

Hudson Valley Luxury Market

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

Third Quarter 2014

- Sales continue to clip along, if anything at a stepped-up pace
- Surprisingly sharp decline in DOM, which may well point to a market that finally has its pricing right
- Aggressive bids thus may not be the best strategy now

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in collaboration with Heather Croner and Pete Hubbell

Hudson-Valley luxury residential properties sold at quite a brisk pace during the summer. Even if not by all that much, sales in the three counties (Dutchess, Columbia, and Ulster) were high, looked at against those of the past year. With MLS sales at 34, the total (which will include non-MLS sales when data become available) should be in the low 40s – the same as in the spring, and at least slightly higher than the year-ago reading.

Taken together, the past two quarters' sales, when annualized, are about 10%

above the 2013 figure. As time has elapsed, the more the market has distanced itself from the down years 2008/2009 and even from the recovery years 2010/2011, which were comparatively weak.

The median price for the three-county area was substantially unchanged during the summer, as it has been for some time. And that was also true of the listing discount (the spread between the asking and the sale price) and of the inventory of properties for sale. While these measures fluctuate from quarter to quarter, there does

not seem to be a notable break from the past evident in any of them.

What stands out in the data this time is the unusually low reading for DOM – the number of days on market, or the time between listing with the last MLS broker in the picture and the sale. The summer-quarter reading for the area as a whole was 127 – about four months, compared with the prevailing trend of about seven months. Properties sold relatively quickly in all three counties.

Hudson Valley Market Matrix, All Sales \$750,000 and over									
	2009	2010	2011	2012	2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Median Sale Price	\$ 966,500	\$ 1,150,000	\$ 1,075,000	\$ 1,150,000	\$ 999,999	\$ 967,500	\$ 990,000	\$ 936,000	\$ 990,000
Average Sale Price	\$ 1,186,700	\$ 1,567,031	\$ 1,654,521	\$ 1,295,325	\$ 1,421,541	\$ 1,237,371	\$ 1,090,695	\$ 1,158,047	\$ 1,134,647
# of Sales	108	90	129	112	153	47	26	42	34
Avg. DOM	225	252	243	212	192	158	257	234	127
Avg. List Price	\$ 1,323,325	\$ 1,601,360	\$ 1,759,335	\$ 1,874,096	\$ 1,909,131	\$ 1,890,575	\$ 1,754,804	\$ 1,842,029	\$ 1,894,588
Listing Discount	-12.06%	-13.25%	-13.51%	-10.99%	-10.49%	-10.40%	-11.57%	-16.72%	-11.13%
Listing Inventory	---	---	474	416	462	418	434	499	541

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

How so? Could unusually low DOM be little more than sampling error? Or is there some underlying change in the market that promises to be important in coming quarters?

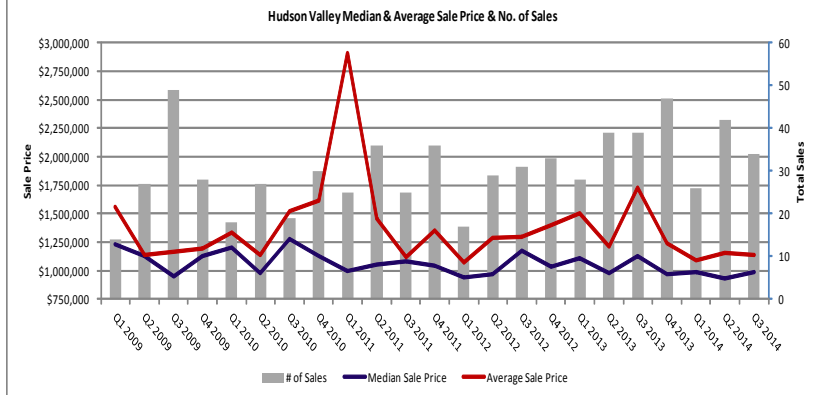
What supports the sampling-error theory is the shift in sales to the low end of the luxury market. The quarter saw only two sales in the range of \$2 million to \$4 million and none was higher. To be sure, the higher the price, the longer it should take to sell a property. All in all, though, the sales-bracket distribution for the quarter is not all that different from those of previous quarters. And that's what counts: how the distribution differs from that of the past.

What may well be at work here is the advent of more realistic pricing than in a long time. The frothy pricing of the boom years was fresh in the memory of sellers not only in the bust years but also in the recovery period. The adjustment from asking price to sales price thus took more time than it might have. If that process, in fact, has now sped up significantly – as the DOM data suggest – buyers are well counseled not to be overly aggressive in their bids.

