10
\$1,000,000 - \$1,999,999							
Median	\$ 1,330,000	\$ 1,295,000	\$ 1,237,500	\$ 1,295,625	\$ 1,500,000	\$ 1,500,000	\$ 1,220,000
# of Sales	57	45	38	38	5	11	11
\$2,000,000 - \$3,999,999							
Median	\$ 2,620,000	\$ 2,295,000	\$ 2,225,000	\$ 2,731,013	---	\$ 2,700,000	---
# of Sales	18	17	9	11	0	5	0
\$4,000,000 +							
Median	\$ 5,252,000	\$ 6,120,000	\$ 6,000,000	\$ 4,350,000	\$ 9,911,600	---	---
# of Sales	4	4	3	2	4	0	0



Dutchess County Market Matrix	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Median Sale Price	\$ 1,397,500	\$ 1,140,000	\$ 1,094,189	\$ 931,437	\$ 1,175,000
Average Sale Price	\$ 1,701,598	\$ 1,933,626	\$ 4,192,064	\$ 1,519,335	\$ 1,198,029
# of Sales	8	15	12	20	12
Avg. DOM	130	273	104	225	110
Avg. List Price	\$ 2,074,257	\$ 2,022,773	\$ 2,371,856	\$ 2,205,238	\$ 2,253,429
Listing Discount	-5.75%	-12.47%	-25.98%	-10.10%	-5.72%
Listing Inventory	190	203	204	227	222

Median Sale Price by Market Subset					
All sales \$750,000 and over	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
\$750,000 - \$999,999					
Median	\$ 792,000	\$ 850,835	\$ 850,046	\$ 806,800	\$ 835,000
# of Sales	3	7	6	11	3
\$1,000,000 - \$1,999,999					
Median	\$ 1,397,500	\$ 1,150,000	\$ 1,272,500	\$ 1,525,000	\$ 1,220,000
# of Sales	2	3	2	3	9
\$2,000,000 - \$3,999,999					
Median	\$ 2,950,000	\$ 3,703,025	---	\$ 2,700,000	---
# of Sales	3	3	0	6	0
\$4,000,000 +					
Median	--	\$ 4,350,000	\$ 9,911,600	---	---
# of Sales	0	2	4	0	0



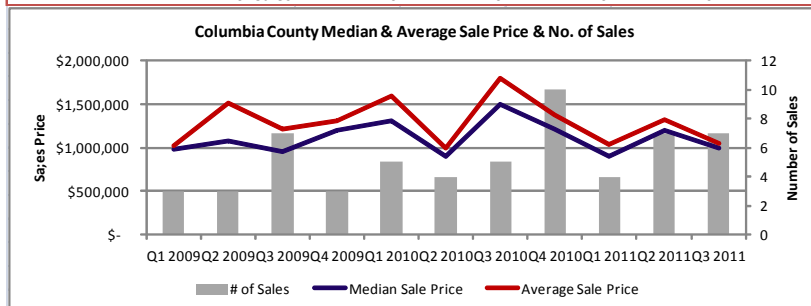
under the price of raw land, reported on in these pages in the past, seems to have continued. Moreover, today's rock-bottom mortgage rates will not last indefinitely.

All in all, buyers, as always, will want to bargain hard. That is their duty as well as their right. In doing so, though, they should be mindful that at today's prices many luxury properties in the Hudson Valley indeed represent good value. If that idea begins to take hold in the marketplace, the competition for those properties is apt to grow stronger not weaker. Five years from now, few of today's buyers are likely to regret that they "overpaid."

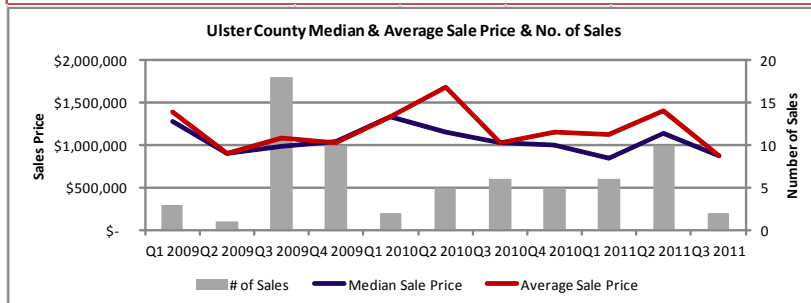
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Columbia County Market Matrix	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Median Sale Price	\$ 1,500,000	\$ 1,212,500	\$ 900,000	\$ 1,200,000	\$ 995,000
Average Sale Price	\$ 1,805,000	\$ 1,372,300	\$ 1,030,000	\$ 1,326,571	\$ 1,043,571
# of Sales	5	10	4	7	7
Avg. DOM	200	180	361	376	351
Avg. List Price	\$ 1,505,203	\$ 1,753,778	\$ 1,448,701	\$ 1,561,736	\$ 1,684,696
Listing Discount	-4.45%	-19.39%	-11.30%	-14.86%	-11.92%
Listing Inventory	125	148	141	176	165
Median Sale Price by Market Subset					
All sales \$750,000 and over	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
\$750,000 - \$999,999					
Median	\$ 800,000	\$ 965,000	\$ 900,000	\$ 915,000	\$ 950,000
# of Sales	1	3	3	3	5
\$1,000,000 - \$1,999,999					
Median	\$ 1,387,500	\$ 1,662,500	\$ 1,450,000	\$ 1,325,000	\$ 1,350,000
# of Sales	2	6	1	3	2
\$2,000,000 - \$3,999,999					
Median	\$ 2,725,000	\$ 2,500,000	---	\$ 2,175,000	---
# of Sales	2	1	0	1	0
\$4,000,000 +					
Median	--	--	--	--	--
# of Sales	0	0	0	0	0



Ulster County Market Matrix	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Median Sale Price	\$ 1,025,000	\$ 1,000,000	\$ 850,000	\$ 1,140,000	\$ 871,750
Average Sale Price	\$ 1,034,667	\$ 1,149,800	\$ 1,121,667	\$ 1,406,492	\$ 871,750
# of Sales	6	5	6	10	2
Avg. DOM	175	264	292	274	125
Avg. List Price	\$ 1,288,707	\$ 1,287,800	\$ 1,367,811	\$ 1,296,079	\$ 1,218,486
Listing Discount	-8.02%	-10.72%	-10.90%	-11.24%	-12.66%
Listing Inventory	109	106	99	118	120
Median Sale Price by Market Subset					
All sales \$750,000 and over	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
\$750,000 - \$999,999					
Median	\$ 890,000	\$ 874,500	\$ 780,000	\$ 773,500	\$ 871,750
# of Sales	3	2	4	4	2
\$1,000,000 - \$1,999,999					
Median	\$ 1,150,000	\$ 1,200,000	\$ 1,750,000	\$ 1,500,000	---
# of Sales	3	3	2	5	0
\$2,000,000+					
Median	---	---	---	\$ 3,250,000	---
# of Sales	0	0	0	1	0



This information contained in this Market Overview has been compiled from NYS ORPS, Mid-Hudson MLS, Columbia Northern Dutchess MLS, and Ulster MLS. We believe this information to be true and accurate. Heather Croner Real Estate, RP Hubbell & Co. and Walter Cadette assume no responsibility for the accuracy and reliability of this information and disclaim any liability for damages real or imagined caused by any error or omission on the researching or recording of these records and data.