

Heather Croner
Real Estate

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INTERNATIONAL REALTY



First Quarter 2018
Hudson Valley Luxury Real Estate Market Overview

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First Quarter 2018

HUDSON VALLEY LUXURY REAL ESTATE MARKET OVERVIEW

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

The Hudson Valley luxury real estate market remained strong through the first quarter of 2018 following a robust performance in 2017. Both the number of properties sold and the median selling price were generally in line with last year's solid first-quarter results. Properties also sold closer to their asking price, on average, than they did a year earlier.

While these achievements may seem modest at first blush, they're impressive in light of the headwinds the market faced during the first quarter, including rising mortgage rates, a new tax law that reduced incentives for owning a home, a series of four nor'easters in March that kept many potential buyers indoors and, finally, a choppy stock market.

Through it all, 45 luxury properties sold in the Hudson Valley, about in line with the 46 that sold a year earlier. Of note, this marked the seventh consecutive quarter with at least 40 sales, the first time that's happened since before the 2008-2009 recession.

The median sale price during the first quarter was \$1,010,000, down a bit from \$1,047,500 a year earlier. The average listing discount—the amount sellers had to knock off their asking price to close a deal—contracted to -7.0 percent from -8.6 percent.





Columbia County

Sales trends in Columbia County largely mirrored those across the Hudson Valley, with 15 properties selling, up from 14 a year earlier, at a median price of \$1,150,000.

Two areas where the county bucked regional trends were in a widening of the average listing discount to -11.7 percent from -6.3 percent a year earlier and an increase in the average time needed to sell a property to 325 days from 106. But those numbers were skewed as were, to a lesser extent, comparable figures for the region as a whole by the sale of a 183-acre parcel of land in Claverack that had been on the market for 1,451 days, or nearly four years. The acreage sold only after the seller agreed to a sale price of \$1,780,000, after twice reducing the asking price from the original figure of \$3,950,000.

That was just one of four parcels of land sold in Columbia County during the first quarter at prices ranging from \$975,000 to \$1,950,000. While we do not know what their new owners have planned for them, all four have characteristics of estate lots: hilltop locations with sweeping views and driveways and utilities in place.

Columbia County also was home to the sale of two homes designed by noted architect Adam Rolston, whose distinctive design elements include long, rectangular footprints; single-slope roofs; and walls of windows opening to the outdoors. A two-bedroom, two-bath house on four acres in Hillsdale sold for \$799,900 while a larger three-bedroom, two-bath house on 45 acres just north of Craryville, known as The Texas Hill House, sold for \$939,000.



Dutchess County

Sixteen homes sold in Dutchess County in the first quarter of 2018, down from 20 a year earlier, although the median sale price rose to \$1,210,605 from \$1,037,000. Sales in the latest quarter included four properties priced above \$2 million, including a five-bedroom, seven-and-a-half-bath home on 38 acres along Route 83 in Pine Plains that settled for \$4,850,000 — the highest-priced sale of the quarter across the three-county region. Two undeveloped parcels, both former agricultural lands, also sold during the quarter, as did two custom contemporaries, one built in Millbrook in 1977 and designed by renowned California architect Robert Marquis and the other built in Rhinebeck in 2011.

Both of those unique properties sold for under \$1 million, a reminder that distinctive and often stunning homes can still be found in the Hudson Valley under or near that price point. Another example from the first quarter: a sprawling cedar-clad country house on 38 acres in Pawling that features a pond off the rear deck and a handsome horse barn with seven large box stalls, a tack room, a connecting garage and a second-floor caretaker's residence. The property sold for \$925,000

Ulster County

Strictly by the numbers, Ulster County enjoyed a strong real estate market in the first quarter, with the number of sales jumping to 14 from 12 a year earlier, the median sale price rising to \$989,250 from \$980,000, the average time needed to sell falling to 124 days from 225 and the average listing discount narrowing to -1.0 percent from -10.3 percent.

