Center for HOUSING SOLUTIONS & COMMUNITY INITIATIVES

HUDSON VALLEY REGIONAL HOUSING MARKET REPORT

Q1 2020

In partnership with

Better Homes and Gardens REAL ESTATE RAND REALTY

HUDSON VALLEY **PATTERN** *for* **PROGRESS**

HUDSON VALLEY REGIONAL HOUSING MARKET REPORT

The Center for Housing Solutions and Community Initiatives, a unit of Hudson Valley Pattern for Progress, is pleased to present the Q1 2020 edition of the Regional Housing Market Report.

MARKET SNAPSHOT

1ST QUARTER DATA

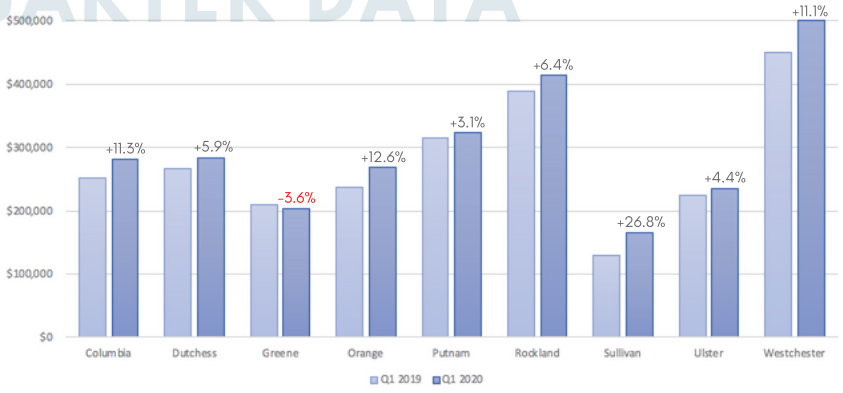
	New Listings			Closed Sales			Homes for Sale			Months of Inventory (Supply)		
	Q1 2019	Q1 2020	% Change	Q1 2019	Q1 2020	% Change	Q1 2019	Q1 2020	% Change	Q1 2019	Q1 2020	% Change
Columbia	321	304	-5.3%	138	128	-7.2%	745	571	-23.4%	12.5	9.3	-25.6%
Dutchess	1,197	1,097	-8.4%	623	628	0.8%	1,604	1,374	-14.3%	6.2	4.8	-22.6%
Greene	344	323	-6.1%	131	143	9.2%	817	536	-34.4%	13.0	7.3	-43.8%
Orange	1,374	1,410	2.6%	919	860	-6.4%	1,820	1,667	-8.4%	4.9	4.6	-6.1%
Putnam	429	457	6.5%	235	264	12.3%	515	504	-2.1%	5.3	4.7	-11.3%
Rockland	938	955	1.8%	542	581	7.2%	1,104	1,009	-8.6%	5.1	4.3	-15.7%
Sullivan	343	326	-5.0%	208	229	10.1%	1,310	1,158	-11.6%	15.1	12.6	-16.6%
Ulster	730	656	-10.1%	411	489	19.0%	1,203	960	-20.2%	6.9	4.8	-30.4%
Westchester	3,651	3,233	-11.4%	1,688	1,666	-1.3%	3,643	2,820	-22.6%	4.8	3.6	-25.0%
HV Region	**9,327**	**8,761**	**-6.1%**	**4,895**	**4,988**	**1.9%**	**12,761**	**10,599**	**-16.9%**			

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

MEDIAN SALES PRICE

1ST QUARTER DATA

	Q1 2019	Q1 2020	% Change
Columbia	$252,500	$280,950	11.3%
Dutchess	$267,250	$283,000	5.9%
Greene	$210,000	$202,425	-3.6%
Orange	$237,950	$267,900	12.6%
Putnam	$315,000	$324,700	3.1%
Rockland	$390,000	$415,000	6.4%
Sullivan	$130,000	$164,900	26.8%
Ulster	$225,000	$235,000	4.4%
Westchester	$450,000	$500,000	11.1%



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

MARKET SNAPSHOT

Q1 2020
NEW LISTINGS

New Listings in the first quarter showed declining numbers as compared to 1st Quarter of 2019, with a 6.1% decrease in New Listings. Putnam was an exception, with a 6.5% increase in New Listings compared to same time last year, while Rockland (+1.8%) and Orange (+2.6%) Counties also saw slight increases.

