The Center for Housing Solutions and Community Initiatives, a unit of Hudson Valley Pattern for Progress, is pleased to present the Summer 2020 edition of the Regional Housing Market Report.

## Market Snapshot

### Regional Housing Market Report

**2ND QUARTER DATA**

<table>
<thead>
<tr>
<th>Region</th>
<th>New Listings</th>
<th>Closed Sales</th>
<th>Homes for Sale</th>
<th>Months of Inventory (Supply)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2 2019</td>
<td>Q2 2020</td>
<td>% Change</td>
<td>Q2 2019</td>
</tr>
<tr>
<td>Columbia</td>
<td>516</td>
<td>387</td>
<td>-25.0%</td>
<td>147</td>
</tr>
<tr>
<td>Dutchess</td>
<td>1,752</td>
<td>1,380</td>
<td>-21.2%</td>
<td>780</td>
</tr>
<tr>
<td>Greene</td>
<td>473</td>
<td>362</td>
<td>-23.5%</td>
<td>214</td>
</tr>
<tr>
<td>Orange</td>
<td>2,061</td>
<td>1,550</td>
<td>-24.6%</td>
<td>999</td>
</tr>
<tr>
<td>Putnam</td>
<td>740</td>
<td>453</td>
<td>-38.8%</td>
<td>273</td>
</tr>
<tr>
<td>Rockland</td>
<td>1,435</td>
<td>960</td>
<td>-33.1%</td>
<td>609</td>
</tr>
<tr>
<td>Sullivan</td>
<td>646</td>
<td>439</td>
<td>-32.0%</td>
<td>229</td>
</tr>
<tr>
<td>Ulster</td>
<td>1,228</td>
<td>930</td>
<td>-24.3%</td>
<td>524</td>
</tr>
<tr>
<td>Westchester</td>
<td>4,755</td>
<td>3,266</td>
<td>-31.3%</td>
<td>2,341</td>
</tr>
<tr>
<td>HV Region</td>
<td>13,406</td>
<td>9,727</td>
<td>-28.6%</td>
<td>6,116</td>
</tr>
</tbody>
</table>

Source: New York State Association of Realtors, Quarterly Report on the New York State Market 2020

## Median Sales Price

### Regional Housing Market Report

**2ND QUARTER DATA**

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2 2019</th>
<th>Q2 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>$246,000</td>
<td>$289,000</td>
<td>+17.5%</td>
</tr>
<tr>
<td>Dutchess</td>
<td>$280,000</td>
<td>$306,000</td>
<td>+9.5%</td>
</tr>
<tr>
<td>Greene</td>
<td>$188,620</td>
<td>$200,000</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Orange</td>
<td>$255,000</td>
<td>$279,950</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Putnam</td>
<td>$354,803</td>
<td>$340,000</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Rockland</td>
<td>$418,044</td>
<td>$439,500</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Sullivan</td>
<td>$149,000</td>
<td>$175,000</td>
<td>+17.0%</td>
</tr>
<tr>
<td>Ulster</td>
<td>$235,000</td>
<td>$275,000</td>
<td>+17.0%</td>
</tr>
<tr>
<td>Westchester</td>
<td>$330,000</td>
<td>$375,000</td>
<td>+13.5%</td>
</tr>
</tbody>
</table>

Source: New York State Association of Realtors, Quarterly Report on the New York State Market 2020
Q2 2020 NEW LISTINGS

New Listings in the second quarter showed significantly lower numbers as compared to second quarter of 2019, with a 28.5% drop in New Listings for the region as compared to the same time last year. The largest declines year over year were in Putnam (-38.8%), Rockland (-33.1%), Sullivan (-32%), and in Westchester (-31.3% Counties).

Q2 2020 CLOSED SALES

Closed Sales were down 22.4% from second quarter 2019 for the region, primarily due to lockdown measures which inhibited real estate transactions from proceeding. Only Columbia County saw an increase in closed transactions during this quarter, up 26.5% from prior year, while every other county showed losses of greater than 20% from 2019.

Q2 2020 HOMES FOR SALE

The number of Homes for Sale dwindled significantly during the second quarter of 2020, down 25.7% for the region. The most significant drops in inventory occurred in Columbia (-39.5%), Greene (-38.8%), and Ulster (-33.3%) Counties, though all counties showed declines of more than 20% from same quarter last year.

Q2 2020 MONTHS OF INVENTORY

Months of inventory (Supply) also saw major declines across the region when compared to 2nd Quarter 2019, most significantly in the rural counties of Columbia (-48.7%), Greene (-43.4%), Ulster (-38.4%), and Sullivan (-32.6%). The constriction of supply in second quarter further tightens the Hudson Valley's already competitive real estate market.

Q2 2020 MEDIAN SALES PRICE

The sharp declines in Homes for Sale coupled with fewer New Listings coming to market during the NY State PAUSE in effect during the second quarter of 2020 in the Hudson Valley region, created pent up buyer demand and increasing competition for available inventory. The Median Sales Price rose for every county in the region, with the exception of Putnam County, which showed a decrease of 4.2% in the Median Price as compared to second quarter 2019.

The Median Sales Price showed the most significant gains in Columbia (+17.5%), Sullivan (+17.4%), and Ulster (+17%) Counties. Orange (+9.8%), Dutchess (+9.3%), and Westchester (+8.5%) Counties also demonstrated notable upward pricing pressure in the Median Sales Price.
At the end of second quarter 2020, every county in the Hudson Valley region showed a reduction of available inventory as compared to the same time last year. The region as a whole showed 25.7% fewer homes available for sale by the end of June 2020. The most notable decreases in inventory were in Columbia (-39.5%), Greene (-38.8%), and Ulster (-33.3%) Counties, as compared to same time last year, while every other county was down more than 20% in the number of homes available.

