

**Lagrangeville  
Real Estate Market Report**

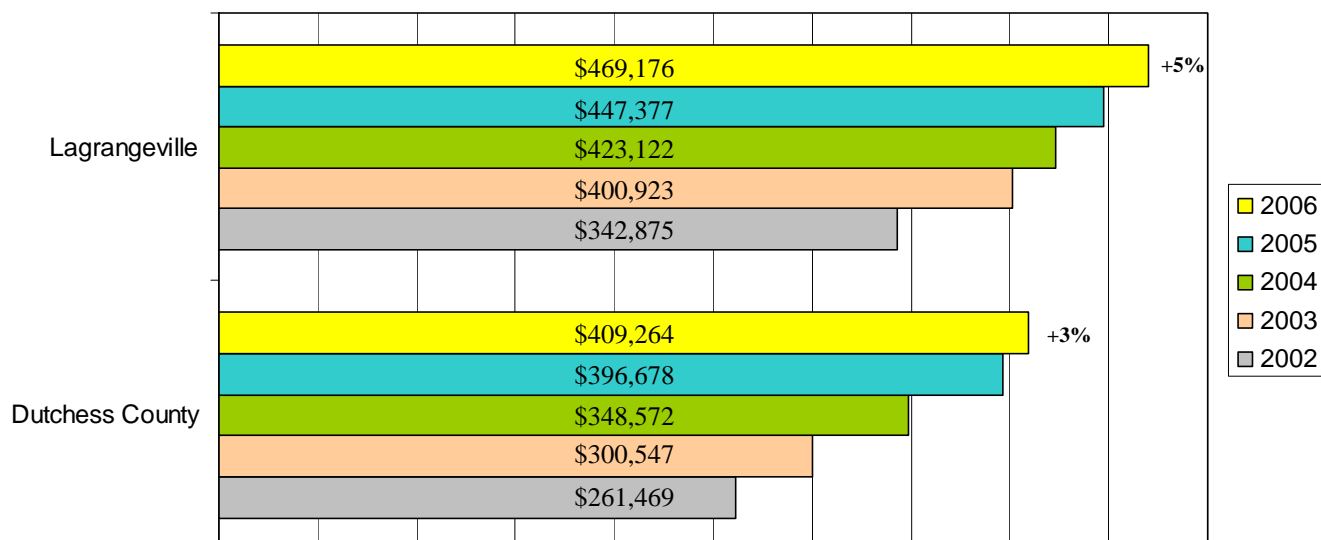
# 2006 Real Estate Market Report

Dear Neighbor,

Last year 66 single family homes were sold in Lagrangeville, vs. 89 in 2005. Our Neighborhood contributed about 4% to Dutchess County's residential home real estate market.

The average sales price in Lagrangeville was \$469,716, up 5% from 2005. The median sales price dropped 2%. Since 2000 home values in our neighborhood have risen 82%.

