

# Why is Rochester the Most Stable Market?

Brought to you by  
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Fifteen or so years ago, I remember enjoying dinner with a group of friends who were excited- and anxious - to share stories of the geyser-like increases that each of their stock portfolios were experiencing. Visions of my buddies with some smartly dressed crew serving cocktails on the upper deck of their future yacht danced through my mind. I simply put my head down and remained quiet. To say that I was envious would be an understatement. I had been toiling as a real estate agent for more than fifteen years and had started to assemble a small portfolio of rental properties. The **3%** annual increase in the value of my investments was paltry compared to the **20%** growth that these newly minted masters of the universe were realizing...

Two years later the US stock market suffered tremendous losses and the Great Recession was underway. The mega-yachts that I had envisioned were soon taking on water and sinking ignominiously into the waters off of the coast of the French Riviera. My real estate portfolio? It probably only decreased **5%-7%** in value. **Why?** Rochester has never experienced the gargantuan increases in price that so many other parts of the country have enjoyed. At the same time, we don't suffer the cataclysmic drops that have riled other communities. We've always been a fiscally conservative community. Rochesterians aren't wildly speculative. We don't flash our wealth or our success. The lessons of fiscal responsibility taught to us by our corporate forbearers - Eastman, Bausch, Lomb, Gleason, and others - still persist today.

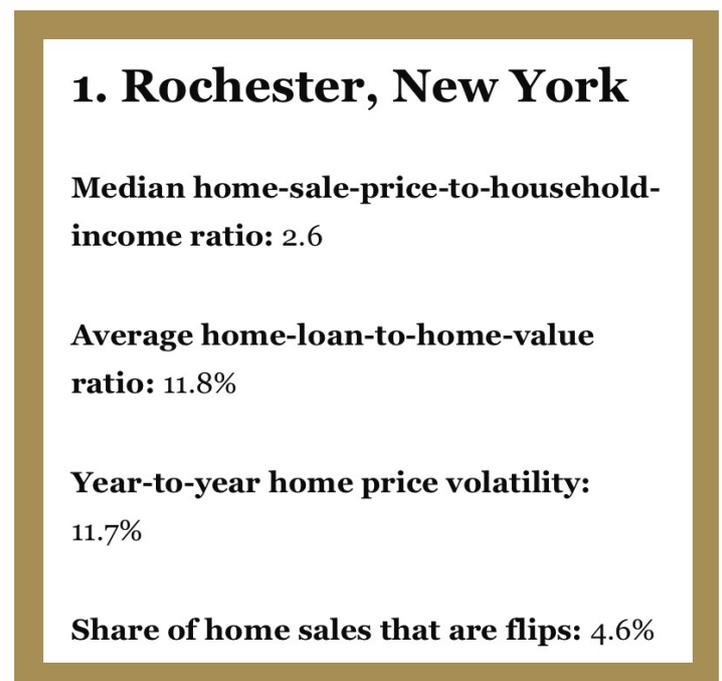
And, so it is that two weeks ago, Money Magazine ranked Rochester the most stable real estate market in the country. Four criteria were used to determine a city's ranking:

1. the ratio of median home sale prices to the median household income
2. the ratio of the average home loan to the average home value
3. year-to-year home price volatility
4. the number of flipped homes

Of course, nobody wants to see an economic downturn. However, leading stock market indicators (specifically, the inversion of the bond yield curve) point to the fact that, indeed, we may experience some national economic malaise sometime in the near future. If that's the case, Rochesterians can remain comforted by the fact that at least one of the largest assets in their portfolio probably won't be losing a lot of its value. And, the money saved might someday provide for a quick jaunt to St. Tropez for a weekend of fun! Enjoy!



The image shows the top portion of a Money Magazine article. At the top left is a hamburger menu icon. The word "Money" is in a large blue font, with "SUBSCRIBE" in a smaller blue font to its right. Below this is a grey rectangular area with a small "Ad" icon. Underneath is the text "REAL ESTATE RECESSIOON PROOF CITIES" in blue. The main headline is "Looking for a Recession-Proof Home? These 10 Cities Have the Strongest Housing Markets in the U.S." in bold black text.



The image shows a list of four criteria for Rochester, New York, presented in a gold-bordered box. The criteria are listed in bold black text:

- 1. Rochester, New York**
- Median home-sale-price-to-household-income ratio: 2.6**
- Average home-loan-to-home-value ratio: 11.8%**
- Year-to-year home price volatility: 11.7%**
- Share of home sales that are flips: 4.6%**