Q1 2020
CLOSED SALES

The region saw a 1.9% increase in Closed Sales as compared to 1st Quarter 2019. Ulster stood out with a 19% increase in Closed Sales, while Putnam (+12.3%), Sullivan (+10%), and Greene (+9.2%) Counties also saw increases. Columbia (-7.2%) and Orange (-6.4%) showed decreases in the number of Closed Sales.

Q1 2020
HOMES FOR SALE

The number of Homes for Sale at the end of 1st Quarter 2020 continued to decline regionally with a 16.9% decrease compared to 1st Quarter 2019. While there were declines in every county within the region, the most significant drops in available inventory at quarter end were seen in Greene (-34.4%), Columbia (-23.4%), Westchester (-22.6%), and Ulster (-20.2%) counties.

Q1 2020
MONTHS OF INVENTORY

Months of Inventory (Supply) also saw declines across the region when compared to 1st Quarter 2019, most significantly in Greene (-43.8%) and Ulster (-30.4%) Counties. Westchester had the least amount of Supply by the end of 1st Quarter with only 3.6 months of inventory available, while Greene (7.3), Columbia (9.3), and Sullivan (12.6) Counties remained Buyer's Markets.

Q1 2020
MEDIAN SALES PRICE

As Home Inventory continues to decline in the Hudson Valley region due to Buyer demand, Median Sales Price continues to rise. Every county in the region showed an increase in Median Sales Price over 1st Quarter 2019, with the exception of Greene County which had 3.9% decrease.

The most significant gains were seen in Sullivan County, showing an increase of 26.8% versus the same time last year. There were notable price improvements in Orange (+12.6%), Columbia (+11.3%), and Westchester (+11.1%) Counties, as well.

INVENTORY OF HOMES

Single Family, Condos, Townhomes | Q1 2017 - Q1 2020

	1Q 2017	1Q 2018	1Q 2019	1Q 2020	# change 2019 - 2020	% change 2019 - 2020	# change 2017 - 2020	% change 2017 - 2020
Columbia	808	678	745	571	(174)	-23.4%	(237)	-29.3%
Dutchess	1,773	1,475	1,604	1,374	(230)	-14.3%	(399)	-22.5%
Greene	918	795	817	536	(281)	-34.4%	(382)	-41.6%
Orange	2,216	1,822	1,820	1,667	(153)	-8.4%	(549)	-24.8%
Putnam	604	469	515	504	(11)	-2.1%	(100)	-16.6%
Rockland	1,174	1,020	1,104	1,009	(95)	-8.6%	(165)	-14.1%
Sullivan	1,109	1,066	1,310	1,158	(152)	-11.6%	49	4.4%
Ulster	1,424	1,178	1,203	960	(243)	-20.2%	(464)	-32.6%
Westchester	3,861	3,553	3,643	2,820	(823)	-22.6%	(1,041)	-27.0%
HV Region	**13,887**	**12,056**	**12,761**	**10,599**	**(2162)**	**-16.9%**	**(3,288)**	**-23.7%**

