

Annual Report on the Hudson Gateway Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE HUDSON GATEWAY



2016

With a new U.S. president from a different political party taking office in 2017, few are expecting federal policies to remain as they have under prior leadership. The incoming president has a deep history in real estate development and has shown a strong interest in funding massive infrastructure projects, two points that provide intrigue for the immediate future of residential real estate.

After several years of housing market improvement, 2016, as predicted, was not a pronounced triumph but more of a measured success. Markets took a steady and mostly profitable walk from month to month. Even as supply was short and shrinking, sales and prices were often increasing.

Interest rates were expected to rise throughout 2016, but they did not. Just as happened in 2015, the Federal Reserve waited until December 2016 to make a short-term rate increase. Incremental rate hikes are again expected in 2017. An economy that shows unemployment at a nine-year low coupled with higher wages inspires confidence.

Mortgage rates are not expected to grow by more than .75 percent throughout 2017, which should keep them below 5.0 percent. If they rise above that mark, we could see rate lock, and that could cause homeowners to stay put at locked-in rates instead of trading up for higher-rate properties. Such a situation would put a damper on an already strained inventory environment.

Sales: Pending sales increased 16.5 percent to 21,744 to close out the year. Closed sales increased 14.5 percent to 20,776 for the year.

Listings: Inventory was lower in year-over-year comparisons. There were 8,547 active listings at the end of 2016. New listings decreased by 3.1 percent to finish the year at 32,513. Low home supply is expected to continue throughout 2017.

Showings: Overall the total number of showings in the market was up 20.2 percent over last year. April had the most growth in the number of showings, signaling buyers are eagerly looking for homes early in the season. Demand remained high throughout the year, as proven by the higher number of showings in the face of low supply.

Prices: Home prices dropped compared to last year. Low inventory is causing some home buyers to wait until more desirable homes come onto the market. Prices should increase in most areas in 2017 but at a slower growth rate. Single Family homes were down 2.3 percent compared to last year, landing at \$390,000. Condominium homes were down 3.4 percent to \$270,000 and Co-Operatives were up 1.6 percent to \$155,000. The trend of lower prices is abnormal in today's economy and should change in 2017.

List Price Received: Single Family sellers received 93.8 percent of their original list price received at sale, a year-over-year increase of 0.9 percent. Sales prices should increase again in 2017, leading to further increases in list price received.

Millennials continue to command attention as the next wave of home buyers, yet the rate at which this massive population is entering the market has been less than stellar. This may be due to a cultural change away from settling into marriage and parenthood until later in life, high student loan debt, or even reservations about a home being a wise investment in the wake of what the last recession did to their elders. That said, some have suggested that this group is simply willing to wait longer to buy, thus skipping the entry-level purchase altogether to land in their preferred home.

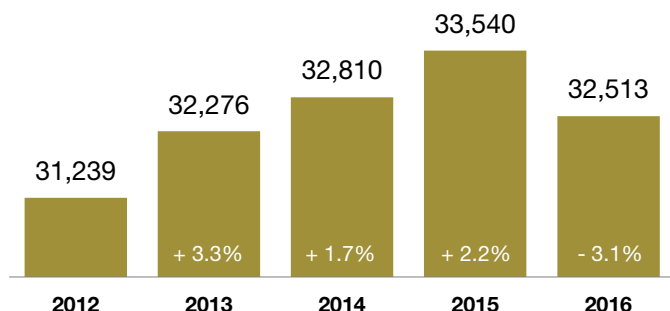
At the other end of the age and price spectrum, baby boomers are expected to make up nearly one-third of all buyers in 2017. By and large, this group is not looking to invest in oversized homes, yet we could see improvement in higher price ranges as a hedge against inflation and risk. Shifting wealth away from the stock market into valuable homes may be seen as a safer bet during a transition of power and a period of pronounced change.

