

State of real estate: Housing market strong, inventory low

Lisa Iannucci, Special to Poughkeepsie Journal

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(Photo: Patrick Oehler/Poughkeepsie Journal)

Want to sell a home in Dutchess County? Today's real estate market is showing a lack of inventory and an increase in buyers — so maybe it's time to plant a "For Sale" sign on the lawn.

Experts in the field say that not only do more people want to buy a home in Dutchess County, but there has been an influx of visitors to the Hudson Valley and, as a result, more hotels are being built to accommodate that need.

REAL ESTATE: Dutchess housing market booming with supply low (/story/news/2017/11/07/dutchess-housing-market-booming-supply-low/824712001/)

Among some of the major commercial projects on the horizon — Vassar Brothers Medical Center expansion, Bellefield at Historic Hyde Park, and i.Park City and the Sports KingDome, both in Fishkill — Dutchess County is experiencing both a residential and commercial real estate growth that will benefit tourists and residents alike.

On the beat

In 2017, Dutchess County had its highest number of sales in decades, but the extreme shortage of housing inventory is forcing buyers to act fast and bid more.

"The market is incredibly strong," said Matt Williams, of Realty Executives Williams Sykes Realty in Poughkeepsie. "However, prices have not rebounded like sales activity has and we are seeing offers over the asking price and multiple offers."

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A view of a house for sale on Dutchess Turnpike in the Town of Poughkeepsie. (Photo: Alex H. Wagner/Poughkeepsie Journal)

there were 374 sales in 2017, a 4.8 percent increase compared to the year before, but the listing inventory fell for the seventh consecutive quarter. The median home sale price was \$275,000 for the last quarter of 2017, a 1.9 percent increase over 2016.

This translates to good news for sellers, but not necessarily good news for buyers.

"It's tough for buyers," Williams said. "What's driving the prices up is a shortage of inventory. There is just over five months' supply of housing right now. In comparison, in 2008, we had a 22-month supply of housing and nearly 2,000 houses for sale."

According to Patricia Cannizzaro, licensed associate broker at Cannizzaro Real Estate Inc. in Hopewell Junction, it depends on the town in which you are looking to buy whether you will get a good deal or not.

"The inventory still reflects short sales and foreclosures though in lower percentages," Cannizzaro said.

With a decrease in housing inventory, there is an increase for demand.

"A lot of people struggled with their finances, unsure of whether the real estate market was a good place to invest," Cannizzaro said. "Now they've seen through the economy and want to get into real estate. The strongest markets now are in the City of Beacon and the Village of Rhinebeck. It's difficult to find a house in Beacon for under \$300,000. Twenty years ago, you couldn't find one for over \$100,000."

Commercial real estate

Visitors are loving Dutchess County and this is resulting in a growth in local commercial real estate projects.



Mary Kay Vrba, executive director of Dutchess County Tourism (Photo: Submitted)

"Tourism has continued to grow year after year in Dutchess County," said Mary Kay Vrba, executive director of Dutchess County Tourism. "In 2016 visitors spent over \$568 million here and we have seen our website grow to almost a million and a half visitors this year."

Vrba explained that attendance at local attractions has increased as well.

"Our occupancy tax looks like it will come in higher than last year," she said. "We also have more hotels and attractions coming on board."

Vrba credits the increase in tourism to Stewart Airport and its expansion into the United Kingdom and Scotland.



Stewart International Airport's expansion into the United Kingdom and Scotland is helping to bring repeat visitors to the Hudson Valley and Dutchess County, according to Mary Kay Vrba, executive director of Dutchess County Tourism. (Photo: Stewart International Airport)

According to Think Dutchess Alliance for Business, Dutchess County has had the lowest vacancy rate of available office and industrial space in the region.

“In terms of commercial projects, there are more than \$2.5 billion in projects under construction, and \$540 million in planning and development, said Assistant County Executive Ronald Hicks of Think Dutchess. “However, most of it is dedicated for a specific use and would not add to the office or industrial vacancy inventory.”

There are several commercial projects under construction in Dutchess County that would bolster the real estate scene. The 347,000 square-foot Sports KingDome in Fishkill was due to open in 2017, but has been pushed to later this year. The 8-acre inflatable sports dome the size of three football fields that is under construction on a dormant parcel of the former IBM campus, is projected to be a home for baseball, softball, field hockey, lacrosse and soccer tournament destinations in the Northeast, expected to draw some 600,000 visitors a year, according to Journal archives.

