

Heather Croner
Real Estate

Sotheby's
INTERNATIONAL REALTY



New Paltz, New York \$2,750,000 Web ID: KW4K85

Second Quarter 2019 Hudson Valley Luxury Real Estate Market Overview

*Written by Randy Myers,
In collaboration with Heather Croner and Pete Hubbell*

Second Quarter 2019

HUDSON VALLEY LUXURY REAL ESTATE MARKET OVERVIEW

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

Forty-four luxury properties sold in the Hudson Valley during the second quarter of 2019, a respectable performance that nonetheless failed to match the blistering pace set a year earlier, when 57 properties sold. That was the busiest quarter in at least a decade, and came at a time when the U.S. economy was growing at a 4.2% annual rate—a pace it hasn't matched since.

With the downturn in activity, the median sale price fell to \$889,750 in the second quarter from \$945,000 a year earlier. Properties took slightly longer to sell, too, with the average period from listing to sale rising to 197 days from 164. That figure may have been exaggerated by a handful of sales completed only after multiple price reductions over a period of years.

Sellers also had to trim a bit more from their asking prices to close their deals during the second quarter, with average listing discount, which compares the sale price to the latest asking price, widening to -9.3% from -5.9% a year earlier.

More optimistically, the number of homes for sale rose to 524 during the second quarter from 447 in the first quarter, nearly matching the 538 that were available in the 2018 second quarter. An ample inventory is important because it makes it more likely buyers will be able to find a property they like.



Millerton, New York 12546 \$8,900,000 Web ID: HW9XQG



Notably, the commercial real estate market has remained strong in many of the Hudson Valley's villages and small cities, including Hudson in Columbia County; Beacon, Red Hook and Rhinebeck in Dutchess County; and Saugerties in Ulster County. As these towns have welcomed more shops and restaurants, there has been a parallel uptick in interest in residential properties by people who like to be close to shopping and dining but still just minutes from bucolic farmland and, in many cases, the local rail line to New York City

Columbia County

After experiencing the region's biggest sales slowdown in the first quarter of this year, Columbia County's luxury housing market rebounded nicely in the second quarter with 14 sales, up from eight a year earlier. Activity improved in every price segment, with two sales above the \$2 million market versus none a year earlier. That helped push the median sale price to \$1.1 million from \$987,500. The average sale took 237 days from date of listing to close, up from 118 a year earlier. The averaging listing discount widened to -7.8% from -4.7%.

Among the notable transactions were the sales in Hudson of two homes just minutes from the Amtrak station. The first, a 2,900-square-foot, three-story townhouse with three bedrooms and 2.5 baths, sold for \$795,000. The second, a 3,000-square-foot Nantucket cottage built in the 1790s, now with three bedrooms and 3.5 baths, sold for \$865,000.

The biggest transaction of the quarter was the sale in Stuyvesant of Beaver Hall, a Georgian mansion built in 1803, for \$3,425,000. Located on a 4.5-acre lot with direct frontage on the Hudson River, the 6,300-square-foot house features five bedrooms and five baths, a 50-foot lap pool, a gate house and garage space for eight cars.

Dutchess County

Dutchess County was, as usual, the busiest of the three counties, but barely. Its 20 sales compared with 35 in the year-earlier second quarter, which meant that Dutchess accounted for the bulk of the sales downturn in the Hudson Valley luxury market. There is no obvious explanation, and we will avoid the temptation to infer a trend from one quarter's worth of data.

What is clear is that it was the higher end of the market where activity was weakest. Sixteen Dutchess County properties sold in the \$750,000-to-\$999,999 price range during the second quarter, a 20% decline from 20 properties a year earlier. But sales between \$1 million and \$2 million fell by half, to four from eight, and there were no sales above \$2 million, compared with seven a year earlier. As a direct consequence, the median sale price fell to \$860,000 from \$945,000 in the year-earlier second quarter. The average listing discount widened to -10.2% from -6.9%, while the average days on market contracted to 186 days from 233.

Among the village properties sold during the quarter was a four-bedroom, six-bath home that sold for \$770,000 in Beacon, which has become known for its pleasant mix of antique stores, art studios and eateries. Others included a four-bedroom, three-bath colonial in Rhinebeck for \$790,000 and a condominium carved out of a turn-of-the-century brick industrial building just off Main Street in Beacon. It sold for \$1,100,000.

The oldest property to change hands in Dutchess County during the second quarter was likely a pre-Revolutionary War farmhouse sold in Union Vale. Although not extensively renovated, the farmhouse features post-and-beam construction with large rooms, secret closets and weathered wood floors, and it is situated on 118 acres of land. It sold for \$1.4 million.



