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INTERNATIONAL REALTY



Fourth Quarter 2017  
Hudson Valley Luxury Real Estate Market Overview

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

Fourth Quarter 2017

## HUDSON VALLEY LUXURY REAL ESTATE MARKET OVERVIEW

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

The Hudson Valley luxury real estate market turned in a strong performance in 2017 as the number of homes sold jumped to a 10-year high. Homes also sold faster and closer to their asking price than they did in 2016.

The market's strength was largely in keeping with developments in the broader economy, which grew for an eighth straight year, and in the financial markets, where the Dow Jones Industrial Average rose nearly 26 percent. These factors contributed to a general sense of optimism among investors and homebuyers alike and to strong sales of luxury homes nationwide.

In the Hudson Valley, 178 properties changed hands, up from 147 a year earlier and the highest number since 2007. Meanwhile, the average discount that buyers had to accept to sell their properties narrowed to -7.4 percent, the best showing by that metric in at least 11 years. Finally, it took just 179 days, on average, for properties to sell, down from 218 a year earlier. In fact, homes sold faster in 2017 than they did in 2007, prior to the last recession.



West Park, New York 12429 \$5,900,000 web ID: PHVPC5

Counterintuitively, the median sale price across the region fell to \$928,750 from \$1,050,000 a year earlier—or about 10 percent below the average for the last decade. It's not that prices for individual homes were falling but rather that the bulk of the sales activity in 2017 was concentrated at the lower end of the luxury market, which pulled down the median sale price. In the \$750,000-to-\$999,999 price range, for example, 106 homes sold, up from 71 a year earlier—a gain of 49 percent. By contrast, sales of homes priced at \$1 million and higher contracted slightly, to 72 from 76. And at the top end of the market—homes selling for \$4 million or more—the number of sales slipped to just one, down from five in 2016.

Trends during the fourth quarter of 2017 largely mirrored those for the full year,

although the number of homes sold in the final three months actually edged down, to 43 from 44 a year earlier. Conversely, the average listing discount continued to narrow during the fourth quarter, to -6.0 percent. To put that into perspective, as recently as the fourth quarter of 2014 sellers were knocking an average 17.9 percent off their list price to reach a deal.

If there was a theme to the market's fourth-quarter activity, it was the remarkable demand evidenced for some of the Hudson Valley's oldest and most historic homes. At least 13 properties built more than 150 years ago sold during the final three months of the year, including one in Columbia County that predates the American Revolution by more than a century.



Hyde Park, New York \$625,000 Web ID: 426DZD

## Dutchess County

Long the epicenter of the Hudson Valley luxury real estate market, Dutchess County comfortably retained that crown in 2017, accounting for 44 percent of the region's sales. Overall sales trends were similar to those for the Hudson Valley as a whole.

Dutchess County was home to the highest-priced sale for the year—a \$6.3 million property that sold in Unionvale in the second quarter—and to the highest-priced sale in the fourth quarter: a rambling country house just outside the cozy arts-and-culture Village of Rhinebeck. Originally constructed in 1780, just four years after the Continental Congress met in Philadelphia to adopt the Declaration of Independence, the 3,894-square-foot house, along with three cottages, fetched \$2,050,000.

To be sure, it wasn't historic properties alone that were selling in 2017. The second-highest-priced sale in the Hudson Valley during the fourth quarter, also in Dutchess County, was a newly constructed home in the gated community of Silo Ridge Field Club in Amenia, where luxury homes cluster in discrete communities around a Tom Fazio-designed 18-hole golf course. It sold for \$2 million.

## Columbia County

Luxury home sales in Columbia County ticked higher by the smallest of margins in 2017—to 44 from 43 a year earlier—but slowed considerably in the fourth quarter, to eight from 17. However, those eight sales included a stunning selection of some of the Valley’s most historic structures, crowned by the sale of the Staats House, in Stockport, for \$937,500. Originally built by Col. Abram Staats in 1654, the house is located where Henry Hudson is reported to have landed at the mouth of Stockport Creek in September 1609 during a voyage up the Hudson River. The home was badly damaged by fire several years after its construction but was rebuilt in 1664, more than 100 years before the start of the Revolutionary War. The 3,000-square-foot dwelling, with thick stone walls, has since been beautifully restored and updated with modern conveniences, but both site and structure retain their historic character. Working through history’s timeline, other notable sales in Columbia County during the fourth quarter included an 1825 farmhouse on 23 acres in Canaan that sold for \$825,000, an 1826 colonial on 37 acres in Old Chatham that sold for \$1,325,000, an 1840s farmhouse on nearly 90 acres in Gallatin that sold for \$812,500 and an 1850 early Victorian-style house on nearly 90 acres in Copake that sold for \$937,000.