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Quick Facts

New Listings



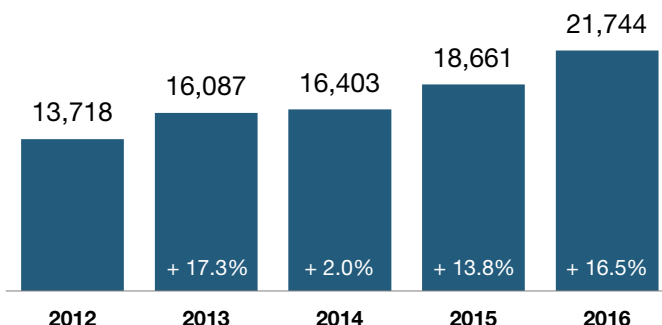
Top 4 Areas: Change in New Listings from 2015

Dutchess County	+ 3.8%
Sullivan County	+ 3.4%
Rockland County	- 0.4%
Orange County	- 3.8%

Bottom 4 Areas: Change in New Listings from 2015

Westchester County	- 4.1%
Bronx County	- 4.7%
Ulster County	- 6.9%
Putnam County	- 8.7%

Pending Sales



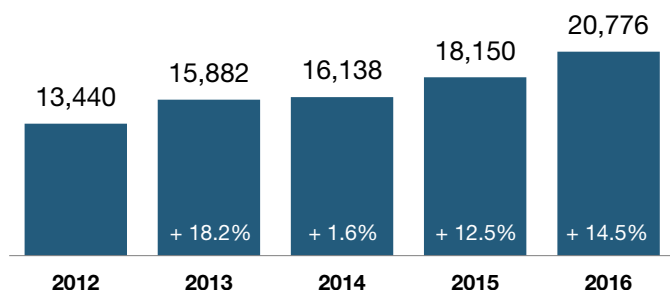
Top 4 Areas: Change in Pending Sales from 2015

Ulster County	+ 43.2%
Dutchess County	+ 42.2%
Orange County	+ 24.7%
Bronx County	+ 23.1%

Bottom 4 Areas: Change in Pending Sales from 2015

Rockland County	+ 18.5%
Putnam County	+ 18.5%
Sullivan County	+ 16.5%
Westchester County	+ 8.0%

Closed Sales



Top 4 Areas: Change in Closed Sales from 2015

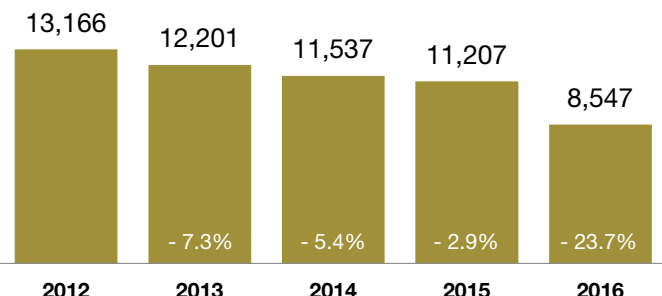
Ulster County	+ 49.8%
Dutchess County	+ 35.1%
Orange County	+ 24.6%
Putnam County	+ 19.0%

Bottom 4 Areas: Change in Closed Sales from 2015

Sullivan County	+ 18.0%
Bronx County	+ 16.1%
Rockland County	+ 12.7%
Westchester County	+ 7.0%

Inventory of Homes for Sale

At the end of the year.



Top 4 Areas: Change in Homes for Sale from 2015

Sullivan County	- 5.3%
Dutchess County	- 15.5%
Rockland County	- 20.6%
Orange County	- 25.7%

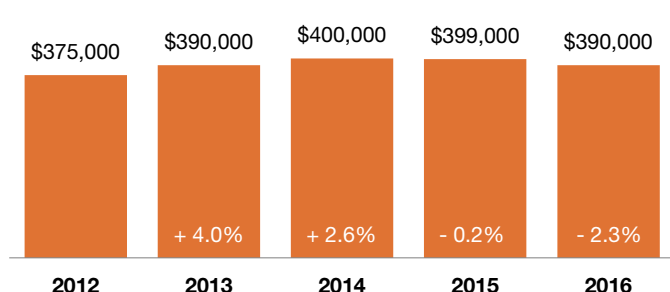
Bottom 4 Areas: Change in Homes for Sale from 2015

Westchester County	- 25.8%
Bronx County	- 26.9%
Ulster County	- 31.3%
Putnam County	- 32.6%

Quick Facts

Median Sales Price

For Single Family properties only.