Clinton Corners, New York 12514 \$1,790,000 Web ID: L6V2HT

Ulster County

Ulster County recorded 10 sales in the second quarter, down from 14 a year earlier. Thanks largely to one transaction above \$2 million, the median sale price rose to \$853,375 from \$879,950. The average time needed to sell rose to 168 days from 141, and the average listing discount widened to -9.7% from -6.1%.

Ulster has its fair share of historic properties. During the second quarter, one of them changed hands: Ivy Nook Farm. Built in 1772 by Dr. James Graham near the village of Wallkill, the farm is reported to have hosted a troop review by Gen. George Washington during the Revolutionary War. Today its five-bedroom house is an intriguing mix of old and new, from the Dutch door with strap hinges and antique hardware in the entry hall to the five-panel solar array that provides most of the property's electrical power. It sold for \$850,000.

The highest-priced property to sell in Ulster County during the second quarter was a 300-plus-acre estate in Esopus, which sold for \$2,425,000. It features an elegant three-bedroom stone house, believed to have been built in the early 1700s, that is now outfitted with a chef's kitchen and other modern appointments. In addition to the house, the estate includes a circular post-and-beam horse barn, paddocks and corrals, a one-bedroom guest cottage, a studio fashioned out of a renovated corncrib, a three-bay garage, an historic restored barn, a lake and several spring-fed ponds



New Paltz, New York \$2,750,000 Web ID: KW4K85



New Paltz, New York \$2,750,000 Web ID: KW4K85

Outlook

Through the first half of this year, 82 luxury real estate properties sold in the Hudson Valley. While that is a respectable figure by historical standards, it is down from 102 in the first half of 2018 and 95 in the first half of 2017 (but up from 52 in the first half of 2016.)

The recent downtick in sales is not out of step with what has been happening in the broader real estate market. Nationally, sales of existing homes in all price ranges fell in June, marking the 16th straight month of year-over-year declines. In a reporting that news, CNBC noted that a “persistent shortage of properties pushed prices to a record high, suggesting the housing market was struggling to regain its footing since hitting a soft patch last year.”

In fact, it can be difficult to pinpoint exactly why the real estate market behaves the way it does, although macroeconomic factors often seem to play a role. In general, the real estate market is strong when the economy is strong and mortgage rates are low—a condition that instills confidence in buyers and allows them to finance their purchases on attractive terms. As it happens, the economy has been reasonably strong this year—it grew at a 3.1% annual rate in the first quarter—and mortgage rates remain low relative to historic norms. On the other hand, some economists are worried that trade disputes, especially between the U.S. and China, may be starting to wear on global economic health,

and that the U.K.’s impending exit from the European Union could impose further pressures on the global economy. By mid-July it was widely anticipated that the U.S. Federal Reserve would lower interest rates later in the month, a measure it usually takes only when the economy is struggling.

As regular readers know, we have tremendous confidence in the long-term appeal of the Hudson Valley luxury real estate market, both as a permanent place of residence and as a popular second or third home for city dwellers eager for a country retreat. Real estate trends here tend to be less extreme than they are in some other luxury markets, with prices often falling less during down markets and rising less during up markets.

For potential homebuyers, we would argue that this is a smart time to be shopping for a luxury property in the Hudson Valley, with ample inventory in most price categories. (We would not mind seeing more listings in the \$850,000 to \$1.2 million range, where buyer demand often outstrips supply.)

For sellers, we would advise realistic pricing and, if possible, making any necessary improvements to their properties before putting them on the market. Many buyers today are looking for move-in-ready homes. They do not get excited about having to undertake major renovations, like updating baths or kitchens, before settling in.



HUDSON VALLEY LUXURY MARKET OVERVIEW

Period	# of Sales	Median Sale Price	Average Sale Price	Avg. Days on Market	Avg. Listing Discount	Listing Inventory
Q2 2019	44	\$889,750	\$1,113,110	197	-9.2%	524
Q1 2019	38	\$1,187,500	\$1,433,158	201	-7.1%	447
Q4 2018	54	\$950,000	\$1,543,751	153	-5.1%	408
Q3 2018	44	\$990,000	\$1,388,387	154	-7.2%	567
Q2 2018	57	\$945,000	\$1,324,056	164	-5.9%	538

