

Annual Report on the Hudson Gateway Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN THE HUDSON GATEWAY



2018

While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Pending sales decreased 1.8 percent, closing 2018 at 21,982. Closed sales were down 2.7 percent to finish the year at 21,729. A booming economy would seem to indicate more sales, but fewer homes to choose from coupled with lower affordability made it tougher for buyers in 2018.

Listings: Year-over-year, the number of homes available for sale was lower by 4.3 percent. There were 8,082 active listings at the end of 2018. New listings increased by 1.3 percent to finish the year at 33,612.

Showings: Demand began to taper in 2018, thus showings were down. Homes for sale received, on average, 3.0 percent fewer showings. There were 17 showings before pending, which was unchanged at 0.0 percent compared to 2017.

Prices: Home prices were up compared to last year. The overall median sales price increased 3.8 percent to \$410,000 for the year. Single Family home prices were up 3.8 percent compared to last year, Condominium home prices were up 4.6 percent, and Co-Operatives prices were up 5.9 percent.

List Price Received: Sellers received, on average, 94.7 percent of their original list price at sale, a year-over-year improvement of 0.1 percent. If demand shrinks in 2019, original list price received at sale could drop as well.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

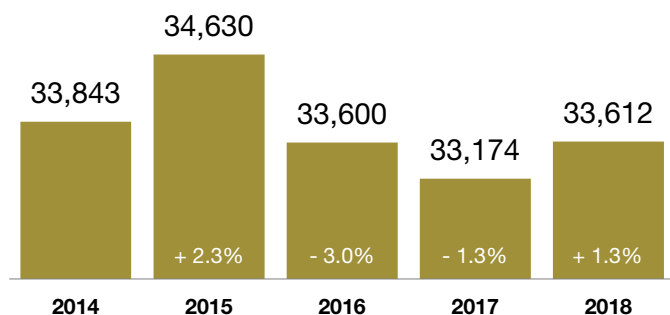
If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

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Quick Facts

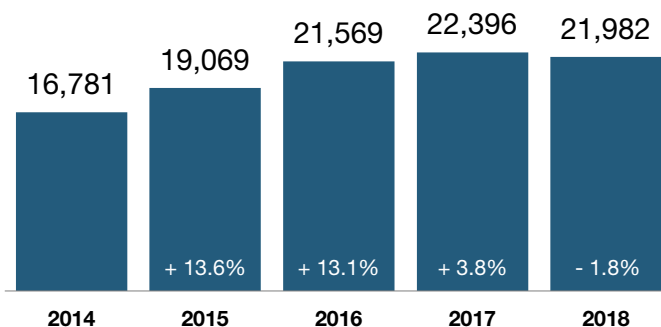
New Listings



Change in New Listings from 2017

Dutchess County	+ 5.3%
Westchester County	+ 1.3%
Rockland County	+ 1.1%
Orange County	+ 1.0%
Putnam County	+ 0.9%
Sullivan County	- 2.1%
Bronx County	- 2.4%
Ulster County	- 9.4%

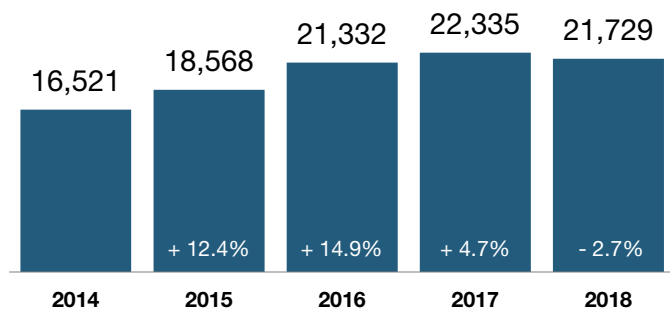
Pending Sales



Change in Pending Sales from 2017

Sullivan County	+ 3.8%
Bronx County	+ 1.4%
Ulster County	- 0.8%
Putnam County	- 1.0%
Orange County	- 1.3%
Westchester County	- 3.1%
Rockland County	- 3.3%
Dutchess County	- 4.8%

