

# HUDSON VALLEY REAL ESTATE REPORT

## Hudson Valley Home Sales Reach Pre-Recession Levels

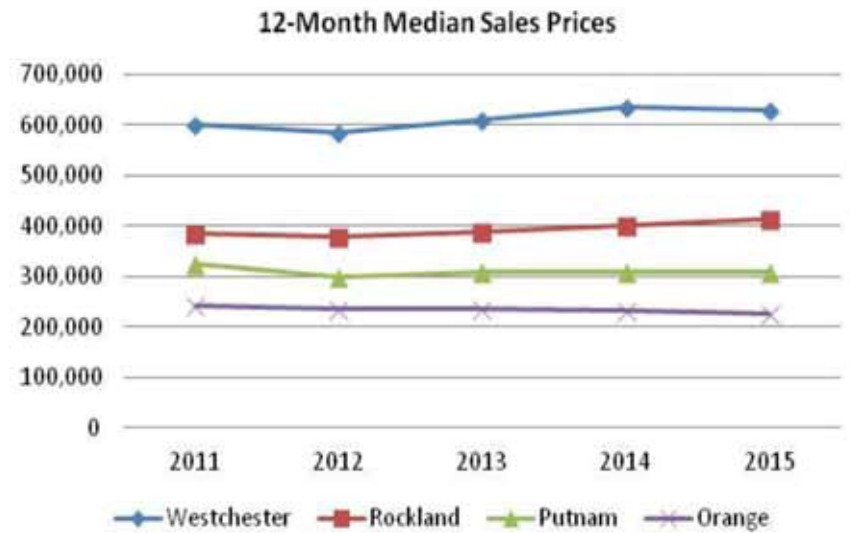
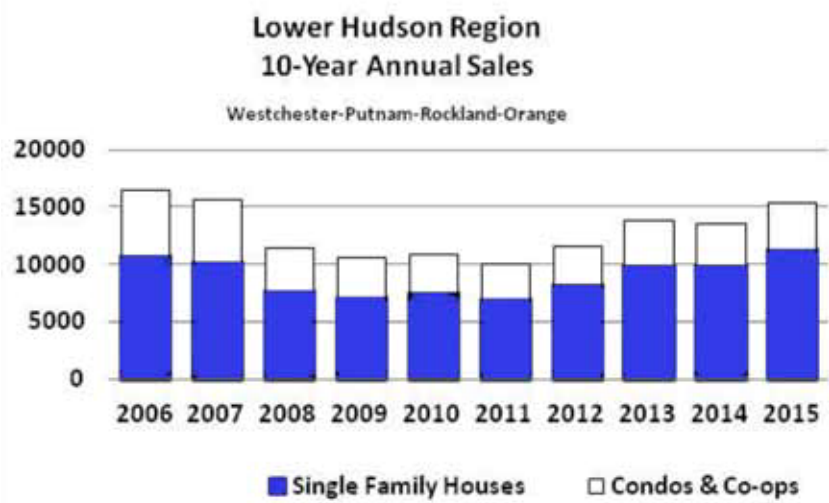
**Staff Report**

*Editor's Note: The following is the full text version of the 2015 Fourth Quarter Residential Real Estate Sales Report*

The brisk pace of sales across the region and among most of the property types tracked by the MLS (single family houses, condominiums, cooperatives,

was not so overheated as to drive the region's housing prices to the excesses that characterized the pre-recession era. Some average pricing actually de-

ties very generally tracked the pattern of medians, indicating that the various submarkets remained in balance with each other.



for Westchester, Putnam, Rockland and Orange Counties, New York released earlier this month by the Hudson Gateway Multiple Listing Service, Inc.

WHITE PLAINS—The recovery of the real estate market in the lower Hudson region continued apace in 2015 as total sales in the region reached and exceeded the 15,000 sales level last attained in the pre-recession years of 2006 and 2007. Realtors participating in the Hudson Gateway Multiple Listing Service reported 15,324 closings of residential transactions (excluding multi-family units) in 2015, an increase of 1,769 units or 13% over 2014's level.