HUDSON VALLEY LUXURY MARKET SALES IN Q2 2019 BY MARKET SUBSET

Category	Region	# Sales	Median Price
\$750,000-\$999,999	All Hudson Valley	28	\$835,000
	Columbia County	6	\$863,000
	Dutchess County	16	\$797,500
	Ulster County	6	\$835,000
\$1,000,000-\$1,999,999	All Hudson Valley	13	\$1,300,000
	Columbia County	6	\$1,320,000
	Dutchess County	4	\$1,251,250
	Ulster County	3	\$1,300,000
\$2,000,000-\$3,999,999	All Hudson Valley	3	\$2,425,000
	Columbia County	2	\$2,787,500
	Dutchess County	0	n/a
	Ulster County	1	\$2,425,000
\$4,000,000 +	All Hudson Valley	0	n/a



Heather Croner Real Estate
Sotheby's International Realty

346 Fowler Rd Millbrook, NY 12545
845-677-9822

Ackerly & Hubbell Appraisal Corp.

1072 Main Street
Fishkill, NY 12524
845-454-6525
www.rphubb.com

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, Ackerly & Hubbell Appraisal Corp. 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.

Heather Croner
Real Estate

Sotheby's
INTERNATIONAL REALTY

APPENDIX

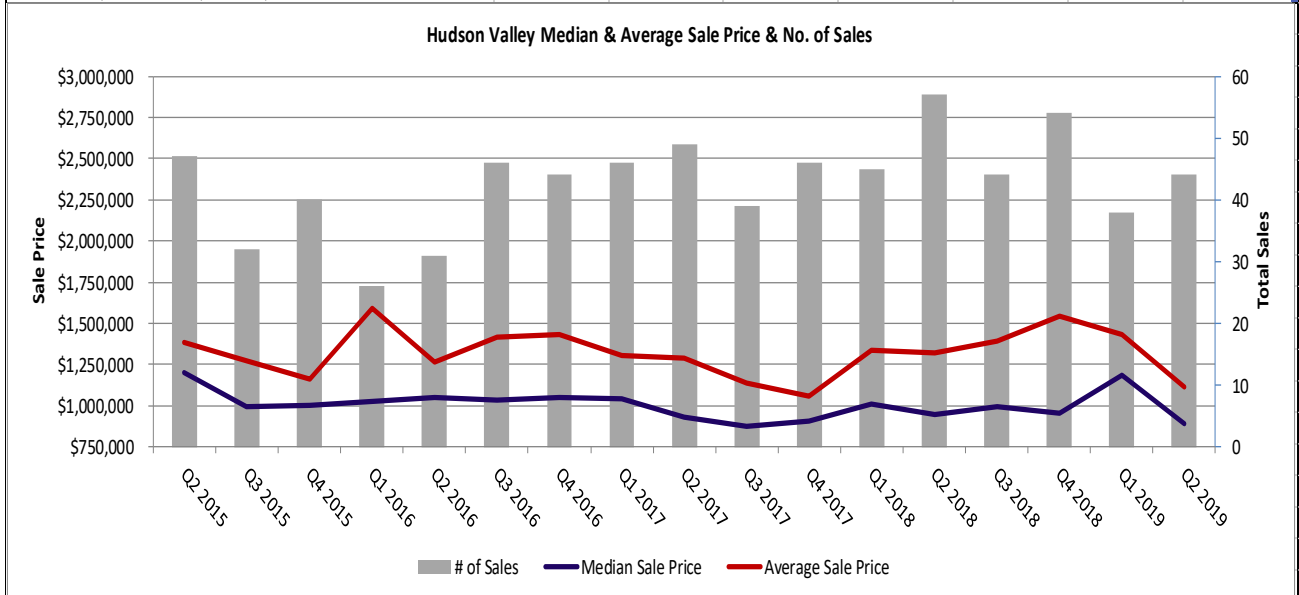
Hudson Valley

Hudson Valley Market Matrix, All									
Sales \$750,000 and over	2015	2016	2017	2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Median Sale Price	\$ 1,037,500	\$ 1,050,000	\$ 935,000	\$ 975,000	\$ 945,000	\$ 990,000	\$ 950,000	\$ 1,187,500	\$ 889,750
Average Sale Price	\$ 1,317,201	\$ 1,419,212	\$ 1,196,059	\$ 1,410,551	\$ 1,324,056	\$ 1,388,387	\$ 1,543,751	\$ 1,433,158	\$ 1,113,110
# of Sales	148	147	181	200	57	44	54	38	44
Avg. DOM	152	218	179	189	164	154	153	201	197
Avg. List Price	\$ 1,448,072	\$ 1,279,133	\$ 1,267,000	\$ 1,310,105	\$ 1,250,300	\$ 1,446,110	\$ 1,319,745	\$ 1,435,426	\$ 1,175,218
Listing Discount	-9.16%	-9.78%	-7.36%	-6.28%	-5.91%	-7.20%	-5.09%	-7.07%	-9.24%
Listing Inventory	492	499	435	474	538	567	408	447	524

