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Third Quarter 2017
Hudson Valley Luxury Real Estate Market Overview

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in collaboration with Heather Croner and Pete Hubbell*

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HUDSON VALLEY LUXURY REAL ESTATE MARKET OVERVIEW

Columbia, Dutchess and Ulster County residential sales over \$750,000

The weather was warm, but the Hudson Valley luxury real estate market cooled slightly during the months of July, August and September following a string of five back-to-back strong quarters. Barring a cataclysmic development, 2017 nonetheless remains on track to be the market's busiest in at least five years.

Thirty-nine properties sold in the three-county region during the third quarter, down from 46 in the year-earlier third quarter. That brought the number of sales for the first nine months of the year to 134, just 13 shy of the total for all of 2016.

A closer look at the data reveals that the downturn in sales was attributable entirely to a pullback at the upper end of the market. Among homes priced in the \$750,000 to \$999,000 range, for example, the number of sales actually increased year over year, to 27 from 22. But in every price category above \$1 million, the number of sales declined.

Millbrook, New York 12545, \$9,850,000, Web ID: D141RG



Millbrook, New York 12545, \$9,850,000, Web ID: D74PRG

The falloff was particularly noticeable in the \$1 million to \$1,999,999 category, where the number of sales fell to eight from 17. And for the second quarter this year, there were no sales above \$4 million.

National data indicates that demand for luxury properties remains high overall, although short-term sales and pricing trends have been mixed from region to region.

In New York City, for example, Manhattan's luxury real estate market experienced its worst third quarter in five years in terms of the number of contracts signed and the dollar volume of sales. Meanwhile, on Long Island, the Hamptons saw an 8 percent increase in both the number of homes sold and the dollar volume of sales. Nationally, luxury home prices rose nearly 5 percent in the

third quarter, year over year, a phenomenon attributed in part to an inventory shortage. Here, too, however, results were mixed by region. Our region bucked the national trend, with the median sale price for the quarter falling to \$877,000 from \$1,036,000 a year earlier.

Luxury properties in the Hudson Valley market did sell notably faster in the latest quarter, taking an average of just 147 days to close versus 190 a year earlier. Sellers also were able to complete their sales closer to their asking price, as the average listing discount narrowed to -7.3 percent from -9.2 percent. These figures, paired with continued strong traffic in our office, lead us to believe that Hudson Valley's luxury housing market remains fundamentally sound.



Cranville, New York 12521, \$4,300,000, Web ID: X5YR3M

Columbia County

Activity slowed across all price ranges in Columbia County, with the number of sales falling for a third consecutive quarter to nine, down from 10 a year earlier and a recent peak of 17 in this year's first quarter. While it is impossible to make predictions with any certainty, there appears to be opportunity for activity to pick up in the final quarter of the year. Most significantly, the number of homes for sale in Columbia County has remained steadier than in Dutchess or Ulster counties. In addition, homes that sold in the third quarter here moved quickly, selling in just 109 days on average.

Three towns accounted for two-thirds of the county's sales: Claverack, which is east of Hudson in the center of the county; Chatham, about 16 miles northeast of Claverack; and Copake, about 12 miles to the southeast. Copake is adjacent to Copake Lake, a 1.3-mile long, 410-acre body of water attractive to fishermen, with a plentiful population of largemouth and smallmouth bass and yellow and white perch. Among those now able to enjoy views of that lake and the Catskill Mountains behind it are the new owners of a 2,592-square-foot custom contemporary in Copake

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located on five acres just above the lake. The two-story dwelling sold for \$809,500, a figure that also netted the buyers partial ownership in lake waterfront controlled by a local homeowner's association.

Dutchess County

Luxury home sales in Dutchess County have held remarkably steady over the last five quarters, ranging from a low of 18 in last year's fourth quarter and a high of 22 in the quarter before that. In the latest three-month period, 19 homes sold for a median price of \$995,000, highest in the three-county region. Those sales included nine properties that sold between \$1 million and \$4 million.