To be sure, days-on-market and listing discount metrics can sometimes be deceiving, depending upon how realistically sellers price their properties. A home listed for \$4 million, taken off the market six months later, relisted for \$3 million and then promptly sold at that price would show no listing discount at all. Still, Ulster County's showing in the first quarter was notable, with several properties selling at or above their asking price.

In addition to two architect-designed modern homes that each closed for under \$1 million, notable sales included a seven-bedroom, five-bath home in Wawarsing that was part of the fabled Lundy Estate assembled by legendary New York City restaurateur Frederick W.I. Lundy. Also notable was the sale in Woodstock of the Arts and Crafts-style home of graphic design legend Milton Glaser and his wife. Glaser's most famous works include the I Love NY logo, the psychedelic Bob Dylan poster and the Brooklyn Brewery logo.



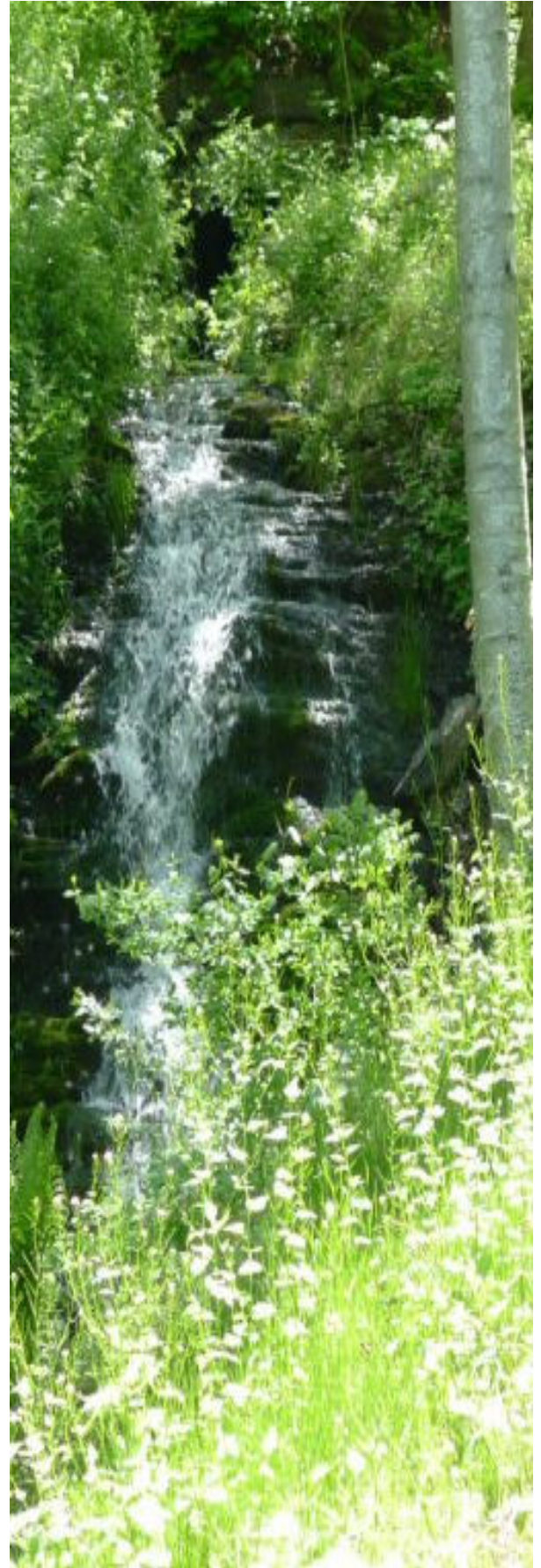
3050 Route 209, Stone Ridge, NY \$1,800,000 ID 3JK99P