The largest increase on a percentage basis occurred in Orange County where the 3,284 reported sales were 26% ahead of last year's total. On a straight volume basis, Westchester, as the largest county in the region, posted 9,401 sales for an increase of 9% over last year.

By property type, the condominium sector performed exceptionally well in 2015 in some counties. Orange County's 356 condo sales were 31% more than last year, and Westchester's total of 1,315 sales was up by 20%.

2-4 family houses) continued all year long and into the last three months of 2015. There were 4,313 closings in the fourth quarter, an increase of 16% over the comparable period in 2014. Those closings largely followed from marketing activity during the late summer and early autumn months.

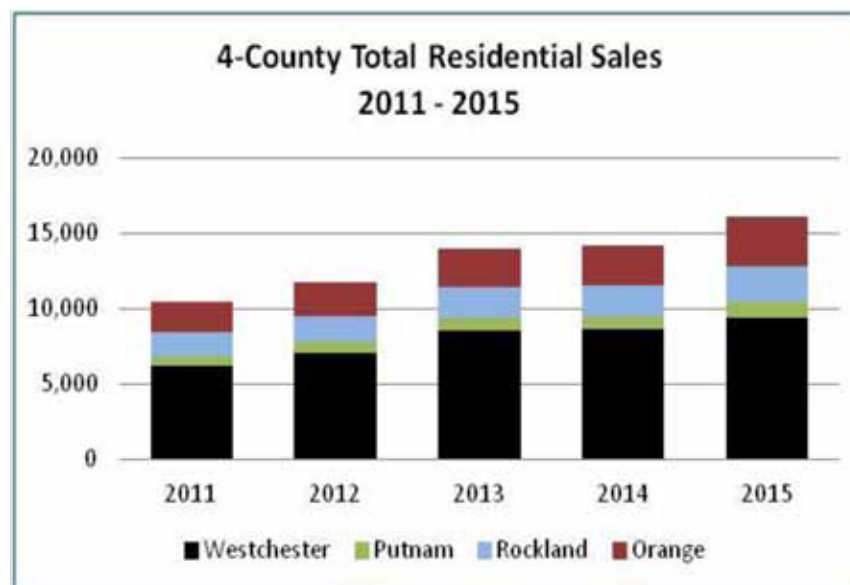
Although the 2015 real estate market activity was fairly competitive, it

increased. For example, the 2015 median sale price of a Westchester single-family house—\$628,875—was 1% below its 2014 level. Orange County's median of \$225,000 was down by nearly 3% and Putnam's median remained unchanged at \$310,000. Rockland, in contrast to the others, posted a median house price of \$415,000 for a nearly 4% gain over 2014. The mean sales prices of proper-

Also exhibiting a pattern of balance and restraint, the inventory of properties for sale (all property types in all counties) was 8,913 units at the close of 2015, just 1.2% more than at the close of 2014. Westchester had the largest increase with 2.2% for a total of 4,009 units. That slight increase should boost sales a bit in 2016.

**Forecast**

There are reasons to continue to be optimistic for the local real estate market in 2016. As noted, the inventory situation appears to have found its correct level with respect to high volumes of sales. Pricing has stabilized too. Mortgage interest rates remain very low, and the prevailing opinion is that the recent increase in the Fed overnight rate is not going to have an important negative effect, if any at all. The region's economy is sound; unemployment among the counties is less than 5%, which is generally regarded by many analysts as full employment. The chaos in the equity markets (DJ et. Al.) of recent months is the sole dark cloud, but the connection with the real estate market, if any, is not well known. The outlook for our local real estate market is bright.



## Strong Economy Boosting Outlook for Westchester Office Market

**By John Jordan**

WHITE PLAINS—The improving national and local economies are definitely benefitting the Westchester County office market and all signs are pointing to a year of positive absorption and lower vacancy rates.

That was the consensus of the participants of a panel comprised of commercial brokers and developers that offered their 2016 prognostications for the Westchester County office market. The panel was featured at the Building Owners and Managers Association of Westchester County "State of the Market" meeting on Jan. 14th at the Crowne Plaza Hotel in White Plains.