Situated in the heart of the Hudson Valley luxury market, Dutchess County always serves up a wide range of appealing properties to potential buyers. Among the standouts in the latest quarter were a smallish, 1,904-square-foot, three-bedroom house in the town of Washington, and a much larger 8,541-square-foot mansion in Rhinebeck. The properties sold for \$3,500,000 and \$3,100,000, respectively. While small, the Washington house sits on nearly 142 acres of land just minutes from the village of Millbrook, with panoramic views of the surrounding countryside. The Rhinebeck house includes less land — 12 acres — but its location, too, is one of its main attractions, with stunning views of the Hudson River and Catskill Mountains.



Millbrook, New York 12545, \$9,850,000, Web ID: D74PRG.

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Ulster County

In line with the regional trend, total sales of luxury homes in Ulster County fell slightly during the third quarter, to 11 from 14 a year earlier, but actually rose in the sub-\$1 million sector of the market, to 10 from nine. In addition, homes here sold closer to their asking price — just 3.6 percent below list, on average — than anywhere else in the valley.

The most rugged of the valley's three counties, Ulster can sometimes offer buyers a bit more home and property for their money, in terms of size, than its more easterly neighbors. The largest transaction in the county during the third quarter was the \$1,575,000 sale of a modernist, 3,400-square-foot house on 12 acres of land just five minutes from the village center in Woodstock. The house features a mix of exterior building materials, including wood panels, cement board, and floor-to-ceiling glass. It was built in the style of the Eames Case Study No. 8 house in the Pacific Palisades, which was constructed in 1949 based on plans drawn up by husband-and-wife designers Charles and Ray Eames.



112 North Basin Way, Stamfordville, New York 12581, \$5,750,000, Web ID: BJ6YKF



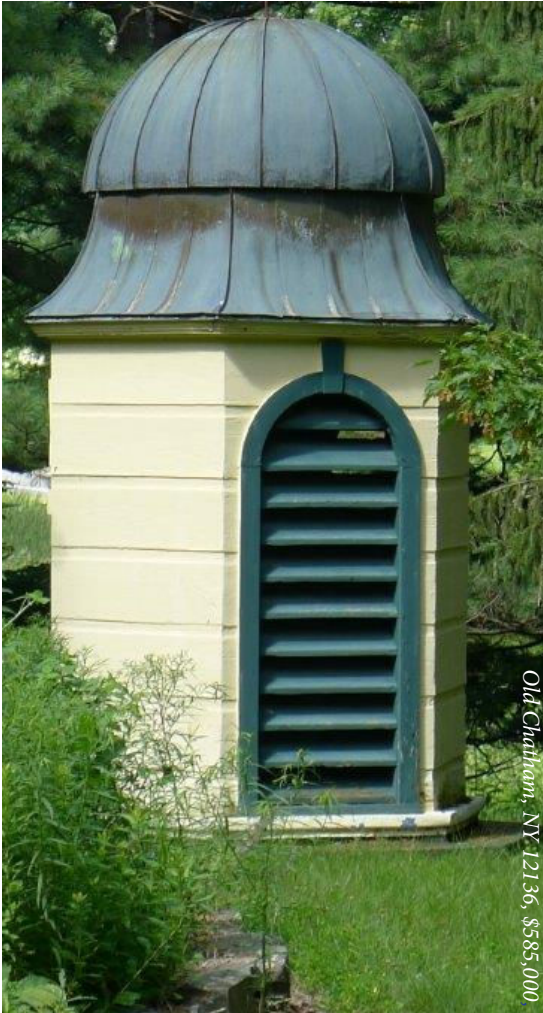
Another notable sale in Ulster County took place 25 miles south of Woodstock in Accord, where the buyer's focus was likely less on the building — a 1,386-square-foot log cabin — and more on the land that came with it: a 154-acre parcel adjacent to Minnewaska State Park.

Commentary

Little changed on the macroeconomic front that would explain the modest slowdown in sales in the Hudson Valley luxury real estate market during the third quarter. The U.S. economy continued to perform well, as did the stock market, and interest rates remained low. The number of homes available for sale may have had a minor impact; available inventory has averaged 431 properties through the first three quarters of the year, down from 522 through the first three quarters of 2016.

Against this backdrop, we continue to see a great deal of traffic through our office, and, as we noted in our second-quarter report, we have recently experienced an uptick in listings at the high end of the market.

Taking all these factors into account, we remain cautiously optimistic about the outlook for the Hudson Valley luxury real estate market. Our region has served as a retreat and a haven for generations of families, and we are confident it will hold its appeal for many generations to come.