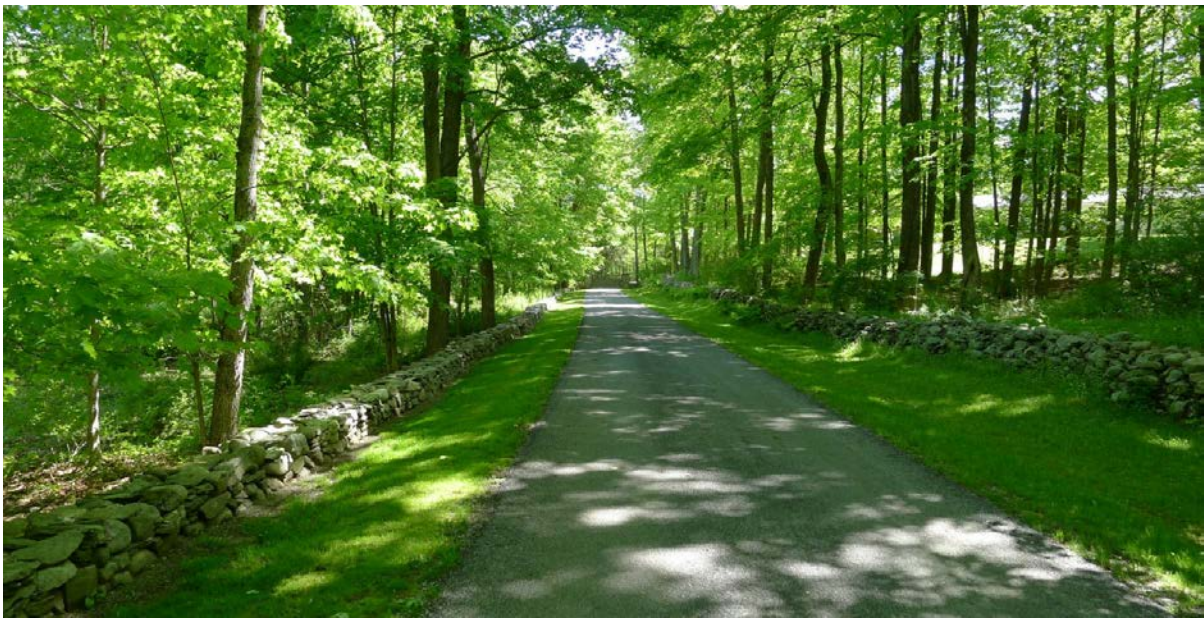
Outlook

As has been the case for some time, we remain generally optimistic about the prospects for the Hudson Valley luxury real estate market. Sales have remained fairly steady at 40 or more properties per quarter for nearly two years, and the U.S. economy remains in growth mode. Mortgage rates, though up a bit, are still modest by historical standards. Inventory levels are about on par with last year at this time, with 383 properties for sale in the first quarter versus 385 a year earlier.

Only time will tell how recent changes to the federal tax code will impact the local real estate market. Those changes cap deductions for mortgage interest and state and local taxes, including property taxes. The state of New York has enacted legislation designed to work around those restrictions, effectively converting local property taxes to charitable contributions, and state income taxes to a payroll tax. But the legislation almost certainly will be challenged by the federal government.

Meanwhile, we continue to see strong traffic through our office, with an uptick in interest at the higher end of the market from both buyers and sellers. While that has yet to be reflected in sales figures, we take it as a good sign. Also encouraging are the seven land sales in the first quarter of this year. Over the course of many years in this business, we have seldom seen an active market for land when prospects for real estate were dim. Finally, one has to be encouraged by the extraordinary narrowing of the average listing discount in Ulster County during the first quarter. Even if that figure widens a bit going forward, which would not surprise us, it suggests that buyers and sellers are becoming more in sync on what constitutes a fair price for property in the Hudson Valley. And that's always a healthy development for the real estate market.