Another project, i.Park City in Fishkill, is a \$300 million mixed-use redevelopment project of the former IBM Fishkill Campus by the real estate development group National Resources. It will convert 300 acres of land with 2 million square feet of buildings and add residential, retail and hotel options.

The site, once owned by IBM Corp, has several vacant properties since the semiconductor manufacturer GlobalFoundries took over in July 2015. Globalfoundries, with its 2,500 local employees, will retain 160 acres and lease several buildings from National Resources, according to Journal archives.



Sarah Lee, CEO of Think Dutchess Alliance for Business and executive director of the Dutchess County Industrial Development Agency. (Photo: File)

Sarah Lee, CEO of Think Dutchess Alliance for Business, said the City of Poughkeepsie is also becoming an attractive area for commercial projects.

“The City of Poughkeepsie is becoming more popular due to its access to the MTA (Metro-North) line and the city’s focus on transit focused development,” said Lee, who is executive director of the Dutchess County Industrial Development Agency.

“Commercial and industrial vacancy rates have decreased in the past few years and as a result we are seeing more new construction and projects working to repurpose existing commercial and industrial spaces for new tenants, especially in our urban cores like the City of Beacon and the City of Poughkeepsie.”

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The construction site at Vassar Brothers Medical Center in the City of Poughkeepsie on Thursday, January 25, 2018. (Photo: Patrick Oehler/Poughkeepsie Journal)

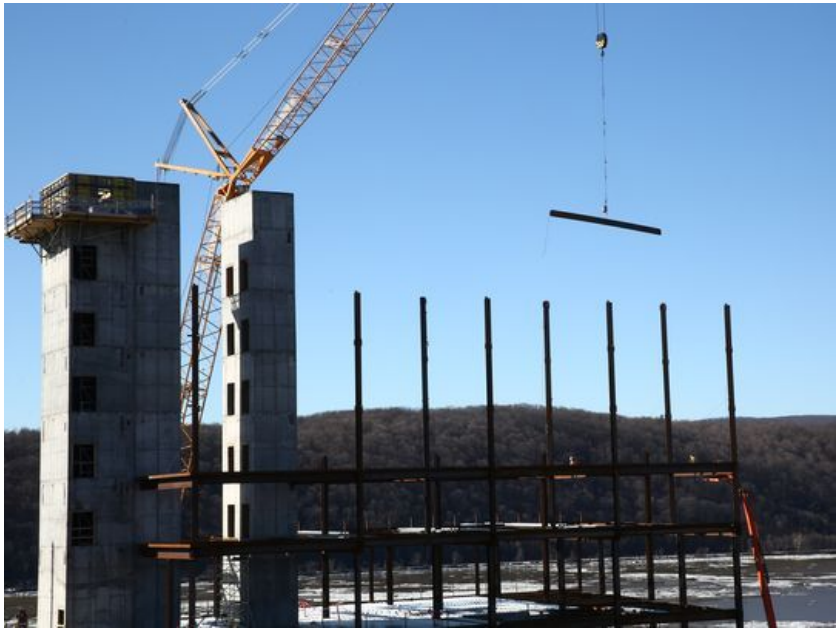
The Vassar Brothers Medical Center expansion has now entered year two of the three-year project, the largest in City of Poughkeepsie history. With the addition of an eighth floor, the project is costing approximately \$545 million.



From right, Tim Grom, director of Construction at Health Quest, and John Nelson, director, Public and Community Affairs Vassar Brothers Medical Center, discuss the construction site at Vassar Brothers Medical Center in the City of Poughkeepsie on Thursday, January 25, 2018. (Photo: Patrick Oehler/Poughkeepsie Journal)

“If you drive by Vassar Brothers Medical Center on Route 9, you will see the construction team is hard at work installing the steel frame of the building that, upon its completion, will offer incredible views from the eastern shore of the Hudson River,” said John Nelson, director, Public and Community Affairs, Health Quest.

