

Heather Croner
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Second Quarter 2023 Hudson Valley Luxury Real Estate Market Report

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

Second Quarter 2023

HUDSON VALLEY
LUXURY REAL ESTATE
MARKET REPORT

Dutchess, Columbia, and
Ulster County residential
sales over \$1,000,000



The great bull market in luxury real estate appears to be moderating in the Hudson Valley.

Sales of Hudson Valley luxury properties fell year over year in the second quarter of 2023, marking the third consecutive quarterly downturn. Prices remained fairly stable, though, suggesting the market may simply be returning to some level of normalcy following the extraordinary levels of activity we saw in 2020 and 2021, when the COVID-19 pandemic was prompting urban buyers to flock to the more spacious environs of the Hudson Valley.

Fifty-three luxury properties sold in Dutchess, Columbia and Ulster counties during the second quarter, down from 74 a year earlier. The median sale price held steady at \$1,457,000, up slightly from \$1,450,000 in the year-earlier quarter.

Homes did take a bit longer to go from listing to closing in the latest quarter—119 days, on average, up from 96 days a year earlier. It's worth noting, though, that the figure for the last quarter was skewed by the sale in Dutchess County of a property that spent two years on the market before finally selling at nearly a 30% discount to its original listing price.



Even with that sale, the average listing discount for the quarter—the difference between the latest asking price and the eventual sale price—narrowed to 2.5% from 3.6% a year earlier. That means sellers were generally able to sell at closer to their asking price than they had been in the second quarter of 2022.

Inventory remains a hurdle to sales activity. At the end of the first quarter of 2023, for example, only 179 luxury properties were listed in the tri-county region. While that figure jumped to 240 by the end of the second quarter, it was still up only modestly from 237 a year earlier. The fewer properties there are to choose from, the less likely it is that buyers will find one that matches their wants and needs.

Dutchess County

Dutchess County registered 17 sales in the second quarter, down from 37 a year earlier. The median sale price eased to \$1,387,500 from \$1,450,000 even though the average home sold at a 1% premium to its listing price. Average days on market leapt to 158 days from 113 but, as noted earlier, the figure for the latest quarter was skewed by the sale of a property in North East that had lingered on the market for two years. Built in 2003 on a 14.7-acre lot, the 4,563-square-foot, farmhouse-style home, while attractively appointed inside, may not have won a close look from some buyers because it was, even 20 years after its construction, largely devoid of exterior landscaping.

Notable sales during the quarter included the Parrish House, a 2,350-square-foot, wood-sided farmhouse built in 1780. Sited on seven acres at the base of Brace Mountain just north of Millerton, the property, which also features a 200-square-foot studio, garden shed and barn, sold for \$1.8 million.

About 40 minutes southwest of the Parrish house, in Clinton, a 157-acre working farm sold for \$1,650,000. Glenmore Farm features prime agricultural land, a 3,010-square-foot Colonial style house built in 1940, dairy and horse barns and four ponds.



Columbia County

Columbia County proved the busiest of the three counties during the second quarter, with 22 properties sold, up from 17 a year earlier. Despite the healthy level of activity, the median sale price fell to \$1,328,500 from \$1,535,000. The average property that sold spent 121 days on the market, up from 82 a year earlier. Properties sold much closer to their asking price in the latest quarter than they did a year earlier, though, with the average listing discount narrowing to 2.0% from 6.6%.

The biggest sale took place in Ancram, where 546.6 acres of farmland sold for \$3.4 million. The property features two older farmhouses, multiple barns and development potential, as it is unencumbered by any agricultural or conservation easements.

As has been the trend for years now, it isn't just farms and farmland attracting buyers. Many of the small towns and villages in the Hudson Valley continue to bring new homeowners into the region. During the second quarter, six of the 22 sales in Columbia County were in the riverfront city of Hudson, including three on Union Street, which runs perpendicular to the Hudson River. Those three older, modestly sized homes—only one had more than 3,000 square feet of space—sold at prices ranging from \$1,150,000 to \$1,457,000. One was built in 1784, another in 1800, and the third, an end-unit row home, in 1900.

