

What You Need to Know About the Local Real Estate Market - Q4 2018

2018's real estate market defied any strict definitions. Many terms were bantered around, including stable, robust, decelerating, normal, bidding wars, price adjustments, low inventory, rising rates, decreasing affordability, buyer's market, and seller's market. Obviously, many of those seem contradictory, but each could be applicable in various cases depending on the property type, price point, location, and which side of the transaction you were on.

There were some rumblings and unfounded fears of a weakening housing market at times, with references made to the collapse of a decade ago. Although mortgage lending standards have loosened somewhat, the policy of evaluating loans according to "an ability to repay" means that we are nowhere near those days of running amok. Homeowners also have considerably more equity in their homes now compared to before the collapse; they are not cashing out the equity as if there's no end to the appreciation, so we do not run the risk now of so many homes being "underwater", worth less than the homeowner owes.

We did see inventory of properties available for sale increase slightly through the year, with the exception of co-ops which were selling as fast as they were listed. The low- to mid-price points still remain the most desirable and in shortest supply. This has elevated prices for those homes, but as we began to reach unsustainable levels, buyers took a necessary pause. Pundits touted a slowdown in home sales, but it was really just an adjustment. Sellers who were and are realistic with their asking prices were rewarded with strong offers and quick sales, even into the typically quieter holiday season.

Most industry experts have made their predictions for 2019, including a slower and steadier pace for home sales. This may be true in some areas and price points, but again, in Westchester we are seeing strong demand in the low- to mid-level price points specific to each market area. As we enter the early days of January, well-priced homes hitting the market are already being scooped up by eager buyers who see value. Buyers just testing the waters are also abundant and are educating themselves so they'll be primed and ready to make offers

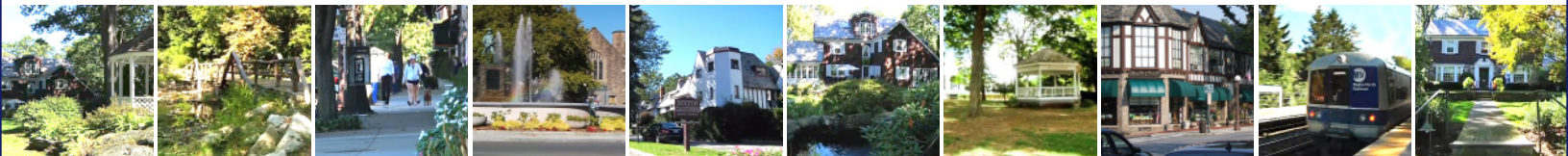
as we hit the height of the spring selling season in Q2.

Other predictions have price appreciation slowing...this is NOT depreciation, just slower growth of perhaps 2 – 3% this year, rather than the 5% we've seen in the last couple of years. The market feels slower because we're used to that faster growth. It's equivalent to driving your car at 80 mph and then slowing down to 60 mph; 60 is still fast but feels much slower in comparison.

Interest rates rose through most of 2018 but dropped a bit at the end of the year. There will be some volatility in rates as they adjust in reaction to the ups & downs of the stock market, but overall, it's expected they will continue to rise through 2019. Higher prices coupled with higher interest rates can affect housing affordability, especially for those first-time buyers, but with unemployment low and wages increasing, it's not likely to have a major impact this year.

There are a number of variables that could affect available inventory in 2019. Current homeowners with mortgage interest rates under 4% may choose to stay put and renovate or expand rather than take on new, higher-rate mortgages for the purchase of another home, curtailing new inventory. On the flip side, the new tax law changes that will impact many Westchester homeowners, limiting the amount they can deduct for state and local taxes (SALT) to \$10,000 may cause others to sell and move to lower taxed areas outside of NY. So the level of inventory for sale is something that is difficult to forecast, but is likely to increase at the high end and remain tight on the lower end.