An added caution is the resumption of multiple bids for desirable properties that are priced-right. That, too, supports

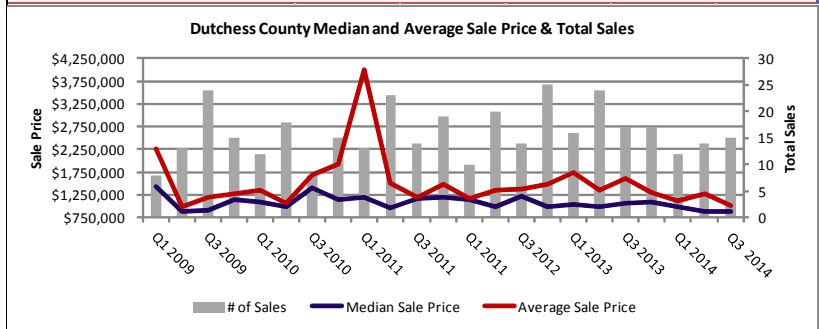
Hudson Valley Median Sale Price by Market Subset	2009	2010	2011	2012	2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
\$750,000 - \$999,999									
Median	\$ 850,000	\$ 885,829	\$ 835,258	\$ 845,000	\$ 850,000	\$ 800,000	\$ 890,000	\$ 855,500	\$ 872,500
# of Sales	59	39	62	54	77	25	16	25	18
\$1,000,000 - \$1,999,999									
Median	\$ 1,237,500	\$ 1,295,625	\$ 1,325,000	\$ 1,287,500	\$ 1,285,000	\$ 1,225,000	\$ 1,368,750	\$ 1,200,000	\$ 1,200,000
# of Sales	38	38	47	45	56	17	10	11	14
\$2,000,000 - \$3,999,999									
Median	\$ 2,225,000	\$ 2,731,013	\$ 2,498,729	\$ 2,132,750	\$ 2,700,000	\$ 2,850,000	---	\$ 2,344,850	\$ 2,275,000
# of Sales	9	11	14	11	16	5	0	6	2
\$4,000,000 +									
Median	\$ 6,000,000	\$ 4,350,000	\$ 7,022,830	\$ 4,694,500	\$ 8,300,000	---	---	---	---
# of Sales	3	2	6	2	4	0	0	0	0

Source: NYSORPS, Mid-Hudson MLS, Ulster MLS, Columbia-Northern Dutchess MLS



Dutchess County Market Matrix	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Median Sale Price	\$ 1,075,000	\$ 1,100,000	\$ 997,000	\$ 877,076	\$ 875,000
Average Sale Price	\$ 1,617,359	\$ 1,295,794	\$ 1,112,333	\$ 1,272,138	\$ 1,021,767
# of Sales	17	17	12	14	15
Avg. DOM	219	141	333	215	121
Avg. List Price	\$ 2,235,547	\$ 2,352,056	\$ 1,858,120	\$ 2,149,270	\$ 2,088,375
Listing Discount	-12.34%	-6.89%	-12.62%	-8.34%	-11.89%
Listing Inventory	196	146	167	231	224

Median Sale Price by Market Subset	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
\$750,000 - \$999,999					
Median	\$ 826,500	\$ 867,500	\$ 977,500	\$ 810,000	\$ 835,000
# of Sales	8	8	8	8	10
\$1,000,000 - \$1,999,999					
Median	\$ 1,293,750	\$ 1,200,000	\$ 1,520,000	\$ 1,325,000	\$ 1,200,000
# of Sales	6	7	4	3	4
\$2,000,000 - \$3,999,999					
Median	\$ 2,597,850	\$ 2,975,000	---	\$ 2,725,000	\$ 2,050,000
# of Sales	2	2	0	3	1
\$4,000,000 +					
Median	\$ 7,100,000	---	---	---	---
# of Sales	1	0	0	0	0



the hypothesis that something fundamental and not just statistical is at work here. Another pattern that seems to be emerging: the unwillingness

of buyers to engage in a long negotiating *pas de deux*.

Today's relatively young buyers, who make up an ever larger share of the market, are more inclined to advance "take it or leave it" bids. Many of them seem to have little interest in spending much time getting to know the sellers, or in understanding the emotional attachment many sellers have to their properties.