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

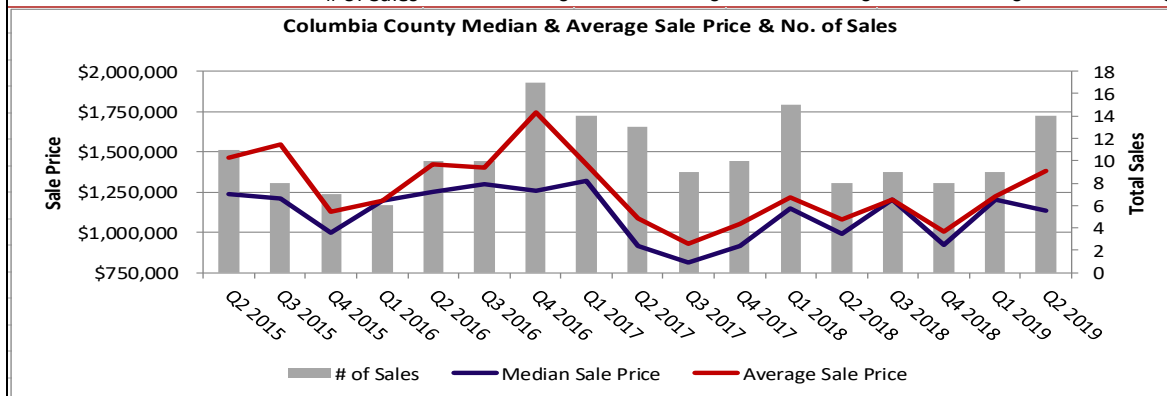
Hudson Valley Median Sale Price									
by Market Subset	2015	2016	2017	2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
\$750,000 - \$999,999									
Median	\$ 870,000	\$ 825,000	\$ 847,750	\$ 860,000	\$ 852,500	\$ 875,000	\$ 876,125	\$ 835,000	\$ 835,000
# of Sales	70	71	106	112	32	24	34	15	28
\$1,000,000 - \$1,999,999									
Median	\$ 1,286,500	\$ 1,395,000	\$ 1,325,000	\$ 1,332,500	\$ 1,305,000	\$ 1,345,000	\$ 1,500,000	\$ 1,246,250	\$ 1,300,000
# of Sales	59	55	57	64	18	14	14	16	13
\$2,000,000 - \$3,999,999									
Median	\$ 2,549,000	\$ 2,275,000	\$ 2,500,000	\$ 2,571,848	\$ 2,359,400	\$ 2,430,000	\$ 3,250,000	\$ 2,830,000	\$ 2,425,000
# of Sales	18	16	17	17	5	4	4	7	3
\$4,000,000 +									
Median	\$ 4,682,091	\$ 6,500,000	\$ 6,300,000	\$ 5,650,000	\$ 5,137,500	\$ 5,838,500	\$ 10,625,000	-	-
# of Sales	1	5	1	7	2	2	2	0	0

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



Columbia County Market Matrix	2014	2015	2016	2017	2018
Median Sale Price	\$ 1,090,000	\$ 1,235,000	\$ 1,260,000	\$ 937,250	\$ 1,004,500
Average Sale Price	\$ 1,287,485	\$ 1,662,692	\$ 1,481,739	\$ 1,140,040	\$ 1,143,304
# of Sales	47	35	43	46	40
Avg. DOM	208	124	181	177	208
Avg. List Price	\$ 1,859,264	\$ 1,350,528	\$ 1,700,459	\$ 1,202,193	\$ 1,188,736
Listing Discount	-12.89%	-8.36%	-10.51%	-7.22%	-7.67%
Median Sale Price by Market Subset					
	2014	2015	2016	2017	2018
\$750,000 - \$999,999					
Median	\$ 865,000	\$ 861,250	\$ 853,750	\$ 845,000	\$ 842,500
# of Sales	19	10	16	29	20
\$1,000,000 - \$1,999,999					
Median	\$ 1,325,000	\$ 1,235,000	\$ 1,409,000	\$ 1,350,000	\$ 1,340,000
# of Sales	23	15	20	13	19
\$2,000,000 - \$3,999,999					
Median	\$ 2,075,000	\$ 2,257,500	\$ 2,465,625	\$ 2,500,000	\$ 2,000,000
# of Sales	5	9	6	4	1
\$4,000,000 +					
Median	---	\$ 4,682,091	\$ 7,000,000	---	---
# of Sales	0	1	1	0	0