Other factors that may have an impact on the 2019 real estate market include the state of the global economy, consumer confidence as it's affected by the ups & downs of the stock market, and any unforeseen major events. If you are thinking of selling, we encourage you to price realistically and be mindful of the competition. If you are thinking of buying, have your ducks in a row, your mortgage pre-approved, and be ready to make quick decisions if needed. And, of course, make sure you have a knowledgeable, experienced Realtor working on your behalf!

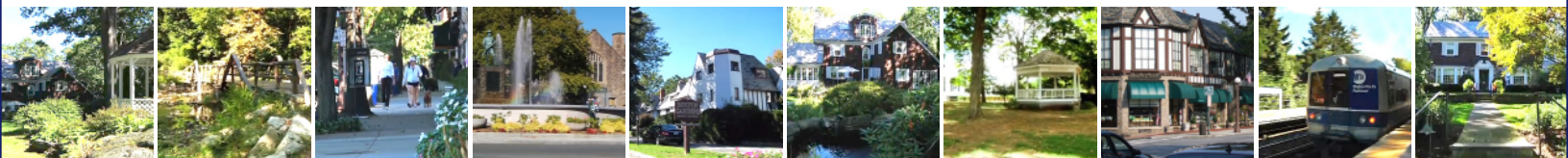




Single Family Homes Under Contract and Closed Sales*

SCHOOL DISTRICT	HOMES UNDER CONTRACT 4th qtr 2018	HOMES UNDER CONTRACT Previous qtr	HOMES SOLD 4th qtr 2018	HOMES SOLD 4th qtr 2017	MEDIAN SALE PRICE 4th qtr 2018	MEDIAN SALE PRICE 4th qtr 2017	% CHANGE YEAR-OVER-YEAR	ACTIVE LISTINGS 4th qtr 2018	MEDIAN PRICE OF ACTIVE LISTINGS 4th qtr 2018
Ardsley	7	10	21	20	\$660,000	\$597,500	10.46%	34	\$769,000
Bedford	25	30	52	75	\$705,000	\$750,000	-6.00%	185	\$964,500
Blind Brook	16	9	29	16	\$855,000	\$735,000	17.01%	35	\$959,451
Briarcliff Manor	5	6	12	8	\$772,500	\$764,000	1.11%	27	\$969,450
Bronxville	3	2	8	10	\$1,650,000	\$2,412,500	-31.61%	38	\$2,274,500
Byram Hills	14	21	37	33	\$975,000	\$905,000	7.73%	95	\$873,950
Chappaqua	11	17	30	30	\$735,500	\$800,000	-8.06%	90	\$1,037,000
Croton-Harmon	12	9	23	20	\$580,000	\$580,000	0.00%	36	\$499,000
Dobbs Ferry	6	4	11	21	\$900,000	\$789,000	14.07%	25	\$790,000
Eastchester	12	15	27	33	\$688,600	\$705,000	-2.33%	36	\$806,500
Edgemont	5	10	15	11	\$980,000	\$950,000	3.16%	26	\$1,098,500
Elmsford	4	14	16	24	\$507,500	\$405,000	25.31%	36	\$499,999
Greenburgh	27	23	51	37	\$545,000	\$500,000	9.00%	48	\$549,900
Hartsdale (P.O.)	21	16	36	17	\$582,500	\$557,500	4.48%	32	\$625,000
Harrison	14	18	32	37	\$1,260,000	\$1,055,000	19.43%	125	\$1,575,000
Hastings	6	5	13	10	\$655,000	\$679,700	-3.63%	19	\$729,000
Hendrick Hudson	16	26	42	39	\$490,000	\$495,000	-1.01%	66	\$472,450
Irvington	9	8	15	23	\$936,000	\$900,000	4.00%	55	\$990,000
Katonah-Lewisboro	15	29	46	44	\$616,000	\$623,500	-1.20%	135	\$659,900
Lakeland	35	42	77	80	\$408,500	\$375,000	8.93%	90	\$399,450
Mamaroneck**	18	25	48	55	\$1,182,500	\$1,070,000	10.51%	72	\$1,195,000
Mount Pleasant	3	17	21	28	\$567,500	\$602,500	-5.81%	35	\$699,000
Mount Vernon	16	30	45	58	\$460,000	\$400,000	15.00%	74	\$459,900
New Rochelle	44	62	110	93	\$653,125	\$651,000	0.03%	144	\$749,999
North Salem	10	9	19	17	\$500,000	\$455,000	9.89%	43	\$682,000
Ossining	21	34	55	51	\$430,000	\$395,000	8.86%	69	\$489,000
Peekskill	16	19	33	31	\$315,000	\$320,000	-1.56%	24	\$294,000
Pelham	11	10	22	27	\$842,500	\$767,500	9.77%	33	\$1,199,000
Pleasantville	9	7	17	13	\$834,656	\$620,000	34.62%	33	\$796,448
Pocantico Hills	1	3	3	4	\$1,495,000	\$752,500	98.67%	3	\$599,900
Port Chester	9	22	25	36	\$510,000	\$477,500	6.81%	33	\$535,000
Purchase (P.O.)	4	6	9	7	\$1,550,000	\$1,230,000	26.02%	38	\$2,875,000
Rye City	11	12	21	33	\$1,995,000	\$1,547,500	28.92%	79	\$2,095,000
Rye Neck	10	12	23	16	\$1,155,000	\$1,050,500	10.04%	29	\$982,500
Scarsdale	18	16	33	54	\$1,200,000	\$1,726,250	-30.49%	130	\$1,649,000
Somers	18	26	40	34	\$527,500	\$562,500	-6.22%	84	\$569,000
Tarrytown	9	5	12	11	\$808,500	\$580,000	39.40%	24	\$899,900
Tuckahoe	4	3	5	14	\$900,000	\$817,000	10.16%	25	\$742,000
Valhalla	7	17	24	17	\$536,250	\$525,000	2.14%	26	\$542,000
White Plains	25	24	51	64	\$675,000	\$647,500	4.25%	69	\$650,000
Yonkers	46	101	146	162	\$501,750	\$490,000	2.40%	184	\$549,500
Yorktown	19	30	48	49	\$461,000	\$440,000	4.78%	74	\$509,950