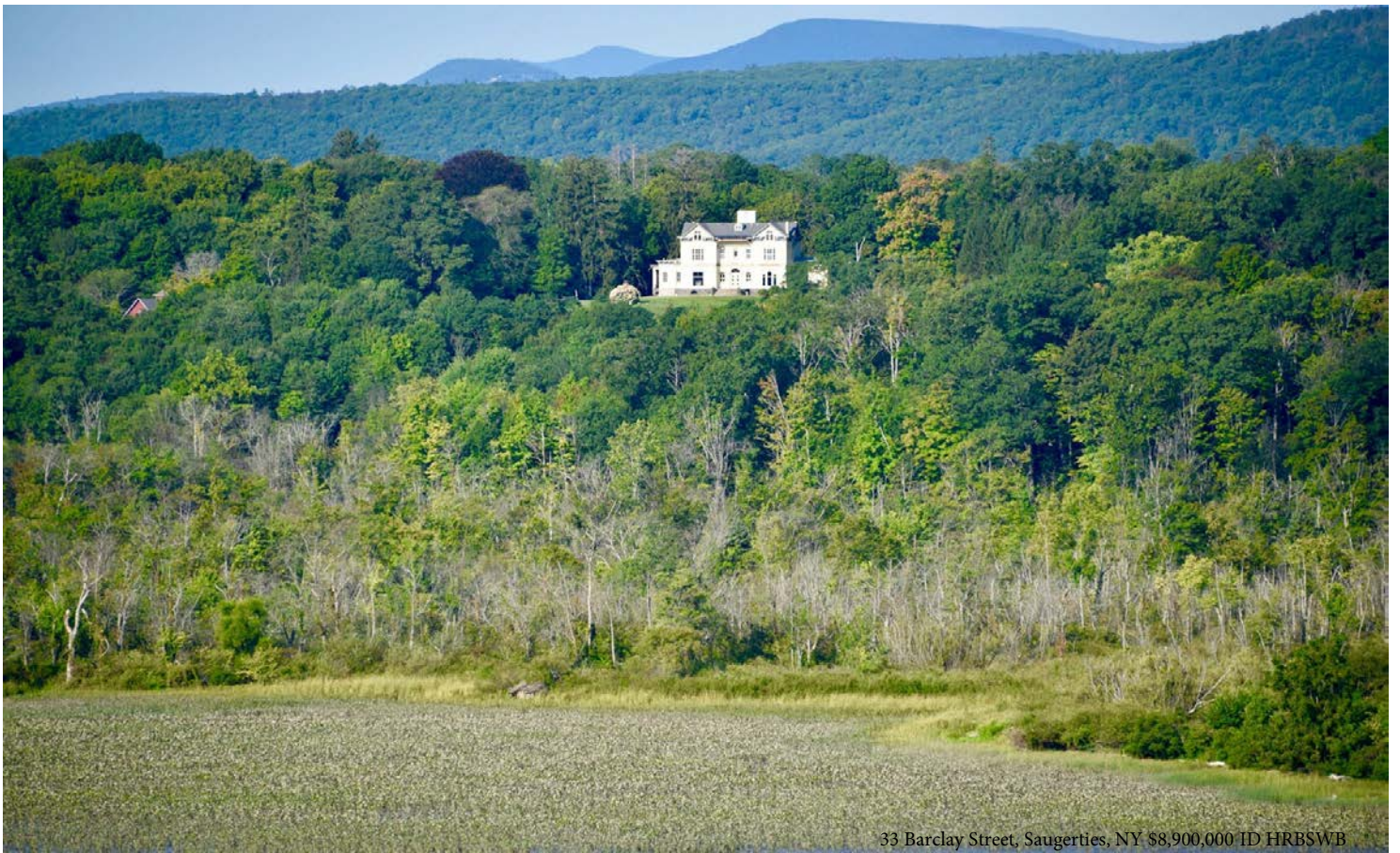


HUDSON VALLEY LUXURY MARKET SALES IN Q1 2018 BY MARKET SUBSET

Category	Region	# Sales	Median Price
\$750,000-\$999,999	All Hudson Valley	22	\$821,843
	Columbia County	6	\$797,500
	Dutchess County	8	\$864,900
	Ulster County	8	\$820,593
\$1,000,000-\$1,999,999	All Hudson Valley	18	\$1,362,500
	Columbia County	9	\$1,325,000
	Dutchess County	4	\$1,486,000
	Ulster County	5	\$1,250,000
\$2,000,000-\$3,999,999	All Hudson Valley	4	\$2,825,000
	Columbia County	0	n/a
	Dutchess County	3	\$2,650,000
	Ulster County	1	\$3,000,000
\$4,000,000 +	All Hudson Valley	1	\$4,850,000
	Columbia County	0	n/a
	Dutchess County	1	\$4,850,000
	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
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



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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.

