

# Plan On It

A Dutchess County Planning Federation eNewsletter



July-September 2022

## Introducing the For-Sale Housing Report

### A new way to track the housing market in Dutchess County

*Plus: Takeaways from the 2021 Rental Housing Survey*

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For decades, the Dutchess County Planning Department has tracked the local rental housing market with our annual Rental Housing Survey – charting rents, apartment sizes, vacancy rates, construction trends, and more. There has not been a similar tool for the ownership market – until now. We are pleased to introduce the inaugural issue of the [For-Sale Housing Report](#), our newest annual publication that tracks home sales, prices, and attributes like square footage and lot size, among others. Our hope is that this new report on the ownership market, when paired with the Rental Housing Survey, will provide a more complete annual picture of the state of housing in Dutchess County.

This report distinguishes itself from other regularly-issued housing market reports by taking a longer view of trends and changes, setting our immediate housing challenges in broader context. Because it focuses on the prior year, it does not reflect the state of the market at the time it is released but is instead an analysis of the market we just experienced. In this year's report, for example, the historically low interest rates of 2021 play a role in discussions of affordability. The 2022 increases in those rates will undoubtedly be a focus of next year's report.

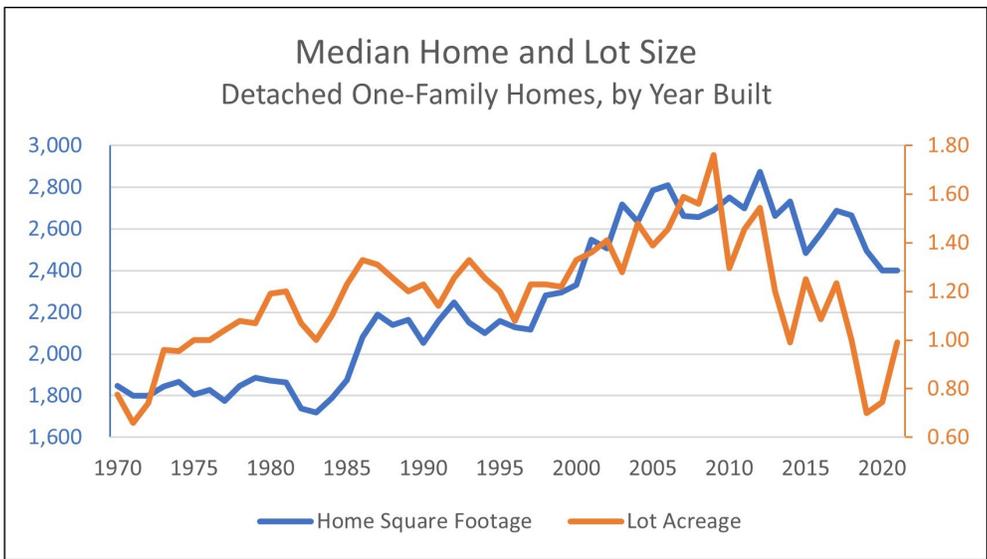
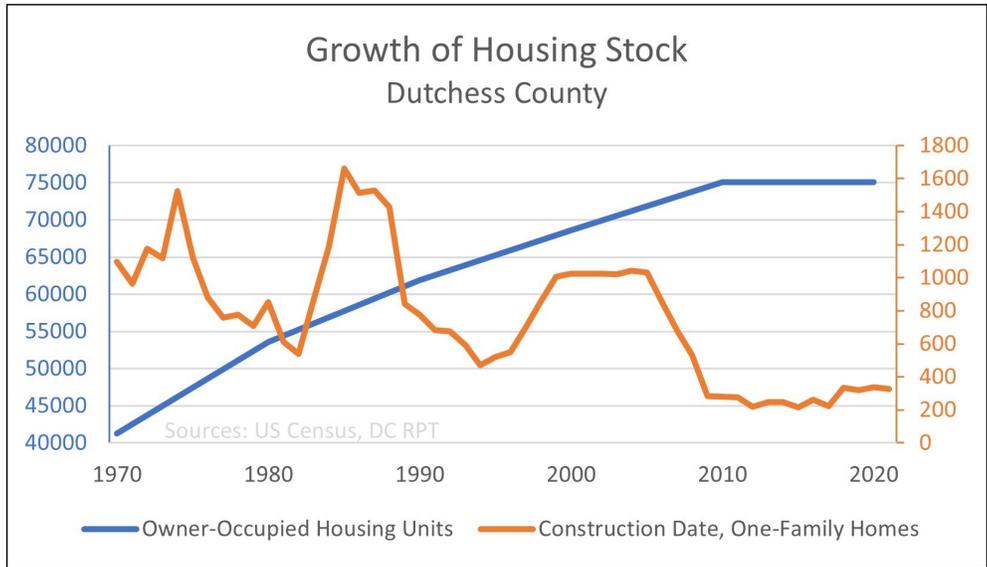
For this first year, the report is a traditional document with three sections. We begin by looking at the broad trends in one-family housing over the long term, then over the last ten years, and wrap up with a focus on takeaways for 2021. In future years our goal is to transition the report to a webpage that will allow readers to interact more dynamically with the charts and maps, and easily navigate to what matters most to them.