The panel included John Barnes, senior vice president, managing director suburban division for Reckson, a division of SL Green; William Cuddy, executive vice president, CBRE Group; Thomas Sklow, vice president of de-

velopment and leasing for Keystone Property Group and Robert Weisz, chairman, CEO and founder of the RPW Group. William Mooney III, director of the Office of Economic Development of Westchester County was the moderator of the panel presentation.

The panel was particularly bullish on the prospects for growth in the health care and biotech sectors in Westchester County. At the onset of the presentation, Weisz announced that the Hospital for Special Surgery had signed a 50,000-square-foot lease at his 1133 Westchester Ave. office building in White Plains off I-287. See story on page 26 of this edition of *Real Estate In-Depth*.

"I think 2015 will be (viewed) as a turning point in the history of Westchester County," Weisz said. He told the more than 100 attendees at the event



The BOMA panel featured from left, William Mooney III, director of the Office of Economic Development of Westchester County, John Barnes, senior vice president, managing director suburban division for Reckson, a division of SL Green; William Cuddy, executive vice president, CBRE Group; Robert Weisz, chairman, CEO and founder of the RPW Group and Thomas Sklow, vice president of development and leasing for Keystone Property Group.

that leasing activity in Westchester and his portfolio had picked up considerably over the past six months. He noted that RPW Group leased 10% of its portfolio or approximately 200,000. Weisz said the last time that happened was in 2007.

Weisz is bullish on the market, particularly because of the amount of new multifamily development in the pipeline that will provide housing for workers. He

# WESTCHESTER

WESTCHESTER - ANNUAL 2012 - 2015					% Change
Property Type	2012	2013	2014	2015	2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	4,478	5,442	5,394	<b>5,731</b>	6.2%
Condominiums	1,008	1,157	1,097	<b>1,315</b>	19.9%
Cooperatives	1,259	1,536	1,709	<b>1,814</b>	6.1%
2-4 Family	342	421	409	<b>541</b>	32.3%
Total	7,087	8,556	8,609	<b>9,401</b>	9.2%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	586,500	610,000	635,000	<b>628,875</b>	-1.0%
Condominiums	330,000	343,000	350,000	<b>350,000</b>	0.0%
Cooperatives	148,400	150,000	147,500	<b>150,000</b>	1.7%
2-4 Family	330,000	370,000	405,000	<b>408,500</b>	0.9%
<b>MEAN SALE PRICE</b>					
Single Family Houses	800,368	811,355	862,027	<b>836,790</b>	-2.9%
Condominiums	371,925	397,179	422,997	<b>428,593</b>	1.3%
Cooperatives	178,012	188,061	179,774	<b>179,438</b>	-0.2%
2-4 Family	348,210	371,794	409,962	<b>417,047</b>	1.7%
<b>END OF YEAR INVENTORY</b>					
Single Family Houses	2,570	2,327	2,196	<b>2,390</b>	8.8%
Condominiums	539	402	438	<b>423</b>	-3.4%
Cooperatives	1,292	1,209	937	<b>866</b>	-7.6%
2-4 Family	421	371	351	<b>330</b>	-6.0%
Total	4,822	4,309	3,922	<b>4,009</b>	2.2%

WESTCHESTER - 4TH QUARTERS 2012 - 2015					% Change
Property Type	2012	2013	2014	2015	2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	1,045	1,228	1,239	<b>1,399</b>	12.9%
Condominiums	292	270	307	<b>356</b>	16.0%
Cooperatives	344	385	479	<b>498</b>	4.0%
2-4 Family	85	109	127	<b>159</b>	25.2%
Total	1,766	1,992	2,152	<b>2,412</b>	12.1%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	545,000	560,000	569,000	<b>565,000</b>	-0.7%
Condominiums	320,000	325,985	335,000	<b>325,000</b>	-3.0%
Cooperatives	145,000	145,000	146,000	<b>147,000</b>	0.7%
2-4 Family	358,250	370,000	389,000	<b>410,000</b>	5.4%
<b>MEAN SALE PRICE</b>					
Single Family Houses	795,077	739,954	771,117	<b>733,636</b>	-4.9%
Condominiums	372,220	367,048	434,408	<b>410,094</b>	-5.6%
Cooperatives	172,800	189,788	177,614	<b>169,966</b>	-4.3%
2-4 Family	381,324	377,981	409,321	<b>417,110</b>	1.9%

