

Market Watch

FIRST QUARTER 2015



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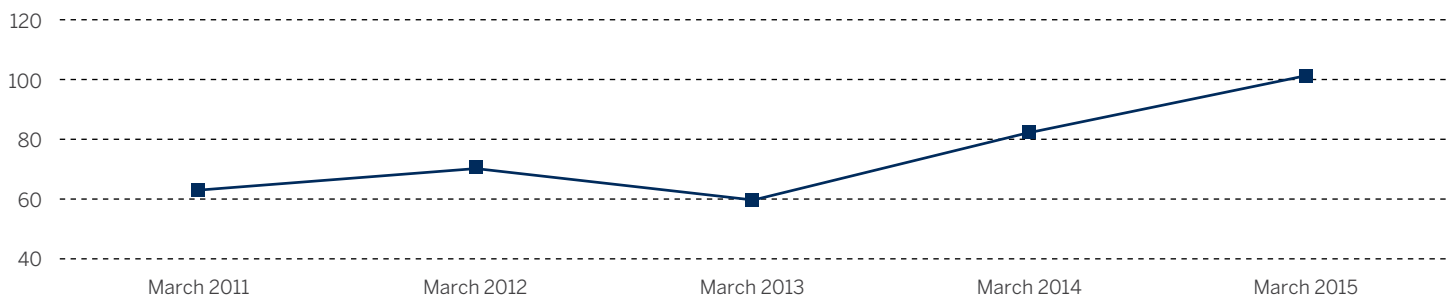
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First Quarter In Review



Buyers and sellers alike were active in our local housing markets during the first quarter of 2015. Undeterred by the onslaught of cold, snowy weather, the market persevered, and many areas experienced their highest sales levels in multiple years. The significant buyer demand is being stimulated by a strengthening economy, the threat of rising interest rates and a superb selection of homes for sale. The Consumer Confidence Index now stands at 101, its highest level since 1985 and 19 points higher than this time last year. Rising consumer confidence is being driven by the healthy economy and employment outlook. Many sellers brought their homes to the market early in the year, seeking to capture buyer interest. Inventory levels are up substantially in most primary home markets relative to typical levels for this time of year.

Consumer Confidence



Just as closed sales have improved during the first quarter, agents are reporting increased buyer foot traffic through showings and open houses. This is one of the first indicators we have in projecting spring sales activity, and all reports are positive.

Contrary to 2014, a year when sales in the entry level price points were relatively weak, sales growth in the first quarter this year is most robust in these lower price points. We believe this is a reflection of stronger buyer balance sheets as the economy improves, better inventory as well as some slight easing of credit conditions. Also dynamic this first



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quarter was the \$2,000,000 to \$3,000,000 price tier. In both Fairfield County and Westchester County, this segment exhibited above market sales growth.

While the housing news is positive, it is important to note that we remain in a highly competitive, value-driven market. With inventory outpacing demand, buyers continue to hold the upper hand due to the wide choice of homes, and the properties they are interested in are those that offer that perfect package of condition, location and pricing. At this stage of the market cycle, buyers are continuing to focus on a strong value proposition and push back on any upward price migration. To achieve a successful sale it is incumbent on sellers to carefully prepare their homes for sale and price appropriately. Some examples of the aspects of a property that attract the greatest buyer interest include fresh kitchens and bathrooms as well as a neutral interior.

Selling prices are stable in most market segments. The exceptions are those categories with a narrow target audience, where supply substantially outpaces demand. These include properties that require a lot of work and those that lie at the upper end of the price spectrum. In these segments we continue to see price adjustments to stimulate buyer interest.

Outside of the metro New York markets, the Shoreline of Connecticut was very strong with its best first quarter sales results in four years. Closed sales were 17% higher than year-ago levels, and some communities achieved sales growth greater than 100% higher than the first quarter of 2014. Our second home markets of Litchfield County and the Berkshires presented disparate pictures. Litchfield County first quarter sales rose by 7%, while in the Southern Berkshires, closed units declined by 33% versus a year ago. These markets do not typically come on-stream until the late spring or early summer, and weather is always a factor in the winter months given that second home sales comprise a significant portion of sales activity in these areas.

Overall, our markets are in an excellent position to move forward into the prime selling season. The first quarter sales results signal a strong second quarter and throughout 2015.



Westchester County

1 County-wide, first quarter sales were the second highest in five years.

First quarter 2015 single family home sales in Westchester County held steady versus the first quarter of 2014, declining a slight 1%. Dollar volume was minimally softer, registering a 4% decline to reflect the higher proportion of lower priced properties sold during the period. Sales activity in the first quarters of both 2014 and 2015 was significantly more robust than the 2011 to 2013 period.

2 Reduced inventory may be constricting buyer activity.

As of March 31, 2015, inventory of single family homes was 11% lower than a year ago and 26% lower than the 2011 to 2013 period. The shortage of homes is particularly acute in the lower price points where demand is greatest. The delay in bringing new homes to the market could be impacting buyer activity as consumers wait to see what else will come on the market before making a purchase decision.

3 Days on Market decline as market conditions improve.

Average Days on Market continues to shorten as the housing market revitalizes. We experienced an initial drop beginning in the first quarter of 2014, and the trend has continued. Currently for Westchester County, Days on Market stands at 110 on average, a 29% decline from the past three-year average of 154 days.

