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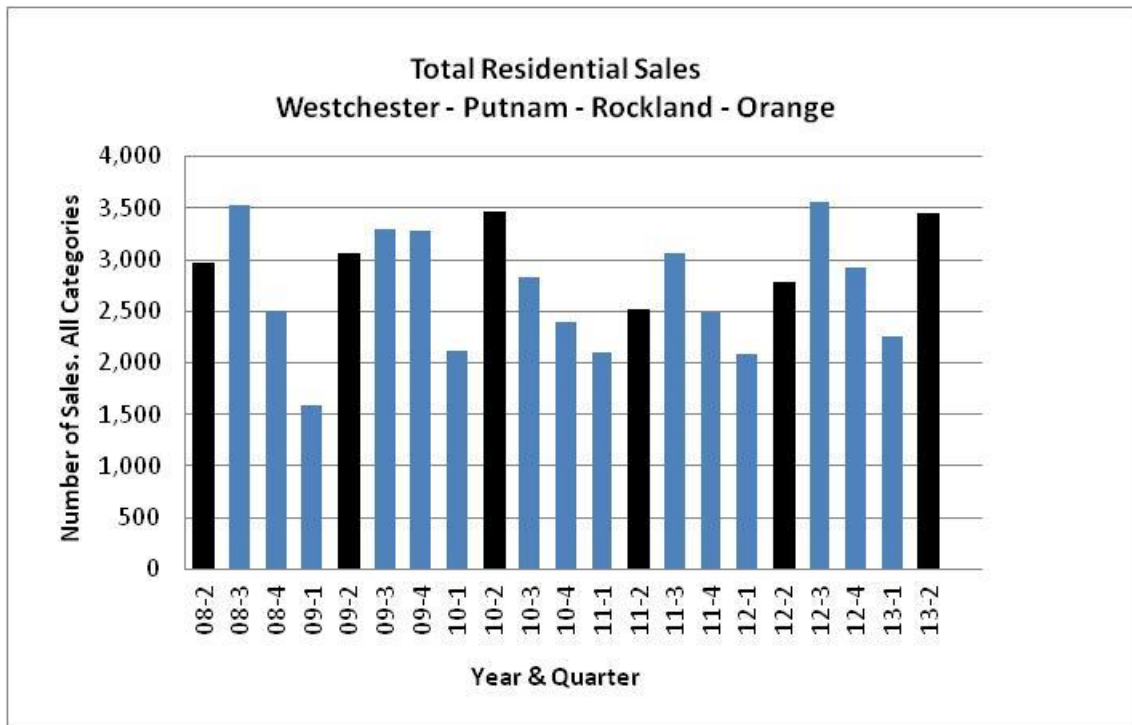
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2013 SECOND QUARTER RESIDENTIAL REAL ESTATE SALES REPORT Westchester, Putnam, Rockland and Orange Counties, New York

The Lower Hudson Valley's residential real estate market posted a significant increase in activity during the second quarter of 2013. Realtors participating in the Hudson Gateway Multiple Listing Service* reported a grand total of 3,445 closed residential transactions in the four-county MLS service territory consisting of Westchester, Putnam, Rockland and Orange Counties, New York. The residential properties consisted of single family houses, condominiums, cooperatives, and 2-4 family buildings.

The sales volume represented a 24% increase from the comparable period in 2012 and was the highest second quarter posting since 2010. These closed transactions largely flowed from properties that were marketed in the early months of this year.



Among the four counties, Orange County posted the largest percentage increase, 34.0%, in its single family house sector where there were 528 sales this quarter as compared to 394 sales in the second quarter of 2012. Westchester County, which accounts for nearly two-thirds of all sales in the region, posted a 23.8% increase in its single family house sector, and 27.8% in its cooperative unit sector. Putnam and Rockland County posted sales gains in their single family house sectors of 10.6% and 7.2% respectively. This level of activity, if maintained for the rest of the year, and taking into account the slower paced first quarter, will result in an estimated year-end volume of about 13,000 units throughout the region, taking us back to pre-recessionary levels posted in 2007 and earlier.

One of the major consequences of the quickened pace of sales is that inventory (the supply of units available for sale) is under pressure in all four counties. In Westchester, the county having the largest volumes, the end-of-quarter 6,156 available properties were 13.1% fewer than last year at this date, and fewer than in 2010 and 2011 as well. In the post recessionary period since 2008 we have ascribed low levels of inventory to prospective sellers' reticence to enter what to them appeared to be an unpromising market. Now, however, it appears that a more classic supply and demand condition is informing the market as new listings barely keep up with sales.

Besides Westchester, the Rockland and Putnam markets both experienced further reductions (5.5% and 2.7% respectively) in inventory since 2011 and 2012. Only in Orange County has the decline of inventory been arrested, a surprising result from the market having the fastest turnover from high sales rates. Very possibly, prospective sellers in Orange are observing the robust sales activity around them and are therefore more inclined to list their properties than before, a proposition whose accuracy will be tested when the third quarter results are in.