Old Chatham, NY 12136, \$585,000

HUDSON VALLEY LUXURY MARKET SALES IN Q3 2017 BY MARKET SUBSET

Category	Region	# Sales	Median Price
\$750,000-\$999,999	All Hudson Valley	27	\$815,000
	Columbia County	7	\$810,000
	<u>Dutchess County</u>	10	\$835,000
	Ulster County	10	\$838,250
\$1,000,000-\$1,999,999	All Hudson Valley	8	\$1,382,500
	Columbia County	2	\$1,222,500
	<u>Dutchess County</u>	5	\$1,390,000
	Ulster County	1	\$1,575,000
\$2,000,000-\$3,999,999	All Hudson Valley	4	\$2,550,000
	Columbia County	0	n/a
	<u>Dutchess County</u>	4	\$2,550,000
	Ulster County	0	n/a
\$4,000,000 +	All Hudson Valley	0	n/a
	Columbia County	0	n/a
	<u>Dutchess County</u>	0	n/a
	Ulster County	0	n/a

HUDSON VALLEY LUXURY MARKET OVERVIEW

Period	# of Sales	Median Sale Price	Average Sale Price	Average Days on Market	Average Listing Discount	Listing Inventory
Q3 2017	39	\$877,000	\$1,136,471	147	-7.3%	451
Q2 2017	49	\$930,000	\$1,287,787	223	-6.5%	458
Q1 2017	46	\$1,042,500	\$1,300,422	186	-8.6%	385
Q4 2016	44	\$1,050,000	\$1,429,681	210	-7.2%	430
Q3 2016	46	\$1,036,000	\$1,417,387	190	-9.2%	476

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35 Old Gordon Farm Road Ancram, New York 12502, \$2,500,000, Web ID: Y62FZ4

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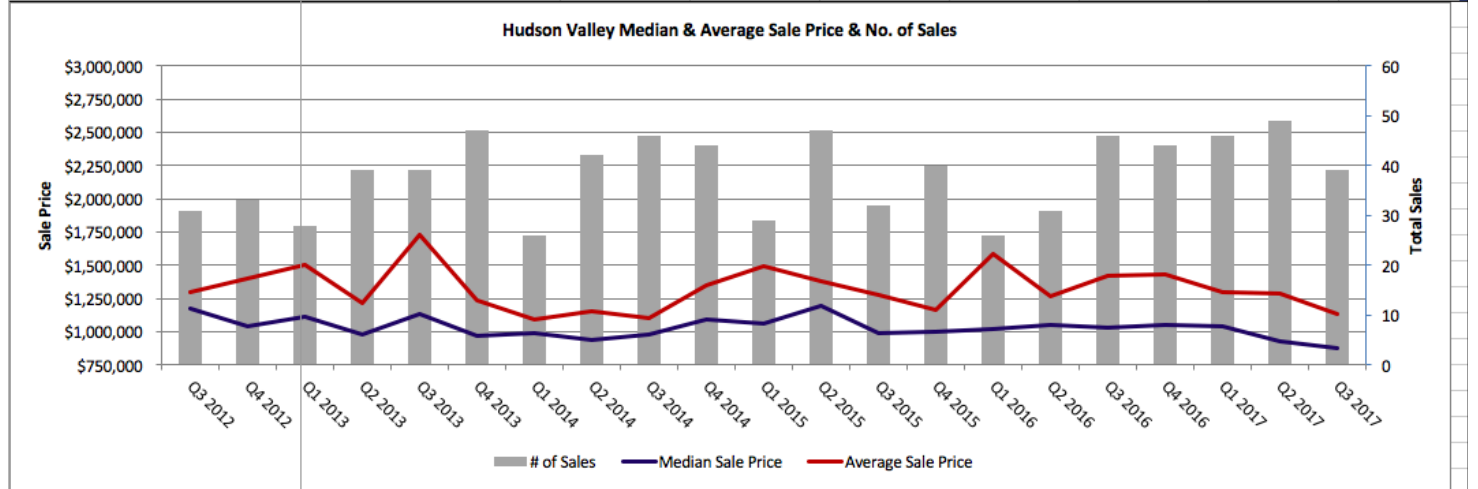
This information contained in this Market Overview has been compiled from NYS ORPS, Mid-Hudson MLS, Columbia Northern Dutchess MLS, and Ulster MLS. We believe this information to be true and accurate. Heather Croner Real Estate, R. P. Hubbell and Company, Inc. and Randy Myers assume no responsibility 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.