Top 4 Areas: Change in Median Sales Price from 2015

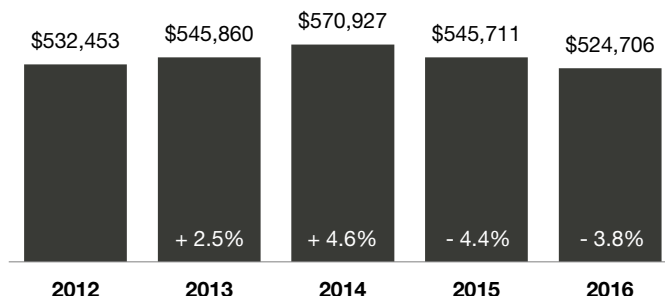
Sullivan County	+ 20.4%
Bronx County	+ 5.8%
Putnam County	+ 4.2%
Rockland County	+ 2.4%

Bottom 4 Areas: Change in Median Sales Price from 2015

Orange County	+ 1.8%
Dutchess County	+ 1.1%
Ulster County	+ 0.7%
Westchester County	- 0.6%

Average Sales Price

For Single Family properties only.



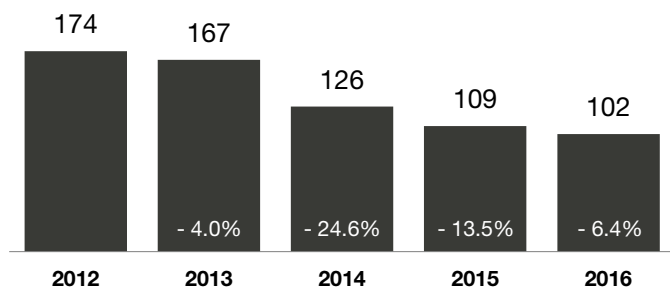
Top 4 Areas: Change in Avg. Sales Price from 2015

Sullivan County	+ 17.2%
Bronx County	+ 8.9%
Dutchess County	+ 3.3%
Ulster County	+ 2.6%

Bottom 4 Areas: Change in Avg. Sales Price from 2015

Rockland County	+ 1.7%
Putnam County	+ 1.6%
Orange County	+ 0.6%
Westchester County	- 2.1%

Days on Market Until Sale



Top 4 Areas: Change in Days on Market from 2015

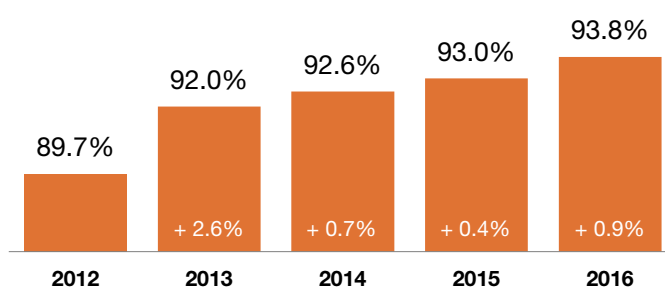
Ulster County	+ 5.7%
Sullivan County	+ 4.3%
Bronx County	- 2.6%
Orange County	- 7.4%

Bottom 4 Areas: Change in Days on Market from 2015

Rockland County	- 7.5%
Westchester County	- 8.5%
Putnam County	- 9.5%
Dutchess County	- 11.2%

Percent of Original List Price Received

For Single Family properties only.



