



FOCUS ON MANHATTAN

Realtors Shift Focus to Key Global Issues At New York City Annual Conference

By John Jordan

NEW YORK—If the last few years have taught real estate practitioners anything, it is the old saying that “All real estate is local” is very short-sighted. With the COVID-19 pandemic, worldwide inflation and the Russian invasion of Ukraine as key evidence, the influence of global events and trends play a critical part in the health of real estate in the New York region and the United States.

With that in mind, nine Realtor associations, including the Hudson Gateway Association of Realtors, held the 16th Annual Global Real Estate Summit on Oct. 20 at the New York Marriott Marquis Hotel in New York City. The day-long event was filled with cutting-edge programming that included presentations on: “Emerging Trends in Architecture & Design: Passive House Design & Smart Buildings,” “Global Tax Issues,” “Industry Insights in the Global Commercial Market,” “Tri-State Economic Development Initiatives Update,” “Foreign Visas, Opportunity Zones, EB-5,” “Building Global Strategic Partnerships,” “Digital Technologies, Blockchain, Cryptocurrency &



From left, Steve Milgrom, business advocate for the New Jersey Business Action Center; Alexandra Daum, deputy commissioner, chief investment officer of the Connecticut Department of Economic & Community Development; Bridget Gibbons, director of economic development for Westchester County and HGAR Chief Executive Officer Richard Haggerty

the Metaverse,” as well as an informative and stirring keynote speech by Greg Lindsay, chief communications officer of Climate Alpha on “Utopia, Dystopia and Everything in Between.” The sponsors of the Global Real

Estate Summit were: the Brooklyn MLS, Connecticut Realtors, Greater Bergen Realtors, the Greenwich (CT) Association of Realtors, the Hudson Gateway Association of Realtors, the North Central Jersey Association of

Realtors, the Staten Island Board of Realtors, Inc., the New York State Association of Realtors and the National Association of Realtors. Supporting associations were the Liberty Board of Realtors and the Long Island Board of Realtors.

Chief officials of the Hudson Gateway Association of Realtors were keenly involved in the programming, with HGAR President-elect and co-chair of the Global Council Committee Tony D’Anzica offering opening remarks as well as serving as moderator for the Emerging Trends in Architecture panel discussion. 2022 HGAR President Anthony Domathoti moderated the Industry Insights in the Global Commercial Market, while HGAR CEO Richard Haggerty moderated the Tri-State Economic Development Initiatives Update program.

Some of the many takeaways from the Global Real Estate Conference were:

Jeffrey Berman, licensed real estate broker, commercial division with Berkshire Hathaway HomeServices, New York Properties, a panelist on the Com-

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Closed Median Sale Price in Hudson Valley/ NYC Markets Declined by 2.50% in October: OneKey MLS

NEW YORK—OneKey MLS reported a 2.50% decrease in the closed median residential sale price between September and October 2022 in its nine-county Hudson Valley/New York City regional market area.

For October 2022, OneKey MLS reported a regional closed median sale price of \$585,000, representing a 2.50% decrease as compared to the reported \$599,999 in September 2022.

Between September and October 2022, closed regional sales transactions, including residential, condo, and co-op sales, decreased to 4,762 from 5,330, representing a 10.70% month-over-month decline.

Six of nine counties reported a decreased closed median sale price in a month-over-month comparison, while two counties reported an increased median price, and one reported no change. The following counties reported decreases in their closed median sale price: Rockland (\$532,500, -14.10%), Sullivan (\$252,000, -6.50%), Westchester (\$620,000, -4.00%), Nassau (\$675,000, -3.60%), Bronx (\$585,000, -1.70%), and Orange (\$385,000, -1.30%)

Putnam (\$482,450, +5.10%) and Queens (\$690,000, +1.50%) reported an increased closed median sale price, while Suffolk County (\$550,000, 0.00%) reported no change.

Pending sales for the Hudson Valley region totaled 1,600 as com-

pared to 2,200 at the same time last year, a decrease of 27.3%. Sales were down in all Hudson Valley counties and in the Bronx. Westchester saw a 20.20% decrease in home sales in October as compared to October 2021; Putnam County posted an 18.50% decrease; Orange County closed sales were down 15.40%; Rockland County’s closed home sales activity fell 38.60% and Sullivan County registered a 13% decline in closed sales. The Bronx saw a 14.50% decline in closed residential home sales last month.

Long Island Market

The October 2022 closed median home price for Long Island, which includes Nassau, Suffolk, and Queens housing data recorded on OneKey MLS, was \$618,250, which represents a 3.00% increase over last year’s reported median home price of \$600,000.