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APPENDIX

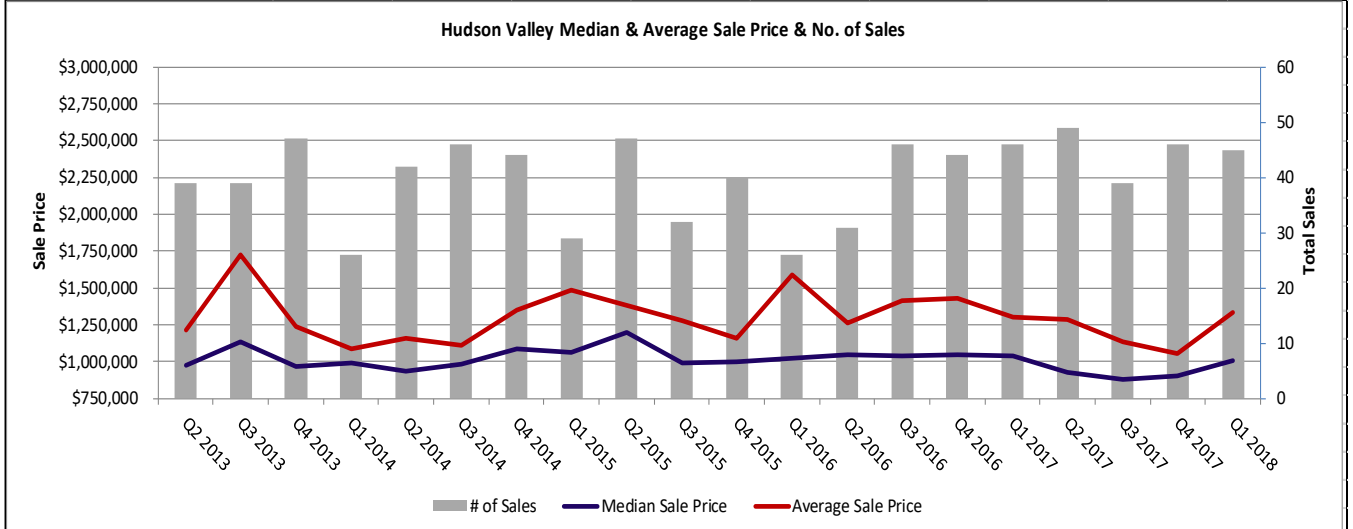
Hudson Valley

Hudson Valley Market Matrix, All Sales \$750,000 and over									
	2014	2015	2016	2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Median Sale Price	\$ 988,750	\$ 1,037,500	\$ 1,050,000	\$ 935,000	\$ 1,042,500	\$ 930,000	\$ 876,000	\$ 905,463	\$ 1,010,000
Average Sale Price	\$ 1,187,938	\$ 1,317,201	\$ 1,419,212	\$ 1,196,059	\$ 1,300,422	\$ 1,287,787	\$ 1,127,434	\$ 1,053,661	\$ 1,338,352
# of Sales	158	148	147	181	46	49	40	46	45
Avg. DOM	205	152	218	179	186	223	147	143	237
Avg. List Price	\$ 1,856,298	\$ 1,448,072	\$ 1,279,133	\$ 1,267,000	\$ 1,381,584	\$ 1,428,793	\$ 1,215,198	\$ 1,055,073	\$ 1,373,200
Listing Discount	-14.47%	-9.16%	-9.78%	-7.36%	-8.56%	-6.54%	-7.26%	-5.96%	-6.99%
Listing Inventory	469	492	499	435	385	458	451	446	383

