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Real Estate Market Report

◀◀◀ First Quarter 2009

Mid-Hudson Housing Market Looks to Stabilize

By: Steven Domber, President, Prudential Serls Prime Properties

It appears that the Hudson Valley housing market has hit bottom. To almost no one's surprise, the first quarter closed sales data released by Mid-Hudson and Westchester Putnam Multiple Listing Services yielded abysmal results. The stock market crash in the fourth quarter of 2008 combined with rising unemployment, poor retail sales and a host of other depressing economic news contributed to a paralysis in consumer spending negatively affecting homebuyers nationwide.

The year-to-date average selling price in Mid-Hudson Multiple Listing Service dropped to \$322,000, 15% lower than March 2008 and 22.5% off the peak \$430,000 average selling price in March 2006.

The number of closed sales reported also declined to a new low of 238 for the first quarter 2009. This was 17.5% lower than last year and 40% off the peak of 396 reported in March 2005.

Although it is still raining outside, we did experience several glimpses of sun straining through the clouds. New purchase offer activity for March was up a whopping 27% from 2008, as most brokers reported their busiest month in over two years. Not surprisingly, the bulk of the activity was in the market range priced under \$350,000. Interest rates of 4.5% coupled with the \$8,000 first-time homebuyer tax credit appear to have stabilized the low end of the market luring many prospective buyers out from hiding. It is essential that the bottom of the market is established in order to firm up the food chain. Natural market forces of supply and demand are moving closer in the right direction as the number of new listings was outpaced by new sales in March. Although one good month does not make a trend, Realtors have become "cautiously optimistic." This optimism could be tempered by a limited short-term drop in pricing as a backlog of foreclosures hits the market sometime this spring.

Assuming interest rates remain low and unemployment levels trend downward, consumer confidence should start to improve as the housing market begins to stabilize by the third or fourth quarter of this year. At best it will be a long and steady crawl back to the pricing peaks and sales velocity we experienced in 2005.

Steven Domber is the principal broker for Dutchess County's leading real estate firm, Prudential Serls Prime Properties, with offices in Brewster, East Fishkill, Fishkill, LaGrange, Pawling and Rhinebeck.

March 2009 Sales Statistics for Dutchess County

Source: Mid-Hudson Multiple Listing Service

Single-Family Detached	Mar '08	Feb '08	Mar '09	Yr Chg
Current Closed Sales	83	71	81	-2.4
Y-T-D Closed Sales	288	157	238	-17.4
Current Average Selling Price	374,227	297,226	290,916	-22.3
Y-T-D Sales Dollar Volume	109,372,141	53,130,564	76,694,760	-29.9
Y-T-D Average Days on Market	143	139	133	-7.3
Available Listings 1st of Month	1878	1678	1713	-8.8
Purchase Offers 1st of Month	103	107	131	27.2

First Quarter Sales Statistics for Westchester & Putnam Counties

Source: Westchester Putnam Multiple Listing Service

Number of Sales

Change 08-09

Type of Property	1st '08	1st '09	Amount	Percent
Westchester County				
Single-Family Houses	726	426	(300)	-41.3%
Putnam County				
Single-Family Houses	128	88	(40)	-31.3%

Dollar Volume of Sales (\$Millions)

Change 08-09

Type of Property	1st '08	1st '09	Amount	Percent
Westchester County				
Single-Family Houses	679.2	296.1	-383	-56.4%
Putnam County				
Single-Family Houses	62.2	31.6	-31	-46.3%

Median Sale Price

Change 08-09

Type of Property	1st '08	1st '09	Amount	Percent
Westchester County				
Single-Family Houses	622,500	532,000	-90,500	-14.5%
Putnam County				
Single-Family Houses	386,500	342,450	-44,050	-11.4%

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