

Real estate market: Lower Hudson Valley is on the rise



Bill Cary, wcary@lohud.com

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For parts of the Lower Hudson Valley and for certain price points, the real estate market has been very hot, with bidding wars, all-cash deals and crowded open houses.



(Photo: submitted)

Looks like very good news for homeowners across the Lower Hudson Valley — experts are saying that the multi-year real estate slump is finally over.

"It's the best market we've had since 2007, both in price and the velocity of sales," said Arthur Scinta of Houlihan Lawrence, who works exclusively in the red-hot Pelhams.

In Rockland, the number of home sales is up 16 percent this spring compared to 2014. In Putnam, they shot up 23 percent compared to last spring. Westchester has seen a more temperate increase of 6 percent.

Nationally, sales of existing homes rose 5.1 percent in May, the fastest pace since late 2009, according to the National Association of Realtors. This year is on track to be the best for home sales since 2007, when the U.S. last entered a recession, the association said.

"It's a sellers' market," said Brian Levine, manager of the Houlihan Lawrence office in Irvington, another strong market. "We're seeing bidding wars, we're seeing all-cash offers. We're sending people away with really good credit. They're not getting the houses they want because people are showing up with all cash, and as we all know cash is king."

The endless winter we endured put a big damper on the early spring real estate market, leaving buyers and sellers alike huddled indoors behind mountains of snow. Who wants to put their home on the market when you can't even goose up the curb appeal with basics like a newly painted front door and fresh landscaping?

But for parts of the Lower Hudson Valley and for certain price points the market has come roaring back to life these last couple of months.

Some houses are selling very fast. "I listed a house on May 13th in West Harrison and we had signed contracts on it by the evening of the 20th," said Wendy Alper, an agent with Julia B. Fee Sotheby's International Realty in Rye.

It's definitely a seller's market, Scinta said. At least 30 of the 59 houses sold in Pelham so far this year had multiple bids. "Generally, that translates into over the asking price," he said.

Richard Ellis, the owner of Ellis Sotheby's International Realty in Nyack, is more cautious. The start of bidding wars suggests a market in transition, from being a buyer's market to a seller's market, he said. "While I don't think it's a seller's market just yet, I think it's a fair market," with better prices for buyers, fewer price reductions, shorter days on the market and more sales activity.

Ongoing low inventory

Buyer demand remains strong locally and a shortage of homes on the market continues to be a problem, Levine said. "There is a severe inventory shortage across the nation, and that's true here as well."

In Yonkers, Jane McAfee of Houlihan Lawrence has seen a very low inventory since January. "At the beginning of the year there were 199 houses on the market in Yonkers, and for Yonkers that's not many," she said. On June 1, 2014, for example, there were 304 single-family homes for sale in the city.

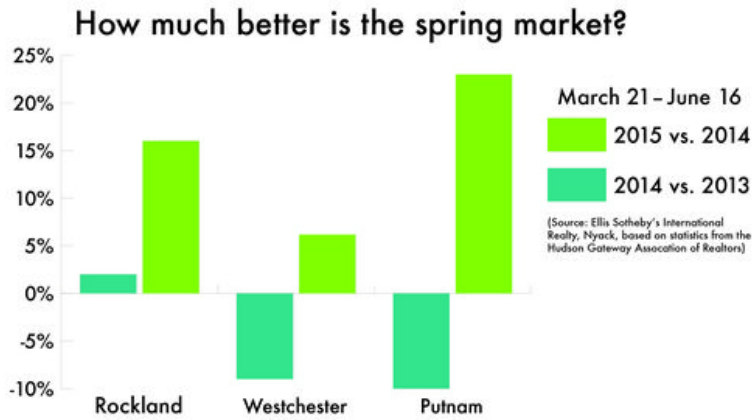
Locally, how does this year compare to previous ones?

• **Rockland:** So far there has been a 16 percent increase in home sales for 2015 versus 2014, "while 2014 versus 2013 only showed a 2 percent gain," Ellis said, citing statistics (March 21 to June 16) from the Hudson Gateway Association of Realtors, which includes Westchester, Rockland, Orange and Putnam counties.

• **Westchester:** 6 percent increase this spring over 2014, compared to a 9 percent loss for 2014 versus 2013.

• **Putnam:** 23 percent, compared to a 10 percent loss for 2014 versus 2013.

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How much better is the spring market? (Photo: Gracie McKenzie/The Journal News)

Westchester continues to be the leader in the number of home sales among our three counties. During the spring market so far this year, Westchester had 1,127 home sales, Rockland 340 and Putnam 170.

What are the most popular price points?

- Westchester:** 45 percent of sales during the spring market have been in the \$700,000-plus price point (506 units), Ellis said, citing HGAR numbers.
- Rockland:** 54 percent of sales were in the \$300,000 to \$500,000 range (183 units).
- Putnam:** 54 percent for \$300,000 or less (91 sales).

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What's the standard price range?