Hudson Valley Market Matrix, All Sales \$750,000 and over	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Median Sale Price	\$ 999,999	\$ 988,750	\$ 1,037,500	\$ 1,050,000	\$ 1,036,000	\$ 1,050,000	\$ 1,042,500	\$ 930,000	\$ 877,000
Average Sale Price	\$ 1,421,541	\$ 1,187,938	\$ 1,317,201	\$ 1,419,212	\$ 1,417,387	\$ 1,429,681	\$ 1,300,422	\$ 1,287,787	\$ 1,136,471
# of Sales	153	158	148	147	46	44	46	49	39
Avg. DOM	192	205	152	218	190	210	186	223	147
Avg. List Price	\$ 1,909,131	\$ 1,856,298	\$ 1,448,072	\$ 1,279,133	\$ 1,851,148	\$ 1,543,623	\$ 1,381,584	\$ 1,428,793	\$ 1,215,198
Listing Discount	-10.49%	-14.47%	-9.16%	-9.78%	-9.20%	-7.15%	-8.56%	-6.54%	-7.26%
Listing Inventory	462	469	492	499	476	430	385	458	451

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

Hudson Valley Median Sale Price by Market Subset	2013	2014	2015	2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
\$750,000 - \$999,999									
Median	\$ 850,000	\$ 869,725	\$ 870,000	\$ 825,000	\$ 827,500	\$ 825,000	\$ 875,861	\$ 850,000	\$ 815,000
# of Sales	77	87	70	71	22	21	22	27	27
\$1,000,000 - \$1,999,999									
Median	\$ 1,285,000	\$ 1,325,000	\$ 1,286,500	\$ 1,395,000	\$ 1,400,000	\$ 1,290,000	\$ 1,400,000	\$ 1,275,000	\$ 1,382,500
# of Sales	56	60	59	55	17	18	19	15	8
\$2,000,000 - \$3,999,999									
Median	\$ 2,700,000	\$ 2,287,500	\$ 2,549,000	\$ 2,275,000	\$ 2,275,000	\$ 3,116,000	\$ 2,525,000	\$ 2,450,000	\$ 2,550,000
# of Sales	16	10	18	16	5	3	5	6	4
\$4,000,000 +									
Median	\$ 8,300,000	\$ 5,000,000	\$ 4,682,091	\$ 6,500,000	\$ 5,400,000	\$ 6,000,000	-	\$ 6,300,000	-
# of Sales	4	1	1	5	2	2	0	1	0