Columbia County Market Matrix	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Median Sale Price	\$ 987,500	\$ 1,200,000	\$ 925,000	\$ 1,200,000	\$ 1,137,500
Average Sale Price	\$ 1,081,063	\$ 1,205,444	\$ 1,002,281	\$ 1,220,778	\$ 1,380,036
# of Sales	8	9	8	9	14
Avg. DOM	118	168	111	94	237
Avg. List Price	\$ 1,089,083	\$ 1,280,888	\$ 1,055,625	\$ 1,331,250	\$ 1,257,250
Listing Discount	-4.68%	-5.89%	-5.06%	-4.32%	-7.80%
Listing Inventory	175	200	148	150	172
Median Sale Price by Market Subset					
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
\$750,000 - \$999,999					
Median	\$ 920,500	\$ 837,000	\$ 853,000	\$ 841,000	\$ 863,000
# of Sales	4	4	6	4	6
\$1,000,000 - \$1,999,999					
Median	\$ 1,253,750	\$ 1,345,000	\$ 1,400,000	\$ 1,312,500	\$ 1,320,000
# of Sales	4	4	2	4	6
\$2,000,000 - \$3,999,999					
Median	\$ -	\$ 2,000,000	\$ -	\$ 2,300,000	\$ 2,787,500
# of Sales	0	1	0	1	2
\$4,000,000 +					
Median	---	---	---	---	---
# of Sales	0	0	0	0	0



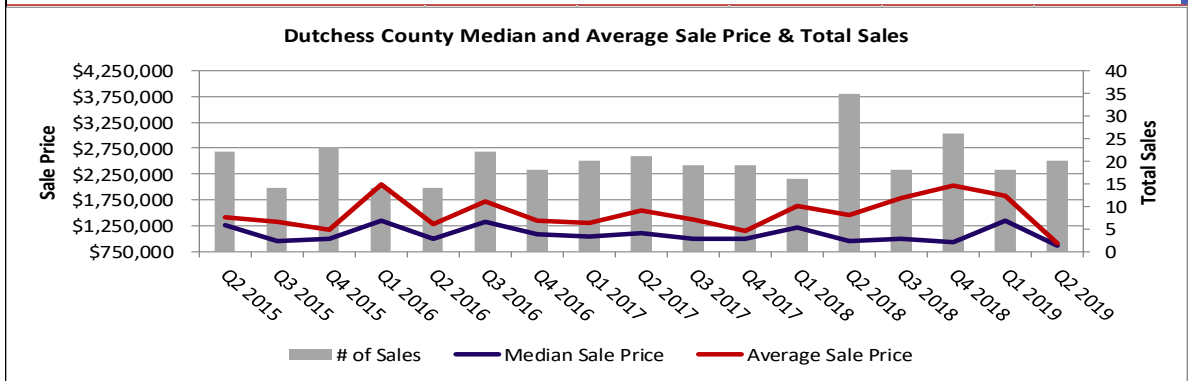
Dutchess County Market Matrix	2014	2015	2016	2017	2018
Median Sale Price	\$ 985,000	\$ 999,999	\$ 1,166,250	\$ 997,000	\$ 950,000
Average Sale Price	\$ 1,203,050	\$ 1,236,350	\$ 1,598,420	\$ 1,338,096	\$ 1,702,874
# of Sales	66	75	68	80	95
Avg. DOM	218	235	226	199	228
Avg. List Price	\$ 2,107,503	\$ 1,607,587	\$ 1,411,920	\$ 1,482,805	\$ 1,554,421
Listing Discount	-15.20%	-8.45%	-9.70%	-8.54%	-6.70%

Median Sale Price by Market Subset	2014	2015	2016	2017	2018
\$750,000 - \$999,999					
Median	\$ 869,000	\$ 852,500	\$ 807,500	\$ 870,000	\$ 863,325
# of Sales	38	38	30	41	54
\$1,000,000 - \$1,999,999					
Median	\$ 1,325,000	\$ 1,317,500	\$ 1,400,000	\$ 1,375,000	\$ 1,435,000
# of Sales	23	31	24	27	20
\$2,000,000 - \$3,999,999					
Median	\$ 2,387,500	\$ 2,649,000	\$ 2,339,175	\$ 2,140,000	\$ 2,610,924
# of Sales	4	6	10	11	14
\$4,000,000 +					
Median	\$ 5,000,000	--	\$ 5,750,000	\$ 6,300,000	\$ 5,650,000
# of Sales	1	0	4	1	7