Closed Sales

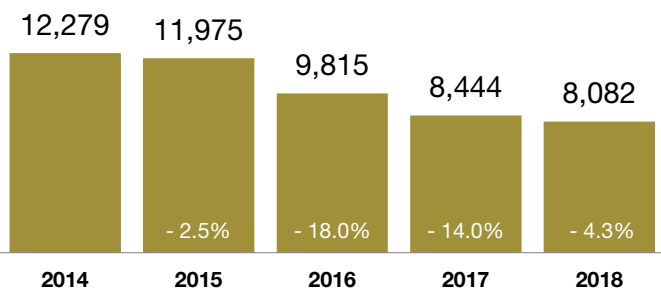


Change in Closed Sales from 2017

Sullivan County	+ 5.2%
Putnam County	+ 1.8%
Ulster County	0.0%
Orange County	- 0.2%
Bronx County	- 1.8%
Dutchess County	- 3.6%
Westchester County	- 3.7%
Rockland County	- 9.1%

Inventory of Homes for Sale

At the end of the year.



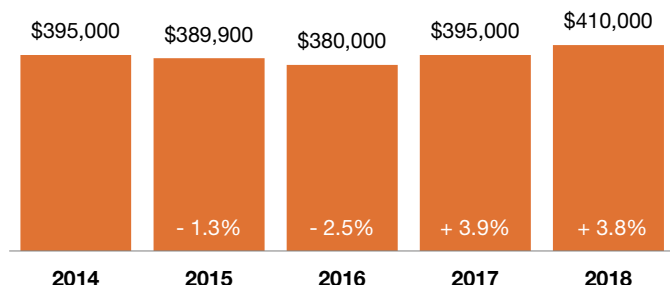
Change in Inventory of Homes for Sale from 2017

Dutchess County	+ 13.7%
Rockland County	- 3.5%
Putnam County	- 3.6%
Westchester County	- 6.0%
Sullivan County	- 6.3%
Orange County	- 8.1%
Bronx County	- 8.7%
Ulster County	- 11.2%

Quick Facts

Median Sales Price

For Single Family properties only.

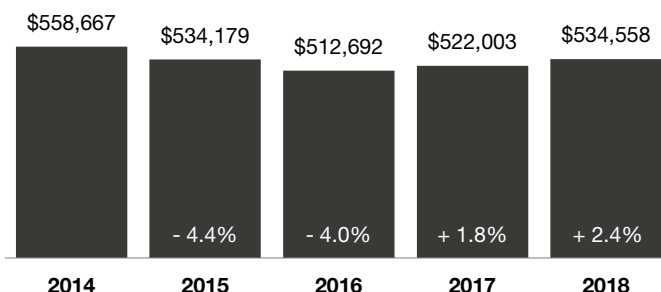


Change in Median Sales Price from 2017

Bronx County	+ 8.0%
Dutchess County	+ 8.0%
Sullivan County	+ 7.5%
Orange County	+ 6.1%
Rockland County	+ 4.5%
Putnam County	+ 3.7%
Westchester County	+ 1.2%
Ulster County	- 1.2%

Average Sales Price

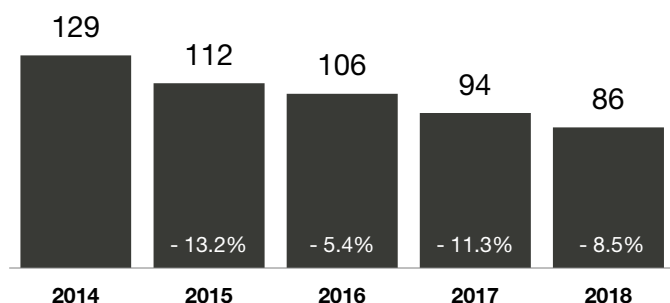
For Single Family properties only.



