

THIRD QUARTER 2016 | WESTCHESTER-HUDSON VALLEY

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# REAL ESTATE MARKET REPORT



# REAL ESTATE MARKET REPORT

## WESTCHESTER & HUDSON VALLEY

### MARKET OVERVIEW

The housing market in Westchester and the Hudson Valley in the third quarter of 2016 defied the standard economic laws of supply and demand. Sales were up and inventory was down, but prices were flat across the board. Why? Maybe buyers are just leery of making a move during a tumultuous presidential election year.

**Sales activity continues to increase throughout the region.** Sales were up compared to the third quarter of last year in every county in the Report, ranging from a modest 2% increase in Westchester to a robust 18% rise in Orange. We've now seen sustained sales increases for almost five years, with regional year-on-year sales going up in 17 out of the last 19 quarters. And we're reaching transactional totals we haven't seen since the height of the last seller's market, with the region hitting 15,000 single-family home sales for the first time since 2016. We did see some signs, though, that the pace of growth might be slowing: regional sales were up only 8% for the quarter, relatively disappointing in a rolling year where sales rose almost 17%.

**Inventory continues to tighten throughout the region.** The supply of homes for sale is falling throughout the region, down in almost every county in the Report: dropping 20% in Westchester, 31% in Putnam, 17% in Rockland, and 21% in Orange. And if you look at the months of inventory available given the current rate of sales, we are already approaching the six-month inventory level that usually signals a tight seller's market. For single-family homes, Westchester is already below six months at 5.8, and the other counties are getting close: Putnam at 7.3, Rockland at 6.4, and Orange at 8.1. And for condos, it's the same story: Westchester at 3.7, Putnam at 4.7, Rockland at 7.1, and Orange right at 6.0.

**So with demand up and supply down, why aren't prices rising?** Prices were down modestly throughout the region, and in most of the counties in this Report. We can think of three reasons.

1. *Disproportionate strength in the lower-end markets.* The fact that sales were up 18% in lower-priced Orange and only 2% in higher-priced Westchester might be a sign that demand is stronger at the entry-level. That would tend to drive overall pricing down a bit.

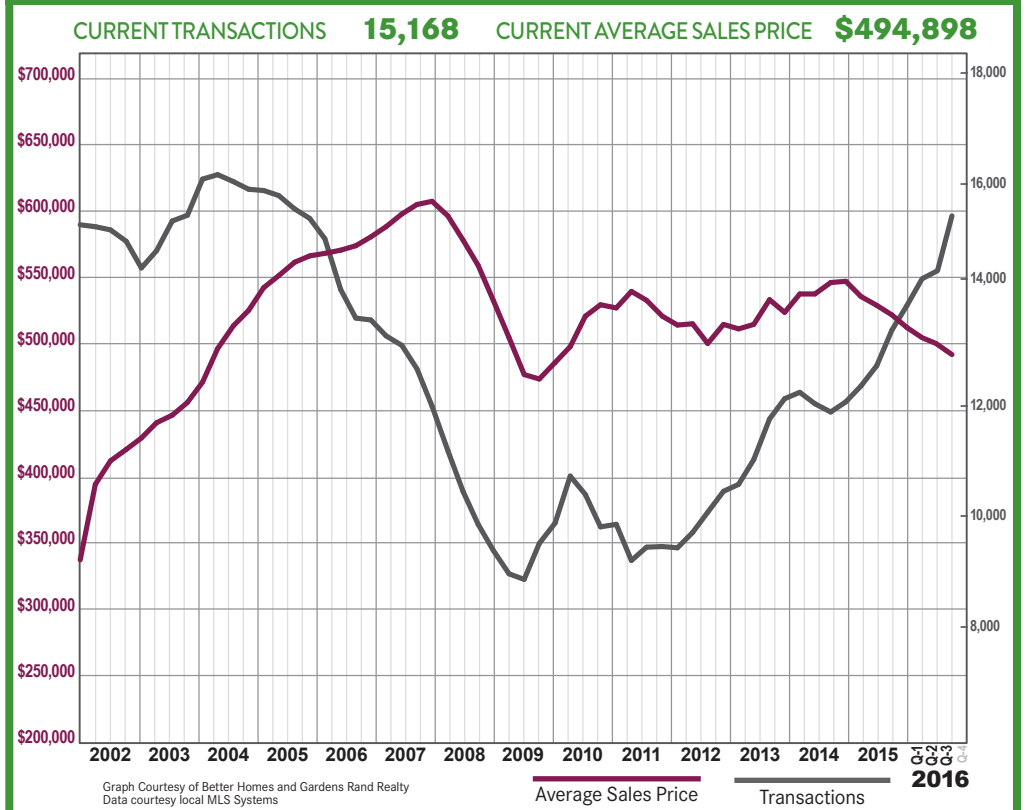
2. *Buyers are still spooked by the financial crisis and meltdown of 2008-09.* Maybe buyers aren't yet willing to give in to seller demands for higher prices – that would blunt the impact of declines

in inventory, and might also explain why sales increases have tapered a bit.

3. *The impact of a particularly tumultuous presidential election year.* It's tough to get data on this, because we have so few presidential election years to use as comparison points. But real estate agents have traditionally complained about the difficulty of selling homes during a presidential election – and we expect that this election is especially fraught for home buyers (on both sides).

**Going forward, we are hopeful that the market will close the year well.** The fundamentals of our regional market are strong: demand is high, inventory is falling, interest rates are near historic lows, and the overall economy is doing fine. Accordingly, we expect that sales will continue to outpace 2015 levels, and believe it's only a matter of time before these falling inventory levels start driving meaningful price appreciation throughout the region.