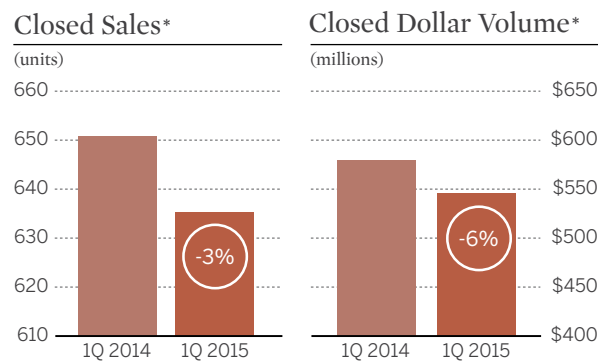
4 Contrary to the county as a whole, in Southern Westchester volume growth was concentrated in the \$3,000,000 to \$4,000,000 price range.

Overall first quarter 2014 unit volume was stable versus year-ago levels. However, there was wide disparity in sector performance. For Westchester County as a whole, the greatest level of improvement was in the \$500,000 to \$1,500,000 price bracket as buyers came to the table well-qualified and prepared to consummate a deal. In contrast, for Southern Westchester sales growth was concentrated in the \$3,000,000 to \$4,000,000 tier, where strong inventory and favorable pricing was alluring to buyers. The highest sale of the quarter was a Mamaroneck waterfront property, which closed at \$7,350,000 after 451 days on the market.

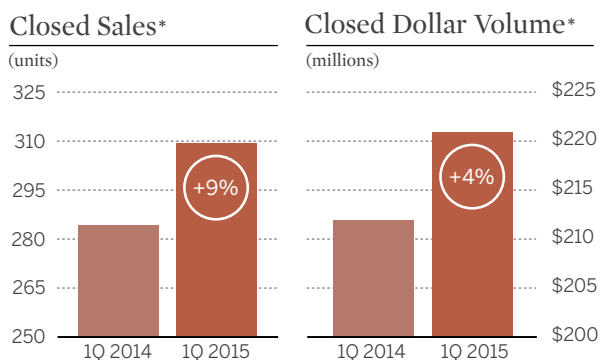
5 Stable prices are aiding market confidence.

The first quarter median selling price for Westchester County remained stable at \$598,000, 14% higher than the three-year average for median prices during the period of 2011 through 2013. This improvement in median selling price reflects the growing number of higher priced homes being sold within Westchester County.

Southern Westchester



Northern Westchester



* Single Family Homes Only

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE		% CHANGE		% CHANGE		% CHANGE		
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15
WESTCHESTER COUNTY	932	924	-1%	9	8	-11%	110	-9%	\$600,000	\$598,000	0%	\$615,000	\$625,000	2%
Southern Westchester	651	635	-3%	8	7	-13%	103	-6%	\$653,000	\$626,000	-4%	\$649,000	\$661,000	2%
Ardsley	18	21	17%	9	8	-43%	88	-16%	\$710,000	\$526,000	-26%	\$651,000	\$577,000	-11%
Blind Brook	13	17	31%	8	7	-13%	105	-6%	\$615,000	\$800,000	30%	\$750,000	\$830,000	11%
Briarcliff Manor	3	11	267%	36	8	-78%	86	-53%	\$865,000	\$610,000	-30%	\$808,000	\$741,000	-8%
Bronxville	12	10	-17%	7	11	57%	86	11%	\$2,220,000	\$1,391,000	-37%	\$1,898,000	\$1,694,000	-11%
Dobbs Ferry	13	15	15%	8	6	-25%	123	44%	\$830,000	\$655,000	-21%	\$675,000	\$705,000	-4%
Eastchester	22	15	-32%	4	5	25%	79	-23%	\$618,000	\$760,000	23%	\$613,000	\$714,000	16%
Edgemont	16	23	44%	6	5	-17%	96	45%	\$893,000	\$1,150,000	29%	\$1,000,000	\$1,203,000	20%
Elmsford	11	10	-9%	13	9	-31%	144	-25%	\$377,000	\$393,000	4%	\$411,000	\$384,000	-7%
Greenburgh	28	26	8%	7	7	0%	121	-2%	\$500,000	\$445,000	-11%	\$458,000	\$470,000	-3%
Harrison	25	32	28%	7	7	0%	143	26%	\$1,200,000	\$1,058,000	-12%	\$1,322,000	\$1,250,000	-5%
Hartsdale (P.O.)	17	18	6%	7	5	-29%	131	37%	\$553,000	\$471,000	-15%	\$525,000	\$524,000	0%
Hastings	13	8	-39%	3	9	200%	91	35%	\$578,000	\$752,000	30%	\$668,000	\$753,000	13%
Irvington	16	11	-31%	11	12	9%	108	0%	\$863,000	\$850,000	-1%	\$905,000	\$1,053,000	16%
Mamaroneck *	45	46	2%	6	5	-17%	64	-21%	\$1,195,000	\$1,195,000	0%	\$1,055,000	\$1,048,000	-1%
Mount Pleasant	8	14	75%	24	8	-67%	117	-5%	\$593,000	\$526,000	-11%	\$533,000	\$516,000	-3%
Mount Vernon	21	22	5%	17	21	24%	118	-47%	\$390,000	\$328,000	-16%	\$368,000	\$381,000	4%
New Rochelle	52	57	10%	12	8	-33%	130	18%	\$675,000	\$586,000	-13%	\$616,000	\$619,000	0%
Ossining	28	30	7%	11	10	-9%	141	-27%	\$384,000	\$385,000	0%	\$370,000	\$393,000	6%
Pelham	20	13	-35%	10	22	120%	71	-26%	\$859,000	\$532,000	-38%	\$766,000	\$721,000	-6%
Pleasantville	12	11	-8%	8	13	63%	126	0%	\$609,000	\$498,000	-18%	\$576,000	\$583,000	1%
Pocantico Hills	3	2	-33%	2	2	0%	287	326%	\$600,000	\$879,000	47%	\$582,000	\$647,000	11%
Port Chester	18	19	6%	10	7	-30%	117	23%	\$456,000	\$400,000	-12%	\$429,000	\$423,000	-1%
Purchase (P.O.)	12	4	-67%	19	27	42%	153	46%	\$1,190,000	\$1,606,000	35%	\$1,455,000	\$1,392,000	-4%
Rye City	29	24	-17%	6	8	33%	87	-24%	\$1,825,000	\$2,038,000	12%	\$1,595,000	\$1,764,000	10%
Rye Neck	7	13	86%	16	5	-69%	74	-33%	\$800,000	\$510,000	-36%	\$920,000	\$780,000	-15%
Scarsdale	42	30	-29%	8	11	38%	61	-20%	\$1,500,000	\$1,568,000	5%	\$1,304,000	\$1,509,000	16%
Tarrytown	19	13	-32%	5	9	80%	65	-35%	\$546,000	\$480,000	-12%	\$566,000	\$561,000	-10%
Tuckahoe	10	7	-30%	13	12	-8%	120	143%	\$708,000	\$645,000	-9%	\$681,000	\$669,000	-2%
Valhalla	8	10	25%	17	9	-47%	124	46%	\$427,000	\$492,000	15%	\$491,000	\$495,000	1%
White Plains	45	39	-13%	4	5	25%	109	-8%	\$578,000	\$805,000	39%	\$581,000	\$678,000	17%
Yonkers	96	82	-15%	10	7	-30%	112	3%	\$428,000	\$398,000	-7%	\$424,000	\$426,000	0%