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

## Ulster County

Nowhere was demand for sub-\$1 million homes more pronounced in 2017 than in Ulster County, where the number of homes sold in that price category nearly doubled to 36 from 17 a year earlier. That pushed total sales in the county to 55—a 53 percent increase over the 36 sales registered in 2016.

Here, too, there was a pronounced appetite for older homes, including a fairly small (1,516-square-foot) two-story colonial on 45 acres abutting Cooper Lake in Bearsville that sold in “as is” condition for \$825,000. The house was built in 1825 and had been owned by the same family for nearly two centuries. Other sales included an 1836 farmhouse with barn and indoor riding arena on 415-plus acres in Margaretville for \$1.6 million; a stout, 1850 brick Greek Revival in High Falls for \$800,000; and an 1854 brick center-hall colonial on 54 acres in Gardiner for \$1.8 million. The oldest property sold was a 144-acre farm in Marbletown where the 2,000-square-foot farmhouse dates to 1760.

## Outlook

The modest pace of sales at the higher end of the luxury market in 2017 was a bit surprising. As noted in our second-quarter report, we had seen a bump in high-end listings in the first half of the year, including three properties priced in the \$20 million-plus range. We also saw a great deal of traffic through our office over the summer.

We’re still cautiously optimistic that the market has further room to strengthen. The 21 percent increase in sales in 2017 is a positive sign, of course. So is the recent contraction in both the average listing discount and days on market. Inventory levels fell slightly in 2017, too, and if they don’t rebound that could contribute to a firmer market in the year ahead.





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

Perhaps the biggest unknowns heading into 2018 are macroeconomic factors, such as how well the economy itself will perform after eight straight years of gains and whether the stock market can extend a bull run that is nearly nine years old. A break in either could weigh on buyer sentiment.

Also unknown is how changes to the federal income tax code, signed into law in late 2017, will play out. Its tax reforms cap deductions for mortgage interest and state and local taxes, including property taxes, which are negatives for some buyers. On the other hand, the bill also cuts corporate tax rates dramatically, which should prove beneficial to corporations, their stock prices and, in turn, stock market investors—all of which could boost homebuyer confidence.

We remain cautiously optimistic about the near-term prospects for the Hudson Valley luxury real estate market and bullish on its long-term prospects. The region's proximity to New York City, its attractive pricing relative to competitive markets like the Hamptons and its immense natural beauty will always appeal to a broad cross-section of homebuyers.



## HUDSON VALLEY LUXURY MARKET SALES IN Q4 AND YEAR 2017 BY MARKET SUBSET

Category	Region	4 <sup>th</sup> Quarter		Year	
		# Sales	Median Price	# Sales	Median Price
<b>\$750,000-\$999,999</b>	<b>All Hudson Valley</b>	<b>29</b>	<b>\$825,000</b>	<b>106</b>	<b>\$847,750</b>
	Columbia County	7	\$890,000	29	\$845,000
	Dutchess County	10	\$880,000	41	\$870,000
	Ulster County	12	\$790,000	36	\$825,000
<b>\$1,000,000-\$1,999,999</b>	<b>All Hudson Valley</b>	<b>12</b>	<b>\$1,258,750</b>	<b>54</b>	<b>\$1,335,000</b>
	Columbia County	1	\$1,325,000	11	\$1,350,000
	Dutchess County	6	\$1,193,750	26	\$1,382,500
	Ulster County	5	\$1,217,500	17	\$1,140,000
<b>\$2,000,000-\$3,999,999</b>	<b>All Hudson Valley</b>	<b>2</b>	<b>\$2,025,000</b>	<b>17</b>	<b>\$2,500,000</b>
	Columbia County	0	n/a	4	\$2,500,000
	Dutchess County	2	\$2,025,000	11	\$2,140,000
	Ulster County	0	n/a	2	\$2,973,500
<b>\$4,000,000 +</b>	<b>All Hudson Valley</b>	<b>0</b>	<b>n/a</b>	<b>1</b>	<b>\$6,300,000</b>
	Columbia County	0	n/a	0	n/a
	Dutchess County	0	n/a	1	\$6,300,000
	Ulster County	0	N/A	0	n/a