Ulster County

Ulster County registered 14 sales during the second quarter, down from 20 a year earlier. The average sale price jumped sharply to \$1,969,571 from \$1,525,540, thanks in part to the sale of a \$4.2 million property in Woodstock—the only sale above \$4 million throughout the valley over the course of the second quarter. The median sale price also jumped, to \$1,637,600 from \$1,398,500. In fact, the median sale price throughout the Hudson Valley in each price category we track—\$1 million to \$1,999,999, \$2 million to \$3,999,999, and \$4 million and up—was highest in Ulster County.

Properties sold fairly briskly, with average days on market falling to 77 days from 92. However, properties sold at an average 6.6% discount from their asking price, versus 4.0% a year earlier.

Sales in Ulster County during the second quarter demonstrated the diverse range of properties available throughout the Hudson Valley, from 19th-century townhouses in small cities like Hudson to pre-Revolutionary War farmhouses and ultramodern contemporaries.

The biggest sale of the quarter was an example of the latter—a 3,934-square-foot custom contemporary situated on nearly 19.5 acres at the base of Mount Guardian in Woodstock. Built in 2022, the single-story home features flat roofs, vertical wood siding and many large windows offering expansive views. The property also includes a guest cottage and 50-foot saltwater pool.

At the other end of the spectrum were two homes built before the U.S. won its independence from Great Britain. In Woodstock, the one-time summer house of one of Woodstock's founding families, the Newkirks, sold for \$1.7 million. The 4,582-square-foot Dutch Colonial was built of stone in 1720.

A little over half an hour south of that property, near the town of Rochester, a 2,716-square-foot stone home dating to 1750 sold for \$1,125,000. Built on a 12-acre lot, the home features wide plank floors and two bedrooms. The property also includes a small, two-story second house and, between the two dwellings, an inground pool.





Outlook

We suspect the recent trend of declining sales represents a return to a more normal real estate market in the wake of the extraordinary activity we saw during the pandemic.

To be sure, there have been developments over the past year that are generally viewed as negative for the real estate market. Mortgage rates, which had held at or near historically low levels in the years following the 2008 financial crisis, shot up in 2022 when the Federal Reserve started raising interest rates to combat inflation. Mortgage rates remain high today relative to recent experience, with the average rate for a 30-year fixed rate home loan standing at 6.9% on July 17, according to Mortgage News Daily.

Of course, many buyers of luxury real estate pay cash for their properties. Out of 20 sales in Columbia County during the second quarter for which financing information was available, only three involved the buyer taking out a mortgage. Sixteen were cash purchases, and one was financed by the seller. Still, rising interest rates generally have prompted worries that the U.S. economy could slip into a recession, and those fears may be weighing on the psyche of some potential homebuyers.

As we said in our first-quarter market report, we see the current low inventory environment as an opportunity for sellers because their properties aren't facing the same level of competition for buyer attention that would normally be the case. And while we can't predict the future, we see healthy interest from potential buyers right now at the higher end of the market. Of course, high-end sales typically account for the smallest percentage of total sales.

We continue to advise buyers to act fast once they find a property that meets their needs, as homes that are properly priced generally do not languish on the market. This is characteristic of the Hudson Valley, where prices tend to be more stable than they are in some other regions of the country. We look forward to solid sales activity in the months ahead, even if at a more normalized rate than we were seeing last year. That said, we would not be surprised if year-over-year sales continue to trend downward until the economic outlook becomes clearer.



Clinton Corners, NY Web ID: NJ7PB6

HUDSON VALLEY LUXURY MARKET SALES IN Q2 2023 BY MARKET SUBSET

Category	Region	# Sales	Median Price
\$1,000,000-\$1,999,999	All Hudson Valley	41	\$1,250,000
	Columbia County	17	\$1,200,000
	Dutchess County	14	\$1,312,000
	Ulster County	10	\$1,440,000
\$2,000,000-\$3,999,999	All Hudson Valley	11	\$2,595,000
	Columbia County	5	\$2,595,000
	Dutchess County	3	\$2,150,000
	Ulster County	3	\$2,900,000
\$4,000,000 +	All Hudson Valley	1	\$4,200,000
	Columbia County	0	n/a
	Dutchess County	0	n/a
	Ulster County	1	\$4,200,000

HUDSON VALLEY LUXURY MARKET OVERVIEW

Period	# of Sales	Median Sale Price	Average Sale Price	Avg. Days on Market	Avg. Listing Discount	Listing Inventory
Q 2 2023	53	\$1,457,000	\$1,683,753	119	-2.5%	240
Q 1 2023	32	\$1,350,000	\$1,411,234	83	-4.0%	179
Q 4 2022	71	\$1,400,000	\$1,709,089	61	+0.3%	182
Q 3 2022	76	\$1,540,000	\$2,209,217	96	-3.2%	245
Q 2 2022	74	\$1,450,000	\$1,687,835	96	-3.6%	237