* Data sourced from Hudson Gateway Multiple Listing Service and sorted by school district unless otherwise noted. **Includes Larchmont P.O.





Quarterly Home Sales Report - At a Glance.*

How was the Westchester Market in the 4th Quarter of 2018?

Overall Number of Sales Down 2.3%



Total number of sales, inclusive of all property types represented in this report, decreased to 2,375 in the 4th quarter of 2018, down from 2,430 in Q4 2017 and similar levels in the 2 prior years. Annual sales at year-end were down 3.8% over 2017, to 9833. Low inventory in the multi-family sector dampened sales by 18.6% in Q4, and down 6.4% annually. Co-op sales were the strongest performer in Q4, rising 11.3% but down 2.0% annually over 2017. Single-family sales dropped by 5.3% this last quarter while ending the year down 4.6%. Condos ticked up by 2.6% in Q4, but were down 1.7% annually. Days-on-market continued to decrease in all sectors on an annual basis, a reflection of pent-up demand.

Prices Stable Year-Over-Year



The median single-family home price was \$604,000 in the 4th quarter of 2018, marginally above the \$600,000 median in Q4 2017. For the full-year 2018, the median rose just 1.2% from 2017 to reach \$650,000. Co-ops and multi-family properties showed the strongest price appreciation, 7.1% in Q4 and 5.8% annually for co-ops, and up 5.3% in Q4 and 7.8% annually for multi-family homes. Condo prices showed virtually no change from 2017 to 2018.

How much negotiating room was there?