Change in Average Sales Price from 2017

Orange County	+ 9.1%
Sullivan County	+ 7.8%
Ulster County	+ 7.0%
Bronx County	+ 6.5%
Putnam County	+ 6.2%
Rockland County	+ 4.9%
Dutchess County	+ 4.4%
Westchester County	+ 0.6%

Days on Market Until Sale

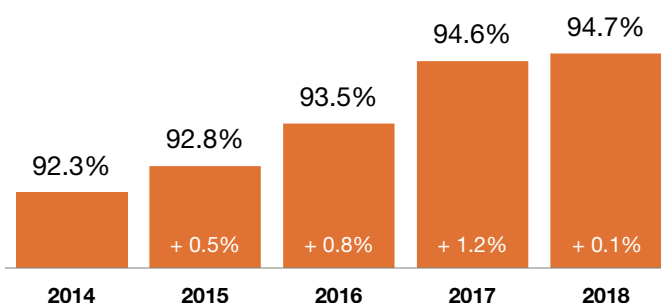


Top 4 Areas: Change in Days on Market Until Sale from 2017

Westchester County	- 6.3%
Bronx County	- 7.7%
Ulster County	- 8.3%
Dutchess County	- 10.5%
Orange County	- 11.4%
Putnam County	- 13.3%
Rockland County	- 14.0%
Sullivan County	- 16.2%

Percent of Original List Price Received

For Single Family properties only.



Change in Percent of Original List Price Received from 2017

Sullivan County	+ 2.1%
Orange County	+ 0.7%
Putnam County	+ 0.6%
Dutchess County	+ 0.3%
Rockland County	+ 0.2%
Ulster County	+ 0.1%
Westchester County	- 0.2%
Bronx County	- 0.7%