Top 4 Areas: Change in Pct. of Orig. Price Received from 2015

Sullivan County	+ 2.4%
Dutchess County	+ 2.0%
Bronx County	+ 1.6%
Orange County	+ 1.4%

Bottom 4 Areas: Change in Pct. of Orig. Price Received from 2015

Putnam County	+ 1.4%
Rockland County	+ 1.2%
Westchester County	+ 0.3%
Ulster County	+ 0.1%

Price Range Review

FOR SINGLE-FAMILY PROPERTIES ONLY

\$450,001 or More

Price Range with Shortest Average Market Time

\$150,000 and Below

Price Range with Longest Average Market Time

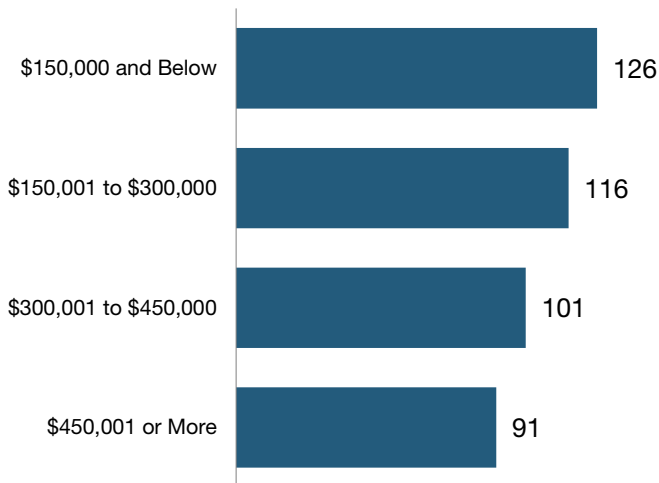
12.3%

Homes for Sale at Year End Priced \$150,000 and Below

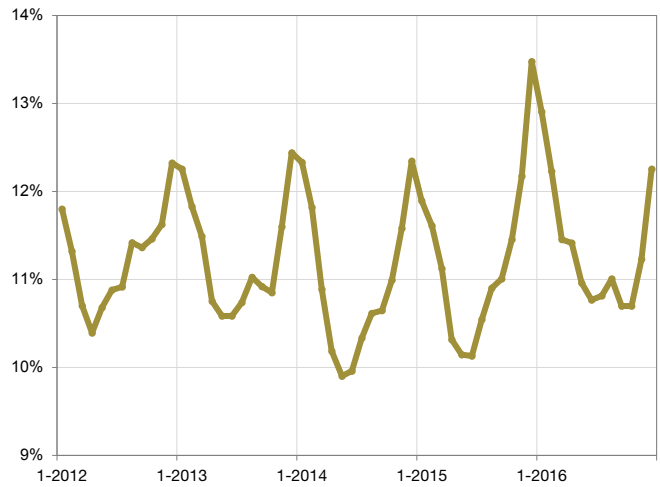
- 30.0%

1-Year Change in Homes for Sale Priced \$150,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$150,000 and Below