Inventory Up by 3.6%



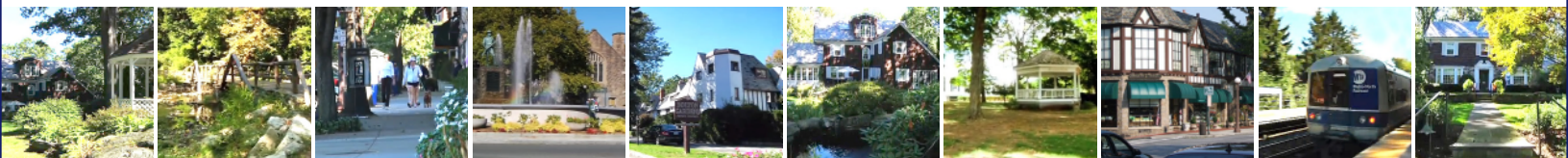
Overall inventory ends the 4th quarter up from Q4 2017, but down annually by 2.5%. Single-family home inventory took a 10% jump in the 4th quarter and averaged 2.7% higher for the year. Only co-op inventory was lower both in Q4 and annually by 22%, which is reflective of the very strong sales of co-ops seen in 2018. Condo and multi-family inventory represented about a 3.5 - 4-month supply at year-end, while single-family homes were at a 5-month supply; all categories would still be considered a seller's market at under 6 months of supply.

% of List Price Received



Single-family homes sold for 97.8% of list price in the 4th quarter of 2018, little changed from the same quarter of 2017 at 98%. For the year, homes sold at 98.2% of list price, exactly the same as 2017, illustrating continued strength for area housing. An inventory shortage in low- to mid-price homes meant buyers had little room to negotiate there, but had more buying power at the high end of the market.

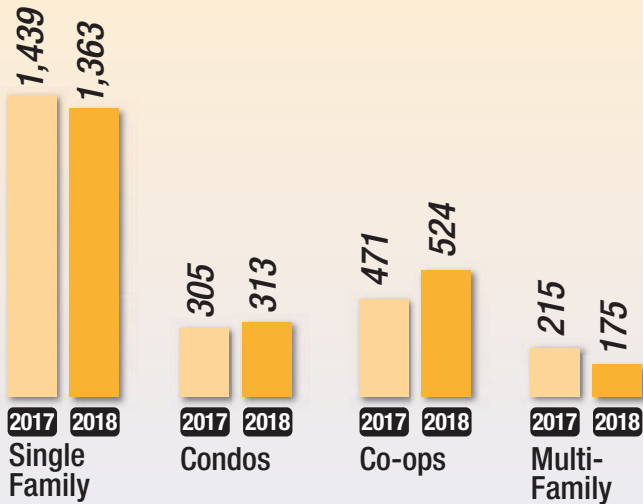
* Per data provided by the Hudson Gateway Association of Realtors