### WESTCHESTER & HUDSON VALLEY SINGLE FAMILY HOMES ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



SINGLE FAMILY HOME  
YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$619,000** -2.5%

TOTAL UNITS CLOSED

**6,182** 11.0%

PRICE PER SQUARE FOOT

**\$320** -2.1%

AVERAGE DAYS ON MARKET

**162** -2.9%

MONTHS OF INVENTORY

**6.0** -16.7%

## MARKET OVERVIEW

The Westchester housing market softened in the third quarter of 2016, with sales flat and prices continuing to weaken even in the face of falling inventory.

**SALES.** Sales activity was up, but not at the pace that we've seen over the past few years. Single-family home sales rose, but only by about 2%. Similarly, coop sales were actually down by almost 3%, and condo sales fell just a tick. Transactions are still up for the rolling year, rising 11% in single-family homes, 6% in coops, and almost 12% in condos. But we might be seeing a cooling of the sizzling buyer demand that's been driving sales up in this market for the past five years.

**PRICES.** We continued to see some weakness in Westchester pricing, with single-family home prices down 3% on average, 1% at the median, and almost 2% in the price-per-square foot. Pricing in the condo and coop markets was a little more mixed, but the overall takeaway is that sustained levels of buyer demand over the past five years have done little to drive price appreciation.

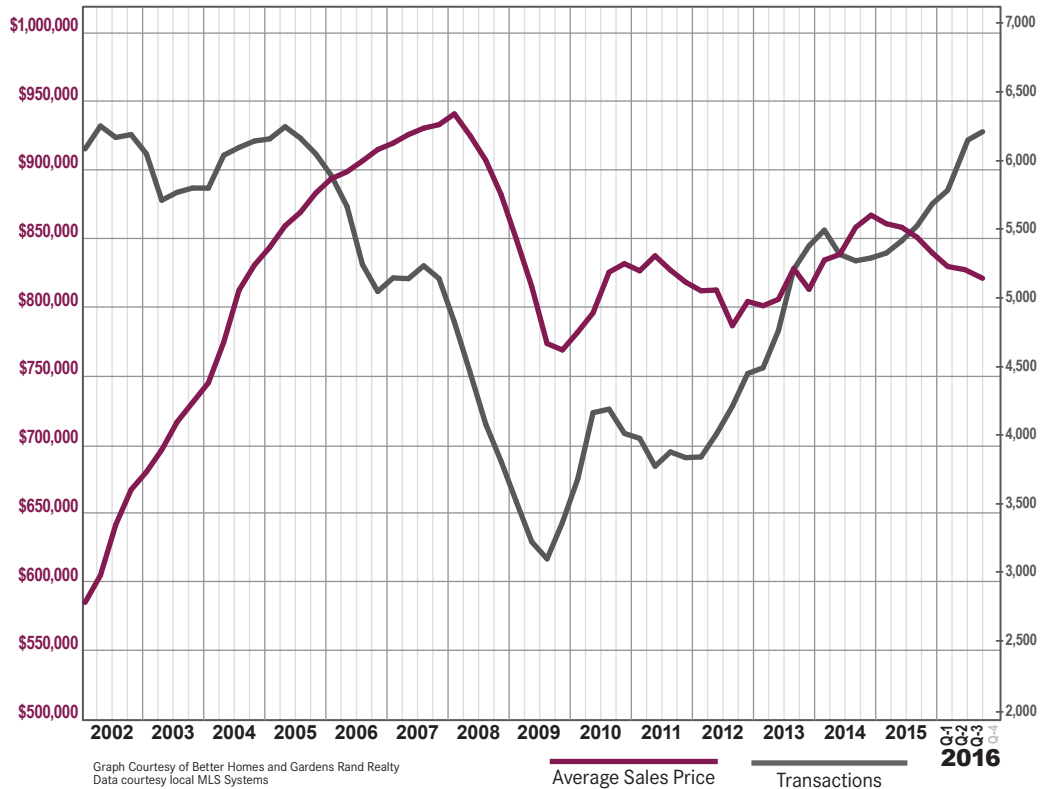
**INVENTORY.** Inventory levels continue to drop, now under six months of inventory for all property types. That might explain the relative slack in market activity, if buyers are still adjusting to the limited inventory available. But if inventory continues to fall, and demand maintains its current levels, we might see the price appreciation we've been waiting for.

**NEGOTIABILITY.** The negotiability indicators were relatively hopeful. Sellers seem to be gaining a little bit of negotiating leverage, with single-family home sellers now retaining over 98% of their last list price. And homes are now selling in under six months, which is relatively quick by historical standards.

Going forward, we continue to believe that the fundamentals in the Westchester market are strong. With inventory tightening, pricing at 2004-05 levels, interest rates near historic lows, and a generally improving economy, we expect that buyer demand will stay strong and eventually drive meaningful price appreciation.