\$450,001 or More

Price Range with the Most Closed Sales

+ 23.1%

Price Range with Strongest 1-Year Change in Sales: \$150,001 to \$300,000

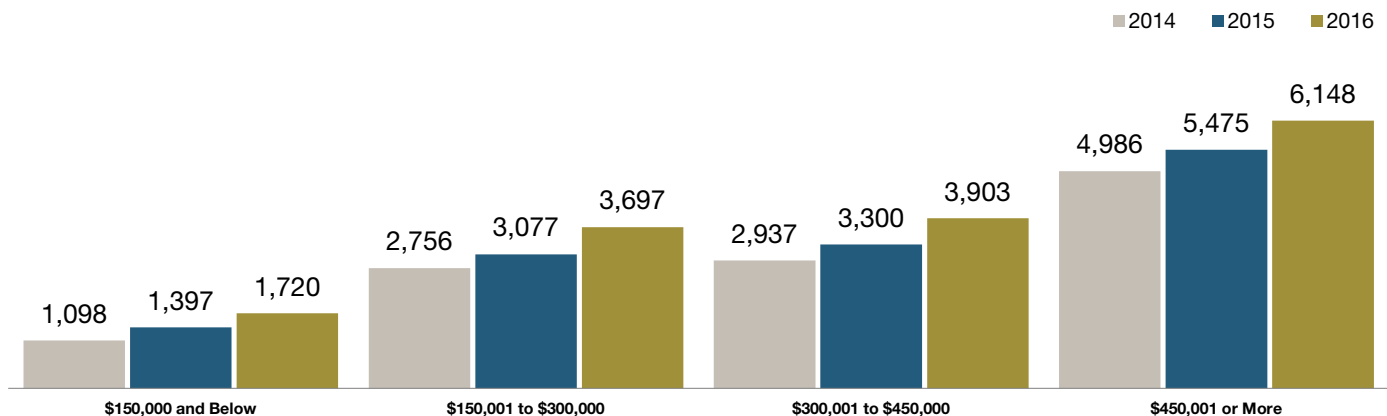
\$150,000 and Below

Price Range with the Fewest Closed Sales

+ 12.3%

Price Range with Weakest 1-Year Change in Sales: \$450,001 or More

Closed Sales by Price Range



Property Type Review

103

Average Days on Market
Single Family

94

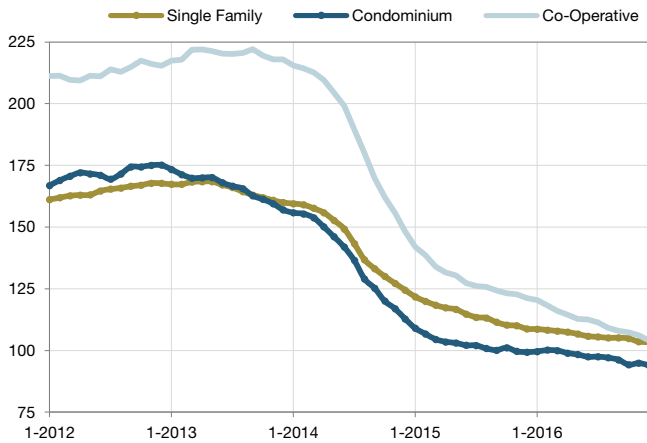
Average Days on Market
Condominium

104

Average Days on Market
Co-Operative

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Condominium Market Share in 2016

Rockland County	18.3%
Westchester County	14.7%
Bronx County	12.7%
Putnam County	12.2%
Orange County	10.1%
Dutchess County	9.0%
Ulster County	1.4%
Sullivan County	1.1%