Realtors report that the squeeze on inventory is pressing buyers to act more quickly and decisively in their search for suitable properties, but the Multiple Listing Service has not received a comparable number of reports that low inventory is causing any sort of outsize price inflation. This second quarter report documents price increases throughout the region, but those increases are moderate and also must be seen against the background of flat or even declining prices over the past several years.

The strongest performer in the single family house market was Westchester County, where the second quarter median¹ sale price of \$650,000 was 5.0% higher than in 2012; this was the highest second quarter median since 2008. The mean¹ sale price of \$859,861 was only 0.8% higher. The two factors together suggest that high-end sales are maintaining but not increasing their market share or prices for the most part. For example, Westchester houses selling for \$1 million or more accounted for 23.4% of total house sales, but this was near the range of 21-23% that has obtained since 2010.

Rockland County was a close second to Westchester with a 4.8% increase in its single family median price to \$395,000. Its condominium sector median, however, \$205,000, was 9.4% less than last year. In Putnam County, the median house price was \$308,000 or 2.8% higher than last year. It, too, experienced a price decrease in its condo sector, by 6.5% to \$201,000.

Of the four counties, Orange has experienced the most persistent bout of low or declining house prices. The second quarter median for a single family house was \$240,000, down 0.9% from last year. It is believed that Orange has a higher rate than the rest of the region of REO (real estate or bank owned properties) and short sales in its sales mix, which would tend to hold down the averages. However, given its fast pace of sales and steady inventory, Orange may be rapidly burning through its supply of stressed housing and will see a price jump next quarter. Also, it should be noted that Orange County enjoyed a 10.7% price increase in its condominium sector, where the second quarter median closed at \$179,000.

Overall the Lower Hudson Region is doing well in its recovery from the “great recession.” Sales volumes have been accelerating and prices have begun to increase, but at sensible rates. However, the one major threat to a full recovery could be mortgage interest rates that increase too rapidly. Consumers over many months have become accustomed to rates averaging less than 4.0% on 30-year conventional loans, but in response to recent Federal Reserve policies and pronouncements, that 4% threshold was re-crossed on the upward swing in late May and the average conventional rate is now closer to 5% than 4%. Ascending mortgage interest rates sometimes boost the market in the short run by stimulating prospective purchasers to advance their planning, but in the longer run a too sharp rate of increase can damage the recovering market by reducing the number of consumers who can afford the higher monthly mortgage expenses.

On the plus side in our region, the unemployment rates in each of the four counties has decreased by a full percentage point or more since last year, and all are below the statewide average of 7.3% for the last several months. With a careful eye on mortgage interest rates, and with steady improvement in the region’s general economic conditions, we are likely to see more sales and firmed-up pricing in the coming quarters.

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**The Hudson Gateway Multiple Listing Service, Inc. (HGMLS) is a subsidiary of the Hudson Gateway Association of Realtors, Inc. (HGAR). The MLS’s principal service territory consists of Westchester, Putnam, Rockland and Orange Counties. It also provides services to Realtors operating in Bronx, Dutchess, Sullivan and Ulster Counties. The reported transactions do not include all real estate sales in the area or all sales assisted by the participating offices but they are fairly reflective of general market conditions. HGMLS does not provide data on sub-county geographic areas. Persons desiring sub-county data are invited to contact participating real estate offices in the desired areas. Any text or data from this report may be reprinted with attribution to Hudson Gateway Multiple Listing Service, Inc. as the source. Prior reports dating back to 1981 are available on the Realtor Association’s website, www.hgar.com; click on Market Statistics. A membership directory searchable by municipality is also available on that site.*

¹ *The median sale price is the mid-point of all reported sales, i.e., half of the properties sold for more than the median price and half for less. The median is not affected by unusually low or high sale prices. The mean sale price is the arithmetic average, i.e., the sum of all sales prices divided by the number of sales. The mean does reflect the influence of sales at unusually low or high prices.*

WESTCHESTER COUNTY, NY

2ND QUARTER & YEAR TO DATE

% Change

Property Type	2010	2011	2012	2013	<i>2012-2013</i>
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NUMBER OF SALES - SECOND QUARTER

Single Family Houses	1,193	986	1,151	1,425	23.8%
Condominiums	315	219	247	296	19.8%
Cooperatives	462	286	306	391	27.8%
2-4 Family	<u>103</u>	<u>92</u>	<u>84</u>	<u>113</u>	34.5%
Total	2,073	1,583	1,788	2,225	24.4%

NUMBER OF SALES - YEAR TO DATE

Single Family Houses	1,949	1,706	1,881	2,202	17.1%
Condominiums	495	398	435	508	16.8%
Cooperatives	756	554	566	674	19.1%
2-4 Family	<u>186</u>	<u>172</u>	<u>157</u>	<u>191</u>	21.7%
Total	3,386	2,830	3,039	3,575	17.6%