# WESTCHESTER COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty  
Data courtesy local MLS Systems

| RESIDENTIAL TRENDS         | CURRENT 2016-Q3 | PRIOR YEAR 2015-Q3 | % CHANGE FROM PRIOR YR-QTR | ROLLING YTD Q3-2016 | PRIOR ROLLING YTD Q3-2015 | % CHANGE FROM PRIOR CALENDAR YEAR |
|----------------------------|-----------------|--------------------|----------------------------|---------------------|---------------------------|-----------------------------------|
| <b>SINGLE FAMILY HOMES</b> |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 2,105           | 2,060              | 2.2%                       | 6,182               | 5,570                     | 11.0%                             |
| AVERAGE SELLING PRICE      | \$867,968       | \$894,575          | -3.0%                      | \$813,615           | \$848,427                 | -4.1%                             |
| MEDIAN SELLING PRICE       | \$670,000       | \$679,000          | -1.3%                      | \$619,000           | \$635,000                 | -2.5%                             |
| PRICE PER SQUARE FOOT      | \$335           | \$341              | -1.8%                      | \$320               | \$327                     | -2.1%                             |
| LISTING RETENTION          | 98.2%           | 97.8%              | 0.4%                       | 97.4%               | 97.1%                     | 0.4%                              |
| AVERAGE DOM                | 151             | 147                | 2.7%                       | 162                 | 166                       | -2.9%                             |
| MONTHS OF INVENTORY        | 5.8             | 8.0                | -27.5%                     | 6.0                 | 7.2                       | -16.7%                            |
| <b>CONDOMINIUMS</b>        |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 402             | 405                | -0.7%                      | 1,419               | 1,271                     | 11.6%                             |
| AVERAGE SELLING PRICE      | \$419,852       | \$438,022          | -4.1%                      | \$419,628           | \$434,209                 | -3.4%                             |
| MEDIAN SELLING PRICE       | \$372,000       | \$369,000          | 0.8%                       | \$350,000           | 350,000                   | 0.0%                              |
| PRICE PER SQUARE FOOT      | \$294           | \$304              | -3.3%                      | \$304               | \$305                     | -0.2%                             |
| LISTING RETENTION          | 97.2%           | 97.0%              | 0.2%                       | 96.7%               | 96.5%                     | 0.3%                              |
| AVERAGE DOM                | 144             | 144                | 0.0%                       | 152                 | 157                       | -3.3%                             |
| MONTHS OF INVENTORY        | 3.7             | 5.4                | -31.7%                     | 4.1                 | 5.7                       | -27.6%                            |
| <b>COOP PROPERTIES</b>     |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 534             | 548                | -2.6%                      | 1,902               | 1,794                     | 6.0%                              |
| AVERAGE SELLING PRICE      | \$195,830       | \$193,305          | 1.3%                       | \$181,460           | \$181,677                 | -0.1%                             |
| MEDIAN SELLING PRICE       | \$157,000       | \$162,750          | -3.5%                      | \$151,000           | \$150,000                 | 0.7%                              |
| PRICE PER SQUARE FOOT      | \$207           | \$201              | 3.0%                       | \$195               | \$191                     | 2.1%                              |
| LISTING RETENTION          | 96.2%           | 95.2%              | 1.1%                       | 95.8%               | 94.9%                     | 1.0%                              |
| AVERAGE DOM                | 179             | 192                | -6.8%                      | 192                 | 207                       | -7.4%                             |
| MONTHS OF INVENTORY        | 5.6             | 7.7                | -27.5%                     | 5.9                 | 7.8                       | -24.2%                            |

SINGLE FAMILY HOME  
YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$420,000** ▲ 2.7%

TOTAL UNITS CLOSED

**2,066** ▲ 20%

PRICE PER SQUARE FOOT

**\$203** ▲ 2.1%

AVERAGE DAYS ON MARKET

**179** ▼ -4.3%

MONTHS OF INVENTORY

**6.8** ▼ -26.9%

## MARKET OVERVIEW

The Rockland County market surged again in the third quarter of 2016, with a dramatic increase in sales finally driving a meaningful yearly increase in prices.

**SALES.** Rockland single-family sales were up yet again, rising almost 13% from last year's third quarter and up 20% for the rolling year. We've now seen sustained rates of growth for over four years, with transactions up for eight straight quarters and 16 out of the last 17. Indeed, we eclipsed 2,000 single-family sales in the rolling year for the first time in over 10 years, at the height of the last seller's market. Sales were similarly torrid in the condo market, which was up almost 38% for the quarter and 15% for the year.

**PRICES.** Rockland pricing is finally showing meaningful signs of price appreciation. As we noted in our last Report, the 10% spring spike in prices was not sustainable, and we saw pricing come back to earth a little bit in the third quarter: down over 2% on average, and up a tick at the median. But the rolling year single-family prices are demonstrating the kind of appreciation that is sustainable over time, up about 3% on both the average and the median. Rockland homeowners should be happy with this trend.