- 2.3%

1-Year Change in Price
Single Family

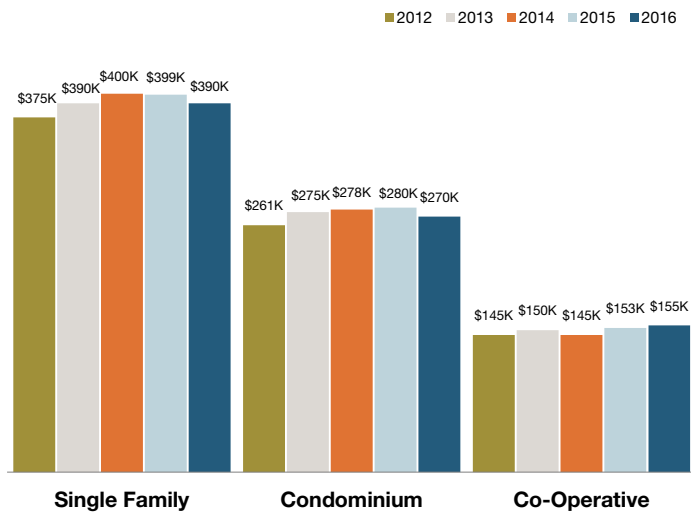
- 3.4%

1-Year Change in Price
Condominium

+ 1.6%

1-Year Change in Price
Co-Operative

Median Sales Price



93.8%

Pct. of Orig. Price Rec'd
Single Family

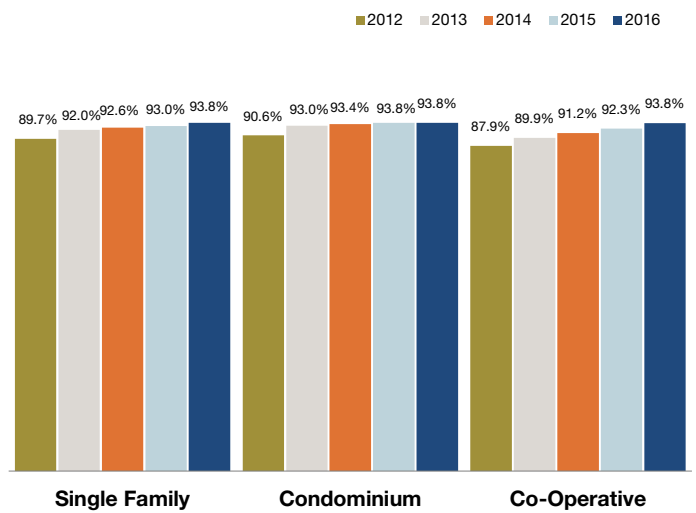
93.8%

Pct. of Orig. Price Rec'd
Condominium

93.8%

Pct. of Orig. Price Rec'd
Co-Operative

Percent of Original List Price Received



Square Foot Range Review

+ 15.7%

Growth in Closed Sales
999 Sq Ft or Less

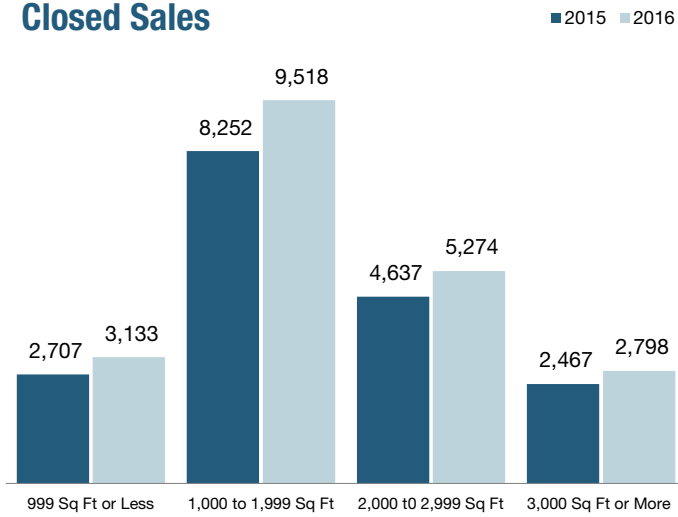
+ 15.3%

Growth in Closed Sales
1,000 to 1,999 Sq Ft

Top Areas: 999 Sq Ft or Less Market Share in 2016

Westchester County	65.7%
Orange County	12.2%
Bronx County	5.8%
Rockland County	5.3%
Putnam County	5.3%
Dutchess County	2.0%
Sullivan County	1.9%
Ulster County	1.3%

