

Hudson Valley Luxury Market

Dutchess, Columbia, and Ulster County Residential Sales over \$750,000

First Quarter 2014

- Late added data from non-MLS sales make 2013 the best annual showing for the market since 2008
- Sales volume in first quarter down significantly due to weather
- Accepted offers and in-contract data point to a possible second-quarter boost

Written by Walter Cadette and RP Hubbell & Company

Unusually harsh winter weather took its toll on the luxury housing market in the Hudson Valley (defined here as residential properties selling in excess of \$750,000 in Dutchess, Columbia, and Ulster counties).

MLS sales plummeted to as few as 19, down by as much as one third from the year-ago winter sales rate. The decline will not look quite so large when non-MLS sales, which are included in the year-ago count, get included also in the first-quarter-2014 tally. Even so, clearly the quarter turned in a poor showing.

It is reasonable, however, to lay much, if not all, of the blame on the weather. Notably, there were no sales at all at the top end of the market (\$2 million-plus as defined here), suggesting that high-end buyers and sellers were willing to wait out the cold for more favorable conditions – both literally and figuratively – come Spring. There is no reason to believe that the activity seen in the market through 2013 will not pick back up in coming quarters.

First, the earlier underlying pattern in sales – indeed, the pattern throughout all of 2013 –

was one of strength. For the year as a whole, 153 properties closed, the best annual showing since the end of the boom years in 2008. The fundamental forces shaping sales were no less favorable during the winter months than they were last year. Prices that had come down significantly from those of the boom years; a rising economy; and historically low mortgage rates – all of these remained in the picture.

Second, there was a distinct pickup in market activity in late March and early April, measured by accepted offers

Hudson Valley Market Matrix, All Sales \$750,000 and over										
	2009	2010	2011	2012	2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	
Median Sale Price	\$ 966,500	\$ 1,150,000	\$ 1,075,000	\$ 1,150,000	\$ 999,999	\$ 975,000	\$ 1,132,500	\$ 967,500	\$ 999,000	
Average Sale Price	\$ 1,186,700	\$ 1,567,031	\$ 1,654,521	\$ 1,295,325	\$ 1,421,541	\$ 1,215,453	\$ 1,724,137	\$ 1,237,371	\$ 1,079,320	
# of Sales	108	90	129	112	153	39	39	47	19	
Avg. DOM	225	252	243	212	192	185	216	158	257	
Avg. List Price	\$ 1,323,325	\$ 1,601,360	\$ 1,759,335	\$ 1,874,096	\$ 1,909,131	\$ 1,877,481	\$ 1,902,192	\$ 1,890,575	\$ 1,754,804	
Listing Discount	-12.06%	-13.25%	-13.51%	-10.99%	-10.49%	-10.51%	-9.09%	-10.40%	-11.57%	
Listing Inventory	---	---	474	416	462	514	480	418	434	

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

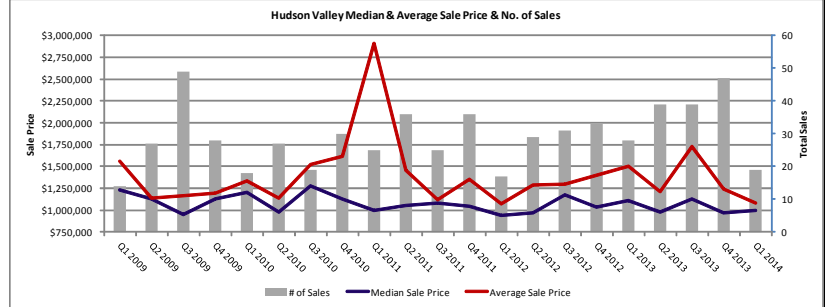
and in-contract data. This should boost second-quarter sales even if it had no impact on the first quarter's.

Other indicators for the quarter, moreover, seem to be in line with the earlier existing pattern. The median sales price matched 2013's, although it was shy of the figures for 2010-2012. The listing discount and the listing inventory also showed no change to speak of.