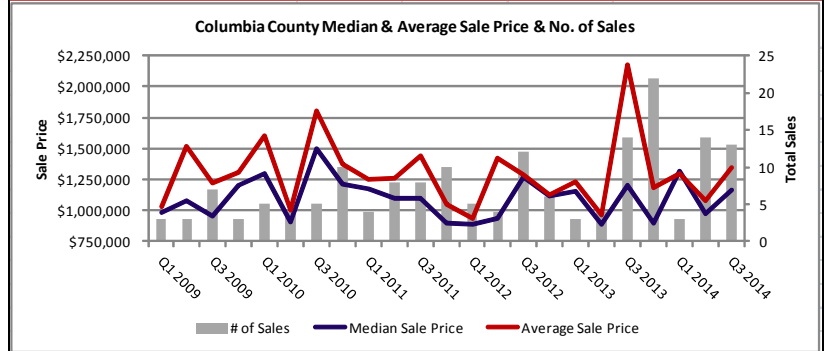
Perhaps this reflects nothing more than that today's relatively young buyers, connected intimately to the internet, come armed with much more information about the market than did buyers of an earlier generation. Readily available information could well be playing a role in speeding up the time between offer and sale. Today's buyers know what they want, and they are not disposed to spend much time getting it.

Information or no, though, properties have to be priced right to sell quickly. The latest DOM data suggest that they finally are. If that, in fact, is the case, buyers who have found a property that is right for them are well advised to put in a bid that, even if of the take it or leave it variety, is interesting enough for the seller to "take."

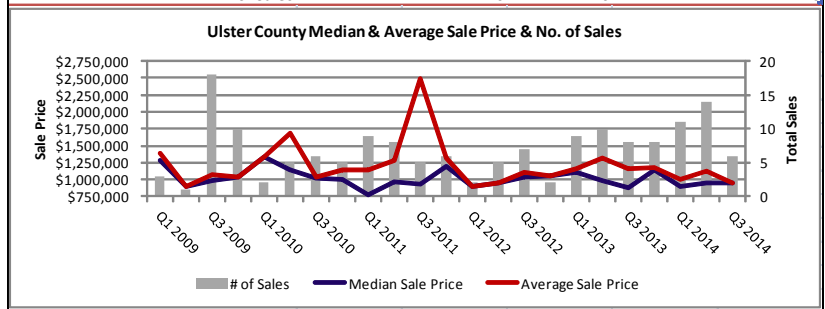
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Columbia County Market Matrix	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Median Sale Price	\$ 1,200,000	\$ 897,500	\$ 1,312,500	\$ 971,250	\$ 1,165,000
Average Sale Price	\$ 2,176,339	\$ 1,179,839	\$ 1,300,833	\$ 1,073,750	\$ 1,347,962
# of Sales	14	22	3	14	13
Avg. DOM	243	161	155	280	152
Avg. List Price	\$ 1,897,888	\$ 1,895,880	\$ 1,823,945	\$ 1,774,481	\$ 2,036,488
Listing Discount	-7.87%	-13.82%	-12.11%	-17.33%	-13.63%
Listing Inventory	180	155	182	145	185
Median Sale Price by Market Subset	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
\$750,000 - \$999,999					
Median	\$ 957,500	\$ 800,000	---	\$ 825,000	\$ 875,000
# of Sales	4	15	0	8	4
\$1,000,000 - \$1,999,999					
Median	\$ 1,200,000	\$ 1,277,500	\$ 1,312,500	\$ 1,035,000	\$ 1,412,500
# of Sales	7	4	3	4	8
\$2,000,000 - \$3,999,999					
Median	\$ 2,685,000	\$ 2,850,000	---	\$ 2,037,500	\$ 2,500,000
# of Sales	1	3	0	2	1
\$4,000,000 +					
Median	\$ 7,500,000	--	--	--	--
# of Sales	2	0	0	0	0



Ulster County Market Matrix	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Median Sale Price	\$ 871,250	\$ 1,150,000	\$ 905,000	\$ 943,000	\$ 942,500
Average Sale Price	\$ 1,159,688	\$ 1,174,500	\$ 1,009,780	\$ 1,120,104	\$ 954,667
# of Sales	8	8	11	14	6
Avg. DOM	144	198	204	204	88
Avg. List Price	\$ 1,281,397	\$ 1,307,685	\$ 1,403,775	\$ 1,344,644	\$ 1,366,864
Listing Discount	-3.81%	-8.75%	-9.98%	-7.62%	-3.84%
Listing Inventory	104	117	85	123	132
Median Sale Price by Market Subset	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
\$750,000 - \$999,999					
Median	\$ 775,000	\$ 780,750	\$ 871,288	\$ 920,000	\$ 891,000
# of Sales	5	2	8	9	4
\$1,000,000 - \$1,999,999					
Median	\$ 1,222,500	\$ 1,280,000	\$ 1,111,000	\$ 1,255,150	\$ 1,296,500
# of Sales	2	6	3	4	2
\$2,000,000+					
Median	\$ 2,800,000	---	---	\$ 2,614,700	---
# of Sales	1	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., Walter Cadette, and Dan Hubbell 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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