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

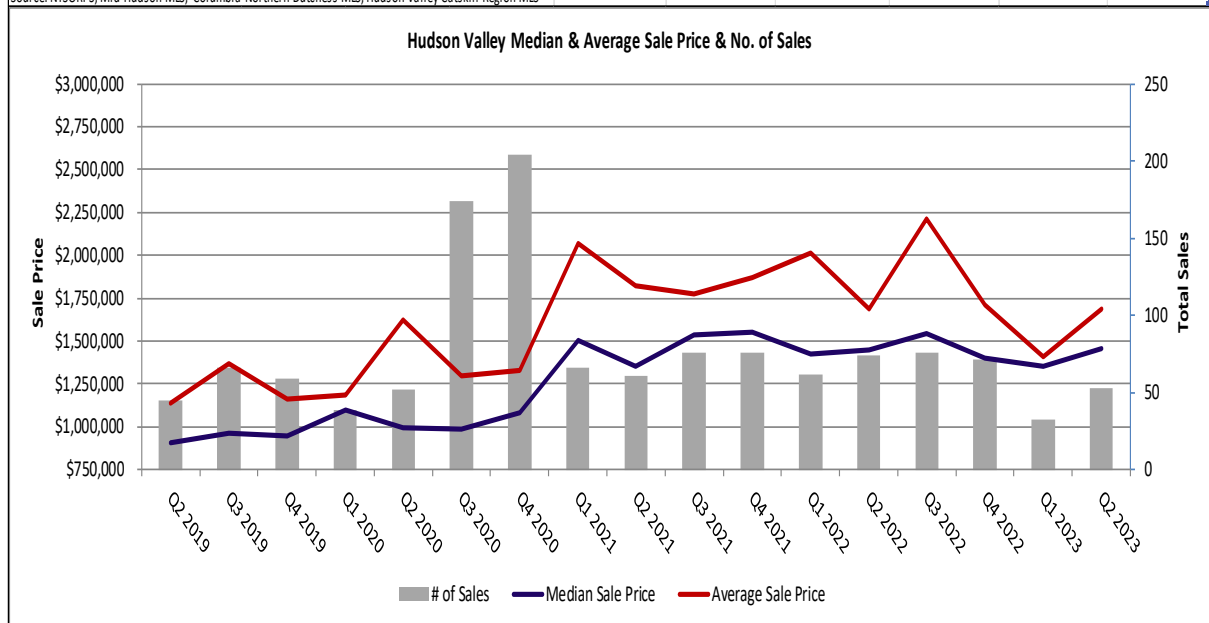
This information contained in this Market Overview has been compiled from NYS ORPS, Mid-Hudson MLS, Columbia Northern Dutchess MLS, and Ulster MLS. We believe this information to be true and accurate. Heather Croner Real Estate, Ackerly & Hubbell Appraisal Corp. and Randy Myers assume no responsibility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

Hudson Valley Market Matrix, All Sales \$1,000,000 and over									
	2019	2020	2021*	2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Median Sale Price	\$ 960,000	\$ 999,999	\$ 1,500,000	\$ 1,450,000	\$ 1,450,000	\$ 1,540,000	\$ 1,400,000	\$ 1,350,000	\$ 1,457,000
Average Sale Price	\$ 1,270,744	\$ 1,338,888	\$ 1,880,259	\$ 1,903,857	\$ 1,687,835	\$ 2,209,217	\$ 1,709,089	\$ 1,411,234	\$ 1,683,753
# of Sales	208	469	279	283	74	76	71	32	53
Avg. DOM	187	110	123	90	96	96	61	83	119
Avg. List Price	\$ 1,350,561	\$ 1,353,332	\$ 1,918,622	\$ 1,905,167	\$ 1,751,048	\$ 2,206,502	\$ 1,702,231	\$ 1,469,281	\$ 1,717,305
Listing Discount	-7.49%	-2.65%	-2.30%	-2.37%	-3.61%	-3.18%	0.31%	-3.96%	-2.50%
Listing Inventory	483	363	197	205	237	245	182	179	240