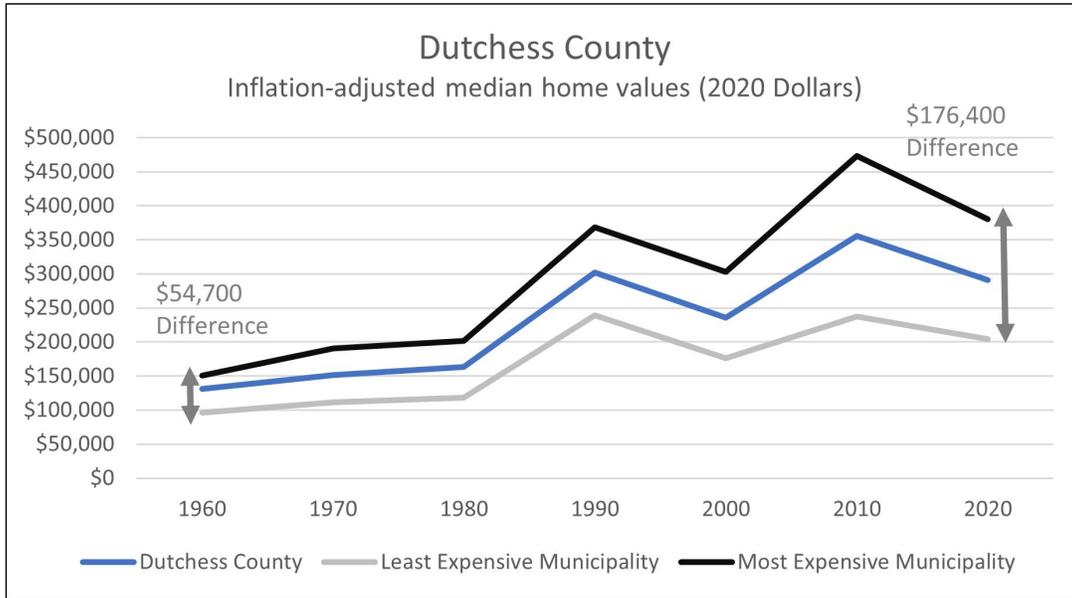
A variety of single-family homes in Dutchess County.  
Bottom photo credit: Ian Wickstead

## Long-Term Takeaways from the Ownership Market

The report paints a picture of a housing stock that grew tremendously – both in number and in home size and lot size – between the middle of the 20th century and 2010, before changing course in recent years. The number of owner-occupied homes in Dutchess County nearly doubled between 1970 and 2010 following waves of construction in the mid-70s, mid-80s, and early 2000s. During the last decade, construction of one-family homes has stayed at a historic low even as the economy recovered from the Great Recession. Median square footage of detached one-family homes went up by over 1,000 square feet from 1970-2010 before receding in the last ten years, and median lot size followed the same pattern, more than doubling before dropping back down to under one acre for the first time since the 1970s.