Nassau County reported a \$675,000 closed median home price in October, representing a 3.90% increase over the \$650,000 closed median home price reported by the MLS last year. Suffolk County reported a closed median home price of \$550,000, representing a 6.20% increase from \$517,750 reported on the MLS in October 2021. Queens reported a closed median home price of \$690,000, representing no change as compared to the closed median price reported on the MLS in October 2021.

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ONEKEY® MLS REGIONAL HOME SALES			
Closed Median Sale Price October 2022			
Month over Month			
COUNTY	OCT 2022	SEP 2022	CHANGE
Putnam	\$482,450	\$459,000	5.10%
Queens	\$690,000	\$680,000	1.50%
Suffolk	\$550,000	\$550,000	0.00%
Orange	\$385,000	\$390,000	-1.30%
Bronx	\$585,000	\$595,000	-1.70%
Nassau	\$675,000	\$700,000	-3.60%
Westchester	\$620,000	\$645,750	-4.00%
Sullivan	\$252,000	\$269,500	-6.50%
Rockland	\$532,500	\$620,000	-14.10%

NUMBERS REPRESENT CLOSED MEDIAN HOME PRICES FOR RESIDENTIAL SALES INCLUDING: 1-4 FAMILY, CONDO, AND CO-OP PROPERTY TYPES

Perspective

Why are Rates Rising and is There Some Light at the End of The Tunnel?

By Donald Arace

By now you have heard of or come face to face with the slowing real estate environment. The culprit is inflation, born of a post-pandemic fiscal stimulus intended to help the American economy recover. The unintended consequence was a 40% increase in the money supply of the U.S. economy. It also provided "seed money" for people and businesses to buy real estate like never before. The extra money brought about a rise of purchases in the suburbs, international cities, rural areas, lake front properties, sunshine states, second homes and investment properties.

The rest of the world's economies basically followed suit, adding too much money to their respective economies and thereby ushering in the classic inflation scenario: too much money chasing too few goods and services.

We have also heard of "global supply chain dislocation." It is a fact that the combination of China's (the second largest economy and maker of low-cost goods in the world) slowdown due to severe COVID lock down restrictions and the Russia-Ukraine war, which reduced supplies of petroleum and food throughout the European nations and beyond, have contributed to an increase in the cost of many goods and services pertaining to U.S. imports. What happens around the world in a global economy, affects us all.

On a national and local basis, there have been property shortages for years, due to insufficient construction of affordable housing since the onset of the 2008 financial collapse. This had only worsened during the pandemic years.

The inflationary recovery (excess money), low supply of goods and the housing shortage, have created the perfect storm.

The Federal Reserve, using its limited tools, is trying to reduce inflation by tamping down demand. They are doing this by increasing short-term federal fund rates that directly influence the prime rate for consumers, thus af-



fecting credit cards, home equity lines of credit and other short-term borrowing facilities.

Additionally, on the long end, the Fed has tapered the purchase of mortgage-backed securities, which had helped keep long-term mortgage rates low during the pandemic. These two items particularly conspired to slow down the hot real estate market in particular.

Lenders are trying to combat the rising interest rates with various programs to help potential homebuyers in the marketplace; utilizing products such as adjustable-rate mortgages (ARMs), first-time home buyer programs, affordable housing products, grant programs, etc. In addition, national agencies—Fannie Mae and Freddie Mac—have recently removed loan-level pricing adjustments for many of their low down payment programs in an effort to lower the cost of home ownership.

However, there is one unique product that may help both buyers and sellers come to terms with a solution to a (hopefully) temporary condition. This product is known as a temporary buydown.

We will use an example scenario here to show how this product can be used to help both buyers and sellers, as well as provide a few details as to what is required:

A buyer is seeking to buy a home in the range of \$650,000, but the cost of purchasing that home has increased in the past four months by 30% or more, due to higher mortgage rates. The original rate three months ago was 4.875%, while the current rate is 6.875%. This has caused the buyer to refrain from making full-price offers.

A seller has placed a property for sale at \$650,000 that has been met with tepid response in the preceding week(s) with no offers to date. The list-

ing agent is considering having an uncomfortable discussion with the seller, requesting a reduction in the price by \$30,000 – \$40,000, before the rates rise too much more.

The Temporary Buydown Solution

The listing agent suggests that rather than reducing the price of the property from 5% (\$32,500) to 6% (\$39,000), why not offer a 3% (\$19,500) seller concession to the buyer instead and advertise it in the MLS?