Price Range Review

FOR SINGLE-FAMILY PROPERTIES ONLY

\$300,001 to \$450,000

Price Range with Shortest Average Market Time

\$150,000 and Below

Price Range with Longest Average Market Time

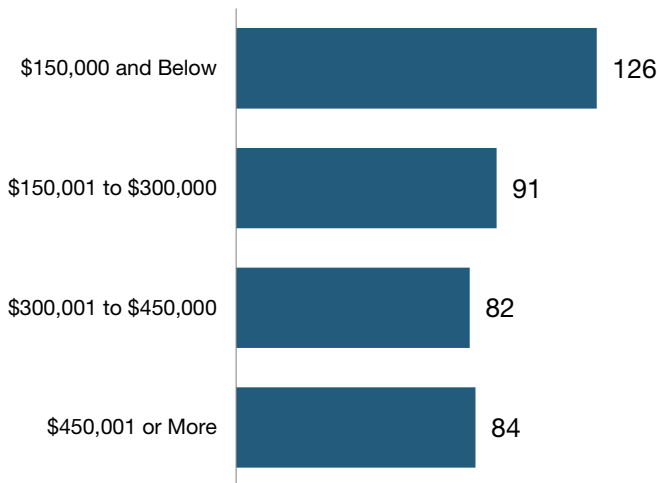
9.5%

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

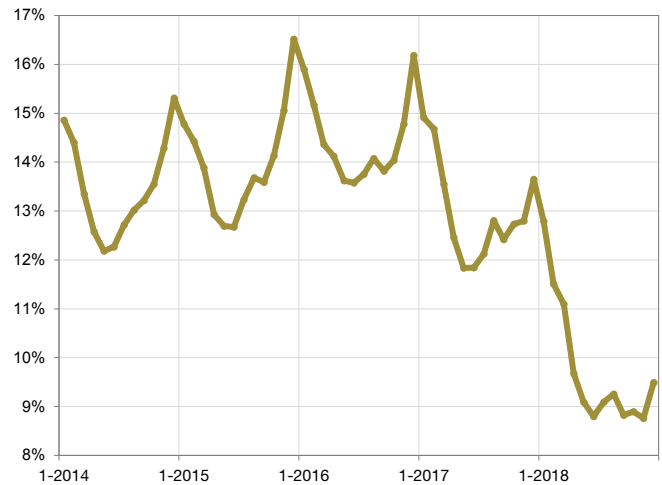
- 31.8%

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

+ 2.5%

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

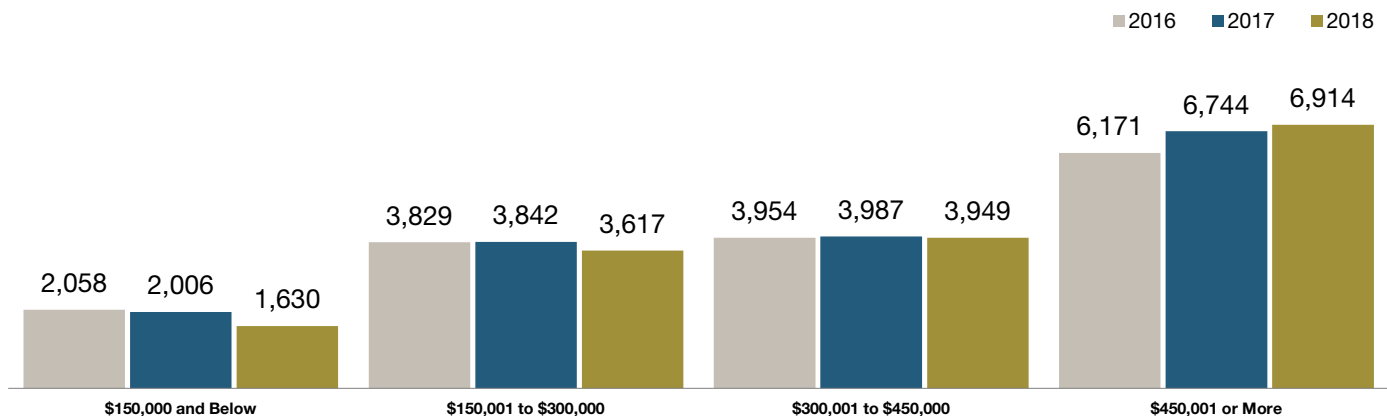
\$150,000 and Below

Price Range with the Fewest Closed Sales

- 18.7%

Price Range with Weakest 1-Year Change in Sales: \$150,000 and Below

Closed Sales by Price Range



Property Type Review

89

Average Days on Market
Single Family

71

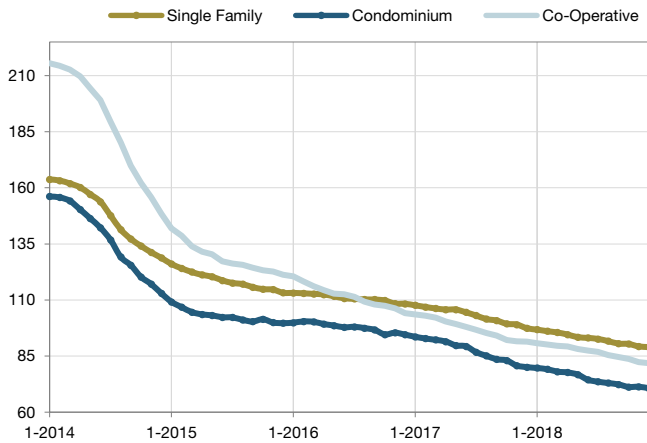
Average Days on Market
Condominium

82

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 2018

Rockland County	22.3%
Westchester County	14.3%
Bronx County	13.7%
Putnam County	11.9%
Orange County	11.2%
Dutchess County	10.2%
Ulster County	1.6%
Sullivan County	0.8%