Closed Sales



92.1%

Percent of Original List Price
Received in 2016 for
999 Sq Ft or Less

93.7%

Percent of Original List Price
Received in 2016 for
1,000 to 1,999 Sq Ft

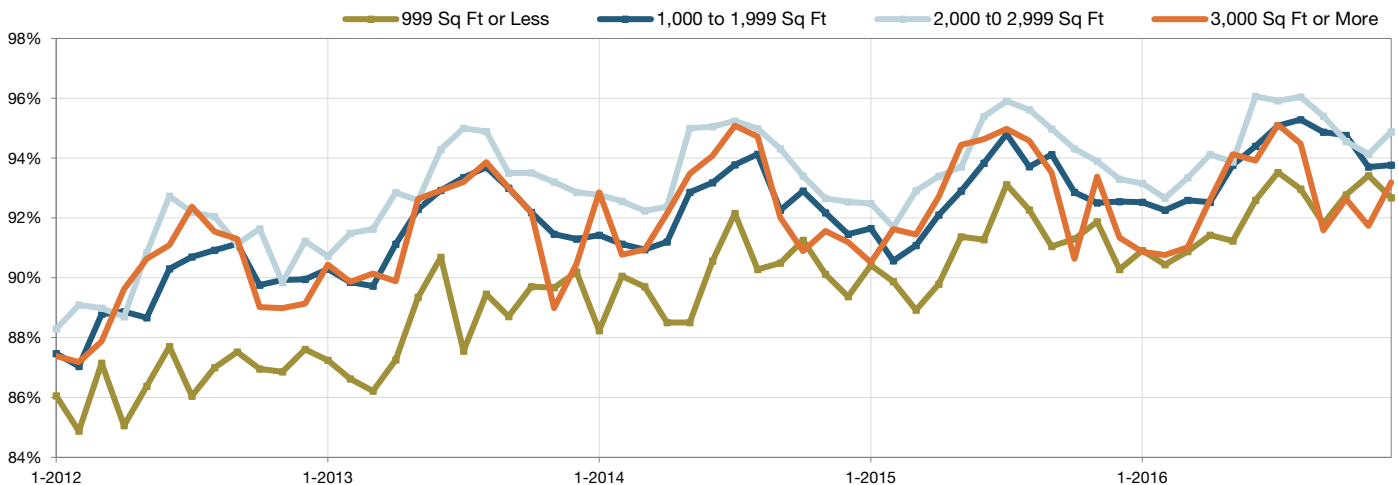
94.5%

Percent of Original List Price
Received in 2016 for
2,000 to 2,999 Sq Ft

93.0%

Percent of Original List Price
Received in 2016 for
3,000 Sq Ft or More

Percent of Original List Price Received



Showings Review

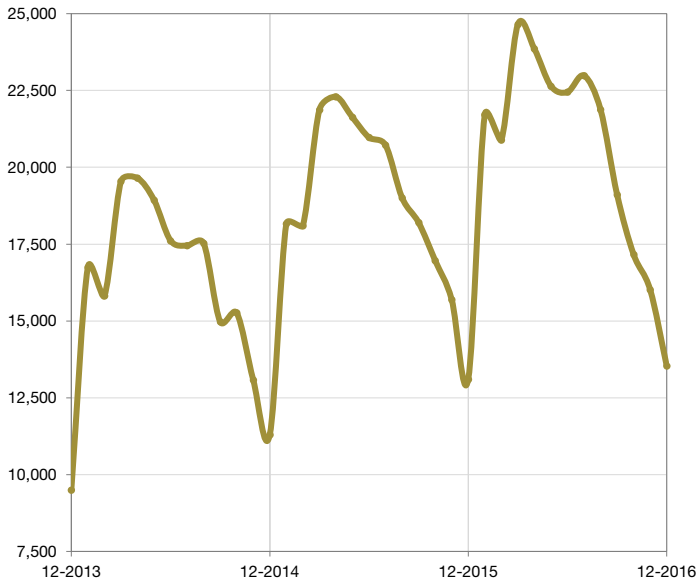
15.0

Median Number of Showings Before Pending

+ 7.1%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Top 8 Areas: Number of Showings

Westchester County	261,223
Orange County	114,005
Rockland County	56,163
Putnam County	25,942
Bronx County	9,327
Dutchess County	6,632
Ulster County	5,891
Sullivan County	4,914

Top 8 Areas: Median of Showings per Listing

Westchester County	18
Orange County	16
Putnam County	13
Rockland County	12
Ulster County	9
Sullivan County	6
Dutchess County	5
Bronx County	3