# ROCKLAND

ROCKLAND - ANNUAL 2012 - 2015					% Change
Property Type	2012	2013	2014	2015	2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	1,328	1,523	1,514	<b>1,830</b>	20.9%
Condominiums	306	324	392	<b>401</b>	2.3%
Cooperatives	59	88	88	<b>76</b>	-13.6%
2-4 Family	46	54	63	<b>70</b>	11.1%
Total	1,739	1,989	2,057	<b>2,377</b>	15.6%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	378,750	387,500	400,000	<b>415,000</b>	3.8%
Condominiums	215,000	221,000	214,000	<b>220,000</b>	2.8%
Cooperatives	75,000	78,875	73,250	<b>74,500</b>	1.7%
2-4 Family	285,000	310,000	315,000	<b>328,500</b>	4.3%
<b>MEAN SALE PRICE</b>					
Single Family Houses	414,430	423,152	433,176	<b>447,350</b>	3.3%
Condominiums	241,271	254,369	252,910	<b>256,055</b>	1.2%
Cooperatives	84,983	99,374	102,382	<b>98,070</b>	-4.2%
2-4 Family	290,787	324,269	296,469	<b>341,606</b>	15.2%
<b>END OF YEAR INVENTORY</b>					
Single Family Houses	971	948	990	<b>993</b>	0.3%
Condos & Co-ops	327	315	255	<b>238</b>	-6.7%
Cooperatives	na	na	65	<b>71</b>	9.2%
2-4 Family	na	na	57	<b>74</b>	29.8%
Total	1,298	1,263	1,367	<b>1,376</b>	0.7%

ROCKLAND - 4TH QUARTERS 2012 - 2015					% Change
Property Type	2012	2013	2014	2015	2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	359	392	415	<b>531</b>	28.0%
Condominiums	88	87	111	<b>115</b>	3.6%
Cooperatives	13	31	18	<b>20</b>	11.1%
2-4 Family	16	18	16	<b>20</b>	25.0%
Total	476	528	560	<b>686</b>	22.5%
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	380,000	380,000	394,000	<b>420,000</b>	6.6%
Condominiums	204,500	200,000	213,000	<b>209,000</b>	-1.9%
Cooperatives	60,000	71,000	63,500	<b>115,500</b>	81.9%
2-4 Family	289,950	332,500	324,000	<b>300,500</b>	-7.3%
<b>MEAN SALE PRICE</b>					
Single Family Houses	409,712	405,156	435,199	<b>455,086</b>	4.6%
Condominiums	247,170	237,260	259,775	<b>268,226</b>	3.3%
Cooperatives	62,665	93,269	102,350	<b>127,345</b>	24.4%
2-4 Family	308,869	310,914	299,703	<b>314,628</b>	5.0%

## Marcene Hedayati Installed as 2016 President of HGAR

Continued from page 1

her business partners formed Legends Realty Group in 2006, which became part of the William Raveis family in 2011. She began her real estate career with Houlihan Lawrence, where she was honored as the company's "Rookie of the Year" during her first year there.

The newly installed HGAR President discussed how technology has redefined the role of Realtors and cited a quote from President John F. Kennedy (see President's Corner on page 4) that called on people to embrace change, which he said "is the law of life."

"I am grateful that this association has faced change in this way," she said. "Grateful that for a century it has remained relevant so that we may remain relevant. I want us to be part of an industry that is held in high esteem by our customers, clients and the public at large. This can only be done by embracing change and facing innovation at the heart of everything we do."

Prior to real estate, Hedayati owned seven Benetton clothing stores and later managed fashion boutiques along Madison Avenue in New York City. She has served on many HGAR committees, the HGAR Board of Directors and last year, she was the HGAR President-Elect for 2016.