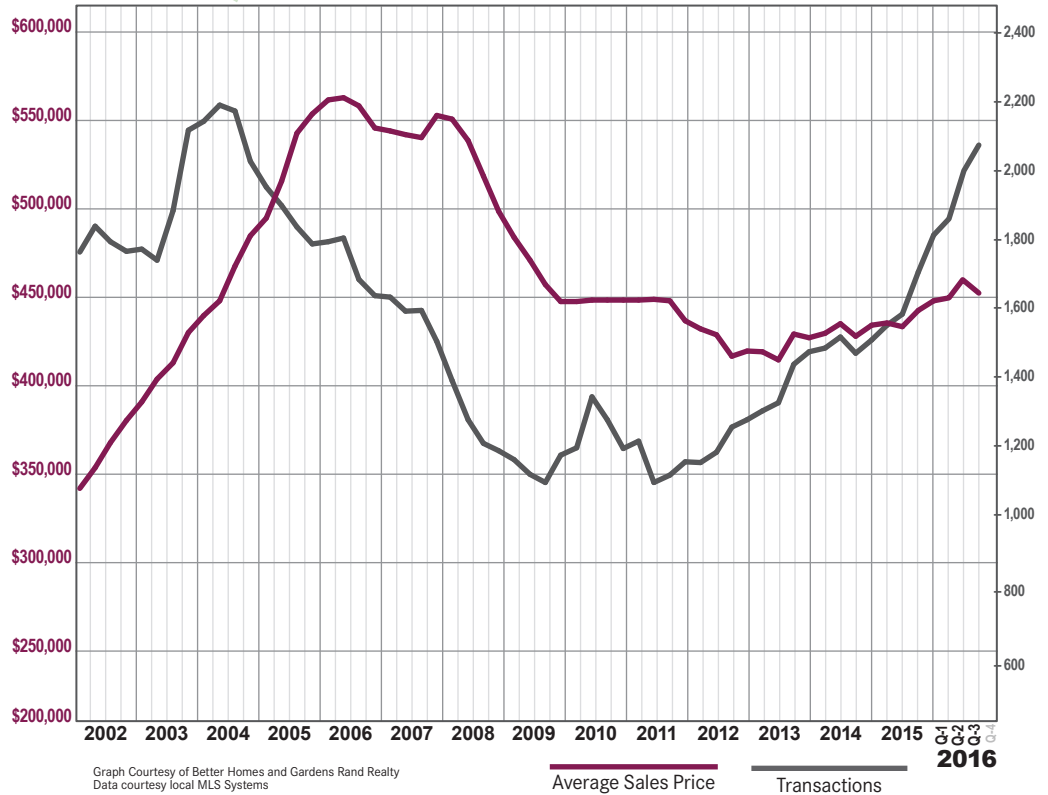
**INVENTORY.** Available inventory continues to fall, with single-family homes and condos both approaching the six-month level that usually denotes a "tight" market. If inventory continues to fall, and buyer demand stays at its current levels, then we are likely to see continued price appreciation in the future as buyers chase fewer available homes.

**NEGOTIABILITY.** Single-family homes sold more quickly and for closer to the asking price, which is generally a sign that sellers are gaining negotiating leverage with buyers. The condo results were more mixed, with the listing retention rate falling slightly even while the days-on-market hit the six-month mark.

Going forward, we believe that buyer demand in Rockland will stay strong through the end of the year, with prices still at attractive levels, interest rates low, and the economy generally strengthening. Indeed, we expect that Rockland will have its best year since the height of the last seller's market.

# ROCKLAND COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



| RESIDENTIAL TRENDS         | CURRENT 2016-Q3 | PRIOR YEAR 2015-Q3 | % CHANGE FROM PRIOR YR-QTR | ROLLING YTD Q3-2016 | PRIOR ROLLING YTD Q3-2015 | % CHANGE FROM PRIOR CALENDAR YEAR |
|----------------------------|-----------------|--------------------|----------------------------|---------------------|---------------------------|-----------------------------------|
| <b>SINGLE FAMILY HOMES</b> |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 679             | 602                | 12.8%                      | 2,066               | 1,721                     | 20.0%                             |
| AVERAGE SELLING PRICE      | \$454,566       | \$465,230          | -2.3%                      | \$454,534           | \$440,881                 | 3.1%                              |
| MEDIAN SELLING PRICE       | \$429,000       | \$425,000          | 0.9%                       | \$420,000           | \$409,000                 | 2.7%                              |
| PRICE PER SQUARE FOOT      | \$204           | \$207              | -1.4%                      | \$203               | \$199                     | 2.1%                              |
| LISTING RETENTION          | 96.8%           | 96.7%              | 0.1%                       | 96.6%               | 95.7%                     | 0.9%                              |
| AVERAGE DOM                | 161             | 165                | -2.4%                      | 179                 | 187                       | -4.3%                             |
| MONTHS OF INVENTORY        | 6.4             | 9.3                | -31.3%                     | 6.8                 | 9.3                       | -26.9%                            |
| <b>CONDOMINIUMS</b>        |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 143             | 104                | 37.5%                      | 454                 | 396                       | 14.6%                             |
| AVERAGE SELLING PRICE      | \$267,362       | \$263,239          | 1.6%                       | \$255,216           | \$252,851                 | 0.9%                              |
| MEDIAN SELLING PRICE       | \$230,000       | \$250,575          | -8.2%                      | \$212,000           | \$225,000                 | -5.8%                             |
| PRICE PER SQUARE FOOT      | \$197           | \$191              | 3.1%                       | \$197               | \$193                     | 1.9%                              |
| LISTING RETENTION          | 95.6%           | 96.5%              | -0.9%                      | 95.0%               | 95.7%                     | -0.7%                             |
| AVERAGE DOM                | 180             | 182                | -1.1%                      | 188                 | 184                       | 1.7%                              |
| MONTHS OF INVENTORY        | 7.1             | 9.5                | -25.6%                     | 8.0                 | 9.1                       | -11.8%                            |

SINGLE FAMILY HOME  
YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$225,000**

0.0%

TOTAL UNITS CLOSED

**3,398**

25.2%

PRICE PER SQUARE FOOT

**\$123**

1.1%

AVERAGE DAYS ON MARKET

**203**

-4.6%

MONTHS OF INVENTORY

**9.1**

-33.1%

## MARKET OVERVIEW

The Orange County housing market surged again in the third quarter of 2016, with sales up dramatically and, more importantly, the first signs of meaningful price appreciation since the 2008-09 financial crisis.

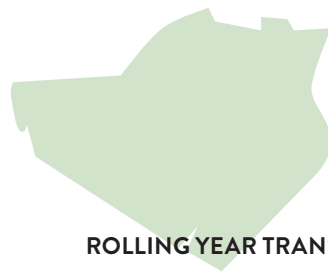
**SALES.** Orange single-family sales were up yet again, rising over 18% from last year and now up over 25% for the rolling year. This continues a trend we've been watching for over four years, with Orange sales now up eight quarters in a row and 17 out of the last 18. And the 3,400 single-family sales for the rolling year marked the highest yearly total we've seen since the third quarter of 2006 -- exactly ten years ago, at the top of the last seller's market.