During the spring market so far this year, Westchester had 1,127 home sales, Rockland 340 and Putnam 170.

Westchester: 506 units (45%) sold for more than \$700,000

Rockland: 183 units (54%) sold for \$300,000-\$500,000

Putnam: 91 units (54%) sold for less than \$300,000

(Source: Ellis Sotheby's International Realty, Nyack, based on statistics from the Hudson Gateway Association of Realtors)

What's the standard price range? (Photo: Gracie McKenzie/The Journal News)

"Under \$2 million, we're seeing a lot of activity," Levine said. The people who are selling the smaller homes now have the liquidity to step up to their next house, he explained. "Flush with cash, they can now buy that \$600,000 to \$700,000 house."

In Putnam, the winning price points are "anything under \$300,000," said Phil Faranda, the owner of J. Philip Real Estate, which has offices in Pelham, Briarcliff Manor and Mahopac. "In northern Westchester, it's under \$500,000."

A late spring market

"It's unlike any spring market I've been in — and I've been doing this for 21 years — because it's so late," McAfee said. "It's not just that there were storms, it was so bad all winter long. People were not getting their houses ready — they certainly couldn't do any work outside."

In most years, "we'd be at the tail end of the spring market now, but we're still in the thick of it," said Levine, the Irvington manager. "We're seeing a lot of activity. I keep looking at the calendar and saying it should be starting to slow down now."

In his office, he had 10 homes go on the market in a recent week. "It's usually three or four. To see 10 at the beginning of June, that's a really good number."

Hot towns

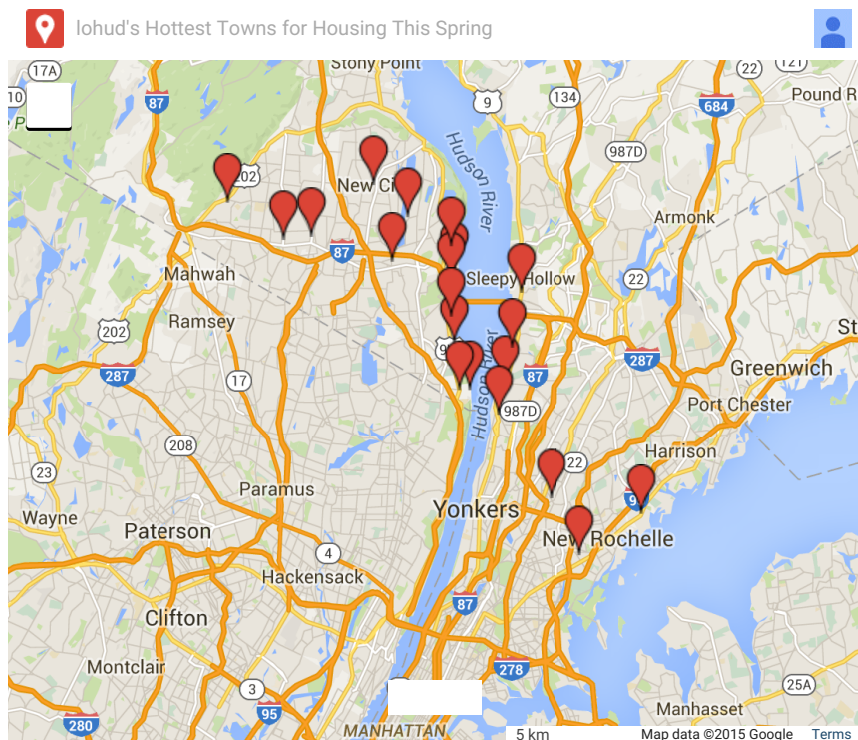
"The closer to New York City the better — Pelham, Bronxville, Larchmont, the river towns (Dobbs Ferry, Hastings-on-Hudson, Irvington and Tarrytown)," said Scinta, the Pelham agent. "The market is always driven by the city and it rolls north. As the market recovers, it pushes its way up."

"I would expect northern Westchester to do better in the next couple of years," Scinta added.

Philip Faranda, the 2014 president of the Hudson Gateway Multiple Listing Service, agrees with Scinta's assessment. "The recovery dominoes have not fallen the further north you go," he said. "It's a really hot market in southern Westchester, no matter where you go. As you go north, it becomes a little more tepid."

"The hottest towns in my opinion are Irvington and Hastings," Levine said. "Great communities, great services, train line and short commutes make for low inventory and big bidding wars."

In Rockland, the communities of Piermont, the Nyacks, the Grandviews and Snedens Landing/Palisades are "very strong," Ellis said. He also mentioned Clarkstown and New City, "and parts of Ramapo are busy including Montebello, Spring Valley and Monsey. Almost every community is seeing more buyers."



Where are buyers coming from?

In Westchester, for buyers of single family homes so far this year, 54 percent are coming from within the county and 33 percent are coming from the New York City boroughs, Levine said, looking at closed transactions through June 1. Only 6 percent are from outside the tri-state area.