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

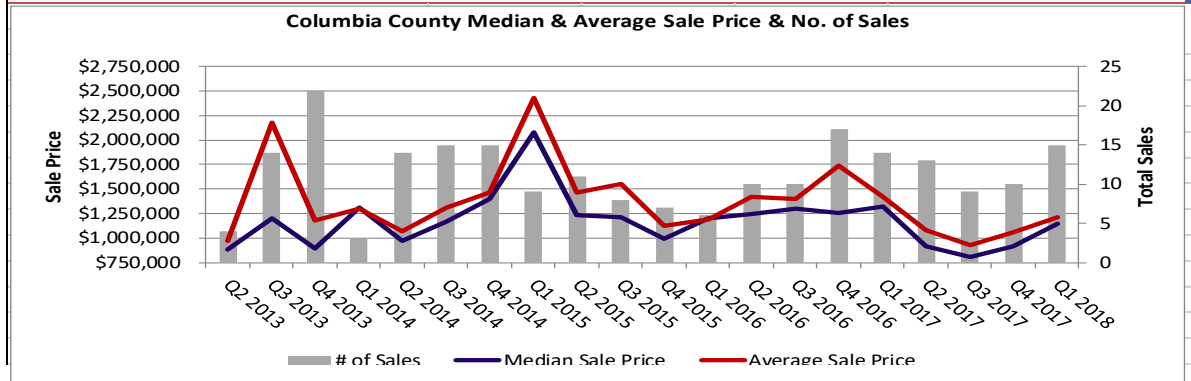
Hudson Valley Median Sale Price by Market Subset									
	2014	2015	2016	2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
\$750,000 - \$999,999									
Median	\$ 869,725	\$ 870,000	\$ 825,000	\$ 847,750	\$ 875,861	\$ 850,000	\$ 815,000	\$ 825,000	\$ 821,843
# of Sales	87	70	71	106	22	27	28	29	22
\$1,000,000 - \$1,999,999									
Median	\$ 1,325,000	\$ 1,286,500	\$ 1,395,000	\$ 1,325,000	\$ 1,400,000	\$ 1,275,000	\$ 1,382,500	\$ 1,250,000	\$ 1,362,500
# of Sales	60	59	55	57	19	15	8	15	18
\$2,000,000 - \$3,999,999									
Median	\$ 2,287,500	\$ 2,549,000	\$ 2,275,000	\$ 2,500,000	\$ 2,525,000	\$ 2,450,000	\$ 2,550,000	\$ 2,025,000	\$ 2,825,000
# of Sales	10	18	16	17	5	6	4	2	4
\$4,000,000 +									
Median	\$ 5,000,000	\$ 4,682,091	\$ 6,500,000	\$ 6,300,000	-	\$ 6,300,000	-	-	\$ 4,850,000
# of Sales	1	1	5	1	0	1	0	0	1

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	\$ 937,250
Average Sale Price	\$ 1,476,050	\$ 1,287,485	\$ 1,662,692	\$ 1,481,739	\$ 1,140,040
# of Sales	44	47	35	43	46
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%
Median Sale Price by Market Subset	2013	2014	2015	2016	2017
<i>\$750,000 - \$999,999</i>					
Median	\$ 872,000	\$ 865,000	\$ 861,250	\$ 853,750	\$ 845,000
# of Sales	24	19	10	16	29
<i>\$1,000,000 - \$1,999,999</i>					
Median	\$ 1,277,500	\$ 1,325,000	\$ 1,235,000	\$ 1,409,000	\$ 1,350,000
# of Sales	14	23	15	20	13
<i>\$2,000,000 - \$3,999,999</i>					
Median	\$ 2,772,500	\$ 2,075,000	\$ 2,257,500	\$ 2,465,625	\$ 2,500,000
# of Sales	4	5	9	6	4
<i>\$4,000,000 +</i>					
Median	\$ 7,500,000	---	\$ 4,682,091	\$ 7,000,000	---
# of Sales	2	0	1	1	0