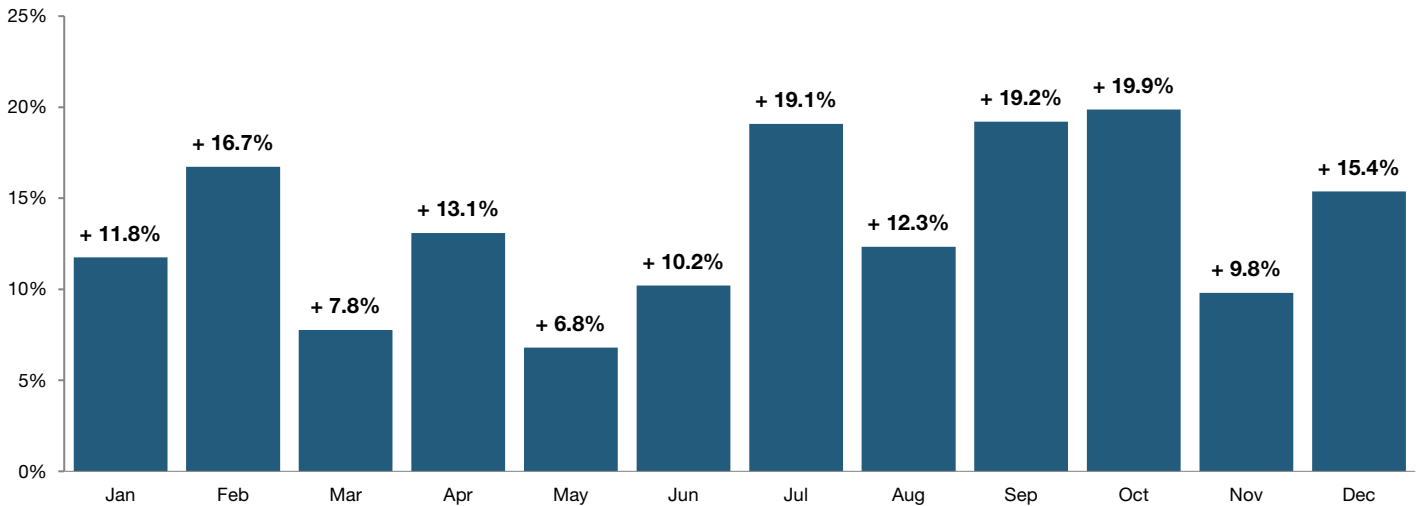
+ 20.2%

One-Year Change in Total Showings

Apr '16

Peak Showing Activity Month

2016 Year-Over-Year Change in Monthly Showings per Listing



Area Overviews



	Total Closed Sales	Change from 2015	Percent Single Family	Percent Condominium	Percent Co-Operative	Median Showings per Listing	Months Supply of Inventory	Days on Market	Pct. of Orig. Price Received
Hudson Gateway MLS	20,776	+ 14.5%	74.5%	13.2%	12.3%	15	4.7	102	93.8%
Bronx County	1,226	+ 16.1%	43.1%	12.7%	44.1%	3	4.6	112	94.3%
Dutchess County	1,223	+ 35.1%	89.5%	9.0%	1.6%	5	5.4	103	93.8%
Orange County	3,882	+ 24.6%	89.6%	10.1%	0.2%	16	5.9	125	92.3%
Putnam County	1,249	+ 19.0%	87.1%	12.2%	0.6%	13	4.7	114	93.1%
Rockland County	2,602	+ 12.7%	78.8%	18.3%	2.9%	12	4.7	98	93.5%
Sullivan County	458	+ 18.0%	98.9%	1.1%	0.0%	6	13.5	170	87.0%
Ulster County	424	+ 49.8%	98.3%	1.4%	0.2%	9	7.0	148	90.5%
Westchester County	9,496	+ 7.0%	65.4%	14.7%	19.8%	18	3.5	86	95.0%

Area Historical Median Prices

FOR SINGLE-FAMILY PROPERTIES ONLY

	2012	2013	2014	2015	2016	Change From 2015	Change From 2012
Hudson Gateway MLS	\$375,000	\$390,000	\$400,000	\$399,000	\$390,000	- 2.3%	+ 4.0%
Bronx County	\$345,875	\$350,000	\$365,000	\$378,250	\$400,000	+ 5.8%	+ 15.6%
Dutchess County	\$255,000	\$257,000	\$265,000	\$267,000	\$270,000	+ 1.1%	+ 5.9%
Orange County	\$235,000	\$235,000	\$231,250	\$225,000	\$229,000	+ 1.8%	- 2.6%
Putnam County	\$300,000	\$308,000	\$310,000	\$312,000	\$325,000	+ 4.2%	+ 8.3%
Rockland County	\$379,000	\$387,750	\$400,000	\$415,000	\$425,000	+ 2.4%	+ 12.1%
Sullivan County	\$135,000	\$120,000	\$127,000	\$98,000	\$118,000	+ 20.4%	- 12.6%
Ulster County	\$195,350	\$207,975	\$193,443	\$190,700	\$192,000	+ 0.7%	- 1.7%
Westchester County	\$586,500	\$610,000	\$634,500	\$627,500	\$624,000	- 0.6%	+ 6.4%