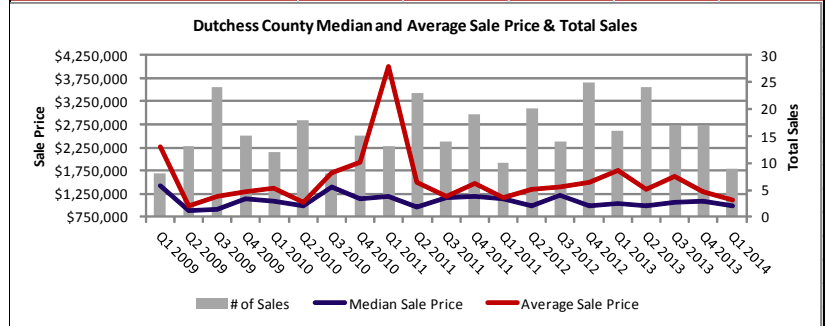
The reading for average days on market (DOM) was unusually high, though. This does not seem to reflect any weakening of the market but merely the effect on this measure of two sales (out of the 19) of properties that had lingered on the market for literally years. Both properties eventually sold, but at a fraction (50% to 60%) of the original listing prices.

They were both classic cases of the unwillingness of sellers to recognize reality. Properties that have been realistically priced in this market typically move from offer to closing within six to nine months' time, to judge by the DOM reading for last year. And the listing discount of just over 10% points to reasonably correct pricing for

Hudson Valley Median Sale Price by Market Subset	2009	2010	2011	2012	2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
\$750,000 - \$999,999									
Median	\$ 850,000	\$ 885,829	\$ 835,258	\$ 845,000	\$ 850,000	\$ 864,500	\$ 840,000	\$ 800,000	\$ 890,000
# of Sales	59	39	62	54	77	22	17	25	11
\$1,000,000 - \$1,999,999									
Median	\$ 1,237,500	\$ 1,295,625	\$ 1,325,000	\$ 1,287,500	\$ 1,285,000	\$ 1,399,000	\$ 1,237,500	\$ 1,225,000	\$ 1,400,000
# of Sales	38	38	47	45	56	11	15	17	8
\$2,000,000 - \$3,999,999									
Median	\$ 2,225,000	\$ 2,731,013	\$ 2,498,729	\$ 2,132,750	\$ 2,700,000	\$ 2,600,000	\$ 2,747,500	\$ 2,850,000	---
# of Sales	9	11	14	11	16	6	4	5	0
\$4,000,000 +									
Median	\$ 6,000,000	\$ 4,350,000	\$ 7,022,830	\$ 4,694,500	\$ 8,300,000	---	\$ 7,100,000	---	---
# of Sales	3	2	6	2	4	0	3	0	0



Dutchess County Market Matrix	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Median Sale Price	\$ 1,045,000	\$ 1,000,000	\$ 1,075,000	\$ 1,100,000	\$ 999,000
Average Sale Price	\$ 1,750,474	\$ 1,359,160	\$ 1,617,359	\$ 1,295,794	\$ 1,127,000
# of Sales	16	24	17	17	9
Avg. DOM	187	188	219	141	333
Avg. List Price	\$ 2,348,012	\$ 2,384,218	\$ 2,235,547	\$ 2,352,056	\$ 1,858,120
Listing Discount	-14.36%	-8.89%	-12.34%	-6.89%	-12.62%
Listing Inventory	155	200	196	146	167
Median Sale Price by Market Subset	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
\$750,000 - \$999,999					
Median	\$ 817,500	\$ 857,799	\$ 826,500	\$ 867,500	\$ 985,000
# of Sales	8	12	8	8	6
\$1,000,000 - \$1,999,999					
Median	\$ 1,537,500	\$ 1,345,000	\$ 1,293,750	\$ 1,200,000	\$ 1,615,000
# of Sales	6	8	6	7	3
\$2,000,000 - \$3,999,999					
Median	\$ 2,700,000	\$ 2,800,000	\$ 2,597,850	\$ 2,975,000	---
# of Sales	1	4	2	2	0
\$4,000,000 +					
Median	\$ 9,500,000	---	\$ 7,100,000	---	---
# of Sales	1	0	1	0	0



the market as a whole. (Keep in mind, of course, that the listing discount is from the offering price of the last listing broker in the picture, and thus it does not pick up the kind of outsized reductions in price needed to

sell the two properties referenced above.)