*Mamaroneck School District includes Larchmont P.O.

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE		% CHANGE		% CHANGE		% CHANGE		
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15
WESTCHESTER COUNTY	932	926	-1%	9	8	-11%	110	-9%	\$600,000	\$598,000	0%	\$615,000	\$625,000	2%
Northern Westchester	284	309	9%	12	11	-8%	125	-17%	\$495,000	\$551,000	11%	\$534,000	\$548,000	3%
Bedford	48	23	-52%	12	24	100%	122	4%	\$723,000	\$925,000	28%	\$724,000	\$895,000	24%
Byram Hills	29	28	-3%	13	10	-23%	137	-21%	\$1,100,000	\$940,000	-15%	\$1,027,000	\$1,070,000	4%
Chappaqua	21	41	95%	19	9	-53%	109	-3%	\$960,000	\$932,000	-3%	\$899,000	\$905,000	1%
Croton-Harmon	9	24	167%	12	4	-58%	101	-33%	\$490,000	\$534,000	9%	\$496,000	\$558,000	13%
Hendrick Hudson	24	25	4%	8	8	0%	133	-42%	\$445,000	\$330,000	-26%	\$407,000	\$380,000	-7%
Katonah-Lewisboro	39	41	5%	12	12	0%	111	-35%	\$578,000	\$625,000	8%	\$633,000	\$631,000	0%
Lakeland	38	58	53%	15	9	-40%	131	-19%	\$298,000	\$341,000	15%	\$312,000	\$345,000	11%
North Salem	12	14	17%	22	16	-18%	176	19%	\$469,000	\$530,000	13%	\$522,000	\$530,000	2%
Peekskill	14	7	-50%	11	28	155%	159	21%	\$298,000	\$284,000	-5%	\$250,000	\$254,000	2%
Somers	24	19	-21%	11	12	9%	156	1%	\$486,000	\$586,000	21%	\$508,000	\$567,000	12%
Yorktown	26	29	12%	12	8	-33%	100	-17%	\$397,000	\$405,000	2%	\$407,000	\$430,000	6%



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Fairfield County

1 First quarter under contract sales are up sharply versus Q1 of 2014 - a clear forward indicator of market strength.

Pending sales were a full 78% higher than the first quarter of 2014 as buyers took advantage of the strong economy and low interest rates to secure new housing. Both local buyers and relocating buyers were active in the marketplace very early in the season, mirroring 2014 patterns.

2 Unit and dollar sales beat first quarter 2014 levels by 13% and 14%, respectively.

The residential housing market came out of the gate quickly this year despite the snow and cold, with closed sales posting the strongest performance since the first quarter of 2007. 1,288 units closed this quarter, while dollar volume inched towards that \$1 billion sales mark that was the hallmark of the 2004-2007 boom years.

