

## Hudson Valley Luxury Market

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

### Second Quarter 2015

- Sales rebound after a winter weather-depressed first quarter
- Data trends point to a market no longer beset by headwinds
- Luxury market, once limited to estate properties, now includes spacious old village houses

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No surprise, sales of luxury residential properties (here defined as those selling in excess of \$750,000) were quite strong this past quarter. Two influences were at work: one, the underlying uptrend in sales; the other, a rebound in sales after an unusually harsh winter.

Second-quarter MLS sales, at 38, and an estimated 45 when the non-MLS numbers get included in the count, suggest that the underlying uptrend has carried over to this year. And, first-quarter MLS sales, at 24, and an estimated 30 with the non-MLS numbers in the count, were quite

respectable given the harshness of the winter. (The table below includes a full set of non-MLS data only through the end of last year; these are produced by the State from county records, which recently have been unusually slow in coming).

To judge by the data for the first half of the year, 2015 sales should easily match 2014's which, as noted in these pages three months ago, were the highest of any year since 2008.

True to form, the median price for luxury residential properties continues to hang in the neighborhood of \$1 million. It

has fluctuated narrowly around that benchmark ever since the price bubble – now of increasingly distant memory – burst in 2008.

Median price, it should be stressed, can sometimes hide as much as it reveals, as it is heavily affected by the mix of properties sold. Clearly, the low end of the luxury market (\$750,000 to \$1 million) is growing apace as a share of the total. This is because of the proliferation of large tract houses in the Southern part of Dutchess County. And it is because of significant demand recently for spacious old village

Hudson Valley Market Matrix, All Sales \$750,000 and over									
	2011	2012	2013	2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Median Sale Price	\$ 1,075,000	\$ 1,150,000	\$ 999,999	\$ 988,750	\$ 936,000	\$ 982,500	\$ 1,090,000	\$ 1,055,000	\$ 1,078,750
Average Sale Price	\$ 1,654,521	\$ 1,295,325	\$ 1,421,541	\$ 1,187,938	\$ 1,158,047	\$ 1,107,728	\$ 1,350,524	\$ 1,410,375	\$ 1,338,326
# of Sales	129	112	153	158	42	46	44	24	38
Avg. DOM	243	212	192	205	234	127	230	165	200
Avg. List Price	\$ 1,759,335	\$ 1,874,096	\$ 1,909,131	\$ 1,856,298	\$ 1,842,029	\$ 1,894,588	\$ 1,932,433	\$ 1,918,503	\$ 1,793,822
Listing Discount	-13.51%	-10.99%	-10.49%	-14.47%	-16.72%	-11.13%	-17.91%	-6.36%	-10.63%
Listing Inventory	474	416	462	469	499	541	400	398	480

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

houses in Rhinebeck and Hudson and other “walking villages.” Both kinds of properties have become ever more important in our data set in the past few years.

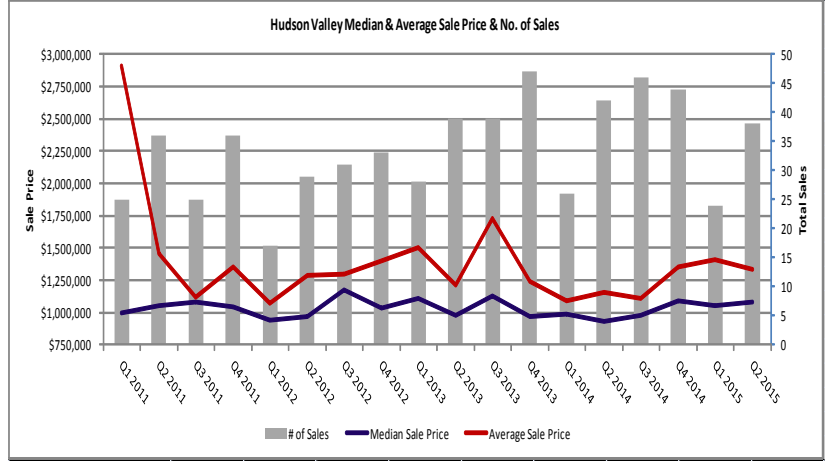
To assess price trends at all accurately, the comparison must be apples to apples. And that is impossible (except perhaps for the tract houses) for properties as heterogeneous as those in the vicinity of a median of \$1 million. Even for the tract houses, the comparison can be fraught, as the houses being built today are more upscale than yesterday's.

It is reasonable to argue, though, that strength in sales has put at least some upward pressure on price. Listing discounts have averaged about 10% for the past year – spot-on normal. And properties are not languishing on the market either, to judge by average days on market data (DOM). Taken together, the two series point to a market that is no longer beset by headwinds.