Home values, as one might expect, have risen even when adjusting for inflation. In 2020 dollars the median Dutchess County home in 1960 was valued at about \$140,000, while in 2020 the median home was valued at nearly \$300,000. The affordability gap between various parts of the county has also widened considerably – the difference between the median home in the most affordable municipality and the most expensive one was around \$50,000 in 1960 (again, in 2020 dollars) and was nearly \$200,000 in 2020.

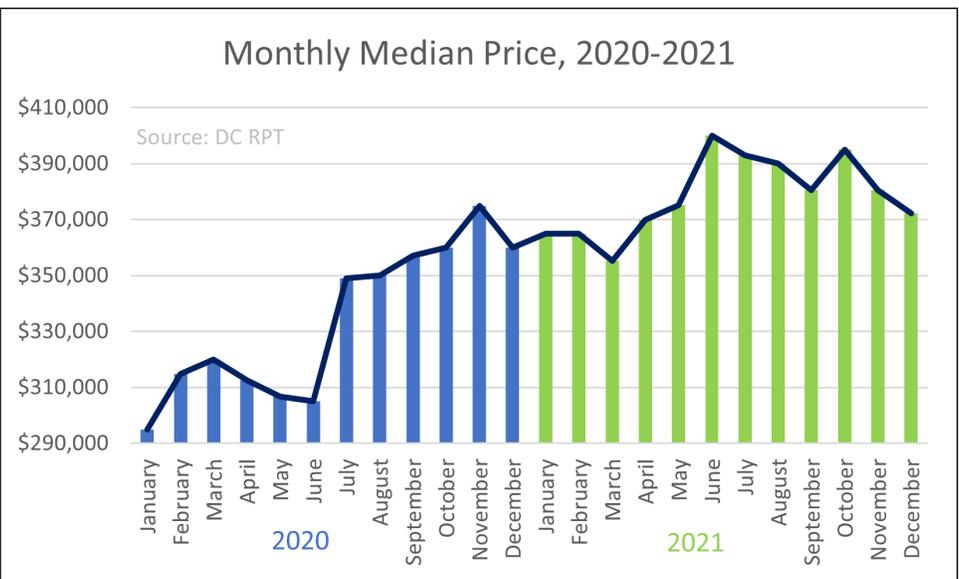
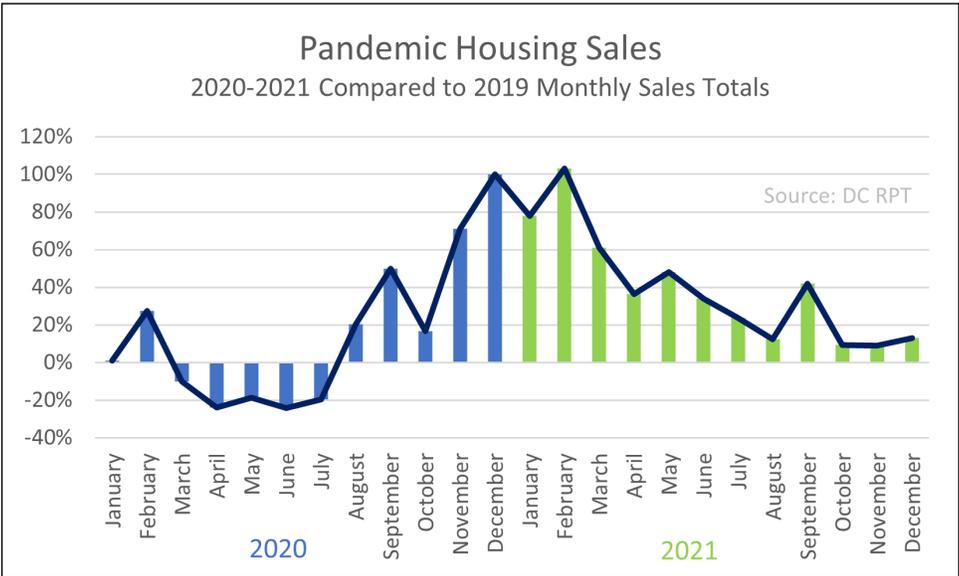
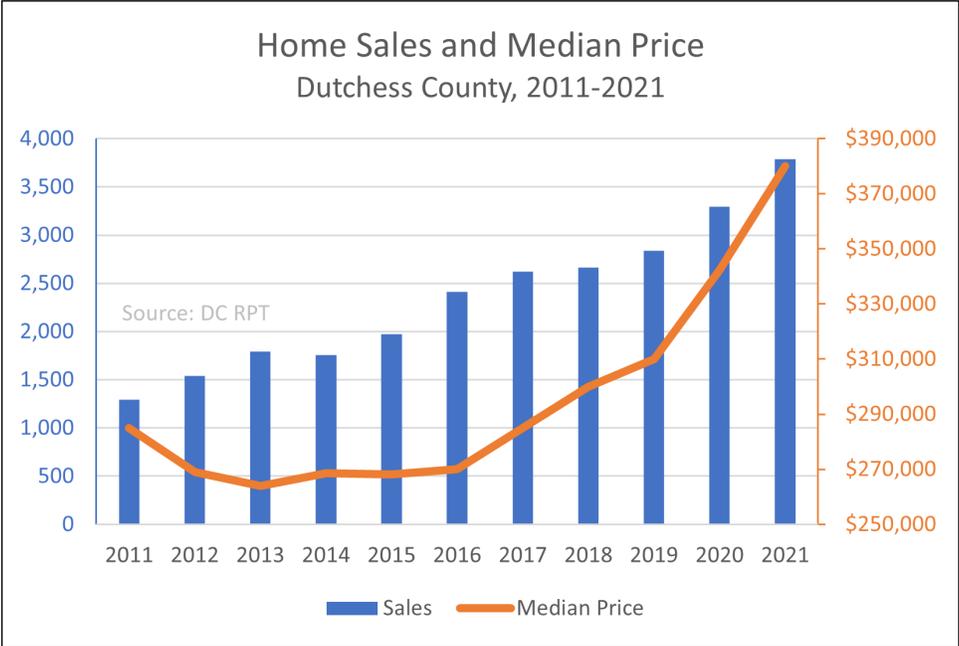