Zurlo in her presentation at the gala thanked 2015 HGMLS President Leah Caro and last year's Board of Directors for their service to the organization and welcomed the newly installed HGMLS



Renee Zurlo

Board.

"There are several national initiatives and MLS issues being discussed this year," she said. "My focus for our Board of Directors is to educate ourselves on these initiatives so that we can in turn give guidance, direction and make decisions that will continue to provide the best services to our members and subscribers and service the needs of our organization."

Zurlo has been in real estate for more than 20 years and served as Vice Presi-

dent of HGMLS last year. A member of the former Orange County Association of Realtors, she sat on many committees and is also a New York State Certified Real Estate Instructor. She began her career with Coldwell Banker in Orange County, and later opened her own firm, Real Estate United, in Middletown. In 2009, she joined Better Homes and Gardens Rand Realty as its Regional Development Manager. Prior to the merger creating HGAR, Zurlo served on the former OCAR MLS Board of Directors for many years, and more recently chaired the HGMLS Committee that researched new MLS systems.

In addition to the presidents, the 2016 HGAR Executive Officers installed included: Dorothy Botscoe of Dorothy Jensen Realty, Inc. in White Plains as HGAR President-Elect for 2017; John Lease III of John Lease Realtors in Newburgh as Regional VP, Orange County; Russell Woolley of Wright Brothers Real Estate Inc. in Nyack as Regional VP, Rockland County; Barry Kramer of Westchester Choice Realty in Scarsdale as Regional VP, Westchester and Putnam Counties; Clayton Livingston of BHHS Hudson Valley Properties in Pawling as Regional VP, Westchester and Putnam Counties; Pamela Jones of Coldwell Banker in White Plains, as Secretary/Treasurer; and Drew Kessler of Wright Brothers Real Estate Inc. in Nyack as Immediate Past President.

The new HGMLS Officers include: Louise Colonna of Coldwell Banker Residential Brokerage in White Plains as Vice President; Chirag Shah of Gateway Realty Corp. of New York in Mamaroneck as Treasurer, Eileen Barrett of Houlihan Lawrence in Brewster as Secretary; and Leah Caro of Bronxville-Ley Real Estate in Bronxville as Immediate Past President.

Sponsors of the event were: **Centennial Pioneer Sponsor:** CoreLogic; **Centennial Milestone Sponsors:** Dolgetta Law, PLLC, Prospect Mortgage, LLC, William Raveis Real Estate, William Raveis Legends Realty Group, and Zillow; **Centennial Leader Sponsors:** Better Homes and Gardens Rand Realty, Cindy Kief Team, William Raveis Legends Realty Group, Journal News Media Group, Julia B. Fee Sotheby's International Realty, New York State Association of Realtors, HGAR CEO Richard Haggerty, Ragette Real Estate, Richard O'Donnell, Tax Consultant and Supra; **Centennial Patron Sponsors:** Allan M. Block Agency, Inc., ASAP Mortgage, Atlantic Home Loans, Berkshire Hathaway HomeServices Westchester Properties, Dorothy Jensen Realty, Inc., Douglas Elliman Real Estate, Houlihan Lawrence, Mark's Inspections, Parkway Pest Services, ShowingTime, The Great American Title Agency, Inc. and William Raveis Legends Realty Group.