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

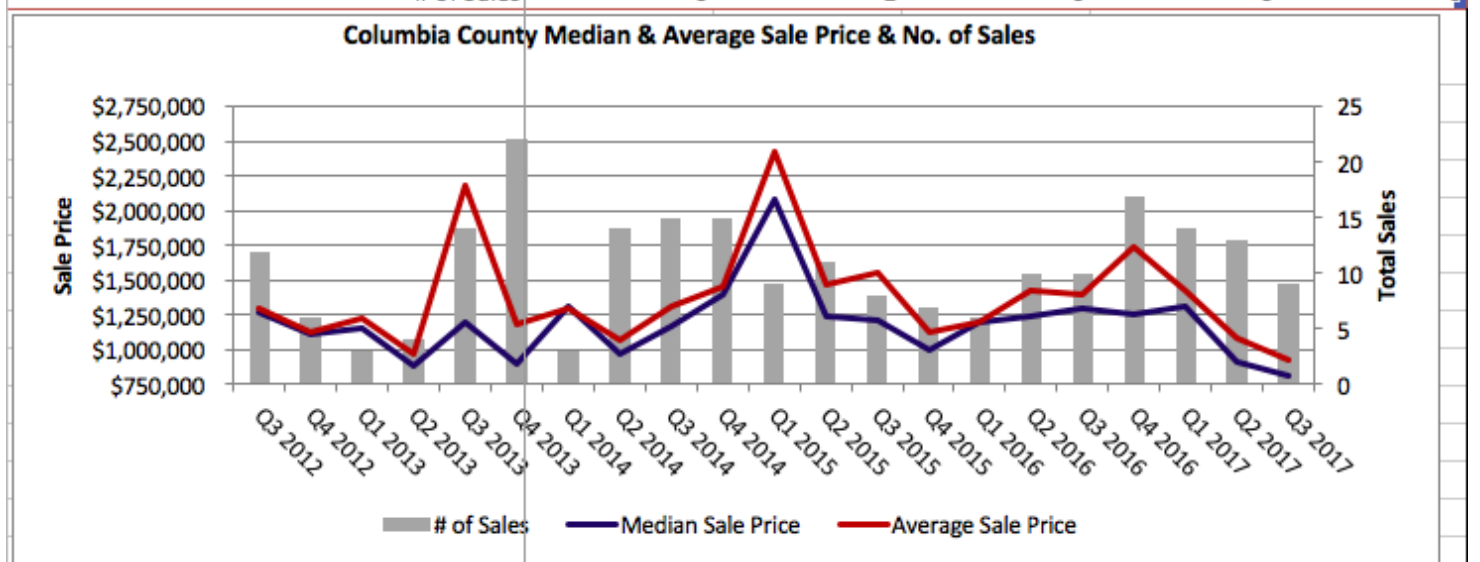


APPENDIX

Columbia

Columbia County Market Matrix	2012	2013	2014	2015	2016
Median Sale Price	\$ 1,037,500	\$ 968,750	\$ 1,090,000	\$ 1,235,000	\$ 1,260,000
Average Sale Price	\$ 1,209,000	\$ 1,476,050	\$ 1,287,485	\$ 1,662,692	\$ 1,481,739
# of Sales	27	44	47	35	43
Avg. DOM	185	179	208	124	181
Avg. List Price	\$ 1,908,446	\$ 1,859,082	\$ 1,859,264	\$ 1,350,528	\$ 1,700,459
Listing Discount	-10.86%	-9.85%	-12.89%	-8.36%	-10.51%
Median Sale Price by Market Subset					
	2012	2013	2014	2015	2016
\$750,000 - \$999,999					
Median	\$ 877,500	\$ 872,000	\$ 865,000	\$ 861,250	\$ 853,750
# of Sales	12	24	19	10	16
\$1,000,000 - \$1,999,999					
Median	\$ 1,262,500	\$ 1,277,500	\$ 1,325,000	\$ 1,235,000	\$ 1,409,000
# of Sales	12	14	23	15	20
\$2,000,000 - \$3,999,999					
Median	\$ 2,037,000	\$ 2,772,500	\$ 2,075,000	\$ 2,257,500	\$ 2,465,625
# of Sales	3	4	5	9	6
\$4,000,000 +					
Median	---	\$ 7,500,000	---	\$ 4,682,091	\$ 7,000,000
# of Sales	0	2	0	1	1