### Recent Takeaways from the Ownership Market

The last decade has been one of enormous sales and price growth as our housing market recovered from the Great Recession. The number of sales of one-family residences nearly tripled between 2011 and 2021, despite the low level of new construction. The median sales price increased by over \$100,000 from its low point in 2013, with consecutive 11% jumps from 2019-2020 and 2020-2021. The pandemic period has of course been particularly volatile, but the peak for both sales and prices may have passed. By comparing months in both 2020 and 2021 with the same month from the last “normal” year (2019), we can see the full pandemic wave, with winter sales double what they were before the pandemic. That surge slowed as the year went on, though by the end of 2021 sales were still up 10% from 2019. Prices, meanwhile, appear to have peaked in summer 2021, declining slightly by the end of the year – though, again, they were still far above pre-pandemic levels.

### Data Sources

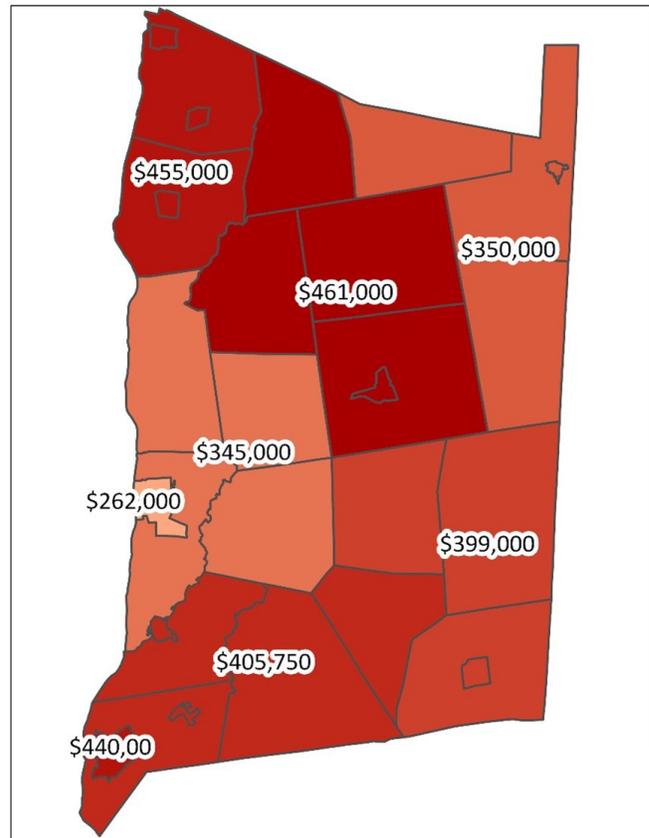
Most of the information in the For-Sale Report comes from the sales data collected by local municipal assessors and housed by the Dutchess County Real Property Tax Service Agency (RPT). Additional data comes from the US Census Bureau and the National Association of Realtors.