Source: NYSORPS, Mid-Hudson MLS

Dutchess County Market Matrix	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Median Sale Price	\$ 945,000	\$ 992,500	\$ 930,500	\$ 1,350,000	\$ 860,000
Average Sale Price	\$ 1,453,326	\$ 1,779,918	\$ 2,031,853	\$ 1,817,333	\$ 906,179
# of Sales	35	18	26	18	20
Avg. DOM	233	187	206	353	186
Avg. List Price	\$ 1,461,125	\$ 1,807,156	\$ 1,702,985	\$ 1,929,219	\$ 993,516
Listing Discount	-6.94%	-8.30%	-5.07%	-10.45%	-10.19%
Listing Inventory	185	225	163	188	195

Median Sale Price by Market Subset	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
\$750,000 - \$999,999					
Median	\$ 860,825	\$ 837,500	\$ 872,500	\$ 900,000	\$ 797,500
# of Sales	20	10	16	5	16
\$1,000,000 - \$1,999,999					
Median	\$ 1,260,750	\$ 1,300,000	\$ 1,400,000	\$ 1,300,000	\$ 1,251,250
# of Sales	8	3	5	7	4
\$2,000,000 - \$3,999,999					
Median	\$ 2,359,400	\$ 2,510,000	\$ 3,400,000	\$ 3,046,500	---
# of Sales	5	3	3	6	0
\$4,000,000 +					
Median	\$ 5,137,500	\$ 5,838,500	\$ 10,625,000	---	---
# of Sales	2	2	2	0	0



Ulster County Market Matrix	2014	2015	2016	2017	2018
Median Sale Price	\$ 946,000	\$ 995,000	\$ 900,000	\$ 875,000	\$ 975,000
Average Sale Price	\$ 1,061,545	\$ 1,133,115	\$ 971,135	\$ 1,036,313	\$ 1,117,591
# of Sales	45	38	36	55	65
Avg. DOM	166	158	222	162	130
Avg. List Price	\$ 1,381,877	\$ 1,074,380	\$ 1,037,555	\$ 1,116,001	\$ 1,187,159
Listing Discount	-8.01%	-6.65%	-6.43%	-6.31%	-4.48%
Median Sale Price by Market Subset					
	2014	2015	2016	2017	2018
\$750,000 - \$999,999					
Median	\$ 889,750	\$ 883,500	\$ 845,000	\$ 825,000	\$ 855,000
# of Sales	30	22	25	36	38
\$1,000,000 - \$1,999,999					
Median	\$ 1,292,650	\$ 1,228,000	\$ 1,162,500	\$ 1,140,000	\$ 1,300,000
# of Sales	14	13	11	17	25
\$2,000,000+					
Median	\$ 2,614,700	\$ 2,500,000	0	\$ 2,973,500	\$ 2,500,000
# of Sales	1	3	-	2	2

Ulster County Market Matrix	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Median Sale Price	\$ 879,950	\$ 985,000	\$ 975,000	\$ 875,000	\$ 953,375
Average Sale Price	\$ 1,139,733	\$ 1,070,676	\$ 1,125,807	\$ 978,272	\$ 1,153,275
# of Sales	14	17	20	11	10
Avg. DOM	141	107	141	155	168
Avg. List Price	\$ 1,200,692	\$ 1,160,126	\$ 1,200,626	\$ 1,045,808	\$ 1,274,888
Listing Discount	-6.10%	-6.13%	-5.15%	-6.46%	-9.73%
Listing Inventory	178	142	97	109	157
Median Sale Price by Market Subset					
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
\$750,000 - \$999,999					
Median	\$ 832,500	\$ 910,000	\$ 903,625	\$ 816,500	\$ 835,000
# of Sales	8	10	12	6	6
\$1,000,000 - \$1,999,999					
Median	\$ 1,490,069	\$ 1,375,000	\$ 1,275,000	\$ 1,175,000	\$ 1,300,000
# of Sales	6	7	7	5	3
\$2,000,000+					
Median	\$ -	\$ -	\$ 2,000,000	-	\$ 2,425,000
# of Sales	0	0	1	0	1