### ANNUAL

Year	# of Sales	Median Sale Price	Average Sale Price	Avg. Days on Market	Avg. Listing Discount	Listing Inventory
2017	178	\$928,750	\$1,194,588	179	-7.40%	435
2016	147	\$1,050,000	\$1,419,212	218	-9.80%	499
2015	148	\$1,037,500	\$1,317,201	152	-9.20%	492
2014	158	\$988,750	\$1,187,938	205	-14.50%	469

### QUARTERLY

Period	# of Sales	Median Sale Price	Average Sale Price	Average Days on Market	Average Listing Discount	Listing Inventory
Q4 2017	43	\$890,000	\$1,037,638	143	-6.00%	446
Q3 2017	40	\$876,000	\$1,127,434	147	-7.30%	451
Q2 2017	49	\$930,000	\$1,287,787	223	-6.50%	458
Q1 2017	46	\$1,042,500	\$1,300,422	186	-8.60%	385
Q4 2016	44	\$1,050,000	\$1,429,681	210	-7.20%	430





New Scotland, New York L2067 \$990,000 Web ID: LV6W88

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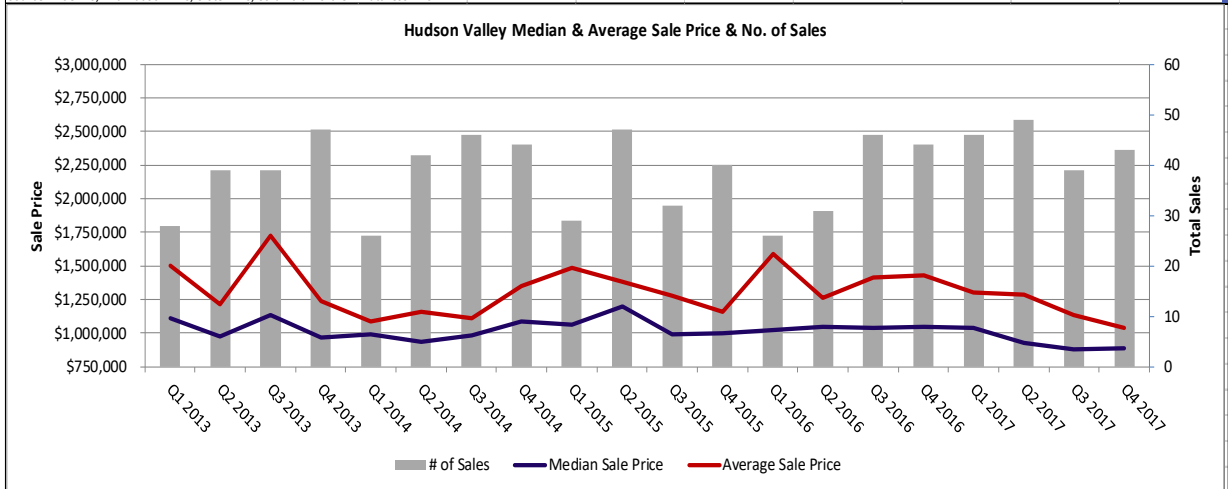
*This information contained in this Market Overview has been compiled from NYS ORPS, Mid-Hudson MLS, Columbia Northern Dutchess MLS, and Ulster MLS. We believe this information to be true and accurate. Heather Croner Real Estate, R. P. Hubbell and Company, Inc. and Randy Myers assume no responsibility 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									
	2014	2015	2016	2017	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Median Sale Price	\$ 988,750	\$ 1,037,500	\$ 1,050,000	\$ 928,750	\$ 1,050,000	\$ 1,042,500	\$ 930,000	\$ 876,000	\$ 890,000
Average Sale Price	\$ 1,187,938	\$ 1,317,201	\$ 1,419,212	\$ 1,194,588	\$ 1,429,681	\$ 1,300,422	\$ 1,287,787	\$ 1,127,434	\$ 1,037,638
# of Sales	158	148	147	178	44	46	49	40	43
Avg. DOM	205	152	218	179	210	186	223	147	143
Avg. List Price	\$ 1,856,298	\$ 1,448,072	\$ 1,279,133	\$ 1,267,000	\$ 1,543,623	\$ 1,381,584	\$ 1,428,793	\$ 1,215,198	\$ 1,055,073
Listing Discount	-14.47%	-9.16%	-9.78%	7.36%	-7.15%	-8.56%	-6.54%	-7.26%	-5.96%
Listing Inventory	469	492	499	435	430	385	458	451	446