**PRICES.** These sustained increases in buyer demand are finally having a meaningful impact on pricing, with prices up across the board in the third quarter: up almost 4% on average, 3% at the median, and 4% in the price-per-square foot. This is all great news for Orange homeowners, who have been impatiently waiting for pricing to rebound since the 2008-09 financial crisis.

**NEGOTIABILITY.** The number of available homes for sale continues to fall, with inventory dropping almost 38% and now down to about eight months for single-family homes and six months for condos. According to industry standards, anything below six months of inventory indicates a "tight" market that usually drives price appreciation. The other negotiability factors were mixed, with homes selling for closer to the asking price but days-on-market relatively flat.

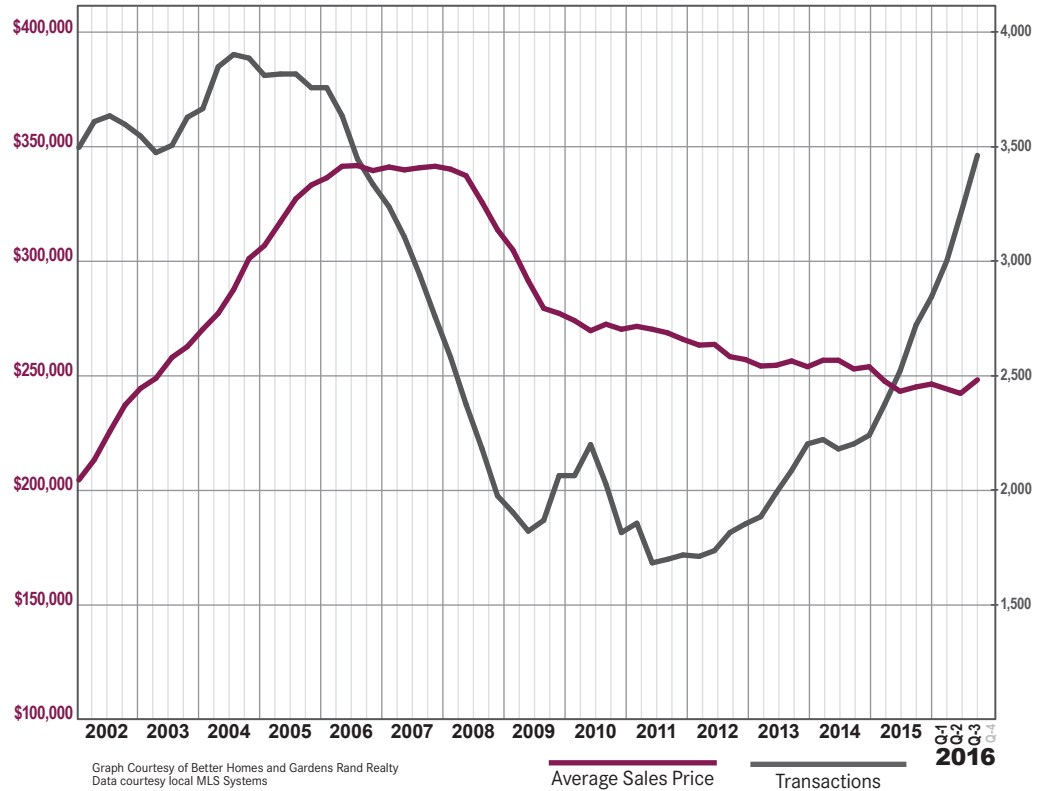
**CONDOMINIUMS.** The Orange condo market was not as active, with sales down almost 8% for the quarter. But prices showed similar signs of rebounding, with the average up almost 2%, the median up 3%, and the price-per-square foot spiking 7%. If the single-family market continues to heat up, we expect that the condo market will follow.

Going forward, we believe that the Orange County housing market is looking at its best year since the height of the last seller's market. The fundamentals are strong: demand is high, prices are still attractive, interest rates are at historic lows, and the economy is generally improving. We expect a strong finish for the year, and meaningful price appreciation in 2017.