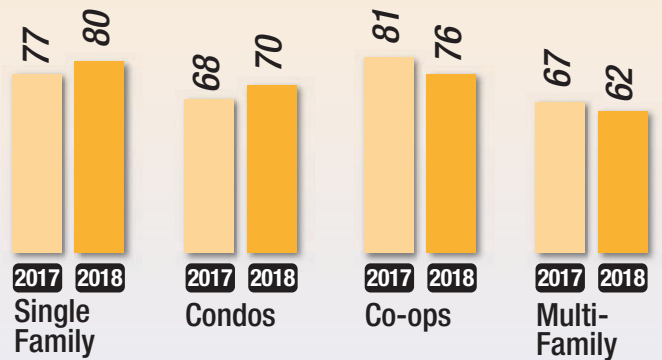


Fast Market Facts, Year Over Year, Q4 2018, Westchester County.*

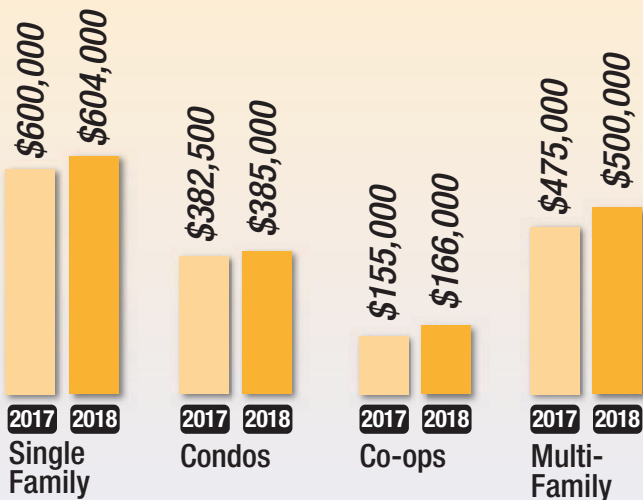
CLOSED SALES



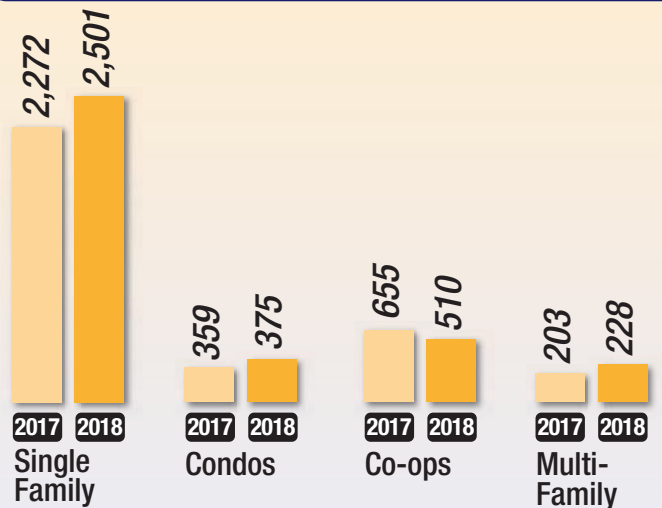
AVERAGE DAYS ON MARKET



MEDIAN SALE PRICE

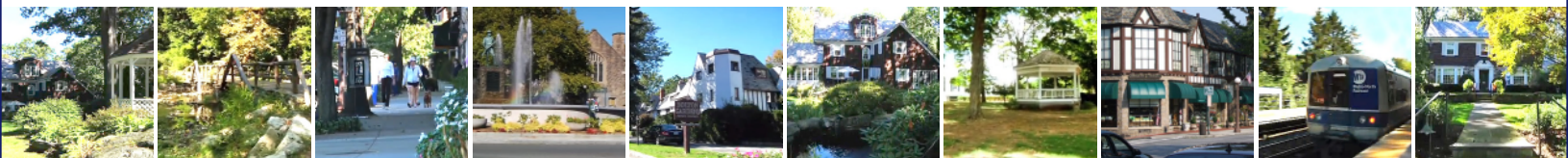


INVENTORY OF HOMES FOR SALE**



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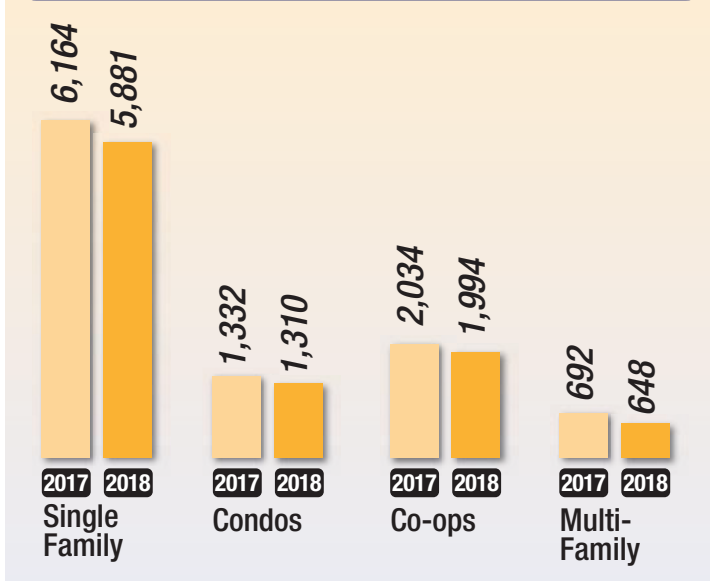
** Average monthly inventory of homes for sale.



