



## **Houlihan Lawrence's Q3-2013 Real Estate Market Report for Westchester, Putnam and Dutchess Counties**

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Westchester County's real estate market continued to gain strength in the third quarter. Single-family home sales surged by 29% compared to Q3-2012, with the median sale price up about 4% from the same period last year. Year-to-date, home sales have increased by 22% from 2012, while the median sale price is up 5%. Tight inventory levels, which have defined the real estate market locally and across the U.S. this year, contributed to homes selling faster and for closer to asking price.

Ending a run of eight consecutive quarters in which pending sales growth had been higher than closed sales growth - indicative of a market gaining momentum - we ended Q3 with pending sales up 13% in Westchester, up 5% in Putnam, and flat in Dutchess. The declining rate of pending sales growth reflects a market that is beginning to level off as we enter Q4. Fortunately, we find the market stabilizing at sales levels that are both sustainable and consistent with a dynamic real estate market. In Westchester, we expect to finish the year at about 5,400 single-family home sales for 2013, the most since 2005 and in line with the 20-year average annual level of home sales. Putnam home sales are projected to exceed 700 in 2013, while Dutchess home sales are on track to exceed 1,800 - sales figures of which those counties have not seen since 2007. If there is such a thing as a "normal" housing market - one that is neither in decline nor booming unsustainably - this is it.

Several Westchester communities have seen home sales increase 50%+ year-to-date: Briarcliff (58%) and Hastings (78%) in the Rivertowns; Valhalla (123%) in Greater White Plains; Blind Brook (61%) in the Sound Shore; Chappaqua (67%) in Northern Westchester; Croton Harmon (58%) and Yorktown (73%) in Northwest Westchester. Generally, these communities are playing catch-up to other parts of the county that began to recover earlier in 2011 and 2012, such as Lower Westchester and the Sound Shore.

Valhalla, which leads Westchester with home sales more than doubling 2012 year-to-date sales, had ample supply entering 2013. As the market gained strength this spring, buyers saw Valhalla's lower property taxes as a value trade compared to nearby White Plains.

In Chappaqua, ideal market conditions fueled a 67% year-to-date increase. There was pent-up demand among Chappaqua owners who wanted to trade up and 2013 marked an opportunity to purchase a larger home at or near the cyclical bottom in price, while financing the purchase at record-low interest rates. Chappaqua also offered an attractive inventory of well-priced starter homes that appealed to New York City buyers, some of whom may have lost deals in Southern Westchester communities and expanded their search north to Chappaqua.

Putnam and Dutchess counties also continue to show gains while trailing Westchester in the rate of sales growth, as they have throughout the recovery.

Putnam: The number of homes sold year-to-date increased 13% while median sale price increased

by 5%.

Dutchess: 17% more homes sold through Q3 than in the same period last year while the median sale price was flat.

Finally, we are proud to announce that Houlihan Lawrence opened its first Connecticut office in Greenwich this summer after 125 years in New York exclusively. Westchester County and Greenwich have much in common, including an interconnected client base. Our Greenwich office expands our referral network and allows us to provide a broader level of service to both buyers and sellers. We will keep you posted in future editions on the market dynamics across the border in neighboring Fairfield County.

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