

New York Times

A Run on the Catskills

New Yorkers desperate for more space and fresh air are driving prices up in the mountains north of the city.



Left Indent

A four-bedroom house in the hamlet of Roscos, N.Y., in Sullivan County, went on the market in late April and was the subject of a four-way bidding war. Country House Realty

By Julie Lasky

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The house for sale in the mid-\$200,000s in the Catskill Mountains was a cutie, no doubt about it. A midcentury shingled cottage just shy of 1,000 square feet, it had a freshly renovated interior with a vaulted ceiling. Two tiny bedrooms flanked a bathroom with double sinks and fashionable tile.

The real estate pheromones wafting from this property were so powerful that eight days after it appeared on the market in mid-May, it had received nine offers. All exceeded the list price, and about half were in cash. Two came from potential buyers who hadn't even set foot inside the home. The winning bid was \$50,000 over the asking price.

A buying frenzy is roiling the real estate markets in some of New York's most pastoral regions. And nowhere is the enthusiasm starker than in the Catskills.

In Sullivan, Ulster, Greene and Delaware Counties, urbanites with the wherewithal to venture beyond the city are snapping up primary and weekend houses, many in what real estate sales agents say is a financial sweet spot from \$200,00 to \$450,000. They are forging ahead despite the inconveniences and uncertainties of buying in a pandemic (masked, self-directed house tours; cautious lenders; virtual closings).

“It is unlike anything I have ever seen. We’re busier in May than we ever were in the height of the summer, which is our high season in the Catskills,” said Robin Jones, an agent with Country House Realty in Sullivan County. “I’ve been in five bidding wars in the last few weeks.”

Although the market came to a halt with the statewide sheltering order in mid-March, April house sales in Ulster County, the most active in the region, declined only 0.6 percent compared to April 2019, according to New York State Association of Realtors data. (That month, the statewide average plummeted 29.3 percent year-over-year.)



Image

This three-bedroom house in Middletown, in Delaware County, was listed for \$299,000 on June 4. It had 26 showings and 13 offers. The winning bid was described as “way over ask.”

But even these numbers don’t tell the whole story, said Tim Sweeney, the president of the Hudson Valley Catskill Region Multiple Listing Service, because they reflect deals struck before the pandemic. More indicative of the market’s fever are the 416 Ulster County houses that went pending or under contract in May.

“Theoretically, most of these 416 houses will close in July or August,” Mr. Sweeney said, a considerable increase over the 238 houses that closed from July 15 to Aug. 15 in 2019.

Ms. Jones described her typical clients as New Yorkers who are lucky enough to have discovered (or renewed their appreciation of) the ease of working from home and see no point in paying astronomical city prices when they will likely be wary of attending cultural events when the events finally return or rubbing shoulders in bars and restaurants when they reopen. After being confined in tight quarters with their young children, they are eager to be liberated into open, green spaces. “The phrase I keep being told is, ‘I’m ready to pull the trigger,’” she said.

As demand rises, the supply of new Catskills listings has dwindled. Brokers say that many owners who had planned to unload their properties have been renting them instead, while keeping a watchful eye on the market — or they are sheltering in the homes themselves.

According to the state association, the number of new listings in Sullivan County shrank 77.4 percent in April compared with April 2019. In Greene County, the decline was 72.1 percent; in Delaware County, 62 percent; and in Ulster County, 59.5 percent.

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Among this vanishing inventory, buyers from Manhattan and Brooklyn are competing ferociously for a subset of houses — “something funky, cute and creative looking,” said Hilary Smith, who sells properties for Ruth Gale Realty, in Ulster County.

Many buyers are willing to bid over ask, if it means laying claim to a property that is within their budget and using it immediately. “It’s that price point,” Ms. Smith said. For a certain committed group of shoppers, she added, “the difference between \$250,000 and \$310,000 is not that different.”

“The first several years I was here, I barely saw a multiple offer,” said Peggy Bellar, a broker with Catskill Dream Team in Delaware County, who entered the business about eight years ago. As more city people discover the area, often as guests in one of the quaint local wedding venues, there have been some tussles over houses, she said, “but this is getting darned cutthroat.”

Among the instruments of savagery is the increasingly popular escalation clause, a statement submitted with an offer that automatically raises the bid a specified amount above the highest competing offer, with a cap. As a result, the highest standing bid can be edged out by a tiny increment. One of Ms. Bellar’s clients was beat by only \$500, she said.

So Ms. Bellar developed her own clause. When clients fell in love with a house, she recommended that they bid aggressively over the asking price and wrote into the offer the demand that the seller respond within 24 hours and not accept any other offers in that time frame.

“It worked,” she said. “I think we’re going to see a lot of creativity on how to do this.”

Some buyers appear to be driven more by the urge for victory in a heated bidding war than any true affection for a house. A modest two-bedroom Catskills cabin near a river was listed in May in the high \$200,000s. It received five offers within 18 hours and was awarded to a couple who tendered a cash bid, sight unseen, of more than \$20,000 above the asking price.

Then the deal fell apart. The listing agent said she was told the buyers’ representative had seen the house and communicated details about it to her clients. In fact, the buyers’ agent hadn’t crossed the threshold. After the offer was accepted and the buyers had a look, they backed out — without substantial penalty. By that time, the other four contenders had lost interest or bought elsewhere. (A couple who had been scared off by the bidding war stepped in later, and their offer was accepted.)

Even with the relaxation of Covid-19 restrictions, Catskills brokers were still describing frantic activity in early June.

“I am basically losing my mind,” Ms. Bellar said. “It is so insanely busy.”

A listing she put up on June 5 had 15 showings slotted for the next day, every half-hour, from nine to five. “It is nuts,” she said.

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