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

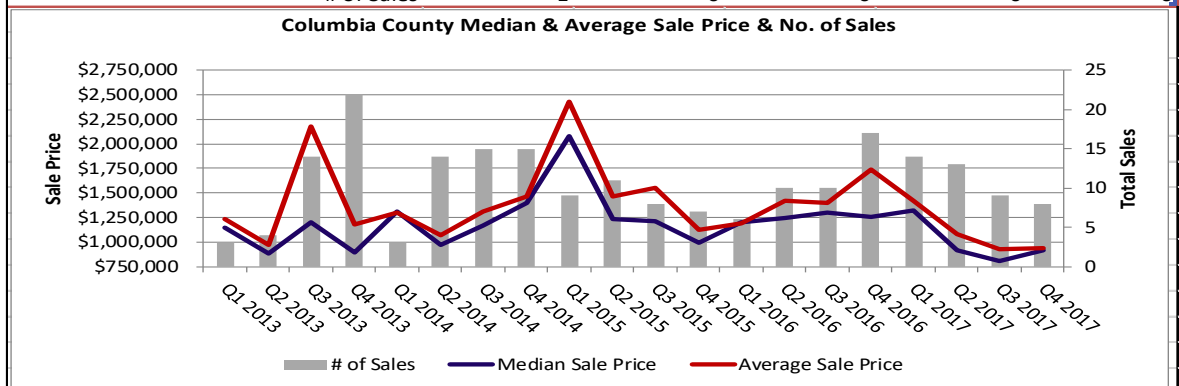
Hudson Valley Median Sale Price by Market Subset									
	2014	2015	2016	2017	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>\$750,000 - \$999,999</b>									
Median	\$ 869,725	\$ 870,000	\$ 825,000	\$ 847,750	\$ 825,000	\$ 875,861	\$ 850,000	\$ 815,000	\$ 825,000
# of Sales	87	70	71	106	21	22	27	28	29
<b>\$1,000,000 - \$1,999,999</b>									
Median	\$ 1,325,000	\$ 1,286,500	\$ 1,395,000	\$ 1,335,000	\$ 1,290,000	\$ 1,400,000	\$ 1,275,000	\$ 1,382,500	\$ 1,258,750
# of Sales	60	59	55	54	18	19	15	8	12
<b>\$2,000,000 - \$3,999,999</b>									
Median	\$ 2,287,500	\$ 2,549,000	\$ 2,275,000	\$ 2,500,000	\$ 3,116,000	\$ 2,525,000	\$ 2,450,000	\$ 2,550,000	\$ 2,025,000
# of Sales	10	18	16	17	3	5	6	4	2
<b>\$4,000,000 +</b>									
Median	\$ 5,000,000	\$ 4,682,091	\$ 6,500,000	\$ 6,300,000	\$ 6,000,000	-	\$ 6,300,000	-	-
# of Sales	1	1	5	1	2	0	1	0	0

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



Columbia County Market Matrix	2013	2014	2015	2016	2017
Median Sale Price	\$ 968,750	\$ 1,090,000	\$ 1,235,000	\$ 1,260,000	\$ 933,500
Average Sale Price	\$ 1,476,050	\$ 1,287,485	\$ 1,662,692	\$ 1,481,739	\$ 1,132,769
# of Sales	44	47	35	43	44
Avg. DOM	179	208	124	181	177
Avg. List Price	\$ 1,859,082	\$ 1,859,264	\$ 1,350,528	\$ 1,700,459	\$ 1,202,193
Listing Discount	-9.85%	-12.89%	-8.36%	-10.51%	-7.22%
<b>Median Sale Price by Market Subset</b>					
	2013	2014	2015	2016	2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 872,000	\$ 865,000	\$ 861,250	\$ 853,750	\$ 845,000
# of Sales	24	19	10	16	29
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,277,500	\$ 1,325,000	\$ 1,235,000	\$ 1,409,000	\$ 1,350,000
# of Sales	14	23	15	20	11
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,772,500	\$ 2,075,000	\$ 2,257,500	\$ 2,465,625	\$ 2,500,000
# of Sales	4	5	9	6	4
<b>\$4,000,000 +</b>					
Median	\$ 7,500,000	---	\$ 4,682,091	\$ 7,000,000	---
# of Sales	2	0	1	1	0