MEDIAN SALE PRICE - SECOND QUARTER

Single Family Houses	607,500	622,750	619,000	650,000	5.0%
Condominiums	352,250	348,500	338,000	344,750	2.0%
Cooperatives	169,500	157,250	156,250	154,000	-1.4%
2-4 Family	375,000	314,000	321,750	350,000	8.8%

MEAN SALE PRICE - SECOND QUARTER

Single Family Houses	814,556	857,261	852,636	859,861	0.8%
Condominiums	396,478	410,402	387,071	424,403	9.6%
Cooperatives	191,161	190,984	184,131	190,612	3.5%
2-4 Family	373,087	321,151	336,271	354,491	5.4%

END OF QUARTER (6/30) INVENTORY

Single Family Houses	4,528	4,720	4,120	3,702	-10.1%
Condominiums	944	967	779	549	-29.5%
Cooperatives	1,511	1,721	1,626	1,485	-8.7%
2-4 Family	<u>616</u>	<u>590</u>	<u>556</u>	<u>420</u>	-24.5%
Total	7,599	7,998	7,081	6,156	-13.1%

PUTNAM COUNTY, NY					
SECOND QUARTER & YEAR TO DATE					% Change
Property Type	2010	2011	2012	2013	2012-2013
NUMBER OF SALES - SECOND QUARTER					
Single Family Houses	184	122	160	177	10.6%
Condos & Co-ops	24	21	17	26	52.9%
Total	208	143	177	203	14.7%
NUMBER OF SALES - YEAR TO DATE					
Single Family Houses	308	261	272	293	7.7%
Condos & Co-ops	37	36	36	45	25.0%
Total	345	297	308	338	9.7%
MEDIAN SALE PRICE - SECOND QUARTER					
Single Family Houses	306,750	320,000	299,500	308,000	2.8%
Condos & Co-ops	242,500	240,000	215,000	201,000	-6.5%
MEAN SALE PRICE - SECOND QUARTER					
Single Family Houses	338,742	407,642	357,919	341,738	-4.5%
Condos & Co-ops	252,821	236,898	235,651	205,549	-12.8%
END OF QUARTER (6/30) INVENTORY					
Single Family Houses	977	1,008	899	894	-0.6%
Condos & Co-ops	144	133	108	86	-20.4%
Total	1,121	1,141	1,007	980	-2.7%

ROCKLAND COUNTY, NY					
SECOND QUARTER & YEAR TO DATE					% Change
Property Type	2010	2011	2012	2013	2012-2013
NUMBER OF SALES - SECOND QUARTER					
Single Family Houses	384	262	292	313	7.2%
Condos & Co-ops	147	92	95	107	12.6%
Total	531	354	387	420	8.5%
NUMBER OF SALES - YEAR TO DATE					
Single Family Houses	595	495	523	570	9.0%
Condos & Co-ops	244	170	187	195	4.3%
Total	839	665	710	765	7.7%
MEDIAN SALE PRICE - SECOND QUARTER					
Single Family Houses	415,000	385,000	377,000	395,000	4.8%
Condos & Co-ops	244,000	220,000	227,000	205,000	-9.7%
MEAN SALE PRICE - SECOND QUARTER					
Single Family Houses	446,221	446,653	432,354	404,904	-6.3%
Condos & Co-ops	259,924	230,388	235,901	232,608	-1.4%
END OF QUARTER (6/30) INVENTORY					
Single Family Houses	1,462	1,422	1,307	1,295	-0.9%
Condos & Co-ops	555	562	455	370	-18.7%
Total	2,017	1,984	1,762	1,665	-5.5%

ORANGE COUNTY, NY

2ND QTR & YEAR TO DATE

% Change

Property Type	2010	2011	2012	2013	2012-2013
NUMBER OF SALES - SECOND QUARTER					
Single Family Houses	547	376	394	528	34.0%
Condos & Co-ops	108	61	72	79	9.7%
Total	655	437	466	607	30.3%
NUMBER OF SALES - YEAR TO DATE					
Single Family Houses	850	716	725	908	25.2%
Condos & Co-ops	170	115	132	151	14.4%
Total	1,020	831	857	1,059	23.6%
MEDIAN SALE PRICE - SECOND QUARTER					
Single Family Houses	252,000	246,750	242,300	240,000	-0.9%
Condos & Co-ops	183,000	175,000	161,750	179,000	10.7%
MEAN SALE PRICE - SECOND QUARTER					
Single Family Houses	276,364	265,522	271,741	257,414	-5.3%
Condos & Co-ops	192,408	178,695	182,101	185,469	1.8%
END OF QUARTER (6/30) INVENTORY					
Single Family Houses	3,065	3,237	2,851	2,859	0.3%
Condos & Co-ops	521	463	354	354	0.0%
Total	3,586	3,700	3,205	3,213	0.2%