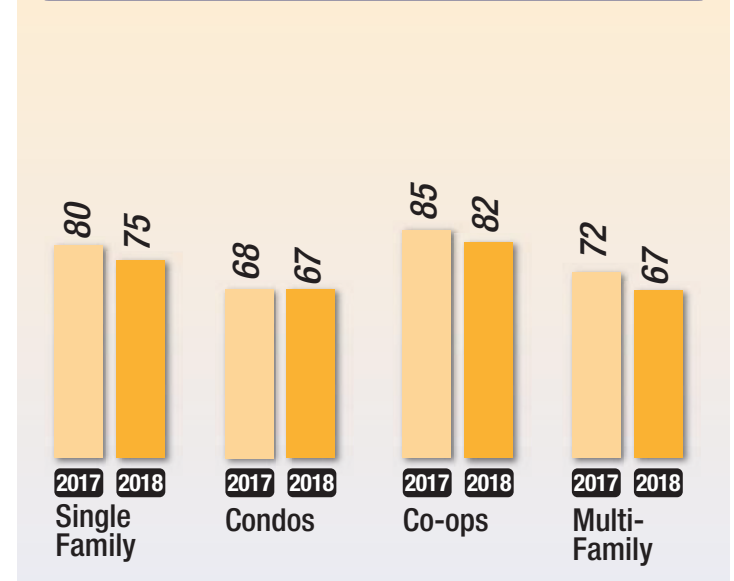


Fast Market Facts, Year Over Year, ANNUAL, Westchester County.*

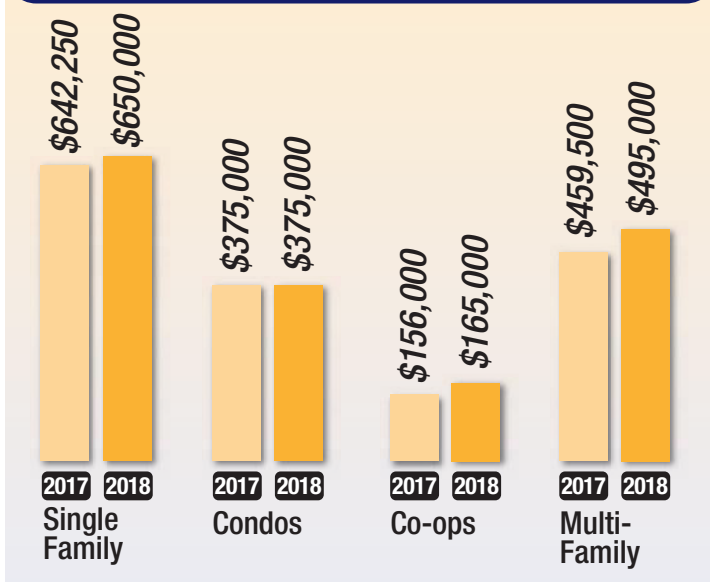
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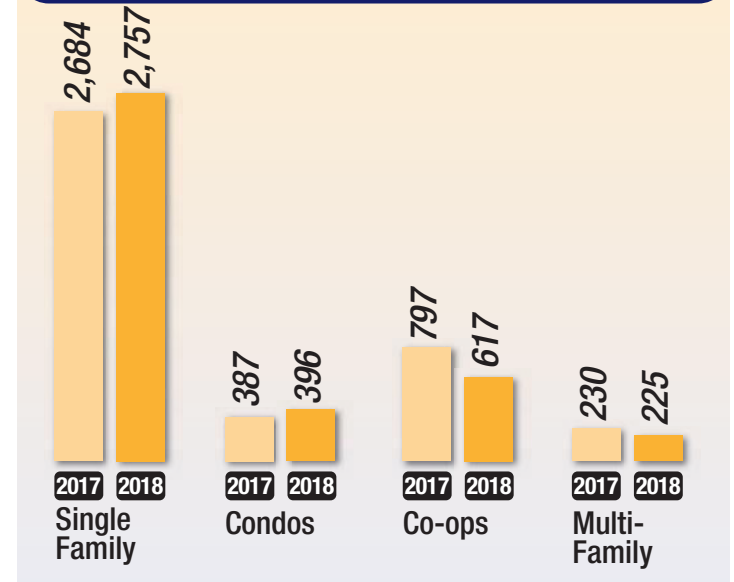
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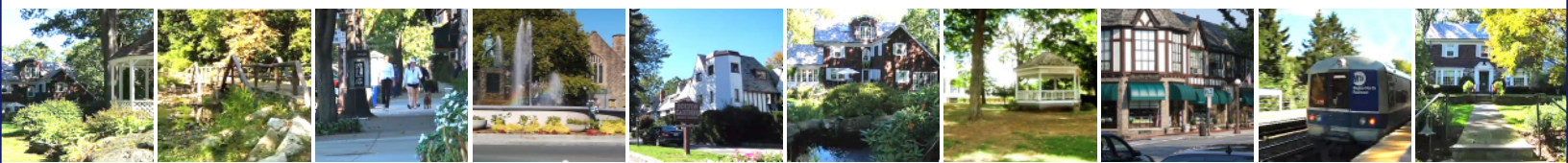
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INVENTORY OF HOMES FOR SALE**