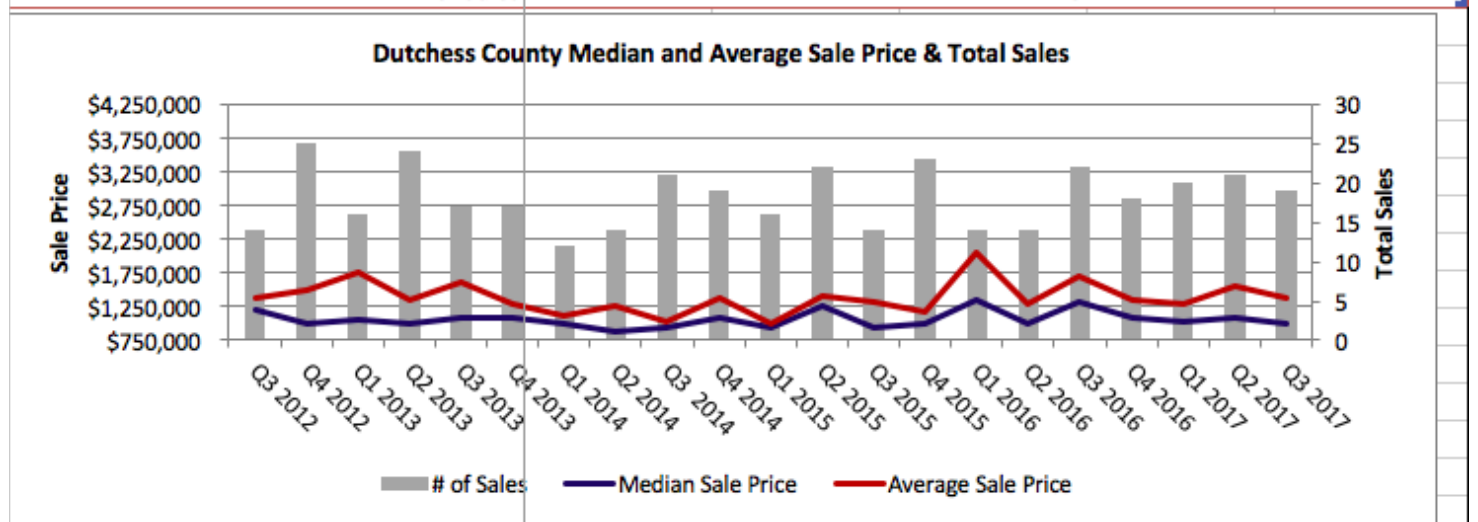
Columbia County Market Matrix	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Median Sale Price	\$ 1,300,000	\$ 1,260,000	\$ 1,318,750	\$ 915,000	\$ 810,000
Average Sale Price	\$ 1,398,600	\$ 1,742,353	\$ 1,420,179	\$ 1,085,000	\$ 926,650
# of Sales	10	17	14	13	9
Avg. DOM	284	145	106	309	109
Avg. List Price	\$ 1,645,723	\$ 1,927,353	\$ 1,446,300	\$ 1,247,100	\$ 1,188,571
Listing Discount	-9.95%	-9.60%	-6.28%	-7.47%	-8.77%
Listing Inventory	132	157	140	158	155
Median Sale Price by Market Subset					
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
\$750,000 - \$999,999					
Median	\$ 915,000	\$ 850,000	\$ 862,500	\$ 850,000	\$ 810,000
# of Sales	3	7	6	9	7
\$1,000,000 - \$1,999,999					
Median	\$ 1,300,000	\$ 1,450,000	\$ 1,560,000	\$ 1,350,000	\$ 1,222,500
# of Sales	5	7	5	3	2
\$2,000,000 - \$3,999,999					
Median	\$ 2,187,750	\$ 3,308,000	\$ 2,500,000	\$ 2,500,000	\$ -
# of Sales	2	2	3	1	0
\$4,000,000 +					
Median	---	\$ 7,000,000	---	---	---
# of Sales	0	1	0	0	0



Dutchess County Market Matrix	2012	2013	2014	2015	2016
Median Sale Price	\$ 1,050,000	\$ 1,037,500	\$ 985,000	\$ 999,999	\$ 1,166,250
Average Sale Price	\$ 1,177,802	\$ 1,488,527	\$ 1,203,050	\$ 1,236,350	\$ 1,598,420
# of Sales	63	74	66	75	68
Avg. DOM	215	185	218	235	226
Avg. List Price	\$ 2,325,820	\$ 2,329,958	\$ 2,107,503	\$ 1,607,587	\$ 1,411,920
Listing Discount	-11.13%	-10.50%	-15.20%	-8.45%	-9.70%
Median Sale Price by Market Subset					
	2012	2013	2014	2015	2016
\$750,000 - \$999,999					
Median	\$ 826,769	\$ 840,000	\$ 869,000	\$ 852,500	\$ 807,500
# of Sales	28	36	38	38	30
\$1,000,000 - \$1,999,999					
Median	\$ 1,300,000	\$ 1,350,000	\$ 1,325,000	\$ 1,317,500	\$ 1,400,000
# of Sales	25	27	23	31	24
\$2,000,000 - \$3,999,999					
Median	\$ 2,937,500	\$ 2,700,000	\$ 2,387,500	\$ 2,649,000	\$ 2,339,175
# of Sales	7	9	4	6	10
\$4,000,000 +					
Median	\$ 4,694,500	\$ 8,300,000	\$ 5,000,000	--	\$ 5,750,000
# of Sales	2	2	1	0	4