+ 3.8%

1-Year Change in Price
Single Family

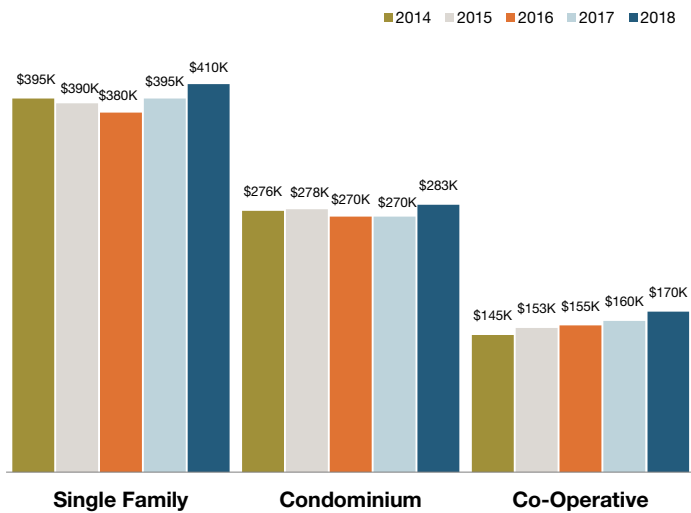
+ 4.6%

1-Year Change in Price
Condominium

+ 5.9%

1-Year Change in Price
Co-Operative

Median Sales Price



94.7%

Pct. of Orig. Price Rec'd
Single Family

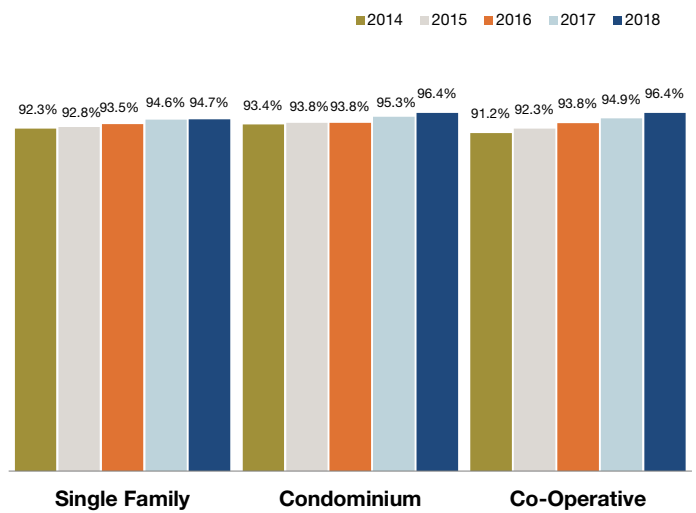
96.4%

Pct. of Orig. Price Rec'd
Condominium

96.4%

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

Percent of Original List Price Received



Square Foot Range Review

- 0.2%

Reduction in Closed Sales
999 Sq Ft or Less

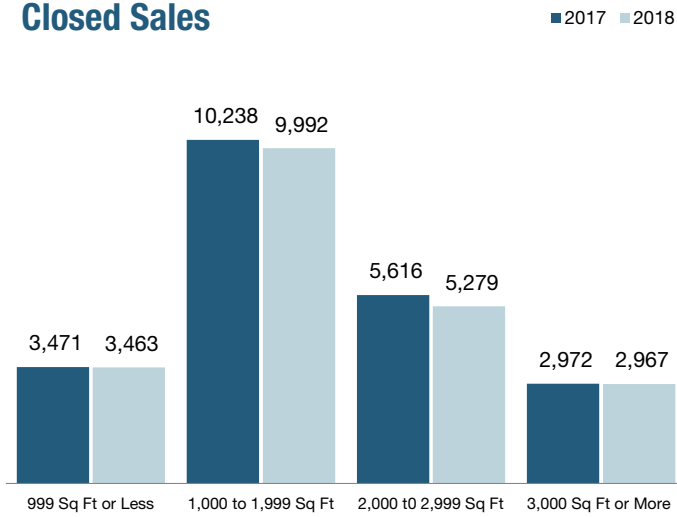
- 2.4%

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

Top Areas: 999 Sq Ft or Less Market Share in 2018

Bronx County	41.0%
Westchester County	19.9%
Sullivan County	15.0%
Rockland County	10.6%
Putnam County	10.3%
Ulster County	9.7%
Orange County	8.5%
Dutchess County	5.7%