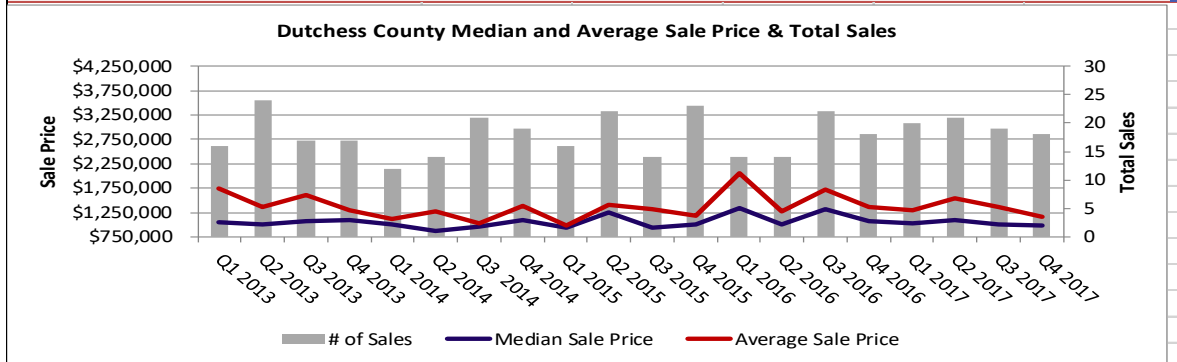
Columbia County Market Matrix	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Median Sale Price	\$ 1,260,000	\$ 1,318,750	\$ 915,000	\$ 810,000	\$ 913,500
Average Sale Price	\$ 1,742,353	\$ 1,420,179	\$ 1,085,000	\$ 926,650	\$ 939,313
# of Sales	17	14	13	9	8
Avg. DOM	145	106	309	109	170
Avg. List Price	\$ 1,927,353	\$ 1,446,300	\$ 1,247,100	\$ 1,188,571	\$ 1,009,369
Listing Discount	-9.60%	-6.28%	-7.47%	-8.77%	-6.95%
Listing Inventory	157	140	158	155	119
<b>Median Sale Price by Market Subset</b>					
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 850,000	\$ 862,500	\$ 850,000	\$ 810,000	\$ 890,000
# of Sales	7	6	9	7	7
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,450,000	\$ 1,560,000	\$ 1,350,000	\$ 1,222,500	\$ 1,325,000
# of Sales	7	5	3	2	1
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 3,308,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -
# of Sales	2	3	1	0	0
<b>\$4,000,000 +</b>					
Median	\$ 7,000,000	---	---	---	---
# of Sales	1	0	0	0	0



Dutchess County Market Matrix	2013	2014	2015	2016	2017
Median Sale Price	\$ 1,037,500	\$ 985,000	\$ 999,999	\$ 1,166,250	\$ 995,000
Average Sale Price	\$ 1,488,527	\$ 1,203,050	\$ 1,236,350	\$ 1,598,420	\$ 1,339,211
# of Sales	74	66	75	68	79
Avg. DOM	185	218	235	226	199
Avg. List Price	\$ 2,329,958	\$ 2,107,503	\$ 1,607,587	\$ 1,411,920	\$ 1,482,805
Listing Discount	-10.50%	-15.20%	-8.45%	-9.70%	-8.54%
<b>Median Sale Price by Market Subset</b>					
	2013	2014	2015	2016	2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 840,000	\$ 869,000	\$ 852,500	\$ 807,500	\$ 870,000
# of Sales	36	38	38	30	41
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,350,000	\$ 1,325,000	\$ 1,317,500	\$ 1,400,000	\$ 1,382,500
# of Sales	27	23	31	24	26
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,700,000	\$ 2,387,500	\$ 2,649,000	\$ 2,339,175	\$ 2,140,000
# of Sales	9	4	6	10	11
<b>\$4,000,000 +</b>					
Median	\$ 8,300,000	\$ 5,000,000	--	\$ 5,750,000	\$ 6,300,000
# of Sales	2	1	0	4	1