# PUTNAM

PUTNAM - ANNUAL 2012 - 2015					
Property Type	2012	2013	2014	2015	% Change 2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	634	719	763	<b>894</b>	17.2%
Condominiums	69	102	108	<b>146</b>	35.2%
Cooperatives	9	8	3	<b>7</b>	133.3%
2-4 Family	5	9	17	<b>17</b>	0.0%
<b>Total</b>	<b>717</b>	<b>838</b>	<b>891</b>	<b>1,064</b>	<b>19.4%</b>
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	300,000	308,000	310,000	<b>310,000</b>	0.0%
Condominiums	206,000	201,000	227,500	<b>243,000</b>	6.8%
Cooperatives	37,900	100,000	58,000	<b>60,000</b>	3.4%
2-4 Family	225,000	230,000	230,000	<b>275,000</b>	19.6%
<b>MEAN SALE PRICE</b>					
Single Family Houses	350,828	359,387	366,876	<b>356,091</b>	-2.9%
Condominiums	231,039	229,906	254,174	<b>279,172</b>	9.8%
Cooperatives	51,600	95,875	120,697	<b>76,200</b>	-36.9%
2-4 Family	265,400	293,333	233,165	<b>283,553</b>	21.6%
<b>END OF YEAR INVENTORY</b>					
Single Family Houses	708	681	671	<b>658</b>	-1.9%
Condos & Co-ops	89	69	71	<b>75</b>	5.6%
Cooperatives	na	na	8	<b>4</b>	-50.0%
2-4 Family	na	na	23	<b>25</b>	8.7%
<b>Total</b>	<b>797</b>	<b>750</b>	<b>773</b>	<b>762</b>	<b>-1.4%</b>

PUTNAM - 4TH QUARTERS 2012 - 2015					
Property Type	2012	2013	2014	2015	% Change 2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	168	195	228	<b>261</b>	14.5%
Condominiums	20	28	34	<b>44</b>	29.4%
Cooperatives	4	4	1	<b>1</b>	0.0%
2-4 Family	1	5	2	<b>5</b>	150.0%
<b>Total</b>	<b>193</b>	<b>232</b>	<b>265</b>	<b>311</b>	<b>17.4%</b>
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	300,000	300,000	323,750	<b>319,000</b>	-1.5%
Condominiums	236,000	211,500	223,500	<b>216,750</b>	-3.0%
Cooperatives	42,750	90,000	255,000	<b>20,900</b>	-91.8%
2-4 Family	300,000	293,000	227,750	<b>375,000</b>	64.7%
<b>MEAN SALE PRICE</b>					
Single Family Houses	345,012	361,145	391,333	<b>359,987</b>	-8.0%
Condominiums	236,807	250,304	244,966	<b>272,692</b>	11.3%
Cooperatives	58,875	79,625	255,000	<b>20,900</b>	-91.8%
2-4 Family	300,000	370,600	227,750	<b>395,400</b>	73.6%

# ORANGE

ORANGE - ANNUAL 2012 - 2015					
Property Type	2012	2013	2014	2015	% Change 2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	1,866	2,243	2,204	<b>2,746</b>	24.6%
Condominiums	225	255	271	<b>356</b>	31.4%
Cooperatives	6	5	12	<b>8</b>	-33.3%
2-4 Family	105	131	125	<b>174</b>	39.2%
<b>Total</b>	<b>2,202</b>	<b>2,634</b>	<b>2,612</b>	<b>3,284</b>	<b>25.7%</b>
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	235,000	234,500	231,250	<b>225,000</b>	-2.7%
Condominiums	172,000	165,000	158,000	<b>153,750</b>	-2.7%
Cooperatives	61,250	61,500	42,500	<b>56,500</b>	32.9%
2-4 Family	80,000	116,000	100,000	<b>87,500</b>	-12.5%
<b>MEAN SALE PRICE</b>					
Single Family Houses	253,281	251,083	252,705	<b>244,667</b>	-3.2%
Condominiums	185,704	172,864	163,897	<b>159,508</b>	-2.7%
Cooperatives	58,780	89,600	47,750	<b>52,925</b>	10.8%
2-4 Family	109,836	126,387	122,352	<b>120,477</b>	-1.5%
<b>END OF YEAR INVENTORY</b>					
Single Family Houses	2,421	2,331	2,306	<b>2,334</b>	1.2%
Condos & Co-ops	284	289	232	<b>235</b>	1.3%
Cooperatives	na	na	8	<b>12</b>	50.0%
2-4 Family	na	na	191	<b>185</b>	-3.1%
<b>Total</b>	<b>2,705</b>	<b>2,620</b>	<b>2,737</b>	<b>2,766</b>	<b>1.1%</b>