Closed Sales



95.3%

Percent of Original List Price
Received in 2018 for
999 Sq Ft or Less

95.5%

Percent of Original List Price
Received in 2018 for
1,000 to 1,999 Sq Ft

95.6%

Percent of Original List Price
Received in 2018 for
2,000 to 2,999 Sq Ft

92.9%

Percent of Original List Price
Received in 2018 for
3,000 Sq Ft or More

Percent of Original List Price Received



Showings Review

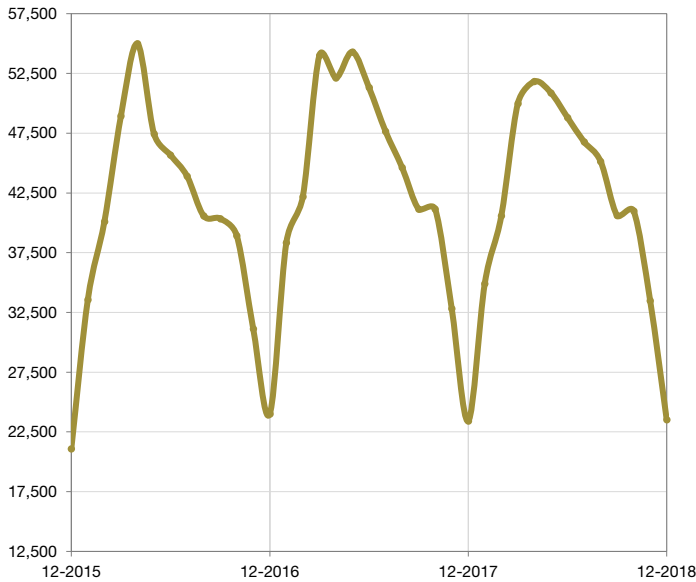
17

Median Number of Showings Before Pending

0.0%

One-Year Change in Median Showings Before Pending

Monthly Number of Showings



Top 8 Areas: Number of Showings

Westchester County	258,885
Orange County	119,222
Rockland County	56,831
Putnam County	30,478
Bronx County	11,847
Dutchess County	11,724
Sullivan County	10,692
Ulster County	7,604

Top 8 Areas: Median of Showings per Listing

Westchester County	6.0
Putnam County	5.0
Orange County	5.0
Rockland County	4.7
Dutchess County	3.4
Ulster County	2.9
Bronx County	2.9
Sullivan County	2.0