The buyer's agent is in full agree-

Year 2—(Monthly Savings \$340) x (12 Months) = Annual Savings of \$4,080
Total Savings = \$12,060

$\$12,060/\$520,000 = 2.32$ points

The seller would provide the points above. Any additional amount could be used to pay other qualified closing costs. Let's take a closer look at the benefits to both parties:

Seller Benefits: marketing tool for the seller's property, differentiates the property, less expensive than a price reduction, attracts more qualified buyers and the opportunity to sell the property before property values possibly decline further.

Buyer Benefits: reduce the monthly carrying cost, lower payment for the first two years, reduce payment shock and in the event of a pay-off/refinance, the unused subsidy account reduces the payoff amount.

Parameters: An escrow account is set up to hold the buydown points administered by the servicer of the loan and supplements the monthly payments made by the buyer; the property must appraise at the contract sales price, otherwise some or all of the seller concessions could be negated; buydown must be funded by the seller;

available on conforming, FHA, and VA loans; only available for 1-4 family primary residences and single-family second homes and borrower must qualify for the note rate.

Like any other product, this may not apply to all scenarios, but can be effectively utilized in certain situations. Let's hope (as many economists believe) that rates will taper down in the coming months as inflation decreases, and that rate stability will finally return to the marketplace.

Have a great holiday season!

Donald Arace, who has been in the mortgage industry for more than 30 years, is Divisional President of Hudson United Mortgage, which is headquartered in Nanuet.

There is one unique product that may help both buyers and sellers come to terms with a solution to a (hopefully) temporary condition. This product is known as a temporary buydown.

ment and informs the buyers to speak with their loan representative who may be able to explain this product and provide a 2-1 buydown solution.

Assuming there's a 20% down payment, the loan amount would be \$520,000. At a 6.875% interest rate, the monthly payment would be \$3,416. Based on a current rate of 6.875%, the temporary buydown works as follows:

Year 1—The payment will be 2% below the fixed rate or 4.875% (\$2,751)

Year 2—The payment will be 1% below the fixed rate or 5.875% (\$3,076)

Years 3-30—The rate would be 6.875% or \$3,416/month for the remainder of the term

Year 1—(Monthly Savings of \$665) x (12 Months) = Annual Savings of \$7,980

Closed Median Sale Price in Hudson Valley/NYC Markets Declined by 2.50% in October: OneKey MLS Continued from page 1

The total number of available residential listings in October 2022 on the MLS was 12,164, which was down

1.00% as compared to the reported available inventory in September 2022.

Jim Speer, CEO OneKey MLS, said, "Home prices across our region are starting to decline as they're being

impacted by unpredictable market conditions. Buyers facing borrowing rates currently hovering around 7.00%, more than double the rates a year prior, are revisiting their buying choices because their purchasing power may have shifted. Gone are the days of the frenzied market."

OneKey MLS, the largest MLS in New York, aggregates the real estate transactional data from nine counties making up the regional MLS coverage area, and reports individually on each county represented.

For further detailed statistical information about residential, condo, and co-op sales transactions, please visit <https://www.onekeymls.com/market-statistics>

OneKey MLS, made possible by the merger of MSLI and Hudson Gateway MLS, is one of the nation's leading Multiple Listing Services, serving more than 45,000 Realtor subscribers and 4,300 participating offices throughout Long Island, Manhattan, and the Hudson Valley.





Brian Anthony Mattis-Phillips of Douglas Elliman won the “King of Heels” award.



NYSAR President Jennifer Vucetic installed the chapter’s 2023 officers.

Women’s Council of Realtors Stages ‘Deals in Heels’ Fundraising Event

NEW ROCHELLE—The Women’s Council of Realtors Local Westchester Chapter held a well-attended “Deals in Heels” fundraising event for RPAC that also included the official installation of 2023 Officers on Oct. 27 at the Glen Island Harbour Club here.

2022 WCR President Vlora Sejdi presided over much of the program that included a host of special guests and real estate “models.” A highlight of the program was Hudson Gateway Association of Realtors Chief Executive Officer Richard Haggerty receiving WCR’s “Jim Rood Member of the Year Award” for his long-standing service to the organization.

Special guests at the “Deals in Heels” event included 2022 NYSAR President Jennifer Vucetic, who performed the installation of WCR officers. NYSAR’s Political Affairs Coordinator Derick King hosted the auction that raised \$2,600 for RPAC.