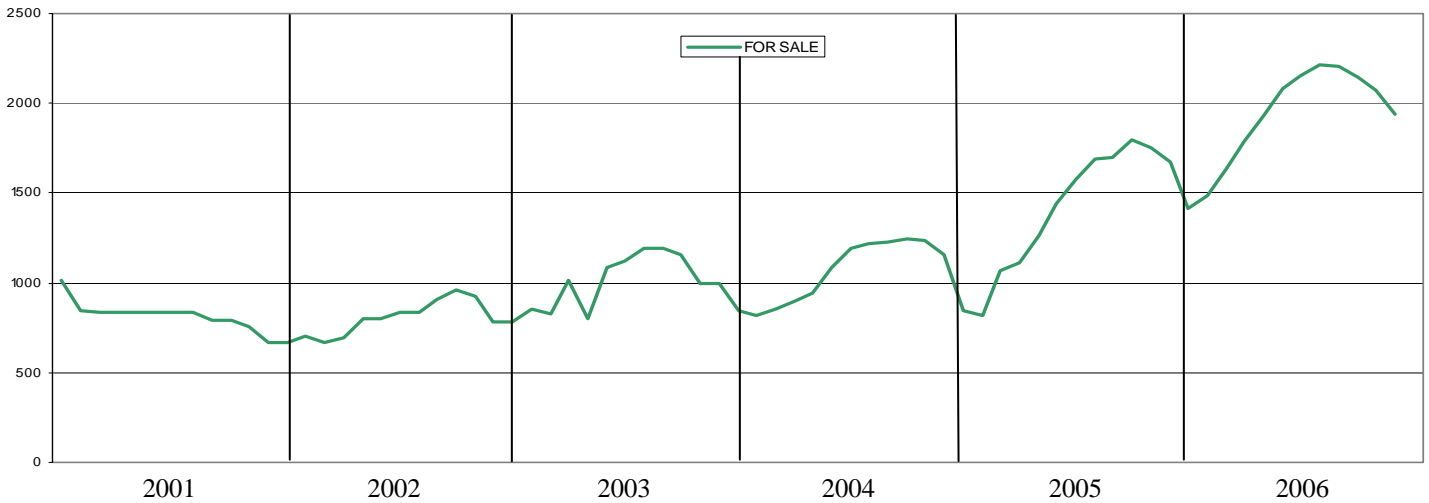
**Average Sales Price of a Single Family Home**



Does this mean that 2006 was another good year for home sellers in our area? No. The story of the 2006 real estate market is not told by what sold, but by what did not sell. Please read on.

The truth is that the soothing reports about home prices rising you may have read in the Poughkeepsie Journal just last December, are misleading. These reports overlook all the homes that have been languishing on the market for many months, not receiving any offers or getting offers their owners have not been willing to accept. Another flaw of the reports is that when listings expire (usually after 6 months) and are re-listed as new, the previous listing time is not reflected in the reported days-on-market statistics.

Take a look at the build-up of the inventory of **Homes for Sale in Dutchess County**:



Now consider that the number of expired and withdrawn homes went from **1200** in 2001 to about **3300** in 2006: Homes stay on the market considerably longer.

What impact does all this have on the value of our homes? This can only be guessed. From my personal observation prices in our neighborhood have fallen up to 10% since the middle of 2005. Across much of California, Florida and the Northeast, homes are worth a lot less than a year ago, with estimated price drops of 20% around Naples or Boston, for example. In New York City prices seem to have slid back to roughly 2005 levels, but even there apartments are on the market 50% longer.

## 2007 Outlook

A number of sellers took their homes off the market late last year after being unable to sell for the desired price. It is to be expected that many of these homes will flock back on the market in spring. It can take a while to sell off the market surplus, so things will remain slow, but prices should not drop *much* further. And we will begin to see the price drop reflected in the statistics. **January and February 2007** numbers show that the **median** price for a home in the county dropped **-10%** year to year and the **average** dropped even further, **-15%**! This means that prices are back at **2004 levels** and that - if you bought your home in the last 2 years - you probably won't gain anything if you need to sell now.

Luckily, if you are planning on selling your home, there is plenty of help: In the last 5 years the **number of real estate agents** in the country - which had stayed more or less the same for the 20 years prior - has almost **doubled** to 1.4 million. It is very easy to become a real estate agent. But beware, homes don't sell themselves and for what is probably your prime asset you should choose an agent carefully. Marketing, especially **Internet Marketing**, is the key to attracting qualified buyers in a market with lots of competing homes. Based on the need to work harder and to spend serious marketing dollars, lots of agents and brokers will drop out of the market again, as FOXTON (the 3% discount) did recently from many areas of the Hudson Valley.

To see how **I** successfully market homes please go to [www.gerhardnagy.com](http://www.gerhardnagy.com) or call me at **(845) 231-1003** for a free consultation.

With kind regards,



**Gerhard Nagy**  
Associate Real Estate Broker  
Fulltime Professional Realtor  
MultiMillion Dollar Producer  
Masters Degree in Business

**(845) 231-1003**



To see how you can get **top dollar** for your home, click

[www.gerhardnagy.com](http://www.gerhardnagy.com)

**I sell more because I do more!**