3 Sales performance fluctuated widely by price category.

Above-market sales growth was registered for homes valued up to \$500,000, a segment that saw a 16% increase versus a year ago. Equally positive news, home sales rose by 23% for properties valued between \$2,000,000 and \$3,000,000 and by 60% for homes valued \$5,000,000 and higher. The vast majority of sales activity in the \$5,000,000+ category was concentrated in Greenwich.

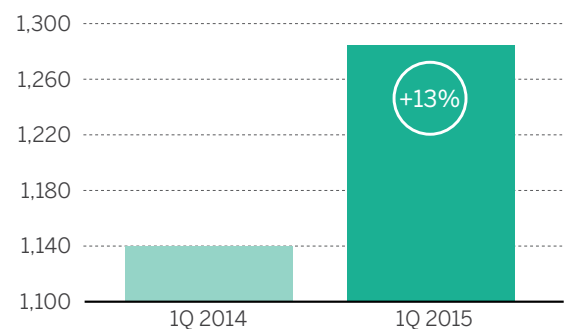
4 Inventory levels are elevated for this time of year as sellers seek to capture improving market conditions.

As is typical for the first quarter of any year, inventory grew monthly from January through March as we moved closer to the spring market. However, in 2015 we are experiencing the highest levels of inventory in over ten years as sellers put their homes on the market early in the season in order to give themselves the greatest opportunity for achieving a sale. As of March 31st, 2015, single family home inventory was 36% higher than the same period a year ago and 9% higher than the average March inventory levels seen during the 2007-2009 period.

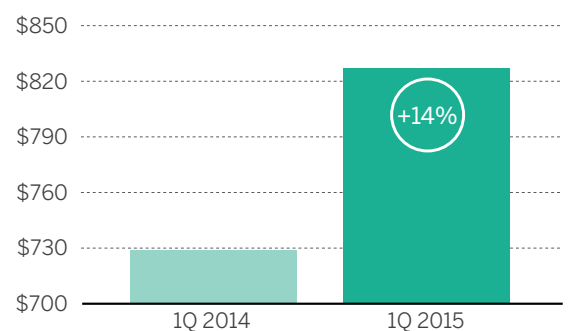
5 Prices remain stable for all but the most thinly traded market segments.

The first quarter median selling price for Fairfield County was \$394,000, a slight 3% decline versus the same period of 2014 but a 2% improvement over the first quarter of 2013. Relative to the height of the market in 2004-2007, median selling prices remain approximately 22% below the average for that time period.

Closed Sales* (units)



Closed Dollar Volume* (millions)



* Single Family Homes Only

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
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FAIRFIELD COUNTY	1,139	1,288	13%	12	10	-20%	108	-8%	\$405,000	\$394,000	-3%	\$454,000	\$452,000	0%
Bethel	29	35	21%	10	9	-10%	117	-11%	\$275,000	\$300,000	9%	\$298,000	\$314,000	5%
Brookfield	18	35	94%	23	9	-61%	111	-13%	\$371,000	\$340,000	-8%	\$352,000	\$360,000	2%
Danbury	63	76	21%	13	8	-38%	100	-19%	\$240,000	\$242,000	1%	\$255,000	\$256,000	0%
Darien	38	32	-16%	19	10	-47%	108	-18%	\$1,372,000	\$1,707,000	24%	\$1,414,000	\$1,526,000	8%
Easton	12	19	58%	29	15	-48%	120	0%	\$522,000	\$570,000	9%	\$550,000	\$591,000	7%
Fairfield	101	109	8%	14	13	-7%	101	1%	\$530,000	\$550,000	4%	\$555,000	\$570,000	3%
Greenwich	98	89	-9%	17	16	-6%	218	14%	\$2,172,000	\$1,750,000	-19%	\$1,818,000	\$1,750,000	13%
Monroe	27	39	44%	11	8	-27%	101	-34%	\$319,000	\$348,000	9%	\$348,000	\$349,000	0%
New Canaan	36	34	-6%	16	18	13%	191	-11%	\$1,635,000	\$1,420,000	14%	\$1,435,000	\$1,560,000	9%
New Fairfield	26	35	35%	16	8	-50%	142	7%	\$325,000	\$285,000	-12%	\$325,000	\$316,000	-3%
Newtown	76	68	-11%	10	11	10%	133	-2%	\$348,000	\$335,000	-4%	\$359,000	\$355,000	-1%
Norwalk	102	107	5%	10	8	-20%	88	-17%	\$371,000	\$443,000	20%	\$425,000	\$441,000	4%
Oxford*	27	19	-30%	9	26	189%	141	6%	\$300,000	\$360,000	20%	\$334,000	\$355,000	6%
Redding	13	24	85%	22	13	-41%	169	22%	\$450,000	\$510,000	13%	\$521,000	\$564,000	8%
Ridgefield	45	47	4%	15	13	-13%	100	-30%	\$680,000	\$620,000	-9%	\$681,000	\$641,000	-6%
Rowayton	9	15	67%	16	12	-25%	101	-24%	\$850,000	\$1,076,000	27%	\$897,000	\$1,173,000	31%
Shelton	35	58	66%	22	7	-68%	115	6%	\$280,000	\$267,000	-5%	\$309,000	\$304,000	-2%
Sherman	10	8	-20%	20	19	-5%	89	-57%	\$453,000	\$363,000	-20%	\$399,000	\$413,000	4%
Southbury*	20	19	-5%	21	22	5%	131	19%	\$368,000	\$326,000	-11%	\$377,000	\$339,000	-10%
Stamford	93	119	28%	13	10	-23%	108	-16%	\$578,000	\$500,000	-14%	\$579,000	\$582,000	1%
Stratford	90	92	2%	10	10	0%	90	-12%	\$202,000	\$212,000	5%	\$221,000	\$228,000	3%
Trumbull	54	49	-9%	9	10	11%	118	30%	\$342,000	\$340,000	-1%	\$357,000	\$356,000	0%
Weston	17	21	24%	65	20	-69%	136	-3%	\$830,000	\$655,000	-21%	\$758,000	\$779,000	3%
Westport	63	58	-8%	16	16	0%	95	-3%	\$1,300,000	\$1,225,000	-6%	\$1,259,000	\$1,297,000	3%
Wilton	34	27	-21%	14	16	14%	104	-34%	\$698,000	\$860,000	23%	\$770,000	\$829,000	8%

