

## Hudson Valley Luxury Market

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

### 2012 Year in Review

- All signs point to a “normal” market trading off traditional indicators of value
- Increased volume of interested parties through the end of the year and into 2013
- Buyers still willing to pay top dollar for especially desirable properties

Written in collaboration with RP Hubbell & Company and Walter Cadette

For yet another quarter, the luxury residential market in the Hudson Valley turned in a respectable performance at the end of last year. No boom is in sight, but neither is there the kind of weakness in sales and prices that marked 2008 and 2009. All in all, the year just ended is in line with the pattern of recovery set in 2010 and 2011.

Prices have steadied for several years, and so have sales volumes. Tension between, on the one hand, sellers' expectations (which in many cases reflect extensive and costly renovations) and, on the other, buyers' recognition of the toll of the 2008-2009 slump remain in evidence. But it would be an oversimplification

to conclude that this is a buyer's market or a seller's market. It is, instead, a “normal” market trading off traditional indicators of value: location, quality of construction, condition, curb appeal, and the like.

If anything, the advantage seems to have shifted a bit to sellers, to judge by the sharp drop in the inventory of properties for sale at the end of the year. The latest reading is about 10% below the average for the year as a whole. The operative word here, though, is “shifted a bit.”

The end-of-year 2012 sales volume (table on this page) was basically unchanged: 27 for the region as whole, as compared with 31 on average for the two

preceding quarters. Sales were quite sparse in both Columbia and Ulster counties; as is usually the case, Dutchess accounted for the lion's share of the sales. Non-MLS sales, which are not yet included in the count for the fourth quarter, have been running in the range of six to eight per quarter, so, all in, the fourth-quarter sales data should turn out to be a bit higher than the mid-year quarters' readings. Significantly, all of these quarters look better than the first quarter when sales (only 17) were quite weak. That cast a pall over the outlook for the market at the time, but it turned out to be an anomaly. Healthier sales data marked the rest of the year.

Median prices were on the low

Hudson Valley Market Matrix, All Sales \$750,000 and over										
	2008	2009	2010	2011	2012	Q1 2012	Q2 2012	Q3 2012	Q4 2012	
Median Sale Price	\$ 990,000	\$ 966,500	\$ 1,150,000	\$ 1,075,000	\$ 1,150,000	\$ 940,000	\$ 965,000	\$ 1,175,000	\$ 999,999	
Average Sale Price	\$ 1,255,000	\$ 1,186,700	\$ 1,567,031	\$ 1,654,521	\$ 1,223,269	\$ 1,070,776	\$ 1,291,391	\$ 1,293,107	\$ 1,328,526	
# of Sales	165	108	90	129	106	17	29	33	27	
Avg. DOM	216	225	252	243	212	250	210	254	140	
Avg. List Price	\$ 1,420,515	\$ 1,323,325	\$ 1,601,360	\$ 1,759,335	\$ 1,874,096	\$ 1,883,901	\$ 1,821,023	\$ 1,791,068	\$ 2,000,392	
Listing Discount	-8.77%	-12.06%	-13.25%	-13.51%	-10.99%	-13.21%	-9.30%	-10.83%	-11.62%	
Listing Inventory	---	---	---	474	416	403	436	455	370	

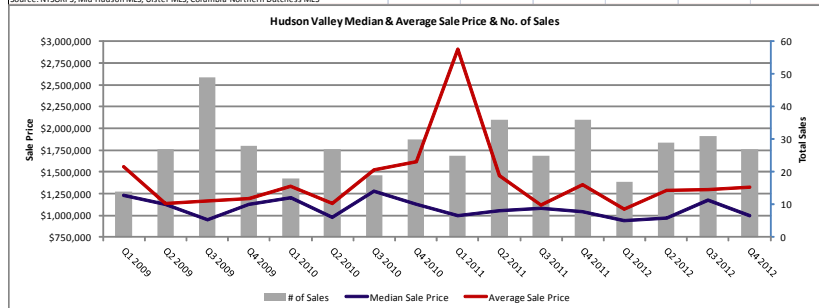
Source, all tables & graphs: NYSORPS, Mid-Hudson MLS, Ulster MLS, Columbia-Northern Dutchess MLS

side at the end of 2012 (as a reminder, dear reader, it is median prices that count analytically, not average prices which can be greatly skewed by the prices of the most expensive properties sold). This appears to reflect the mix of properties sold. Those at the low end of the luxury market sold briskly. And, it should be noted, so did houses clustered around the median value of the residential market as a whole, some \$250,000. This may well be even more telling of the market's being well into recovery.