Those prices varied significantly across the county, with the highest median prices in our north and northwest regions along with the City of Beacon. The southwest and southern Harlem Valley regions were in a second tier, the northern Harlem Valley and the towns of the Poughkeepsie suburbs in a third, and the City of Poughkeepsie was the least expensive market. Since 2011 median price increases have ranged from 21% in the rural northern towns of Milan/Stanford/Clinton/Washington to 96% - nearly double - in the City of Beacon.

Throughout all this change and growth, housing affordability has remained a complex issue. Historically low interest rates have mitigated some of the impact of price increases on monthly mortgage payments, and according to Census data, rising incomes actually contributed to a decline in the percentage of cost-burdened homeowners (those paying 30% or more of their income on housing) between 2011-2019, the most recent year for which we have this data. But obtaining financing and amassing the funds for a down payment and closing costs is a burden that keeps on growing.

The number of homes sold for under \$300,000 – the price range that might be affordable for a middle-class household’s first home – peaked in 2017 and has declined by 50% since then. Fewer than 1,000 such homes were sold in Dutchess County in 2021.



Median home price by Dutchess County subregions, 2021.  
Data source: DC RPT

### A Look at the 2021 Rental Housing Market

Now that we’ve explored the ownership market, it’s time to take a brief look at what was going on in the rental housing market last year. We’ve been surveying this sector of the market in Dutchess County for over 40 years, and occasionally have adjusted the particulars of what the report covers. For example, the 2021 report expands the discussion on affordable housing with the addition of the “Overview of All Affordable Housing” section, which pulls together the data on affordable housing developments throughout Dutchess County and is paired with an explanation of the various types of subsidies related to affordable housing.

In addition, the 2021 report saw the removal of the “Other Market Rate Apartments (1-19 Units)” data set due to a long-standing decline in the volume and quality of the data.

A few key takeaways from the [2021 Rental Housing Survey](#) include:

- The vacancy rate in Market Rate Apartment Complexes (our proxy for the local rental housing market as a whole) hit a historic low of 0.6%, the lowest rate since the inception of the report. Housing experts recognize a 5% vacancy rate as an indicator of a healthy rental market; it’s low enough not to negatively affect landlords, but high enough to permit tenant mobility. The vacancy rate in 2021 was barely one-tenth of what is considered a healthy indicator. This extremely low vacancy rate creates a very challenging market for our neighbors to secure and retain housing, especially given that vacancy rates in Dutchess County have not reached the 5% benchmark for over 20 years.

- The rate of apartment construction, at 417 new units, was the second highest in the past 15 years. Given this high rate of construction paired with the historically low vacancy rate, we are clearly still looking for a balance between supply and demand.
- Average rents for Market Rate Apartment Complexes increased between 7.3-7.9% for 1-, 2- and 3-bedroom units.
- The gross income needed to afford the average rent for a two-bedroom apartment was over \$75,000.

## Conclusion

There are plenty of other interesting takeaways in both of these reports. We welcome any questions or feedback, especially on the *For-Sale Report*, since this is the first year we have produced it. We especially would like to know if you make use of the reports in your own work. If you find them valuable, have questions or concerns, or want to know more, please reach out to our office.

## More Information

**NEW!** Dutchess County's [For-Sale Housing Report](#)

[2021 Dutchess County Rental Housing Survey](#)

Rental Housing Survey Archive: [1999-2020](#)

Click here to [view past issues of Plan On It](#).

This newsletter was developed by the Dutchess County Department of Planning and Development, in conjunction with the Dutchess County Planning Federation.

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