*New Haven County

The Shoreline



Eastern Connecticut Shoreline

1 Shoreline first quarter sales were the strongest in four years.

There was a burst of sales during the first quarter of 2015, driven by the strengthening economy. Both Clinton and Stonington experienced 100%+ volume growth, while Madison and Guilford enjoyed 20% and 48% growth, respectively, relative to a year ago. However, not all communities experienced this same above-market improvement. There was wide fluctuation in sales activity by town with no clear reason why one area was stronger than another. Both local and relocating buyers were active with primary homes being the favored properties this quarter.

2 Dollar volume increased by 10%, while closed unit sales rose 17%.

The slower pace of dollar volume growth during the first quarter was directly related to the current strength of the lower end of the market.

3 Sales activity was driven by the lower price points.

In tandem with other market areas, there was renewed vitality in the all-important entry level segment during the first quarter of 2015. Contrary to 2014, buyers this winter were out in force seeking lower priced homes. Properties priced up to \$400,000 experienced a huge 22% gain in sales relative to a year ago, while home sales in the \$500,000 to \$750,000 range rose by 7%. Properties priced \$750,000 and higher exhibited a general weakening in sales activity relative to the first quarter of 2014. In the \$750,000 to \$999,000 category, transactions declined by 32%, while in the \$1,000,000+ segment, unit sales experienced a 20% decline. Luxury property sales, which are typically waterfront in this area, are slowly regaining traction and expected to re-energize as the weather warms and the second home buyer re-emerges later this spring/summer.

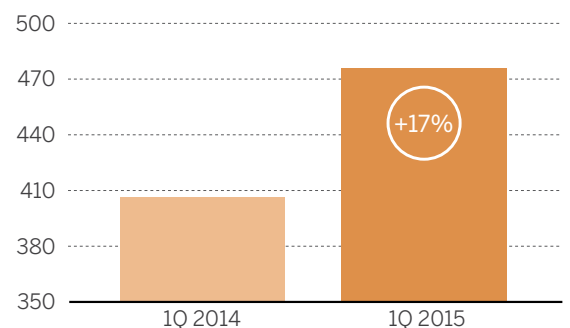
4 Inventory levels are 11% lower than a year ago and 19% lower than the past three-year average.

The reduced inventory can be attributed to the improved sales rate as well as the fact that 7% fewer homes were newly listed in the first quarter of 2015 than the same time last year. The decline in inventory spans all price points. Unlike some of the closer to Manhattan markets, on the Shoreline many homeowners have decided to wait for the spring weather to put their homes on the market.

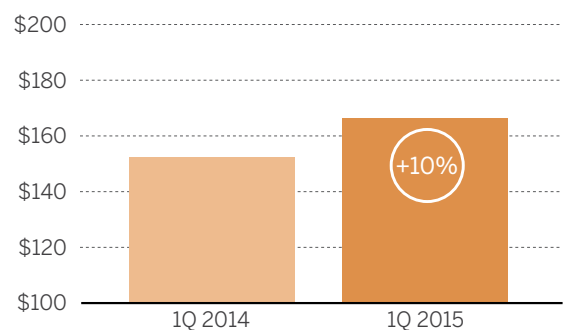
5 Median selling prices remain stable.

The median selling prices along the Shoreline have continued to float in the \$300,000 range. Given the improving relationship between supply and demand, we expect this stability to continue.