ORANGE - 4TH QUARTERS 2012 - 2015					
Property Type	2012	2013	2014	2015	% Change 2014-2015
<b>NUMBER OF SALES</b>					
Single Family Houses	501	627	616	<b>759</b>	23.2%
Condominiums	59	60	81	<b>97</b>	19.8%
Cooperatives	-	1	4	<b>-</b>	-100.0%
2-4 Family	30	36	37	<b>48</b>	29.7%
<b>Total</b>	<b>590</b>	<b>724</b>	<b>738</b>	<b>904</b>	<b>22.5%</b>
<b>MEDIAN SALE PRICE</b>					
Single Family Houses	230,000	225,000	231,224	<b>227,000</b>	-1.8%
Condominiums	187,000	157,250	155,000	<b>156,500</b>	1.0%
Cooperatives	-	54,000	48,500	<b>-</b>	-100.0%
2-4 Family	97,500	120,000	85,000	<b>81,250</b>	-4.4%
<b>MEAN SALE PRICE</b>					
Single Family Houses	248,987	242,432	249,973	<b>252,719</b>	1.1%
Condominiums	202,046	163,528	164,137	<b>151,630</b>	-7.6%
Cooperatives	-	54,000	54,250	<b>-</b>	-100.0%
2-4 Family	112,306	133,566	114,377	<b>106,253</b>	-7.1%

## Strong Economy Boosting Outlook for Westchester Office Market

Continued from page 25

noted that the City of White Plains alone has approximately 3,000 new housing units either under construction or in the approval process.

He added that county government has "shown great common sense" keeping taxes down and also promoting a business friendly environment.

"We think 2016 will be a continuation of what we have seen in 2015 and we think that we are going to see single-digit vacancies in many submarkets within Westchester," Weisz said.

Keystone Property Group's Sklow agreed with Weisz and said his firm, which owns the Talleyrand Corporate Park (180,000 square feet) and Taxter Corporate Park (500,000 square feet) in Elmsford, is in the midst of an \$8-million capital improvement program on its Westchester portfolio.

Reckson's Barnes said the more positive outlook for the commercial office market is due in part to internal growth. "We are finally starting to see tenants growing where they are," he said. "They are renegotiating their leases early and expanding, which is certainly a good first step."

Barnes said that the construction of the new Tappan Zee Bridge and the expansion of Regneron Pharmaceuticals are all positive indicators for future eco-

nomics expansion in Westchester. Noting that while the county is seeing considerable growth from the health care and biotech sectors, a significant portion of the county's office product is not adaptable to those sectors, which could foster additional new biotech/laboratory or health care construction projects.

He added that if the availability of the PepsiCo space in Somers were not considered as part of the vacancy numbers, the overall vacancy rate in the county would be in the teens. CBRE in its fourth quarter 2015 office market report put the county's overall vacancy rate at 20%.

Highlights of that market report included leasing activity improved 15% over the previous year, ending 2015 with 1.5 million square feet of velocity. The Westchester East submarket contributed the most to leasing activity accounting for 64% of all leasing activity this year, followed by White Plains CBD with 16%. One of the most notable transactions of the first half of 2015 was PepsiCo's relocation of 361,181 square feet in White Plains. In addition, CBRE reported that transaction activity in the 10,000-square-foot to 50,000-square-foot range increased by 82% in the fourth quarter of 2015, raising the average deal size by 15% to 5,486 square feet.

CBRE's Cuddy said that there continues to be continued momentum in health care, medical technology and research sectors in the county's commercial real estate market. He said that the county, the municipalities and the private sector are working together to create the needed housing stock as well as opportunities for these businesses to locate and expand in the county.

Weisz said that the overall improving economy has given companies more confidence to secure long-term lease deals that in the past. In addition, he noted that many commercial property

owners have initiated capital improvements at their properties to keep them competitive and attractive to existing tenants and new users.

He also said that the availability of qualified workers in Westchester is improving and that the county's very attractive asking rents will drive businesses in the region to Westchester. CBRE reported that at the end of the fourth quarter of 2015, the average asking rent for office space in the county was \$27.36-per-square-foot, relatively flat as compared to the \$27.29-per-square-foot rate posted 12 months earlier.

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