The 2023 officers of the Women’s

Council of Realtors Local Westchester Chapter are: President Marianne Lepore; President Elect Ruth Lara Deane; First Vice President Adrienne Squillante; Treasurer Lynette Brownel Membership Director Kimra Pierre and Events Director Cheryl Williams.

The good-natured models were: Anthony Domathoti, 2022 HGAR President and Broker/ Owner of Exit Realty Premium; Danny Hemchand, HomeTeam Inspections; Joseph A. Cerbone Jr., The NY Mover; Tony D’Anzica, 2022 HGAR President Elect and Broker/ Owner of Dynamac Realty; Reid Whittemore, Clancy Moving; Tony Ruperto, The Ally Team, J Philip Real Estate; Brian Anthony Phillips, The Brian Phillips Team, Douglas Elliman Real Estate; Alexander Delgado, Christie’s International Real Estate; Raymond LaFlamme, US Bank; Wayne Slaughter, Wells Fargo Home Mortgage; Matt Diaz - A.S.A.P Mortgage and “Mystery Man” of John J Lease Realtors.



2022 WCR Local Westchester Chapter President Vlora Sejdi presents HGAR CEO Richard Haggerty with the “Jim Rood Member of the Year” award.

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mercials Markets panel, said the “jury is still out” on the impact of corporate return to work programs on the New York City area market.

“Many of the employees have moved, not only outside of the five boroughs, but they have moved outside of the metropolitan area and they have moved across the country because the virtual work has allowed them to do that,” Berman said. “As these companies require people to come back to work, there is going to be an interesting dilemma on whether those people return or if they are replaced?”

Berman predicted that the strongest commercial sector will continue to be the industrial market, while he believes that office market will start to rebound in the coming months. Raymond Chan,

broker of record for Warwick Realty Group in Toronto, said the growth markets will continue to be industrial, office and apartment sectors, while headwinds will remain for the retail industry.

Samuel I. Mizrahi, associate broker with Century 21 Mizrahi Realty in Brooklyn, said, “Multifamily is growing very rapidly and I think that will be a very strong market in the next two or three years,” he said. However, he believes that despite its current troubles, retail will rebound.

The key takeaway from the Tri-State Economic Development Initiatives Update panel discussion is that business investment interest in New York, New Jersey and Connecticut is strong, despite the current economic climate. The panel featured Bridget Gibbons, director of economic development for

Westchester County; Alexandra Daum, deputy commissioner, chief investment officer of the Connecticut Department of Economic & Community Development and Steve Milgrom, business advocate for the New Jersey Business Action Center.

All spoke of the strong multifamily, life sciences and film industry sectors in their respective markets. Gibbons explained, “I think businesses don’t locate in Westchester or expand in Westchester because it is inexpensive, they do because of proximity (to New York City), our workforce, lifestyle, quality of life and the many other amenities we have.”

She noted that while Westchester County has a shortage of apartments for its workforce, there is a pipeline of 13,000 units combined to be developed in the cities of New Rochelle and White Plains.

All of the economic development officials said they do expect future interest in their locations due to the massive federal investment from the \$280-billion Chips and Science Act that has prompted significant investment already in New York State by Micron (\$100 billion) and IBM (\$20 billion). However, all said that while they have seen some interest, no major deals were in the offing as yet.



From left, representing the Global Summit Host and Supporting Associations, Alejandro Escudero, Director, Global Strategy, Engagement, National Association of Realtors; Sharon von Schoenber, Manager, Global Strategy and Relations, Canadian Real Estate Association (CREA); Anthony Domathoti, President, HGAR; Richard Haggerty, CEO, HGAR; Harriet Robinson, President, Brooklyn Board of Realtors; Tony D’Anzica, President Elect and Co-Chair, Global Business Council, HGAR; Brid Mortamais, Chairperson, International Committee, Greenwich Association of Realtors; Bryan Tunney, President, Greenwich Association of Realtors; Bill Flagg, President, North Central Jersey Association of Realtors; David Bennett, CEO, Pinellas Realtor Organization and Jorge Ledesman, CEO, Greater Bergen Realtors.