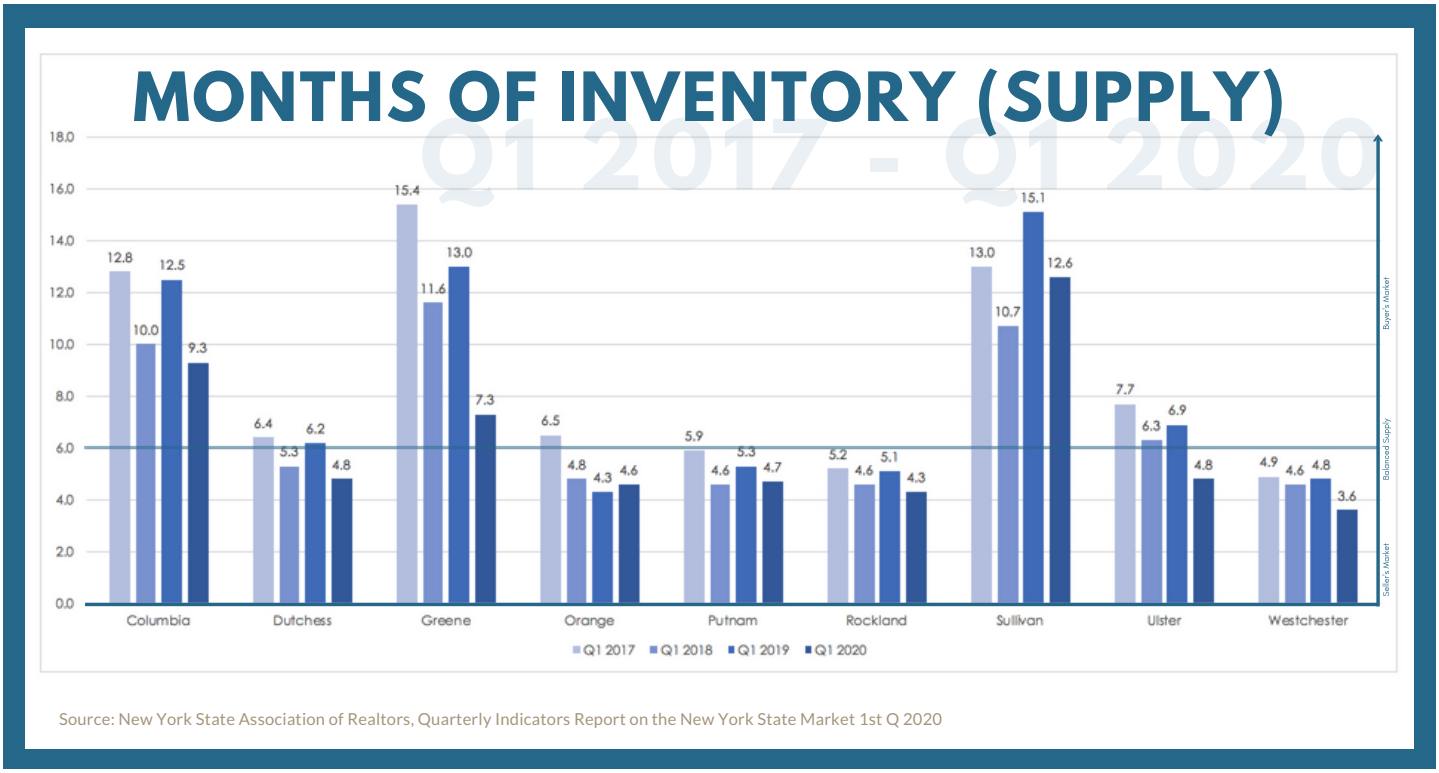
Source: New York State Association of Realtors, Quarterly Indicators Report on the New York State Market 1st Q 2020

TOTAL INVENTORY OF HOMES

Q1 2017 - Q1 2020

At the end of 1st Quarter 2020, every county in the Hudson Valley region showed a reduction of available inventory as compared to 1st Quarter 2019. Most notably Greene County, down 52.4% in available inventory, as compared to same time last year, while Columbia (-30.5%), Westchester (-29.2%), and Ulster (-25.3%) also experienced major declines in the number of homes available.

While the effects of COVID-19 may have impacted supply for the latter half of March 2020, the region was already showing lower inventory levels at the close of February. Based on the data, the region was clearly heading towards a busy Spring Market with increased competition amongst Buyers.



Source: New York State Association of Realtors, Quarterly Indicators Report on the New York State Market 1st Q 2020

MONTHS OF INVENTORY (SUPPLY)

Q1 2017 - Q1 2020

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 1st Quarter 2020 came to a close, with notably steep drops - *more than 20% decreases* in Supply - in Greene (-43.8%), Ulster (-30.4%), Columbia (-25.6%), Westchester (-25%), and Dutchess (-22.6%) as compared to 1st Quarter 2019.

Months of Inventory at the end of 1st Quarter 2020 indicated that majority of the Hudson Valley region would be entering a strong Seller's Market for the Spring Real Estate Market. Months Supply in Westchester County (3.6), Rockland (4.3), Orange (4.6), Putnam (4.7), Dutchess and Ulster (4.8), would typically lead to Buyer competition and increased sale prices. While the Northern most parts of the region remained in a Buyer's Market, Greene (7.3), Columbia (9.3), and Sullivan (12.6), also showed reduced inventories available at the end of March as compared to end of 1st Quarter 2019.