"People are staying close to home," Levine said. "The buyers may be coming from your neighborhood, your region."

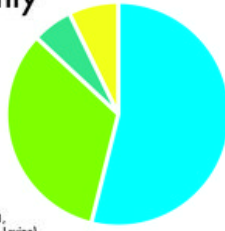
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Where are Westchester County home buyers coming from?

54% from within the county

33% from the NYC boroughs

6% from outside the tri-state area



(Source: 2015 single-family home purchases through June 1, according to Irvington Houlhan Lawrence manager Brian Levine)

Where are Westchester County home buyers coming from? (Photo: Gracie McKenzie/The Journal News)

"People want to stay here," he added. "They're just buying that bigger house. Retirees and empty-nesters want to stay here, too. "It says a lot about what Westchester County has to offer."

Proper pricing is key

"It's the houses that are priced right that get multiple offers," says McAfee of Yonkers. Because of the Internet, "buyers have gotten very smart. They have a real sense of what market values are, and it's the buyers who create the market value."

"The first week a house is on the market — in that price range, in that market — any buyer out there will see that house," McAfee explained. If it's not getting offers, the price is probably too high.

The lower you go in price, the more response you get, Faranda said. "Starter homes, if priced well, will sell. If priced aggressively, they will get multiple offers."

Preparation is key, too

"Price is first, preparation is second," McAfee said. Buyers these days watch a lot of home shows on television and have expectations about curb appeal and staging.

"It's all about perception and what a house looks like when you walk in," she said. She advises her sellers to be ruthless about cleaning and clearing out clutter. Remove all family photos, empty the nightstand and put away all the remotes. "I've had people say to me, 'Why didn't I do this years ago? I love living here.' "

"All it requires is painting and cleaning out," McAfee said. "I'm not going to tell people to renovate their kitchen or redo bathrooms."

What types of homes are popular?

Colonials continue to rule. Among spring home sales, "Colonial" was No. 1 for Westchester and Rockland and No. 2 for Putnam, according to statistics from the Hudson Gateway Association of Realtors.

What kinds of houses are the most popular with home buyers?

Westchester	Putnam	Rockland
1) Colonial	1) Ranch	1) Colonial
2) Ranch	2) Colonial	2) Bilevel/raised ranch

Richard Ellis of Nyack says other types, like Tudors, Mediterraneans, and Victorians make up "a very small percentage of sales."

[Source: Ellis Sotheby's International Realty, Nyack, based on statistics from the Hudson Gateway Association of Realtors]

What kinds of houses are the most popular with home buyers? (Photo: Gracie McKenzie/The Journal News)

"People love the Colonials," Scinta said. "They like the openness and airiness. Generally, there is a lot of interest in the pre-war period. For Pelham and lots of lower Westchester, that's most of our housing stock."

"Ranch" was No. 1 in Putnam and No. 2 in Westchester and No. 3 in Rockland. "Bilevel/raised ranch" was No. 2 in Rockland.

"More specific styles such as Victorians, Tudors and Mediterraneans represent a very small percentage of sales," Ellis said.

And what's next for the market?

McAfee, who has been one of the top residential real estate brokers in Yonkers for the last 21 years, remains upbeat about where the market is headed. "I think there are still a ton of buyers out there," she said.

"Overall, I am very optimistic about the future," Ellis said. "With this said, it's important to note that while average pricing in the MLS is increasing, this is because more expensive homes are selling and is not representative of the increase of a particular property this year versus last year."

"I don't see anything that's going to change," said Scinta of Pelham. "The market is driven by the city and the prices there continue to rise."

Advice for sellers

- Don't be greedy. Well-priced homes are the ones that sell quickly.
- Be realistic and don't be insulted by a low offer. "I tell people it's not where you start, it's where you end up," said Jane McAfee, a Houlihan Lawrence agent based in Yonkers.
- Understand that buyers don't care what you paid for your house, what you put into it or how much money you need for your next move.
- Consider painting everything neutral colors.
- Be ruthless about cleaning up and removing clutter and family photos and other personal items.
- Hire an agent who will be honest with you and then take their advice.
- Don't rush your house onto the market just because the market is hot. Take a month or two to get it in good shape for a sale.
- Never say no to a showing, even if it's last minute and you're in the middle of doing laundry.

Advice for buyers

- Have mortgage preapprovals in hand, from an actual bank or mortgage broker, not something you found online. "If there are multiple offers, you have to be ready," McAfee said.
- Figure out where you want to live. Drive around various neighborhoods and learn about the schools and the commute.
- Go to lots of open houses to get a sense of the market.
- Get the right agent. Ask for recommendations, search online, interview them and look at what they've sold. Listen to their advice about when and how much to offer.
- Be specific and explicit with your agent about what you're looking for. Is a split-level OK or do you want a historic Victorian? Can you withstand a bidding war?
- Do a drive-by before making an appointment to see the inside of a house.
- Don't ask your agent to show you everything.

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