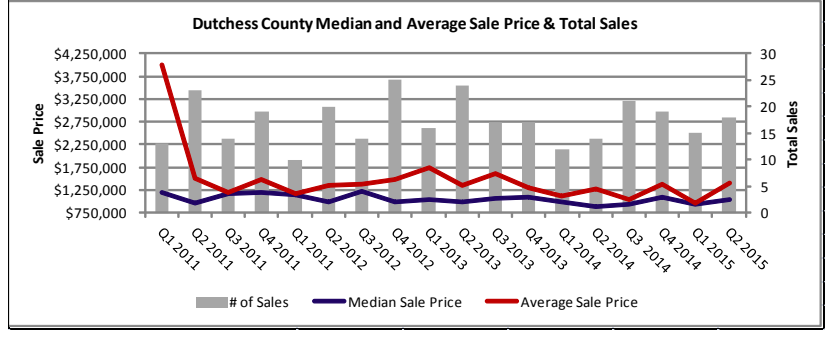
They also indicate that the market is realistically priced. That hasn't come about overnight. It took years for sellers to understand that the bubble was gone, and was not likely to return for a long time to come, if ever.

Significantly, there has been considerable price appreciation both in the tract houses in Southern Dutchess (which is in

Hudson Valley Median Sale Price by Market Subset		2011	2012	2013	2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
\$750,000 - \$999,999										
Median	\$	835,258	845,000	850,000	869,725	855,500	870,000	875,000	850,000	885,000
# of Sales		62	54	77	87	25	25	21	11	17
\$1,000,000 - \$1,999,999										
Median	\$	1,325,000	1,287,500	1,285,000	1,325,000	1,200,000	1,250,000	1,545,000	1,212,500	1,357,000
# of Sales		47	45	56	60	11	19	20	8	18
\$2,000,000 - \$3,999,999										
Median	\$	2,498,729	2,132,750	2,700,000	2,287,500	2,344,850	2,275,000	2,675,000	2,700,000	3,500,000
# of Sales		14	11	16	10	6	2	2	5	3
\$4,000,000+										
Median	\$	7,022,830	4,694,500	8,300,000	5,000,000	---	---	5,000,000	---	---
# of Sales		6	2	4	1	0	0	1	0	0



Dutchess County Market Matrix	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Median Sale Price	\$ 877,076	\$ 950,000	\$ 1,100,000	\$ 934,500	\$ 1,046,750
Average Sale Price	\$ 1,272,138	\$ 1,035,548	\$ 1,390,934	\$ 975,467	\$ 1,417,133
# of Sales	14	21	19	15	18
Avg. DOM	215	121	259	186	269
Avg. List Price	\$ 2,149,270	\$ 2,088,375	\$ 2,292,624	\$ 2,244,297	\$ 2,029,843
Listing Discount	-8.34%	-11.89%	-26.98%	-6.20%	-14.33%
Listing Inventory	231	224	196	192	225
Median Sale Price by Market Subset	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
\$750,000 - \$999,999					
Median	\$ 810,000	\$ 850,000	\$ 939,000	\$ 852,500	\$ 912,250
# of Sales	8	13	9	10	8
\$1,000,000 - \$1,999,999					
Median	\$ 1,325,000	\$ 1,200,000	\$ 1,457,500	\$ 1,175,000	\$ 1,378,500
# of Sales	3	7	9	5	8
\$2,000,000 - \$3,999,999					
Median	\$ 2,725,000	\$ 2,050,000	---	---	\$ 3,300,000
# of Sales	3	1	0	0	2
\$4,000,000+					
Median	---	---	\$ 5,000,000	---	---
# of Sales	0	0	1	0	0

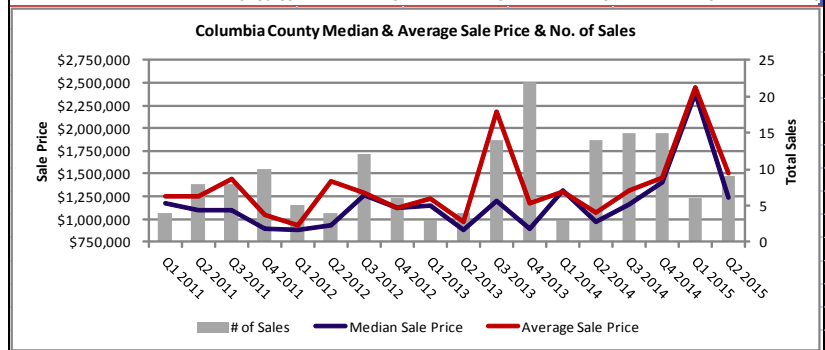


addition to the upscaling) and in the spacious village houses that seem to be so much in demand recently. Even a few years ago, neither of these kinds of properties would have figured much in the luxury category on the basis of price.