MARKET DATA 2016 - 2020

LOWER HUDSON VALLEY | TWO- TO FOUR-FAMILY HOMES

MEDIAN SALE PRICE

	1Q 2016	1Q 2017	1Q 2018	1Q 2019	1Q 2020	$ change 2019 - 2020	% change 2019 - 2020	$ change 2016 - 2020	% change 2016 - 2020
Orange	$67,000	$142,400	$150,000	$195,500	$220,000	$24,500	12.5%	$153,000	228.4%
Putnam	$202,500	$280,000	$327,689	$316,250	$300,550	($15,700)	-5.0%	$98,050	48.4%
Rockland	$290,000	$247,500	$395,000	$354,500	$520,000	$165,500	46.7%	$230,000	79.3%
Westchester	$409,000	$443,750	$470,000	$535,000	$561,250	$26,250	4.9%	$152,250	37.2%

TOTAL CLOSED SALES

	1Q 2016	1Q 2017	1Q 2018	1Q 2019	1Q 2020	# change 2019 - 2020	% change 2019 - 2020	$ change 2016 - 2020	% change 2016 - 2020
Orange	55	62	53	64	67	3	4.7%	12	21.8%
Putnam	6	5	10	6	4	(2)	-33.3%	(2)	-33.3%
Rockland	15	22	23	20	21	1	5.0%	6	40.0%
Westchester	146	132	149	151	144	(7)	-4.6%	(2)	-1.4%

END OF QUARTER INVENTORY

	1Q 2016	1Q 2017	1Q 2018	1Q 2019	1Q 2020	# change 2019 - 2020	% change 2019 - 2020	$ change 2016 - 2020	% change 2016 - 2020
Orange	207	159	110	110	101	(9)	-8.2%	(106)	-51.2%
Putnam	28	17	16	10	12	2	20.0%	(16)	-57.1%
Rockland	74	22	23	20	21	1	5.0%	(53)	-71.6%
Westchester	292	197	151	190	150	(40)	-21.1%	(142)	-48.6%

Source: Hudson Gateway Association of Realtors, 2020 1st Quarter Residential Real Estate Sales Report

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.

Rockland County saw the largest percentage increase in multi-family home values with a 46.7% gain in Median Sale Price over same quarter last year and a remarkable a 79.3% gain in median sale price since 2016, which translates to a $230K rise in home value. Orange County showed the largest percentage change over 5 years, with 228.4% gains in home value since 1st Quarter 2016.

Inventory continues to decline in all counties, resulting in what ordinarily would indicate more upward pricing pressure for multi-family properties for the remainder of 2020. However, due to COVID-19 eviction stays, 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.

COVID-19 IMPACTS ON THE REAL ESTATE PROCESS

The real estate industry is based on close, person-to-person business activities including home tours with Realtors, Closings in Attorneys' offices, as well as numerous exchanges with Home Inspectors and Appraisers, as well as between buyers and sellers.

Effective April 1st, 2020, Empire State Development adjusted the list of essential business activity to include residential and commercial showings. This includes other essential real estate functions such as back office real estate work, appraisal services and home inspections:

Essential Businesses must continue to comply with the guidance and directives for maintaining a clean and safe work environment issued by the Department of Health. Every business, even if essential, is strongly urged to maintain social distance to the extent possible. The following functions of real estate and/or realtors (sic) are considered essential: Residential home and commercial office showings; home inspections; and residential appraisers. Back-office real estate work is deemed essential, but please utilize telecommuting or work from home procedures to the maximum extent possible.

How is this impacting Real Estate Transactions in the Short Term?

Virtual Showings – Although recent NYS Executive Orders permit Realtors to conduct home tours – the manner in which it is done has changed. Current guidelines allow Realtors to offer virtual home tours if the Sellers will allow access, but Realtors may not meet with Buyers or Sellers in person.

Home Inspections - The International Association of Certified Home Inspectors acted quickly to offer a five-hour COVID-19 Safety Certification so that Home Inspectors could understand and minimize the risks of COVID-19 while continuing to complete Home Inspections during the PAUSE. Home Inspections are now generally conducted without Buyers present and then wrapped up virtually via video so that the Home Inspector can convey summary of findings.

Contracts & Closings - Due to social distancing requirements, closings have been challenging for Attorneys, Title Companies, Realtors, Lenders, and Buyers and Sellers. New York State has allowed Virtual Notary Services and many Attorneys are conducting their Contract reviews by phone or video chat. For Closings, Attorneys and Lenders have devised ways to minimize contact between parties, including pre-signing documents, offering staggered schedules for signing parties and even drive-thru closings.

There are uncertain times ahead for the real estate market. The sales volume is likely to continue to decline and prices may be stagnant in the short term. However, interest rates are extraordinarily low, many buyers are still working, and the Hudson Valley is likely to see market pressure from New York City. The ability to work from home will also play a part in the demand for housing in the Hudson Valley.

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Call (845) 565-4900

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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