The region was showing declining inventory levels in the first quarter of 2020, prior to the COVID-19 pandemic, with increasing competition amongst buyers causing upward pricing pressure. While the real estate services were limited to virtual activities during the quarantine period of second quarter, many buyers emerged as the region entered the second phase of reopening in June demonstrating the pent up buyer demand for the limited inventory available.
Inventory is a critical indicator for the housing market. The real estate industry considers 6 months of inventory a "Balanced Supply." Fewer than 6 months is considered a "Seller's Market" and more than 6 months of available inventory is considered a "Buyer's Market." In a Seller's Market, lower inventory levels and strong buyer demand create strong upward pricing pressure resulting in increased home values.

All Counties showed decreases in Months of Inventory as second quarter 2020 came to a close, with notably steep drops in Columbia (-48.7%), Greene (-43.4%), Ulster (-38.4%), and Sullivan (-32.6%) Counties, as compared to Second Quarter 2019. Rockland (-25.8%), Putnam (-25.4%), and Dutchess (-24.3%) Counties also showed large decreases in Supply.

Housing Supply at the end of second quarter 2020 indicates that majority of the Hudson Valley region is now in a strong Seller's Market. Months Supply in Westchester County (4.9), Rockland (4.9), Orange (5.0), Putnam (5.3), Ulster (5.3), and Dutchess (5.6), all with less than 6 months of inventory available for potential buyers, typically leads to increased buyer competition and increased sale prices. While only Greene (6.9), Columbia (7.7), and Sullivan (12.4) remained above six months of available supply, all experienced significant declines in inventory as compared to end of second quarter 2019.
Analyzing the real estate market data for two- to four-family homes grants a broader perspective of the real estate market. Multi-family properties may be owner occupied with a tenant or tenants providing additional income to offset the homeowner’s housing expenses, or they may be purely for investment. Rental housing is in high demand as single family home values have increased, which has led to increased value for multi-family units, as well.

Orange County saw the largest percentage increase in multi-family home values with a 16.3% gain in Median Sale Price over same quarter last year and a remarkable 185.7% gain in median sale price since 2016.

Inventory continues to decline in all counties, down 13.5% in Westchester, 21.6% in Orange, 31.3% in Rockland, and 50% in Putnam. The reduced inventory typically indicates more upward pricing pressure for multi-family properties for the remainder of 2020, though due to COVID-19 eviction stays and subsequent extensions, multi-family properties could see reduced Appraised Values, as missing rents will impact the total value of the properties. Landlords may be heavily impacted as the ripple effect of the reduced rental income and extended eviction terms could impair their ability to pay mortgages putting them in danger of default.
The housing market in the Hudson Valley region was volatile through the second quarter, with overall sales down sharply from last year due to the stifling impact of the COVID-19 pandemic. But prices were up, even during a fraught economic slowdown, demonstrating continued high levels of buyer demand.

The pandemic smothered activity in April and May, due to both the public health concerns about the coronavirus and the resulting "essential services" orders:

**Listings.** Most homeowners had little interest in listing their homes while they were quarantining within them, so new listings fell sharply compared to April and May 2019.

**New Contracts.** Many buyers were leery of leaving their own homes to go touring, and agents were either discouraged or forbidden from showing homes due to those essential services orders, so new contracts were down in April and May as compared to last year.

**Closings.** Even though we had a relatively large pipeline of contracts coming out of first quarter, the pandemic generated a lot of chaos in the closing process, especially with disruptions to county clerk and municipal offices that are necessary to clear title. So closings were down significantly in April and May.

Over the course of April and May, we did have some concerns about the longer-term impact of the pandemic on what had been a growing housing market. With unemployment up and economic activity down, we wondered whether buyer demand would evaporate even after the pandemic eased: buyers losing their jobs, or their down payment in the stock market, or simply losing their optimism about buying a new home.

But at least for now, the market has recovered considerably. The pandemic simply delayed, rather than derailed, the buyer demand for housing. Once the lockdown and other public health efforts successfully tamped down the spread of COVID-19 in June, easing consumer fears and loosening the essential services orders, we saw a sharp spike in activity. Listings and new contracts were both up, not just from the April and May levels, but compared to the "normal" market of June 2019. listings and new contracts rose over 2019. Sales were still down from last year, though that was no longer because of disruptions to the closing process but simply from the smaller pipeline of new contracts generated in April and May.

Accordingly, when we look at the "second quarter" numbers, we are going to see new listings, new contracts and sales all down from last year's numbers. But, that quarterly number masks how the market showed dramatic improvement once the pandemic eased up in June.

Going forward, we will not have nearly as big a pipeline going into the third quarter, because second quarter "opens" (i.e. new contracts) were well below last year's levels. But given the spike in June activity, it looks like the buyers who would have purchased a home in the second quarter didn't go away - they just delayed their decisions until the pandemic eased up. Accordingly, we expect huge open numbers in July and August, and believe that those deals will close in the third quarter to drive quarterly closings above last year's levels.

Sales were down, but only because of the pandemic-related disruption.

Inventory was way down, and may be even worse than it looks.

Prices were up, reflecting continued strong buyer demand.

June buyer and seller activity was sharply up.
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HUDSON VALLEY PATTERN for PROGRESS

Do you have topics, questions, concerns about Housing in the Hudson Valley?
We’d love to hear from you as we prepare for
The Annual Housing Conference in November 2020
Send your topics to housingcenter@pfprogress.org

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