Columbia County Market Matrix	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Median Sale Price	\$ 1,318,750	\$ 915,000	\$ 810,000	\$ 937,250	\$ 1,150,000
Average Sale Price	\$ 1,420,179	\$ 1,085,000	\$ 926,650	\$ 1,011,450	\$ 1,214,427
# of Sales	14	13	9	10	15
Avg. DOM	106	309	109	170	325
Avg. List Price	\$ 1,446,300	\$ 1,247,100	\$ 1,188,571	\$ 1,009,369	\$ 1,327,643
Listing Discount	-6.28%	-7.47%	-8.77%	-6.95%	-11.68%
Listing Inventory	140	158	155	119	135
Median Sale Price by Market Subset	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
<i>\$750,000 - \$999,999</i>					
Median	\$ 862,500	\$ 850,000	\$ 810,000	\$ 890,000	\$ 797,500
# of Sales	6	9	7	7	6
<i>\$1,000,000 - \$1,999,999</i>					
Median	\$ 1,560,000	\$ 1,350,000	\$ 1,222,500	\$ 1,325,000	\$ 1,325,000
# of Sales	5	3	2	3	9
<i>\$2,000,000 - \$3,999,999</i>					
Median	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -
# of Sales	3	1	0	0	0
<i>\$4,000,000 +</i>					
Median	---	---	---	---	---
# of Sales	0	0	0	0	0



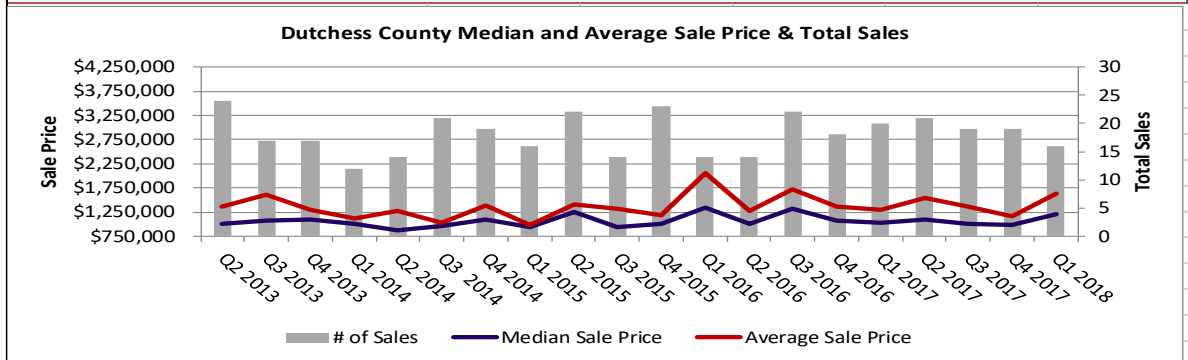
Dutchess County Market Matrix	2013	2014	2015	2016	2017
Median Sale Price	\$ 1,037,500	\$ 985,000	\$ 999,999	\$ 1,166,250	\$ 997,000
Average Sale Price	\$ 1,488,527	\$ 1,203,050	\$ 1,236,350	\$ 1,598,420	\$ 1,338,096
# of Sales	74	66	75	68	80
Avg. DOM	185	218	235	226	199
Avg. List Price	\$ 2,329,958	\$ 2,107,503	\$ 1,607,587	\$ 1,411,920	\$ 1,482,805
Listing Discount	-10.50%	-15.20%	-8.45%	-9.70%	-8.54%