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The Best And Latest Smart Home Technology

Technology for homes has advanced rapidly beyond the basics of telling Alexa to play your favorite song. Here we take a brief look at some of the most popular and newest technologies that can potentially add value to your largest asset.

Among the most popular home technologies that consumers are purchasing are security cameras and smart thermostats. These devices can be controlled from your smartphone so you can be most anywhere in the world and still manage your property. The newest security cameras have excellent quality video, both day and night viewing, motion detection, more video storage, and even 2-way audio so you can not only see who's in your home but also converse with them. With so-called "porch thieves" stealing packages left outside to bears and coyotes wandering around suburban neighborhoods, more homeowners are feeling compelled to keep an eye on their homes at all times.

Smart thermostats can save homeowners money on utility bills as well as costly repairs because they can monitor a home's heating and cooling at all times, even room-by-room. Imagine being on vacation during the winter and your furnace malfunctions, shutting down. Your home gets extremely cold, your pipes freeze and ultimately burst...not the welcome home you want to come back to! With a smart thermostat, you'd know right away what's happening and could arrange to take care of it, mitigating any potential disaster. Some smart thermostats have the ability to learn your household's habits so they automatically anticipate and make temperature adjustments, such as before you come home from work or before you get up in the morning to shower. Some have furnace monitors, and newer models even have voice-assist technology like Alexa built right in with no additional equipment needed.

IFTTT is an acronym for "If this then that" and is a free web

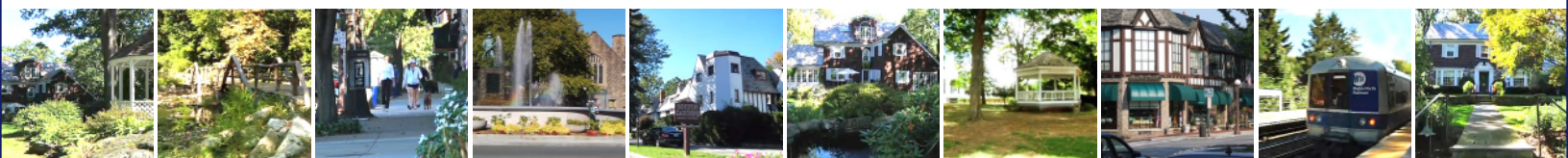
service that lets you create programs that trigger an action if something else occurs. For example, you could program that if the Rangers win, the national anthem will play, or if the outside temperature goes below 50 degrees your heat will turn on. You will need subscriptions and appropriate devices for this technology to work, but it gives you so many options to control

your home's technology from anywhere. There are also smart home hubs and controllers available to set up one place to connect and control all your home technology from.