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A crane moves a piece of steel at the Vassar Brothers Medical Center construction site in the City of Poughkeepsie on Thursday, January 25, 2018. (Photo: Patrick Oehler/Poughkeepsie Journal)

Why you should care

This robust real estate market, both in the commercial and residential sectors, signals a better economy. The domino effect of that is clear — an upward real estate market brings in new residents. A demand for housing and a lack of real estate inventory on the market leads to a push in new construction, which leads to new jobs. An influx of more residents and tourists also leads to construction of new venues, hotels and attractions — and more new jobs.



(Photo: Courtesy, T-Rex Capital Group)

What to watch for

More hotels: More tourists mean a need for more hotels. The Hyatt Place, a 93-room hotel, under construction near Bonefish Grill on Route 9 in Poughkeepsie is expected to open this fall, but the completion date is unknown for the 113-room Homewood Suites being constructed on Route 9 behind Starbucks. The Mercury Grand on Route 9 which closed about a year ago is being renovated into a Best Western expected to open this summer.



The proposed Inn at Bellefield on Route 9 in Hyde Park is shown in this rendering. (Photo: Bellefield Development Partners)

The Inn at Bellefield: Bellefield at Historic Hyde Park is a \$500 million tourism destination that will be built across from the Culinary Institute of America. The project, from the T-Rex Capital Group, will include two hotels, a conference center, a freestanding signature restaurant, a spa and culinary-based retail establishments. Some 58 percent of the site's 339 acres will remain wooded and undeveloped with another 48 acres devoted to agricultural use to preserve the natural beauty of the site.



From left, Tim Grom, director of Construction at Health Quest, and John Nelson, director, Public and Community Affairs Vassar Brothers Medical Center, discuss the construction site at Vassar Brothers Medical Center in the City of Poughkeepsie on Thursday, January 25, 2018. (Photo: Patrick Oehler/Poughkeepsie Journal)

Expansion of Vassar Brothers Medical Center: When complete, the new inpatient pavilion will be a 752,000 square-foot, eight-floor project that will house 264 private medical/surgical patient rooms, as well as a 66-bay emergency room/trauma center with approximately 58,000 square feet of space — almost twice the size of the current emergency room that treats 70,000 patients annually. There will be 15 operating suites, a 30-bed Intensive Care Unit, a 240-seat cafeteria and a 300-seat community conference center for staff and visitors. The building will create 21 new permanent jobs and 750 temporary construction-related jobs over the three-year project.

Key players



Thomas Mulroy, CEO of T-Rex Capital Group (Photo: Courtesy photo)

Tom Mulroy: Chairman and Chief Executive Officer of the T-Rex Capital Group LLC, which is behind the Bellefield At Historic Hyde Park project. He has acquired and invested in more than 7 million square feet in the United States since T-Rex’s inception in 1999.

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The construction site at Vassar Brothers Medical Center in the City of Poughkeepsie on Thursday, January 25, 2018. (Photo: Patrick Oehler/Poughkeepsie Journal)

Robert Friedberg: As president and CEO of Health Quest, the Vassar Brothers Medical Center Expansion project has been under his leadership. With more than 30 years of healthcare management experience, Friedberg has been with Health Quest since January 2014.



Robert Friedberg, president and CEO of Health Quest (Photo: Submitted)

Key dates

End of 2019: The Vassar Brothers Hospital expansion is estimated to be completed between the end of 2019 and the first quarter of 2020.

By the numbers

\$2.5 billion: There are more than \$2.5 billion in commercial projects under construction in Dutchess County and \$540 million in planning and development.

\$300 million: The i.Park City project will convert the former IBM East Fishkill Campus into a mixed-use "workspace of the future" that will include retail, hotel and residential options.



The 289-acre Atalanta property, at 89 Martins Lane in Red Hook, was built in 1851 for Franklin Hughes Delano and Laura Eugenia Astor. It is Dutchess County's highest-priced home for sale at \$20 million. (Photo: Tim Lee/File photo)

\$20 million: The 289-acre Atalanta property, built in 1851 for Franklin Hughes Delano (whose great-nephew was Franklin Delano Roosevelt) and Laura Eugenia Astor (granddaughter of John Jacob Astor), was listed as Dutchess County's highest-priced home for sale at \$22 million last year. It is still the highest priced home, but has been reduced to \$20 million.

4.5 million: Dutchess receives about 4.5 million visitors a year.

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