Closed Sales * (units)



Closed Dollar Volume * (millions)



* Single Family Homes Only

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
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THE SHORELINE	406	473	17%	17	13	-24%	196	76%	\$306,250	\$285,000	-7%	\$304,000	\$293,000	-4%
Branford	25	41	64%	22	10	-55%	107	-11%	\$322,000	\$318,000	-1%	\$309,000	\$316,000	2%
Chester	12	9	-25%	10	9	-10%	205	192%	\$205,000	\$324,250	58%	\$303,000	\$285,000	-6%
Clinton	13	38	192%	32	10	-69%	148	35%	\$294,000	\$237,000	-19%	\$274,000	\$234,000	-15%
Deep River	6	8	33%	10	18	80%	152	188%	\$187,000	\$283,000	51%	\$264,000	\$249,000	-6%
East Lyme	33	25	-24%	13	24	85%	80	19%	\$259,000	\$296,000	14%	\$279,000	\$281,000	1%
Essex*	22	20	-9%	10	10	-23%	127	-33%	\$505,000	\$419,000	-17%	\$439,000	\$391,000	-11%
Groton	54	43	-20%	12	13	8%	133	15%	\$213,000	\$214,000	1%	\$225,000	\$214,000	-5%
Guilford	29	43	48%	22	15	-32%	145	36%	\$330,000	\$351,000	6%	\$365,000	\$375,000	3%
Killingworth	16	11	-31%	11	24	118%	103	22%	\$490,000	\$335,000	-32%	\$348,000	\$344,000	-1%
Lyme	4	3	-25%	26	25	-4%	253	247%	\$849,000	\$800,000	-6%	\$572,000	\$654,000	14%
Madison	35	42	20%	18	14	-22%	139	15%	\$435,000	\$424,000	-3%	\$472,000	\$433,000	-8%
New London	19	21	11%	21	12	-43%	89	-20%	\$83,000	\$150,000	81%	\$124,000	\$151,000	22%
Old Lyme	23	20	-13%	14	15	7%	174	57%	\$360,000	\$444,000	23%	\$366,000	\$360,000	-2%
Old Saybrook	25	20	-20%	12	16	33%	125	44%	\$318,000	\$358,000	12%	\$325,000	\$338,000	4%
Stonington	18	37	106%	38	17	-55%	1006	566%	\$291,000	\$245,000	-16%	\$294,000	\$265,000	-10%
Waterford	34	40	18%	13	10	-92%	136	56%	\$185,000	\$195,000	5%	\$214,000	\$219,000	2%
Westbrook	13	7	-46%	20	35	75%	118	27%	\$370,000	\$270,000	-27%	\$346,000	\$185,000	-18%

*Includes Essex, Ivoryton and Centerbrook



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Litchfield County



Litchfield County

1 Both unit and dollar sales rose by 7% in the first quarter of 2015.

With sales up by 7% versus a year ago, there was unusual strength in the winter market in Litchfield County. In spite of less than optimal showing conditions, both local buyers and second home buyers were taking advantage of the optimal buying conditions. Having the local buyer remain active in the county is key to its continued revitalization.

2 First quarter sales were driven by opposite ends of the bell curve.

Following broad national and regional trends, homes priced lower than \$500,000 rose by 11%. On the opposite end of the spectrum, homes valued at \$2,000,000 and higher traded at a rate 400% higher than a year ago, which equates to five sales in the first quarter of 2015 versus one sale in the first quarter of 2014. Sales levels dropped for the intervening price points by 16% for homes between \$500,000 and \$1,000,000, and by 41% for homes between \$1,000,000 and \$2,000,000.

3 Median selling prices are staying the course.

Median selling prices in Litchfield County have hovered at around \$210,000 for the past three years, indicating general pricing stability. With 16 months of inventory currently on the market, we do not expect to see prices rise for the foreseeable future until supply and demand reach greater equilibrium.

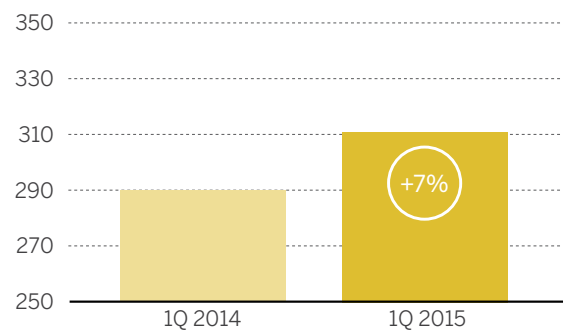
4 Inventory levels remain stable.

There was only a 2% rise in inventory during the first quarter compared to the same time last year as sellers waited for the ground to thaw to bring their homes to the market. The first quarter is typically the home preparation season in anticipation of the spring/summer market.

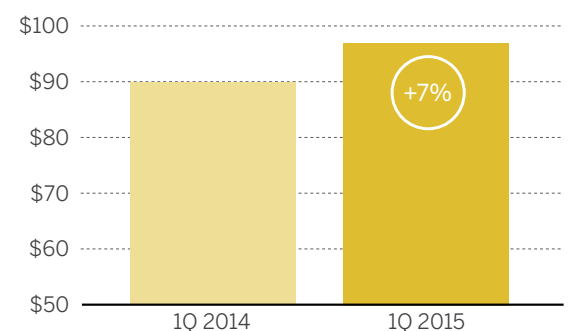
5 The strength in the upper end of the market is expected to provide confidence to the remaining sectors in the year ahead.

The luxury segment remains the bellwether for future market activity in Litchfield County. As an area with a strong second home component, Litchfield County, with its easy commute to New York City, is expected to benefit from the general strength of the second home market on the East Coast. Improvement in the upper end always generates enthusiasm for the alternate price points. There were five sales above \$2,000,000 in the first quarter of 2015, the highest being a contemporary barn in Salisbury. Sharon had one of the other five sales, while Washington, CT had three. The top sales of the quarter achieved selling prices between \$2,000,000 and \$4,450,000.