Video doorbells are getting lots of attention now. Most have a camera, microphone and speaker so you can both see and hear someone who comes to your door. Some of these can recognize faces and even announce arriving visitors. There are smart smoke and carbon

monoxide detectors that are more sensitive and provide more information than standard devices. Smart locks allow you to remotely lock or open your home's doors, for instance to let in a home health aide or lock the door after your contractor leaves, so you no longer need to give everyone keys or codes to your home. Robotic vacuums have been around for awhile but are becoming even more sophisticated. Other new home technologies include smart ovens that can be set from your smartphone, robotic lawn mowers, wireless garage door openers, Wi-Fi connected outdoor grills, and even connected refrigerators with touch screens and inside cameras that let you see what you're low on while you're out shopping!

Many of these smart devices can add to your home's resale value and/or its appeal to new buyers, as well as making your life easier and safer in the meantime. If you are considering adding built-in technologies, contact your favorite local, knowledgeable Realtor to find out which of these will give you the best return on your investment.





Why Us?

It is our sincere belief that we are only as good as how we represent each and every client and community that we serve. Our reputation is made and tested on a daily basis. It is with this keen awareness that we strive for success in the eyes of those we serve.

Westchester Real Estate, Inc. is a truly unique affiliation of premier real estate companies serving the markets of Westchester & Putnam Counties as well as NYC. Our companies have conscientiously and diligently created their stellar reputations and success over years and sometimes decades. Our achievements are evidenced by the 20,000+ buyers, sellers, tenants & landlords who have chosen to work with us over the past decade, and by our consistent ranking among the top five companies in our marketplace.

We pride ourselves in being:

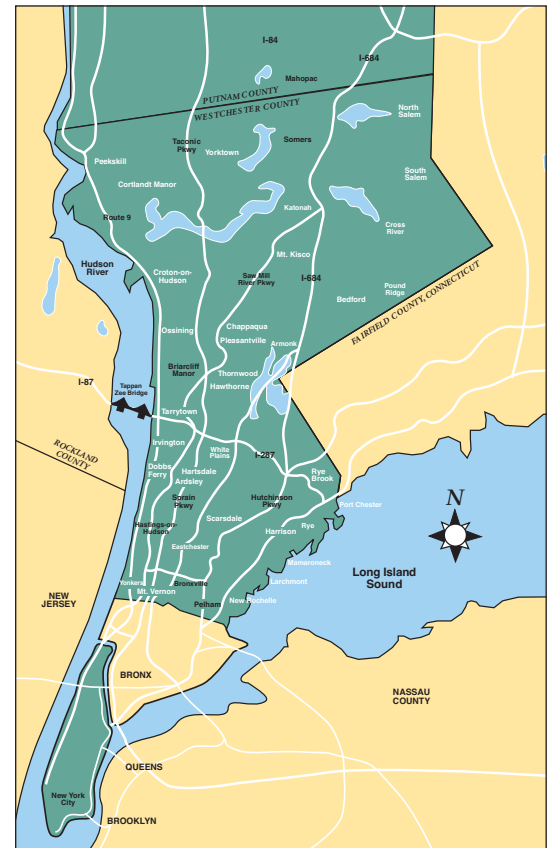
- Highly informed about the market
- Entrenched in our various communities
- Students of real estate who are always learning and teaching others
- Staunch protectors of the "American dream" and laws that protect that
- Among the most professional and ethical practitioners in our industry.

What we take pride in are the things that benefit and make a world of difference to our clients.

Our value proposition is different. Our caring and concern are genuine. The delivery and quality of our services are unmistakable. If you haven't already, we hope you will choose to experience all this for yourself so we can show you what we mean. If you are one of our loyal clients, we thank you for your patronage and trust.

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