# ORANGE COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty  
Data courtesy local MLS Systems

| RESIDENTIAL TRENDS         | CURRENT   | PRIOR YEAR | % CHANGE          | ROLLING     | PRIOR               | % CHANGE                 |
|----------------------------|-----------|------------|-------------------|-------------|---------------------|--------------------------|
|                            | 2016-Q3   | 2015-Q3    | FROM PRIOR YR-QTR | YTD Q3-2016 | ROLLING YTD Q3-2015 | FROM PRIOR CALENDAR YEAR |
| <b>SINGLE FAMILY HOMES</b> |           |            |                   |             |                     |                          |
| TOTAL CLOSED SALES         | 1,039     | 880        | 18.1%             | 3,398       | 2,714               | 25.2%                    |
| AVERAGE SELLING PRICE      | \$262,976 | \$253,979  | 3.5%              | \$244,638   | \$242,883           | 0.7%                     |
| MEDIAN SELLING PRICE       | \$244,000 | \$238,000  | 2.5%              | \$225,000   | \$225,000           | 0.0%                     |
| PRICE PER SQUARE FOOT      | \$130     | \$125      | 4.0%              | \$123       | \$121               | 1.1%                     |
| LISTING RETENTION          | 96.3%     | 95.5%      | 0.8%              | 95.8%       | 94.9%               | 0.9%                     |
| AVERAGE DOM                | 192       | 190        | 1.1%              | 203         | 213                 | -4.6%                    |
| MONTHS OF INVENTORY        | 8.1       | 13.0       | -37.7%            | 9.1         | 13.6                | -33.1%                   |
| <b>CONDOMINIUMS</b>        |           |            |                   |             |                     |                          |
| TOTAL CLOSED SALES         | 110       | 119        | -7.6%             | 388         | 350                 | 10.9%                    |
| AVERAGE SELLING PRICE      | \$164,346 | \$161,644  | 1.7%              | \$155,744   | \$162,237           | -4.0%                    |
| MEDIAN SELLING PRICE       | \$154,800 | \$151,000  | 2.5%              | \$145,000   | \$153,750           | -5.7%                    |
| PRICE PER SQUARE FOOT      | \$123     | \$115      | 7.0%              | \$118       | \$117               | 0.8%                     |
| LISTING RETENTION          | 95.5%     | 94.9%      | 0.6%              | 95.6%       | 94.6%               | 1.0%                     |
| AVERAGE DOM                | 163       | 195        | -16.4%            | 176         | 190                 | -7.1%                    |
| MONTHS OF INVENTORY        | 6.0       | 8.4        | -28.9%            | 6.8         | 10.0                | -32.1%                   |

SINGLE FAMILY HOME  
YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$325,000**

5.7%

TOTAL UNITS CLOSED

**1,085**

21.8%

PRICE PER SQUARE FOOT

**\$177**

0.3%

AVERAGE DAYS ON MARKET

**197**

-3.1%

MONTHS OF INVENTORY

**8.2**

-32.2%

## MARKET OVERVIEW

The Putnam County housing market surged again in the third quarter of 2016, with sales way up and prices stabilizing after a summer spike.

**SALES.** Putnam sales were up again in the third quarter, with single-family home closings up over 12% from last year and now up almost 22% for the year. The market is just sizzling, with transactions up in nine straight quarters and 17 out of the last 18. Similarly, condo sales were up almost 12%, and have risen almost 20% for the year. Putnam demand is strong right now.

**PRICES.** Even with all this demand, though, we're not seeing a dramatic impact on pricing. Single-family home prices were basically flat for the quarter, down a tick on average and up almost 2% at the median. Condo pricing was downright scary, falling almost 20% on both the average and the median, but we caution that the Putnam condo market is very thin and can be skewed by outliers. Overall, though, it's surprising that sustained buyer demand over almost five years has had so little impact on pricing.

**INVENTORY.** The good news for Putnam homeowners was that inventory was down again, falling almost 43% to 7.3 months of active single-family listings and 4.7 months for condos. Anything below six months usually signifies a tight seller's market, which would tend to drive the kind of appreciation we've been waiting for.

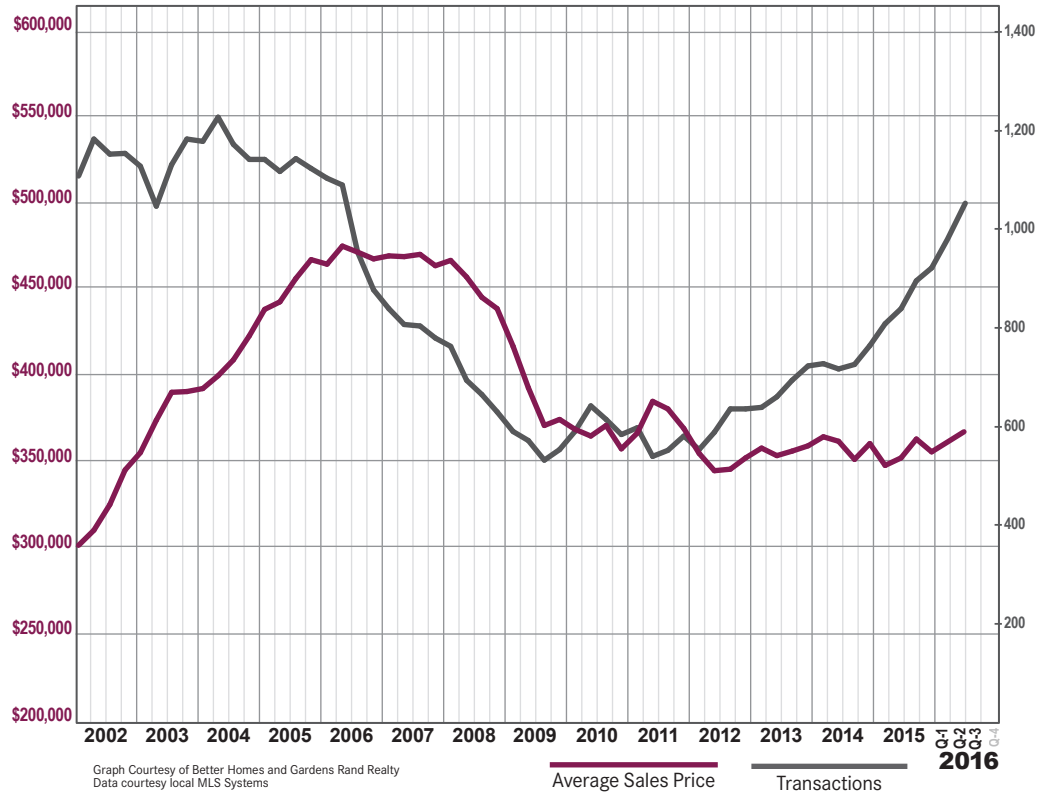
**NEGOTIABILITY.** The negotiability indicators showed that sellers continue to gain leverage with buyers, with the listing retention rate rising and days-on-market falling for both single-family and condo sellers. We would expect homes to continue to sell more quickly and for closer to the asking price if the market heats up.