Source: NYSORPS, Mid-Hudson MLS

Dutchess County Market Matrix	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Median Sale Price	\$ 1,312,500	\$ 1,075,000	\$ 1,037,000	\$ 1,100,000	\$ 995,000
Average Sale Price	\$ 1,712,946	\$ 1,354,562	\$ 1,295,296	\$ 1,541,112	\$ 1,368,368
# of Sales	22	18	20	21	19
Avg. DOM	193	199	227	183	228
Avg. List Price	\$ 2,377,561	\$ 1,475,700	\$ 1,321,053	\$ 1,882,687	\$ 1,501,833
Listing Discount	-11.78%	-7.90%	-8.64%	-8.03%	-9.38%
Listing Inventory	176	173	137	169	174
Median Sale Price by Market Subset					
	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
\$750,000 - \$999,999					
Median	\$ 797,500	\$ 820,662	\$ 893,361	\$ 855,250	\$ 835,000
# of Sales	10	8	10	10	10
\$1,000,000 - \$1,999,999					
Median	\$ 1,600,000	\$ 1,262,500	\$ 1,400,000	\$ 1,335,000	\$ 1,390,000
# of Sales	7	8	9	6	5
\$2,000,000 - \$3,999,999					
Median	\$ 2,500,000	\$ 2,000,000	\$ 3,750,000	\$ 2,270,000	\$ 2,550,000
# of Sales	3	1	1	4	4
\$4,000,000 +					
Median	\$ 5,400,000	\$ 5,000,000	-	\$ 6,300,000	-
# of Sales	2	1	0	1	0



APPENDIX

Ulster

Ulster County Market Matrix	2012	2013	2014	2015	2016
Median Sale Price	\$ 900,000	\$ 1,050,000	\$ 946,000	\$ 995,000	\$ 900,000
Average Sale Price	\$ 1,234,250	\$ 1,226,486	\$ 1,061,545	\$ 1,133,115	\$ 971,135
# of Sales	16	35	45	38	36
Avg. DOM	237	210	166	158	222
Avg. List Price	\$ 1,262,424	\$ 1,497,585	\$ 1,381,877	\$ 1,074,380	\$ 1,037,555
Listing Discount	-9.96%	-10.91%	-8.01%	-6.65%	-6.43%

Median Sale Price by Market Subset	2012	2013	2014	2015	2016
\$750,000 - \$999,999					
Median	\$ 900,000	\$ 850,000	\$ 889,750	\$ 883,500	\$ 845,000
# of Sales	10	17	30	22	25
\$1,000,000 - \$1,999,999					
Median	\$ 1,234,250	\$ 1,290,000	\$ 1,292,650	\$ 1,228,000	\$ 1,162,500
# of Sales	6	15	14	13	11
\$2,000,000+					
Median	---	\$ 2,500,000	\$ 2,614,700	\$ 2,500,000	0
# of Sales	-	3	1	3	-

Ulster County Market Matrix	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Median Sale Price	\$ 874,000	\$ 860,000	\$ 980,000	\$ 925,000	\$ 847,500
Average Sale Price	\$ 966,357	\$ 989,317	\$ 1,169,250	\$ 1,108,880	\$ 907,591
# of Sales	14	9	12	15	11
Avg. DOM	121	187	225	178	105
Avg. List Price	\$ 1,461,074	\$ 1,024,877	\$ 1,377,400	\$ 1,156,593	\$ 955,190
Listing Discount	-5.90%	-3.47%	-10.30%	-4.13%	-3.62%
Listing Inventory	168	100	108	131	122

Median Sale Price by Market Subset	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
\$750,000 - \$999,999					
Median	\$ 830,000	\$ 822,500	\$ 875,000	\$ 847,500	\$ 838,250
# of Sales	9	6	6	8	10
\$1,000,000 - \$1,999,999					
Median	\$ 1,142,000	\$ 1,200,000	\$ 1,065,000	\$ 1,120,000	\$ 1,575,000
# of Sales	5	3	5	6	1
\$2,000,000+					
Median	\$ -	\$ -	\$ 3,050,000	\$ 2,897,000	\$ -
# of Sales	0	0	1	1	0