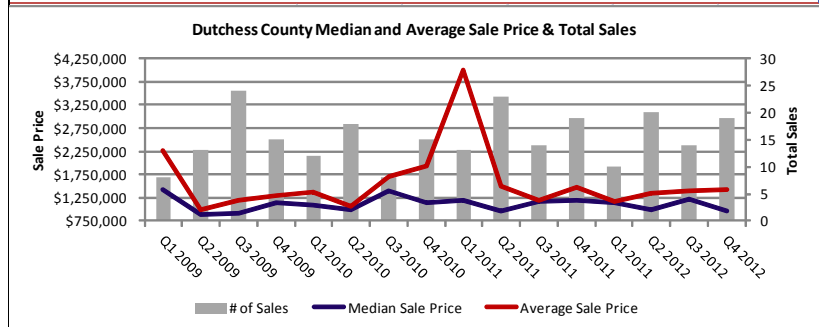
It is entirely possible that a handful of luxury-market sales that would otherwise have spilled over into 2013 were effected late last year in response to fears of a sharp rise in capital-gains taxes (as it was, the rise was restricted to 20%, from 15%, and for taxpayers only in the top bracket). Stepped-up timing for a closing seems to have been the case for at least several properties that had been for sale for a relatively short time and that nevertheless were marked down significantly at the end of the year, apparently to effect an early sale.

That may prove to be a downside risk to the market in early 2013. But, to judge by a growing cadre of potential buyers, it probably is not much of one. Agents at Heather Croner Real Estate report a brisk volume of interested

Hudson Valley Median Sale Price by Market Subset	2008	2009	2010	2011	2012	Q1 2012	Q2 2012	Q3 2012	Q4 2012
<b>\$750,000 - \$999,999</b>									
Median	\$ 850,000	\$ 850,000	\$ 885,829	\$ 835,258	\$ 860,000	\$ 860,000	\$ 897,500	\$ 850,000	\$ 812,000
# of Sales	99	59	39	62	52	10	18	10	14
<b>\$1,000,000 - \$1,999,999</b>									
Median	\$ 1,295,000	\$ 1,237,500	\$ 1,295,625	\$ 1,325,000	\$ 1,287,500	\$ 1,200,000	\$ 1,437,500	\$ 1,288,250	\$ 1,300,000
# of Sales	45	38	38	47	45	6	8	20	11
<b>\$2,000,000 - \$3,999,999</b>									
Median	\$ 2,295,000	\$ 2,225,000	\$ 2,731,013	\$ 2,498,729	\$ 2,800,000	\$ 2,000,000	\$ 3,275,000	\$ 2,037,000	---
# of Sales	17	9	11	14	7	1	3	3	0
<b>\$4,000,000 +</b>									
Median	\$ 6,120,000	\$ 6,000,000	\$ 4,350,000	\$ 7,022,830	\$ 4,694,500	---	---	---	\$ 4,694,500
# of Sales	4	3	2	6	2	0	0	0	2



Dutchess County Market Matrix	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Median Sale Price	\$ 1,200,000	\$ 1,137,500	\$ 987,475	\$ 1,212,500	\$ 960,000
Average Sale Price	\$ 1,474,033	\$ 1,170,319	\$ 1,351,092	\$ 1,387,556	\$ 1,419,406
# of Sales	19	10	20	14	19
Avg. DOM	259	227	232	297	133
Avg. List Price	\$ 2,600,308	\$ 2,388,344	\$ 2,279,645	\$ 2,239,934	\$ 2,395,357
Listing Discount	-14.41%	-15.53%	-7.43%	-13.46%	-10.99%
Listing Inventory	182	201	199	194	164
<b>Median Sale Price by Market Subset</b>	<b>Q4 2011</b>	<b>Q1 2012</b>	<b>Q2 2012</b>	<b>Q3 2012</b>	<b>Q4 2012</b>
<b>\$750,000 - \$999,999</b>					
Median	\$ 858,305	\$ 812,500	\$ 855,166	\$ 829,269	\$ 799,000
# of Sales	8	4	11	4	11
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,313,353	\$ 1,200,000	\$ 1,475,000	\$ 1,300,000	\$ 1,337,500
# of Sales	8	5	7	9	6
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,239,729	\$ 2,000,000	\$ 3,275,000	\$ 3,500,000	---
# of Sales	2	1	2	1	0
<b>\$4,000,000 +</b>					
Median	\$ 5,448,940	---	---	---	\$ 4,694,500
# of Sales	1	0	0	0	2



parties at the end of last year, which volume, they attest, has carried over into the new year.