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HGAR Directors and Officers for 2023

106th Annual HGAR Meeting & Member Appreciation Day

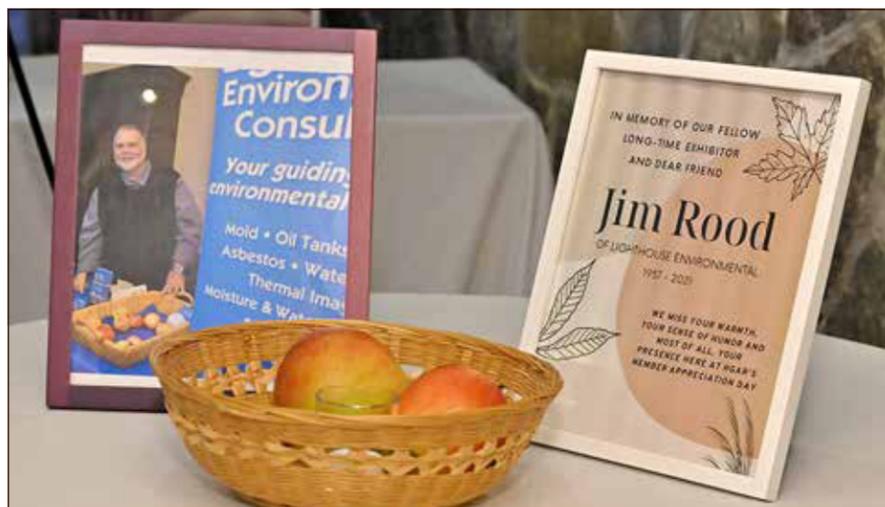
Oct. 24, 2022



HGAR President Anthony Domathoti



From left, Carmen Bauman, HGAR Treasurer; Nan Palumbo, Green Grass Real Estate; and Stephanie Liggio, Judicial Title



Member Day tribute to Jim Rodd, Founder, Lighthouse Environmental, a longtime HGAR Affiliate and Member Day Sponsor.



Irene Amato, CEO, A.S.A.P. Mortgage Corp., HGAR Member Day, Cocktail Sponsor



The Introduction to Commercial Real Estate & Investments session with Richard Haggerty, HGAR CEO moderating (far right) and panelists, from left, MacKenzie Forsberg, HGAR Commercial & Investment Division (CID) Vice Chair, Carmen Bauman, HGAR Treasurer, and John Barrett, HGAR CID President.



Key Note Speaker Kaplan Mobray



From left, Rich Herska, RPAC Co-Chair; Charlie Oppler, NAR Past President, RPAC Lunch Guest Speaker; Donald Arace, Hudson United, RPAC Lunch Sponsor; Anthony Domathoti, HGAR President; and Richard Haggerty, HGAR CEO

106th Annual HGAR Meeting & Member Appreciation Day

Oct. 24, 2022



Tony D'Anzica, HGAR President Elect



From left, HGAR staff, Maria Thomas, Lisa Andrade, Emily Jackson and Jennifer Andriach



Richard Haggerty, HGAR CEO, was presented with a Proclamation from Westchester County Executive George Latimer from Bridget Gibbons, Director, Economic Development Westchester County, for his longtime service to the real estate community.



Brian Levine, HGAR Director of Legal Services and Professional Standards Coordinator, gave a presentation on Ethical Business Practices.



Member Day Cocktail Party, sponsored by A.S.A.P. Mortgage Corp.



Cross Country Mortgage table at HGAR Members Day



Elm Street Marketing (Elevate) table at HGAR Members Day



From left, Rich O'Donnell and Mike Cullen, O'Donnell & Cullen Tax Consultants, Premiere Event Sponsor

106th Annual HGAR Meeting & Member Appreciation Day

Oct. 24, 2022



Hudson United Mortgage, Title, Insurance, RPAC Lunch Sponsor



Hudson Valley Credit Union, Member Day Table



A.S.A.P. Mortgage Corp. Member Day Cocktail Party Sponsor, Member Day Table



HG Realtor Foundation Fundraising Committee Members: from left, Robert Shandley, Bonnie Koff, Chair, Danielle Reese and Nancy Cordasco Walsh



The Stephanie Crispinelli Humanitarian Award presented to Paul Adler of Rand Commercial by Katheryn DeClerck.



The Extra Mile Award presented to Vlora Sejdi of Keller Williams New York Realty by Katheryn DeClerck.

2022 HGAR Award Winners



The Albert P. Schatz Legislative Advocacy Award, presented to Katheryn DeClerck, Howard Hanna Rand Realty by Richard Haggerty, HGAR CEO.



The 2022 President's Award presented to HGAR CEO Richard Haggerty by HGAR President Anthony Domatothi.



The Spirit Award presented to Kimra Pierre of Corcoran Legends Realty by Katheryn DeClerck.



The DEI Champion Award presented to Crystal Hawkins-Syska of Keller Williams New York Realty by Katheryn DeClerck.



The Edward I. Sumber Memorial Award presented to Harding Mason of Houlihan Lawrence by Katheryn DeClerck.



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