Going forward, we do believe that the fundamentals of the market are strong, with demand high, prices at attractive levels, interest rates near historic lows, and a gradually improving economy. Accordingly, we expect the Putnam market to close the year strong, and to eventually drive some meaningful price appreciation.



# PUTNAM COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2002-PRESENT



Graph Courtesy of Better Homes and Gardens Rand Realty  
Data courtesy local MLS Systems

Average Sales Price Transactions

| RESIDENTIAL TRENDS         | CURRENT 2016-Q3 | PRIOR YEAR 2015-Q3 | % CHANGE FROM PRIOR YR-QTR | ROLLING YTD Q3-2016 | PRIOR ROLLING YTD Q3-2015 | % CHANGE FROM PRIOR CALENDAR YEAR |
|----------------------------|-----------------|--------------------|----------------------------|---------------------|---------------------------|-----------------------------------|
| <b>SINGLE FAMILY HOMES</b> |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 327             | 291                | 12.4%                      | 1,085               | 891                       | 21.8%                             |
| AVERAGE SELLING PRICE      | \$378,515       | \$378,745          | -0.1%                      | \$363,260           | \$362,264                 | 0.3%                              |
| MEDIAN SELLING PRICE       | \$340,000       | \$335,000          | 1.5%                       | \$325,000           | \$307,500                 | 5.7%                              |
| PRICE PER SQUARE FOOT      | \$181           | \$184              | -1.6%                      | \$177               | \$177                     | 0.3%                              |
| LISTING RETENTION          | 96.3%           | 95.5%              | 0.8%                       | 95.6%               | 95.2%                     | 0.5%                              |
| AVERAGE DOM                | 182             | 190                | -4.2%                      | 197                 | 203                       | -3.1%                             |
| MONTHS OF INVENTORY        | 7.3             | 12.7               | -42.6%                     | 8.2                 | 12.1                      | -32.2%                            |
| <b>CONDOMINIUMS</b>        |                 |                    |                            |                     |                           |                                   |
| TOTAL CLOSED SALES         | 48              | 43                 | 11.6%                      | 170                 | 142                       | 19.7%                             |
| AVERAGE SELLING PRICE      | \$225,159       | \$277,704          | -18.9%                     | \$253,261           | \$270,455                 | -6.4%                             |
| MEDIAN SELLING PRICE       | \$200,500       | \$260,000          | -22.9%                     | \$219,000           | \$240,000                 | -8.8%                             |
| PRICE PER SQUARE FOOT      | \$197           | \$166              | 18.7%                      | \$208               | \$191                     | 8.9%                              |
| LISTING RETENTION          | 96.8%           | 95.9%              | 0.9%                       | 96.3%               | 95.4%                     | 0.9%                              |
| AVERAGE DOM                | 164             | 176                | -6.8%                      | 175                 | 178                       | -1.9%                             |
| MONTHS OF INVENTORY        | 4.7             | 8.6                | -45.5%                     | 5.4                 | 8.9                       | -39.6%                            |

SINGLE FAMILY HOME  
YEAR-OVER-YEAR

# DASHBOARD

MEDIAN SALES PRICE

**\$255,000** ▲ 2.9%

TOTAL UNITS CLOSED

**2,437** ▲ 17.2%

PRICE PER SQUARE FOOT

**\$111** ▼ -6.3%

AVERAGE DAYS ON MARKET

**175** ▲ 1.9%

MONTHS OF INVENTORY

**14.9** ▼ -25.10%

## MARKET OVERVIEW

The Dutchess County housing market continued to strengthen in the third quarter of 2016, with a moderate increase in sales coupled with an eye-opening spike in pricing.

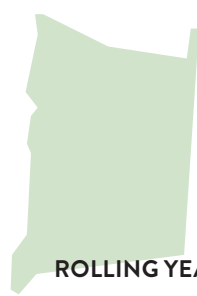
**SALES.** Dutchess single-family home sales were up again in the third quarter, rising 8% from last year. This marked the eighth quarter in a row with year-on-year sales increases, closing a rolling year where sales were up over 17%. With over 2,400 sales over the past 12 months, Dutchess is now closing homes at a rate that rivals what we saw during the last seller's market.

**PRICES.** This sustained increase in sales activity is finally having its expected impact on pricing. Single-family home prices spiked in the third quarter, rising an eye-popping 9% on average. That's not a sustainable increase, and is likely due to a few outliers in the data, especially when you see that the median and price-per-square foot metrics were up a more modest 2%. But even so, the rolling year average sales price increase of 4%, and the median price increase of 3%, are both positive indicators of where this market is likely going.

**NEGOTIABILITY.** Dutchess inventory continues to decline, now down over 26% to 14.1 months of active single-family listings. Although we are nowhere near the six-month level of inventory that usually signals a "seller's market," we are certainly seeing some tightening that could support further price appreciation. The other negotiability indicators - days-on-market and listing retention - were mixed.