Median Sale Price by Market Subset	2013	2014	2015	2016	2017
\$750,000 - \$999,999					
Median	\$ 840,000	\$ 869,000	\$ 852,500	\$ 807,500	\$ 870,000
# of Sales	36	38	38	30	41
\$1,000,000 - \$1,999,999					
Median	\$ 1,350,000	\$ 1,325,000	\$ 1,317,500	\$ 1,400,000	\$ 1,375,000
# of Sales	27	23	31	24	27
\$2,000,000 - \$3,999,999					
Median	\$ 2,700,000	\$ 2,387,500	\$ 2,649,000	\$ 2,339,175	\$ 2,140,000
# of Sales	9	4	6	10	11
\$4,000,000 +					
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	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Median Sale Price	\$ 1,037,000	\$ 1,100,000	\$ 960,000	\$ 990,000	\$ 1,210,605
Average Sale Price	\$ 1,295,296	\$ 1,541,112	\$ 1,338,700	\$ 1,158,128	\$ 1,627,496
# of Sales	20	21	20	19	16
Avg. DOM	227	183	228	127	261
Avg. List Price	\$ 1,321,053	\$ 1,882,687	\$ 1,501,833	\$ 1,188,033	\$ 1,661,660
Listing Discount	-8.64%	-8.03%	-9.38%	-4.77%	-8.30%
Listing Inventory	137	169	174	169	153

Median Sale Price by Market Subset	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
\$750,000 - \$999,999					
Median	\$ 893,361	\$ 855,250	\$ 815,000	\$ 880,000	\$ 864,900
# of Sales	10	10	11	10	8
\$1,000,000 - \$1,999,999					
Median	\$ 1,400,000	\$ 1,335,000	\$ 1,390,000	\$ 1,250,000	\$ 1,486,000
# of Sales	9	6	5	7	4
\$2,000,000 - \$3,999,999					
Median	\$ 3,750,000	\$ 2,270,000	\$ 2,550,000	\$ 2,025,000	\$ 2,650,000
# of Sales	1	4	4	2	3
\$4,000,000 +					
Median	-	\$ 6,300,000	-	-	\$ 4,850,000
# of Sales	0	1	0	0	1



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%
Median Sale Price by Market Subset					
	2013	2014	2015	2016	2017
\$750,000 - \$999,999					
Median	\$ 850,000	\$ 889,750	\$ 883,500	\$ 845,000	\$ 825,000
# of Sales	17	30	22	25	36
\$1,000,000 - \$1,999,999					
Median	\$ 1,290,000	\$ 1,292,650	\$ 1,228,000	\$ 1,162,500	\$ 1,140,000
# of Sales	15	14	13	11	17
\$2,000,000+					
Median	\$ 2,500,000	\$ 2,614,700	\$ 2,500,000	0	\$ 2,973,500
# of Sales	3	1	3	-	2

Ulster County Market Matrix	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Median Sale Price	\$ 980,000	\$ 925,000	\$ 847,500	\$ 810,000	\$ 989,250
Average Sale Price	\$ 1,169,250	\$ 1,108,880	\$ 907,591	\$ 961,735	\$ 1,140,677
# of Sales	12	15	11	17	14
Avg. DOM	225	178	105	133	124
Avg. List Price	\$ 1,377,400	\$ 1,156,593	\$ 955,190	\$ 967,818	\$ 1,130,299
Listing Discount	-10.30%	-4.13%	-3.62%	-6.15%	-1.00%
Listing Inventory	108	131	122	158	95
Median Sale Price by Market Subset					
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
\$750,000 - \$999,999					
Median	\$ 875,000	\$ 847,500	\$ 838,250	\$ 790,000	\$ 820,593
# of Sales	6	8	10	12	8
\$1,000,000 - \$1,999,999					
Median	\$ 1,065,000	\$ 1,120,000	\$ 1,575,000	\$ 1,217,500	\$ 1,250,000
# of Sales	5	6	1	5	5
\$2,000,000+					
Median	\$ 3,050,000	\$ 2,897,000	\$ -	\$ -	\$ 3,000,000
# of Sales	1	1	0	0	1