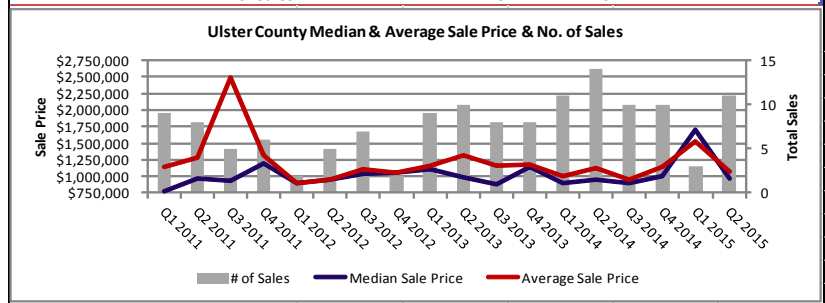
In effect, the luxury market is no longer just the country property in the vicinity of Millbrook with its open land and vistas. It is rather a whole set of subset markets which are linked by geography and increasingly also by price, but which appeal to very different kinds of buyers.

Time will tell whether the market (or, if you will, the subset markets) for Hudson Valley luxury properties has become a seller's market. But from all appearances, it cannot be described, as it could be for so many years after the bubble burst, as a buyer's market. The underlying trend in price admittedly may be hard to gauge because of the changing mix of properties sold. There is no mistaking, though, the distinct uptrend in price in non-luxury residential real estate in the Hudson Valley. It is not hard to imagine that many of the same forces in play there are acting on the luxury market as well.

Columbia County Market Matrix	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Median Sale Price	\$ 971,250	\$ 1,165,000	\$ 1,400,000	\$ 2,387,500	\$ 1,235,000
Average Sale Price	\$ 1,073,750	\$ 1,313,233	\$ 1,458,552	\$ 2,443,333	\$ 1,501,222
# of Sales	14	15	15	6	9
Avg. DOM	280	152	208	115	129
Avg. List Price	\$ 1,774,481	\$ 2,036,488	\$ 1,727,821	\$ 1,858,426	\$ 1,827,191
Listing Discount	-17.33%	-13.63%	-8.16%	-6.00%	-9.96%
Listing Inventory	145	185	107	108	128
Median Sale Price by Market Subset	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
<b>\$750,000 - \$999,999</b>					
Median	\$ 825,000	\$ 875,000	\$ 858,750	---	\$ 823,750
# of Sales	8	5	6	0	2
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,035,000	\$ 1,325,000	\$ 1,600,000	\$ 1,517,500	\$ 1,292,500
# of Sales	4	9	7	2	6
<b>\$2,000,000 - \$3,999,999</b>					
Median	\$ 2,037,500	\$ 2,500,000	\$ 2,675,000	\$ 2,975,000	\$ 3,500,000
# of Sales	2	1	2	4	1
<b>\$4,000,000 +</b>					
Median	--	--	---	---	---
# of Sales	0	0	0	0	0



Ulster County Market Matrix	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Median Sale Price	\$ 943,000	\$ 898,750	\$ 997,500	\$ 1,700,000	\$ 975,000
Average Sale Price	\$ 1,120,104	\$ 951,050	\$ 1,147,000	\$ 1,519,000	\$ 1,076,091
# of Sales	14	10	10	3	11
Avg. DOM	204	88	142	155	145
Avg. List Price	\$ 1,344,644	\$ 1,366,864	\$ 1,430,331	\$ 1,346,422	\$ 1,342,042
Listing Discount	-7.62%	-3.84%	-11.67%	-10.84%	-5.13%
Listing Inventory	123	132	97	98	127
Median Sale Price by Market Subset	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
<b>\$750,000 - \$999,999</b>					
Median	\$ 920,000	\$ 882,000	\$ 912,500	\$ 757,000	\$ 865,000
# of Sales	9	7	6	1	7
<b>\$1,000,000 - \$1,999,999</b>					
Median	\$ 1,255,150	\$ 1,108,000	\$ 1,480,000	\$ 1,700,000	\$ 1,392,500
# of Sales	4	3	4	1	4
<b>\$2,000,000+</b>					
Median	\$ 2,614,700	---	---	\$ 2,100,000	---
# of Sales	1	0	0	1	---



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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, 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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