Several sales in the fourth quarter stand out:

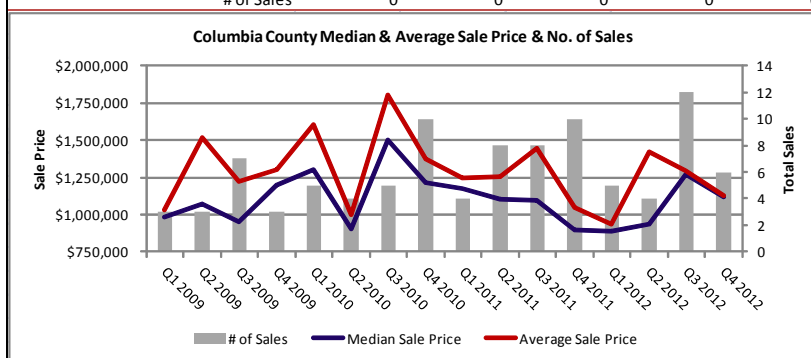
- Two 50-odd acre parcels of

land in Stanford were sold through MLS brokers as single-family home sites. Since the 2008-2009 slump, such sales were generally made between private parties and/or through exclusive brokerage

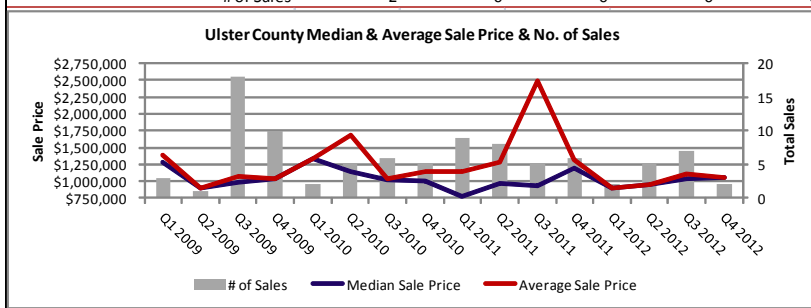
arrangements. The open marketing of such properties is more in line with the pattern in the boom years than it is with that of the past few years of recovery. Land openly marketed to a broad array of possible buyers may well be a bullish sign not just for land sales but for the luxury residential market as a whole. Both sales brought approximately \$17,000 per acre.

- A 300-odd acre property in Amenia that is basically raw land sold for a similar price per acre. While not a record, the price per acre was quite high for a property of that size, owing to the keen interest of several buyers.
- Finally, the two highest-priced sales for the year occurred within this past quarter: the previously mentioned property in Amenia and a 125-acre "gentleman's farm" in Millbrook which was purchased by the adjacent neighbor. Even in a market a long way from boom conditions, it seems, buyers are prepared to pay top dollar for an especially desirable property.

Columbia County Market Matrix	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Median Sale Price	\$ 900,000	\$ 885,000	\$ 937,500	\$ 1,269,500	\$ 1,118,750
Average Sale Price	\$ 1,050,636	\$ 938,000	\$ 1,418,750	\$ 1,292,583	\$ 1,129,417
# of Sales	11	5	4	12	6
Avg. DOM	432	139	278	183	134
Avg. List Price	\$ 1,795,078	\$ 1,862,711	\$ 1,910,999	\$ 1,901,687	\$ 1,958,387
Listing Discount	-12.00%	-13.62%	-13.18%	-7.20%	-14.32%
Listing Inventory	129	111	150	165	137
Median Sale Price by Market Subset	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
<b>\$750,000 - \$999,999</b>					
Median	\$ 866,500	\$ 852,500	\$ 895,000	\$ 785,000	\$ 932,000
# of Sales	8	4	3	3	2
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,250,000	\$ 1,200,000	---	\$ 1,289,000	\$ 1,237,500
# of Sales	2	1	0	7	4
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,100,000	---	\$ 3,000,000	\$ 2,018,500	---
# of Sales	1	0	1	2	0
<b>\$4,000,000 +</b>					
Median	--	--	--	--	--
# of Sales	0	0	0	0	0



Ulster County Market Matrix	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Median Sale Price	\$ 1,200,000	\$ 905,000	\$ 947,500	\$ 1,036,750	\$ 1,062,500
Average Sale Price	\$ 1,623,571	\$ 905,000	\$ 950,700	\$ 1,105,107	\$ 1,062,500
# of Sales	7	2	5	7	2
Avg. DOM	220	385	120	282	227
Avg. List Price	\$ 1,308,601	\$ 1,400,649	\$ 1,272,426	\$ 1,231,584	\$ 1,145,035
Listing Discount	-17.24%	-10.48%	-7.30%	-11.83%	-9.53%
Listing Inventory	112	91	87	96	69
Median Sale Price by Market Subset	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
<b>\$750,000 - \$999,999</b>					
Median	\$ 965,000	\$ 905,000	\$ 923,750	\$ 900,000	\$ 770,000
# of Sales	1	2	4	3	1
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,200,000	---	\$ 1,181,000	\$ 1,210,000	\$ 1,355,000
# of Sales	4	0	1	4	1
<b>\$2,000,000+</b>					
Median	\$ 2,800,000	---	---	---	---
# of Sales	2	0	0	0	0



Heather Croner Real Estate  
Sotheby's International  
P.O. Box 226  
Millbrook, NY 12545  
845-677-9822

RP Hubbell & Co.  
3 Neptune Drive, S-400  
Poughkeepsie, NY 12601  
845-454-6525  
www.rphubb.com

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