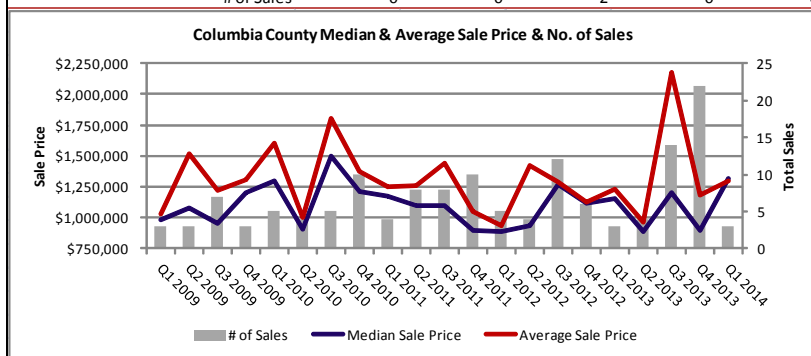
Exceptions like the two grossly mispriced properties aside, the market seems to remain well balanced between very active

interest on the part of potential buyers and a relatively large inventory of properties for sale. Such balance has kept prices in check. Strength in sales (the anomalous winter quarter's aside) has gone hand in hand with relatively stable prices.

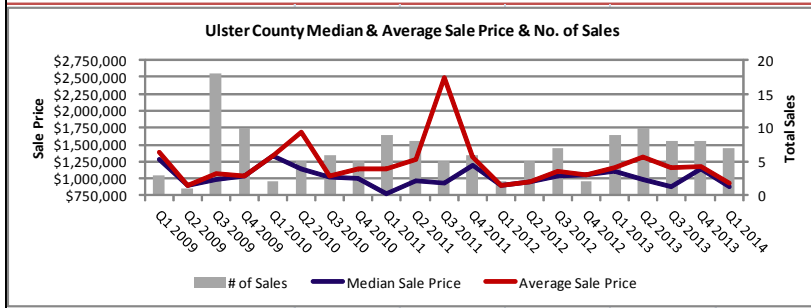
Time will tell just how long this lasts. If, in fact, sales in the spring and summer quarters reflect not just the underlying strength of the market but also the pent-up demand from the winter, the inventory could well decline significantly.

Much as sellers should be chastened by the example of the two properties that languished unsold for years, buyers should be cautioned that the kind of balance between the supply and the demand forces that has made for stability in prices may well not last all that much longer.

Columbia County Market Matrix	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Median Sale Price	\$ 1,150,000	\$ 885,000	\$ 1,200,000	\$ 897,500	\$ 1,312,500
Average Sale Price	\$ 1,231,667	\$ 965,200	\$ 2,176,339	\$ 1,179,839	\$ 1,300,833
# of Sales	3	4	14	22	3
Avg. DOM	50	179	243	161	155
Avg. List Price	\$ 1,906,763	\$ 1,735,798	\$ 1,897,888	\$ 1,895,880	\$ 1,823,945
Listing Discount	-3.90%	-5.82%	-7.87%	-13.82%	-12.11%
Listing Inventory	139	183	180	155	182
Median Sale Price by Market Subset	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
\$750,000 - \$999,999					
Median	\$ 795,000	\$ 877,000	\$ 957,500	\$ 800,000	---
# of Sales	1	3	4	15	0
\$1,000,000 - \$1,999,999					
Median	\$ 1,450,000	\$ 1,350,000	\$ 1,200,000	\$ 1,277,500	\$ 1,312,500
# of Sales	2	1	7	4	3
\$2,000,000 - \$3,999,999					
Median	---	---	\$ 2,685,000	\$ 2,850,000	---
# of Sales	0	0	1	3	0
\$4,000,000 +					
Median	--	--	\$ 7,500,000	--	--
# of Sales	0	0	2	0	0



Ulster County Market Matrix	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Median Sale Price	\$ 1,107,500	\$ 990,000	\$ 871,250	\$ 1,150,000	\$ 875,000
Average Sale Price	\$ 1,151,556	\$ 1,311,400	\$ 1,159,688	\$ 1,174,500	\$ 923,082
# of Sales	9	10	8	8	7
Avg. DOM	307	182	144	198	204
Avg. List Price	\$ 2,099,500	\$ 1,301,761	\$ 1,281,397	\$ 1,307,685	\$ 1,403,775
Listing Discount	-13.55%	-15.29%	-3.81%	-8.75%	-9.98%
Listing Inventory	109	131	104	117	85
Median Sale Price by Market Subset	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
\$750,000 - \$999,999					
Median	\$ 917,500	\$ 922,500	\$ 775,000	\$ 780,750	\$ 867,575
# of Sales	4	6	5	2	5
\$1,000,000 - \$1,999,999					
Median	\$ 1,290,000	\$ 1,474,500	\$ 1,222,500	\$ 1,280,000	\$ 1,093,000
# of Sales	5	2	2	6	2
\$2,000,000+					
Median	---	\$ 2,325,000	\$ 2,800,000	---	---
# of Sales	0	2	1	0	0



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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.

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