Source: all tables & graphs: NYSORPS, Mid-Hudson MLS, Columbia-Northern Dutchess MLS, Hudson Valley Catskill Region MLS *Prior to Q1 2021 all figures were based on sales over \$750,000

Hudson Valley Median Sale Price by Market Subset									
	2019	2020	2021*	2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
\$750,000 - \$999,999									
Median	\$ 842,000	\$ 855,000							
# of Sales	113	235							
\$1,000,000 - \$1,999,999									
Median	\$ 1,300,000	\$ 1,350,000	\$ 1,350,000	\$ 1,325,000	\$ 1,400,000	\$ 1,370,000	\$ 1,279,000	\$ 1,350,000	\$ 1,250,000
# of Sales	75	185	203	217	62	55	54	29	41
\$2,000,000 - \$3,999,999									
Median	\$ 2,725,000	\$ 2,500,000	\$ 2,600,000	\$ 2,500,000	\$ 2,995,000	\$ 2,400,000	\$ 2,475,000	\$ 2,097,000	\$ 2,595,000
# of Sales	17	43	61	51	11	13	15	3	11
\$4,000,000 +									
Median	\$ 7,210,000	\$ 7,325,000	\$ 4,600,000	\$ 5,500,000	\$ 5,600,000	\$ 5,200,000	\$ 4,750,000	\$ -	\$ 4,200,000
# of Sales	3	6	15	15	1	8	2	0	1

Source: NYSORPS, Mid-Hudson MLS, Columbia-Northern Dutchess MLS, Hudson Valley Catskill Region MLS



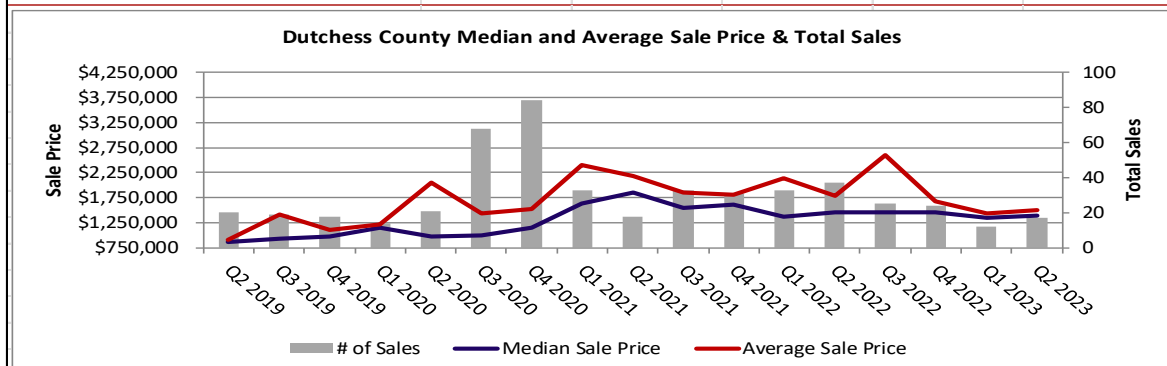
Dutchess County Market Matrix	2018	2019	2020	2021	2022
Median Sale Price	\$ 950,000	\$ 940,000	\$ 1,042,000	\$ 1,635,000	\$ 1,450,000
Average Sale Price	\$ 1,702,874	\$ 1,296,479	\$ 1,521,609	\$ 2,050,882	\$ 2,028,586
# of Sales	95	75	187	115	119
Avg. DOM	228	233	153	130	91
Avg. List Price	\$ 1,554,421	\$ 1,326,968	\$ 1,543,565	\$ 2,147,471	\$ 2,107,025
Listing Discount	-6.70%	-9.61%	-2.39%	-3.66%	-3.59%