Closed Sales * (units)



Closed Dollar Volume * (millions)



* Single Family Homes Only

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE		% CHANGE		% CHANGE		% CHANGE		
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15
LITCHFIELD COUNTY	290	311	7%	19	16	-16%	152	4%	\$209,000	\$205,000	-2%	\$221,000	\$210,000	-5%
Barkhamsted	4	7	75%	27	13	-52%	171	9%	\$228,000	\$225,000	-1%	\$205,000	\$242,000	18%
Bethlehem	8	8	0%	13	13	0%	149	-15%	\$238,000	\$281,000	18%	\$246,000	\$307,000	25%
Bridgewater	4	3	-25%	27	31	15%	168	-5%	\$556,000	\$330,000	-41%	\$379,000	\$452,000	19%
Canaan	4	9	125%	33	21	-36%	207	-14%	\$110,000	\$159,000	45%	\$151,000	\$161,000	7%
Colebrook	1	1	0%	21	13	-38%	116	4%	\$168,000	\$216,000	29%	\$228,000	\$215,000	-6%
Cornwall*	4	2	-50%	17	14	-18%	40	-68%	\$303,000	\$134,000	-56%	\$451,000	\$320,000	-29%
Goshen	8	10	25%	32	26	-19%	272	87%	\$527,000	\$317,000	-40%	\$360,000	\$311,000	-14%
Harwinton	14	14	0%	10	17	70%	126	50%	\$211,000	\$192,000	-9%	\$231,000	\$209,000	-10%
Kent, South Kent	7	9	29%	24	17	-29%	165	-2%	\$419,000	\$520,000	24%	\$385,000	\$393,000	2%
Litchfield**	15	15	0%	24	22	-8%	186	-1%	\$370,000	\$275,000	-26%	\$309,000	\$334,000	8%
Morris	3	8	167%	24	12	-50%	80	-45%	\$720,000	\$257,000	-64%	\$386,000	\$248,000	-36%
New Hartford	9	10	11%	17	27	59%	114	80%	\$245,000	\$167,000	-32%	\$247,000	\$252,000	2%
New Milford	42	41	-2%	19	16	13%	125	-16%	\$268,000	\$280,000	5%	\$270,000	\$271,000	0%
Norfolk	3	1	-67%	30	35	17%	109	-25%	\$300,000	\$25,000	-92%	\$360,000	\$232,000	-36%
Plymouth	29	23	-21%	9	9	0%	125	2%	\$166,000	\$162,000	-2%	\$161,000	\$159,000	-1%
Roxbury	8	6	-25%	22	33	50%	185	41%	\$591,000	\$579,000	-2%	\$600,000	\$671,000	12%
Salisbury	10	9	-10%	31	22	-29%	324	23%	\$363,000	\$550,000	52%	\$469,000	\$430,000	8%
Sharon	8	8	0%	38	39	3%	189	-29%	\$544,000	\$963,000	77%	\$407,000	\$527,000	29%
Thomaston	15	16	7%	8	8	0%	128	-1%	\$176,000	\$173,000	-2%	\$178,000	\$181,000	2%
Torrington	48	50	5%	16	14	-13%	125	-3%	\$126,000	\$106,000	-16%	\$139,000	\$132,000	-5%
Warren	1	2	100%	26	25	-4%	170	-18%	\$1,425,000	\$270,000	-81%	\$669,000	\$442,000	-34%
Washington***	6	6	0%	46	46	0%	328	62%	\$592,000	\$1,735,000	193%	\$653,000	\$922,000	41%
Winchester	13	15	15%	24	19	-21%	206	63%	\$103,000	\$102,000	-1%	\$143,000	\$119,000	-17%
Woodbury	10	16	60%	65	23	-65%	161	33%	\$323,000	\$283,000	-12%	\$345,000	\$305,000	-12%

*Includes Cornwall, West Cornwall and Cornwall Bridge **Include Litchfield and Milton ***Includes Washington, Washington Depot and New Preston



Berkshire County

1 The Southern Berkshires hibernated in the first quarter of 2015 as the winter weather made house hunting difficult.

The arctic cold and snow chilled the Berkshires housing market, particularly the Southern Berkshires area, which is predominantly comprised of second homes. Single family home sales in Berkshire County overall declined by 13% versus the first quarter of 2014. Sales activity in the Southern Berkshires, which was very strong in the first quarter of 2014, slipped 33% this quarter to its lowest level since the first quarter of 2012.

2 All metrics point to a weather-related slowdown.

In addition to the closed sales declines, inventory levels were down by 15%, and new listings were down by 25%. These figures all point to a weather-related slowdown rather than a systemic issue, and we fully expect the market to pick up steam as we move into the beautiful weather months and visitors flock back to the region.

3 Sales were concentrated in the lower price categories.

Dollar volume declined by 58% versus a year ago as buyers focused their attention on entry level homes. Relative to 2014 when ten homes sold in the first quarter at the \$1,000,000+ mark, this year only three sold at that price point as buyers stayed indoors. The highest sale of the quarter was a modern set on 28 pastoral acres in Alford, originally listed at \$2,400,000 and closed at \$1,950,000.