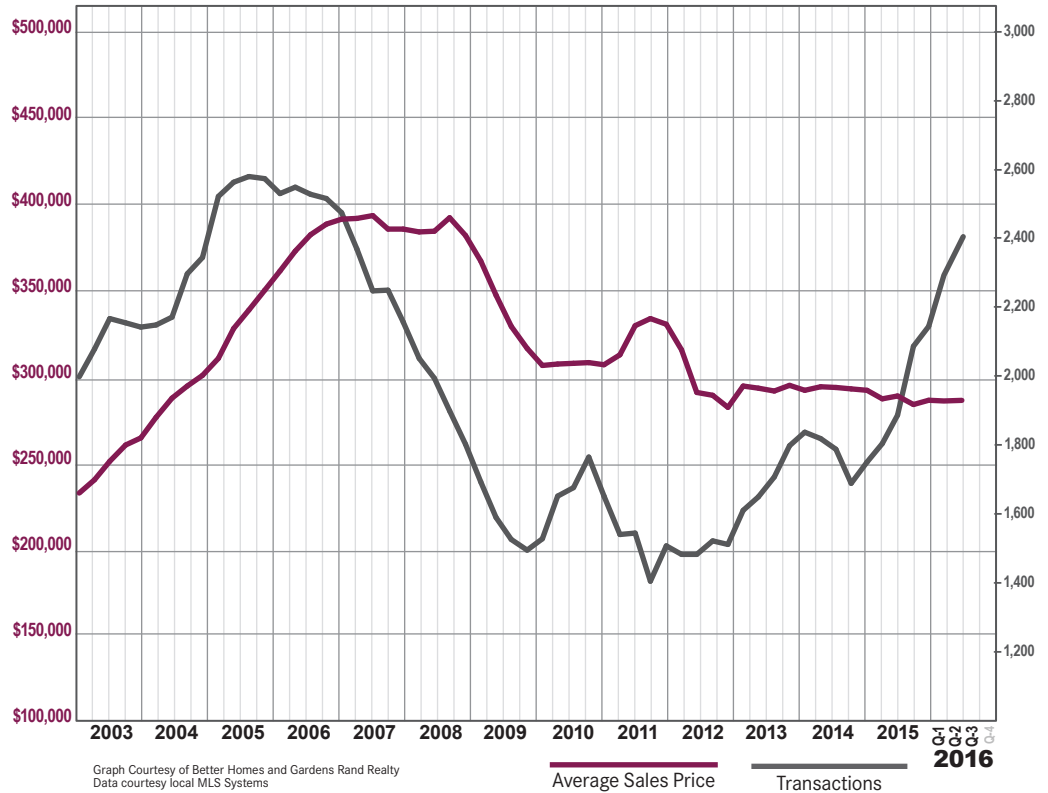
**CONDOMINIUMS.** The condo market was also up, with sales rising almost 18% and prices also spiking. For the year, condo sales are up 21%, and pricing is up across the board, although the 9% increase in the average price is probably not sustainable.

Going forward, we continue to believe that Dutchess is on the precipice of meaningful price appreciation. With a stable economy, low interest rates, and homes still priced at appealing 2004 levels (without even controlling for inflation), we believe that Dutchess will finish the year strong and see even better days in 2017.



# DUTCHESS COUNTY

## ROLLING YEAR TRANSACTIONS AND AVERAGE SALES PRICES 2003-PRESENT



| RESIDENTIAL TRENDS | CURRENT 2016-Q3 | PRIOR YEAR 2015-Q3 | % CHANGE FROM PRIOR YR-QTR | ROLLING YTD Q3-2016 | PRIOR ROLLING YTD Q3-2015 | % CHANGE FROM PRIOR CALENDAR YEAR |
|--------------------|-----------------|--------------------|----------------------------|---------------------|---------------------------|-----------------------------------|
|--------------------|-----------------|--------------------|----------------------------|---------------------|---------------------------|-----------------------------------|

### SINGLE FAMILY HOMES

|                       |           |           |        |           |           |         |
|-----------------------|-----------|-----------|--------|-----------|-----------|---------|
| TOTAL CLOSED SALES    | 717       | 667       | 7.5%   | 2,437     | 2,080     | 17.20%  |
| AVERAGE SELLING PRICE | \$293,208 | \$268,992 | 9.0%   | \$289,903 | \$279,862 | 3.60%   |
| MEDIAN SELLING PRICE  | \$252,350 | \$248,000 | 1.8%   | \$255,000 | \$247,700 | 2.90%   |
| PRICE PER SQUARE FOOT | \$111     | \$109     | 1.8%   | \$111     | \$118     | -6.30%  |
| LISTING RETENTION     | 96.10%    | 95.30%    | 0.8%   | 95.80%    | 94.50%    | 1.40%   |
| AVERAGE DOM           | 164       | 156       | 5.1%   | 175       | 172       | 1.90%   |
| MONTHS OF INVENTORY   | 14.1      | 19.1      | -26.2% | 14.9      | 19.9      | -25.10% |

### CONDOMINIUMS

|                       |           |           |        |           |           |        |
|-----------------------|-----------|-----------|--------|-----------|-----------|--------|
| TOTAL CLOSED SALES    | 161       | 137       | 17.5%  | 490       | 405       | 21.0%  |
| AVERAGE SELLING PRICE | \$208,522 | \$175,420 | 18.9%  | \$198,951 | \$182,685 | 8.9%   |
| MEDIAN SELLING PRICE  | \$196,000 | \$164,000 | 19.5%  | \$170,000 | \$164,000 | 3.7%   |
| PRICE PER SQUARE FOOT | \$149     | \$131     | 13.7%  | \$144     | \$132     | 8.5%   |
| LISTING RETENTION     | 95.5%     | 94.4%     | 1.2%   | 95.4%     | 95.1%     | 0.3%   |
| AVERAGE DOM           | 154       | 148       | 4.1%   | 172       | 165       | 4.1%   |
| MONTHS OF INVENTORY   | 13.3      | 15.4      | -13.4% | 13.0      | 16.5      | -21.2% |