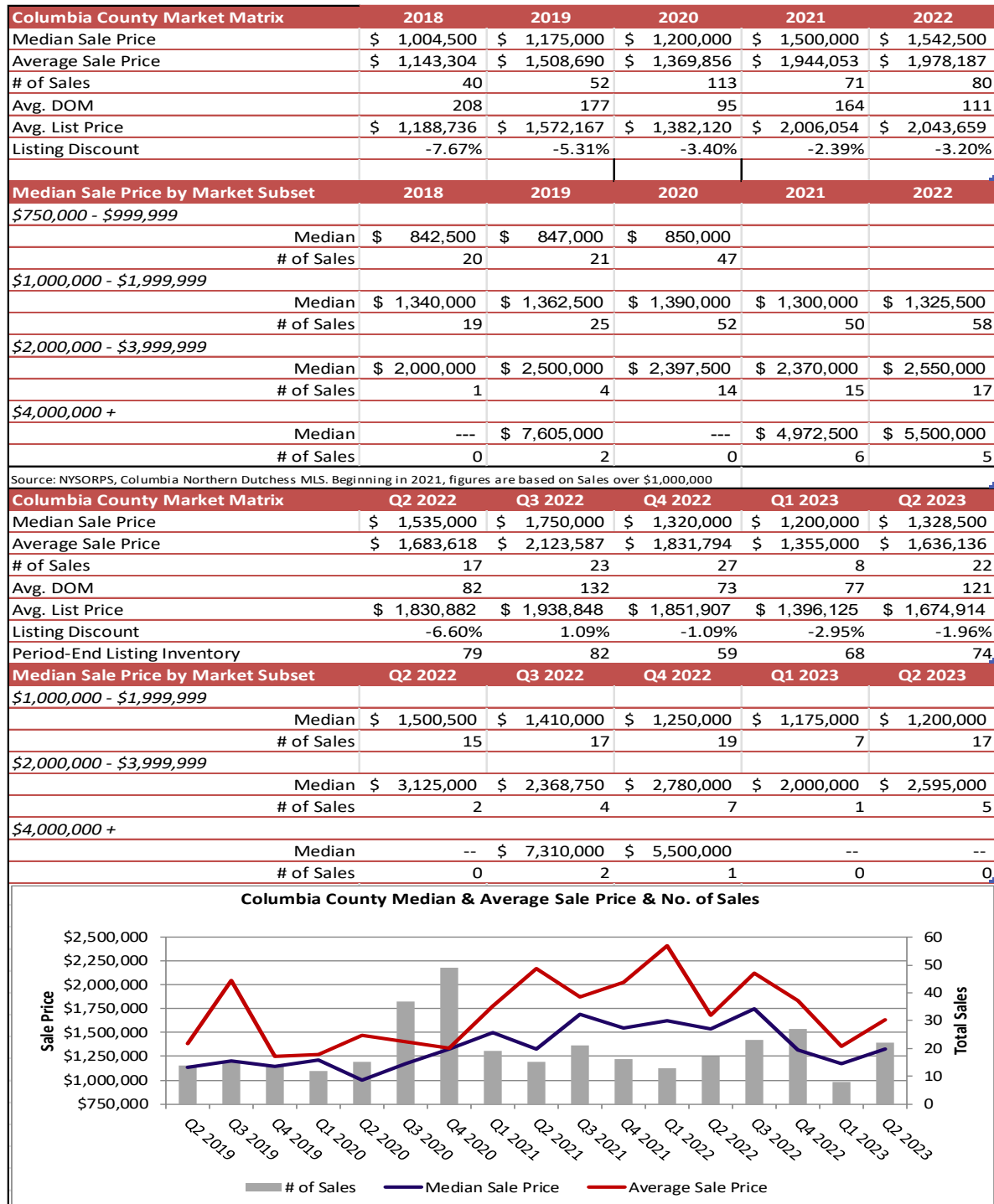
Median Sale Price by Market Subset	2018	2019	2020	2021	2022
\$750,000 - \$999,999					
Median	\$ 863,325	\$ 850,000	\$ 857,500		
# of Sales	54	43	90		
\$1,000,000 - \$1,999,999					
Median	\$ 1,435,000	\$ 1,275,000	\$ 1,300,000	\$ 1,400,000	\$ 1,300,000
# of Sales	20	22	68	77	90
\$2,000,000 - \$3,999,999					
Median	\$ 2,610,924	\$ 2,800,000	\$ 2,550,000	\$ 2,750,000	\$ 2,300,000
# of Sales	14	9	23	32	21
\$4,000,000 +					
Median	\$ 5,650,000	\$ 4,350,000	\$ 7,325,000	\$ 5,587,500	\$ 6,112,500
# of Sales	7	1	6	6	8

Source: NYSORPS, Mid-Hudson MLS. Beginning in 2021, figures are based on Sales over \$1,000,000