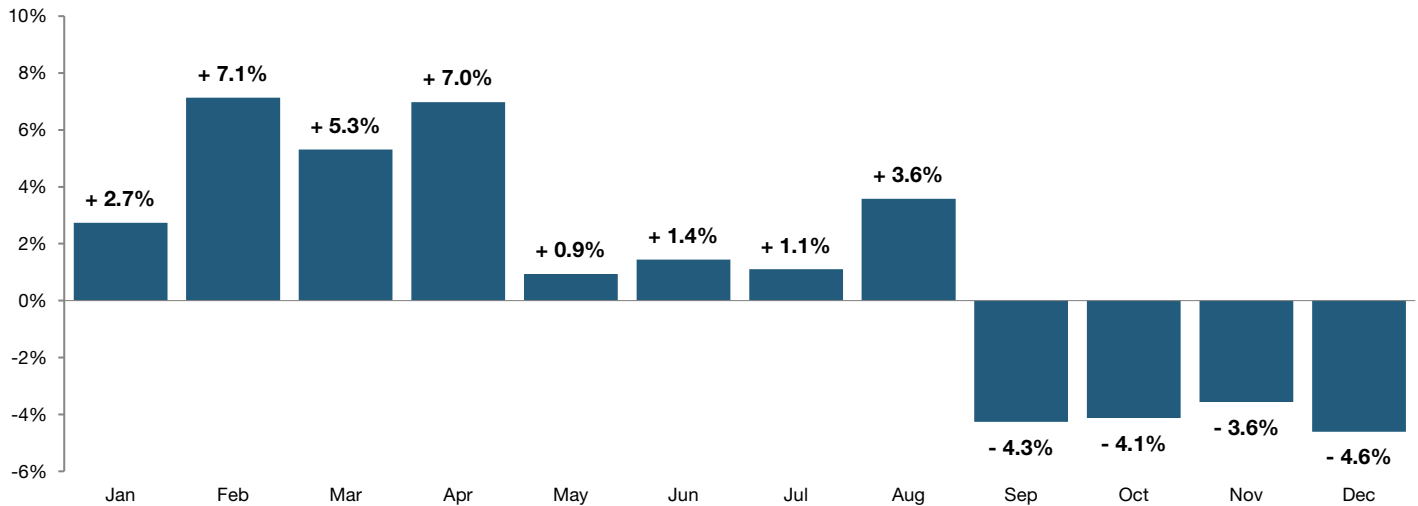
- 3.0%

One-Year Change in Total Showings

Apr '18

Peak Showing Activity Month

2017 Year-Over-Year Change in Monthly Showings per Listing



Area Overviews

	Total Closed Sales	Change from 2017	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	21,729	- 2.7%	74.1%	13.3%	12.5%	5.2	4.4	86	95.2%
Bronx County	1,332	- 1.8%	41.7%	13.7%	44.6%	2.9	4.4	84	96.4%
Dutchess County	1,310	- 3.6%	88.1%	10.2%	1.7%	3.4	5.5	85	95.3%
Orange County	4,332	- 0.2%	88.5%	11.2%	0.3%	5.0	4.3	93	94.8%
Putnam County	1,188	+ 1.8%	87.6%	11.9%	0.5%	5.0	4.4	85	95.2%
Rockland County	2,561	- 9.1%	75.0%	22.3%	2.7%	4.7	4.2	74	95.3%
Sullivan County	1,013	+ 5.2%	99.2%	0.8%	0.0%	2.0	9.8	165	88.5%
Ulster County	504	0.0%	98.4%	1.6%	0.0%	2.9	6.5	111	93.1%
Westchester County	9,185	- 3.7%	64.0%	14.3%	21.7%	6.0	3.4	74	96.0%

Area Historical Median Prices

FOR SINGLE-FAMILY PROPERTIES ONLY

	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Hudson Gateway MLS	\$395,000	\$389,900	\$380,000	\$395,000	\$410,000	+ 3.8%	+ 3.8%
Bronx County	\$365,000	\$378,250	\$402,850	\$435,000	\$470,000	+ 8.0%	+ 28.8%
Dutchess County	\$265,000	\$267,000	\$270,000	\$282,350	\$305,000	+ 8.0%	+ 15.1%
Orange County	\$231,125	\$225,000	\$228,000	\$244,000	\$258,950	+ 6.1%	+ 12.0%
Putnam County	\$310,000	\$312,000	\$325,000	\$337,500	\$350,000	+ 3.7%	+ 12.9%
Rockland County	\$400,000	\$415,000	\$425,000	\$440,000	\$460,000	+ 4.5%	+ 15.0%
Sullivan County	\$125,000	\$115,000	\$118,000	\$120,000	\$129,000	+ 7.5%	+ 3.2%
Ulster County	\$191,000	\$190,550	\$190,275	\$222,500	\$219,750	- 1.2%	+ 15.1%
Westchester County	\$634,000	\$627,500	\$623,675	\$642,000	\$650,000	+ 1.2%	+ 2.5%