Source: NYSORPS, Mid-Hudson MLS

Dutchess County Market Matrix	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Median Sale Price	\$ 1,075,000	\$ 1,037,000	\$ 1,100,000	\$ 960,000	\$ 990,000
Average Sale Price	\$ 1,354,562	\$ 1,295,296	\$ 1,541,112	\$ 1,338,700	\$ 1,153,024
# of Sales	18	20	21	20	18
Avg. DOM	199	227	183	228	127
Avg. List Price	\$ 1,475,700	\$ 1,321,053	\$ 1,882,687	\$ 1,501,833	\$ 1,188,033
Listing Discount	-7.90%	-8.64%	-8.03%	-9.38%	-4.77%
Listing Inventory	173	137	169	174	169
<b>Median Sale Price by Market Subset</b>					
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 820,662	\$ 893,361	\$ 855,250	\$ 815,000	\$ 880,000
# of Sales	8	10	10	11	10
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,262,500	\$ 1,400,000	\$ 1,335,000	\$ 1,390,000	\$ 1,193,750
# of Sales	8	9	6	5	6
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,000,000	\$ 3,750,000	\$ 2,270,000	\$ 2,550,000	\$ 2,025,000
# of Sales	1	1	4	4	2
<b>\$4,000,000 +</b>					
Median	\$ 5,000,000	-	\$ 6,300,000	-	-
# of Sales	1	0	1	0	0



Ulster County Market Matrix	2013	2014	2015	2016	2017
Median Sale Price	\$ 1,050,000	\$ 946,000	\$ 995,000	\$ 900,000	\$ 875,000
Average Sale Price	\$ 1,226,486	\$ 1,061,545	\$ 1,133,115	\$ 971,135	\$ 1,036,313
# of Sales	35	45	38	36	55
Avg. DOM	210	166	158	222	162
Avg. List Price	\$ 1,497,585	\$ 1,381,877	\$ 1,074,380	\$ 1,037,555	\$ 1,116,001
Listing Discount	-10.91%	-8.01%	-6.65%	-6.43%	-6.31%
<b>Median Sale Price by Market Subset</b>					
	2013	2014	2015	2016	2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 850,000	\$ 889,750	\$ 883,500	\$ 845,000	\$ 825,000
# of Sales	17	30	22	25	36
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,290,000	\$ 1,292,650	\$ 1,228,000	\$ 1,162,500	\$ 1,140,000
# of Sales	15	14	13	11	17
<b>\$2,000,000+</b>					
Median	\$ 2,500,000	\$ 2,614,700	\$ 2,500,000	0	\$ 2,973,500
# of Sales	3	1	3	-	2

Ulster County Market Matrix	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Median Sale Price	\$ 860,000	\$ 980,000	\$ 925,000	\$ 847,500	\$ 810,000
Average Sale Price	\$ 989,317	\$ 1,169,250	\$ 1,108,880	\$ 907,591	\$ 961,735
# of Sales	9	12	15	11	17
Avg. DOM	187	225	178	105	133
Avg. List Price	\$ 1,024,877	\$ 1,377,400	\$ 1,156,593	\$ 955,190	\$ 967,818
Listing Discount	-3.47%	-10.30%	-4.13%	-3.62%	-6.15%
Listing Inventory	100	108	131	122	158
<b>Median Sale Price by Market Subset</b>					
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>\$750,000 - \$999,999</b>					
Median	\$ 822,500	\$ 875,000	\$ 847,500	\$ 838,250	\$ 790,000
# of Sales	6	6	8	10	12
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,200,000	\$ 1,065,000	\$ 1,120,000	\$ 1,575,000	\$ 1,217,500
# of Sales	3	5	6	1	5
<b>\$2,000,000+</b>					
Median	\$ -	\$ 3,050,000	\$ 2,897,000	\$ -	\$ -
# of Sales	0	1	1	0	0