Dutchess County Market Matrix	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Median Sale Price	\$ 1,450,000	\$ 1,450,000	\$ 1,454,125	\$ 1,350,000	\$ 1,387,500
Average Sale Price	\$ 1,777,500	\$ 2,601,540	\$ 1,678,969	\$ 1,442,917	\$ 1,509,995
# of Sales	37	25	24	12	17
Avg. DOM	113	98	66	88	158
Avg. List Price	\$ 1,832,811	\$ 2,956,200	\$ 1,677,893	\$ 1,583,583	\$ 1,369,288
Listing Discount	-3.02%	-11.66%	1.00%	-8.88%	1.02%
Period-End Listing Inventory	89	92	73	72	101

Median Sale Price by Market Subset	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
\$1,000,000 - \$1,999,999					
Median	\$ 1,400,000	\$ 1,325,000	\$ 1,375,000	\$ 1,350,000	\$ 1,312,500
# of Sales	29	18	19	11	14
\$2,000,000 - \$3,999,999					
Median	\$ 2,825,000	\$ 2,200,000	\$ 2,300,000	\$ 2,200,000	\$ 2,150,000
# of Sales	7	3	4	1	3
\$4,000,000 +					
Median	\$ 5,600,000	\$ 5,687,500	\$ 4,000,000	\$ -	\$ -
# of Sales	1	4	1	0	0





Ulster County Market Matrix	2018	2019	2020	2021	2022
Median Sale Price	\$ 975,000	\$ 925,000	\$ 950,000	\$ 2,400,000	\$ 1,425,000
Average Sale Price	\$ 1,117,591	\$ 1,094,160	\$ 1,116,000	\$ 2,603,667	\$ 1,656,368
# of Sales	65	81	169	93	84
Avg. DOM	130	184	82	77	67
Avg. List Price	\$ 1,187,159	\$ 1,185,047	\$ 1,134,310	\$ 1,602,342	\$ 1,641,045
Listing Discount	-4.48%	-6.73%	-2.16%	-0.85%	1.01%

Median Sale Price by Market Subset	2018	2019	2020	2021	2022
\$750,000 - \$999,999					
Median	\$ 855,000	\$ 830,000	\$ 863,000		
# of Sales	\$ 38	\$ 49	\$ 98		
\$1,000,000 - \$1,999,999					
Median	\$ 1,300,000	\$ 1,215,000	\$ 1,295,000	\$ 1,341,000	\$ 1,370,000
# of Sales	25	\$ 28	\$ 65	\$ 76	\$ 69
\$2,000,000 - \$3,999,999					
Median	\$ 2,500,000	\$ 2,495,000	\$ 2,324,500	\$ 2,400,000	\$ 2,475,000
# of Sales	2	\$ 4	\$ 6	\$ 14	\$ 13
\$4,000,000 +					
Median	---	---	---	\$ 4,070,000	\$ 5,200,000
# of Sales	0	\$ -	\$ -	\$ 3	\$ 2

Source: NYSORPS, Hudson Valley Catskill Region MLS. Beginning in 2021, figures are based on Sales over \$1,000,000

Ulster County Market Matrix	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2023Z
Median Sale Price	\$ 1,398,500	\$ 1,550,000	\$ 1,425,000	\$ 1,375,000	\$ 1,637,000
Average Sale Price	\$ 1,525,540	\$ 1,929,268	\$ 1,579,580	\$ 1,417,042	\$ 1,969,571
# of Sales	20	28	20	12	14
Avg. DOM	92	59	45	84	77
Avg. List Price	\$ 1,589,450	\$ 1,724,459	\$ 1,576,894	\$ 1,428,136	\$ 2,107,714
Listing Discount	-4.02%	1.02%	1.01%	-1.00%	-6.56%
Period-End Listing Inventory	69	71	50	39	65

Median Sale Price by Market Subset	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
\$1,000,000 - \$1,999,999					
Median	\$ 1,348,500	\$ 1,385,000	\$ 1,317,500	\$ 1,375,000	\$ 1,440,000
# of Sales	18	20	16	11	10
\$2,000,000 - \$3,999,999					
Median	\$ 2,687,500	\$ 2,750,000	\$ 2,362,500	\$ 2,097,000	\$ 2,900,000
# of Sales	2	6	4	1	3
\$4,000,000+					
Median	-	\$ 5,200,000	-	\$ -	\$ 4,200,000
# of Sales	0	2	0	0	1