4 Prices have softened slightly.

On both a quarterly and a twelve-month basis, the median selling price in the Southern Berkshires has declined. From the first quarter of 2014 to the first quarter of 2015, the drop was 17%, and on a 12-month basis, it was 9%.

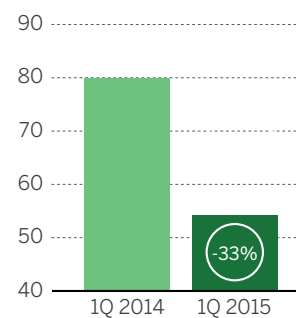
5 In contrast to the Southern Berkshires, the Northern Berkshires experienced a positive first quarter.

Closed sales were 4% higher than the same time last year due to the market strength in Williamstown, Pittsfield and Dalton. The median selling prices were stable for both the quarter and the 12-month period at approximately \$146,000.

Southern Berkshires

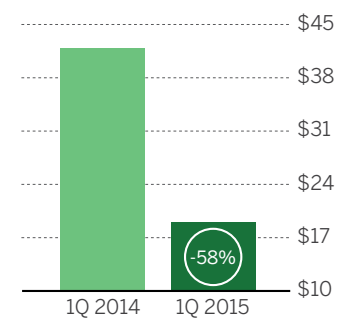
Closed Sales*

(units)



Closed Dollar Volume*

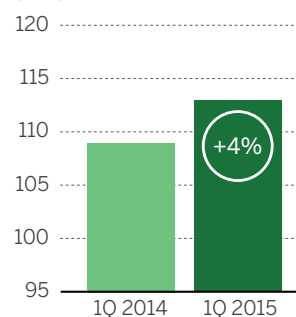
(millions)



Northern Berkshires

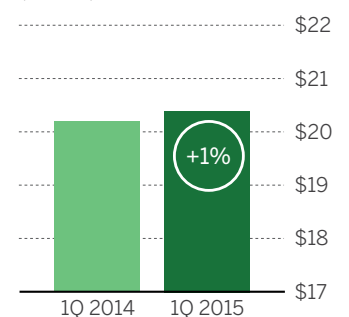
Closed Sales*

(units)



Closed Dollar Volume*

(millions)



* Single Family Homes Only

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET (UNDER CONTRACT PROPERTIES)		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE		% CHANGE			% CHANGE			% CHANGE
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15
BERKSHIRE COUNTY	194	168	-13%	20	18	-10%	177	7%	\$200,000	\$172,000	-14%	\$186,000	\$180,000	-3%
Southern Berkshire County	80	54	-33%	24	36	50%	231	-1%	\$328,000	\$267,000	-18%	\$300,000	\$268,000	-10%
Alford	3	2	-33%	10	9	-10%	225	-71%	\$266,000	\$1,118,000	320%	\$515,000	\$1,398,000	171%
Becket	5	5	0%	28	29	4%	251	-6%	\$150,000	\$223,000	48%	\$173,000	\$217,000	25%
Egremont	9	2	-78%	19	42	121%	225	21%	\$475,000	\$291,000	-39%	\$527,000	\$359,000	-32%
Gt. Barrington	11	11	0%	28	22	-21%	230	-17%	\$264,000	\$268,000	1%	\$319,000	\$262,000	-18%
Lee	12	4	-67%	18	42	133%	108	-48%	\$234,000	\$208,000	-11%	\$239,000	\$236,000	-10%
Lenox	10	7	-30%	30	36	20%	209	-26%	\$457,000	\$312,000	-32%	\$371,000	\$278,000	-25%
Monterey	5	1	-80%	25	16	-36%	355	91%	\$765,000	\$1,100,000	44%	\$419,000	\$561,000	34%
Mt. Washington	0	1	N/A	N/A	7	N/A	NO UC PROPS	N/A	NO SALES	\$140,000	N/A	\$98,000	\$232,000	137%
New Marlborough	3	6	100%	52	23	-56%	193	32%	\$715,000	\$165,000	-77%	\$445,000	\$343,000	-23%
Otis	5	2	-60%	38	42	11%	189	-10%	\$385,000	\$170,000	-56%	\$262,000	\$220,000	-16%
Richmond	5	0	N/A	23	N/A	N/A	NO UC PROPS	N/A	\$675,000	NO SALES	N/A	\$455,000	\$317,000	-30%
Sandisfield	4	1	-75%	27	26	-4%	187	-22%	\$231,000	\$195,000	-16%	\$249,000	\$254,000	2%
Sheffield	4	5	25%	39	40	3%	392	89%	\$282,000	\$270,000	-4%	\$287,000	\$285,000	-1%
Stockbridge	8	5	-38%	18	14	-22%	249	54%	\$371,000	\$410,000	10%	\$430,000	\$332,000	-23%
Tyringham	0	0	0%	N/A	N/A	N/A	NO UC PROPS	N/A	NO SALES	NO SALES	N/A	\$628,000	\$333,000	-47%
West Stockbridge	1	2	100%	27	7	-74%	136	-18%	\$625,000	\$344,000	-45%	\$498,000	\$419,000	-16%

SCHOOL DISTRICTS	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET (UNDER CONTRACT PROPERTIES)		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE		% CHANGE			% CHANGE			% CHANGE
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15
Northern Berkshire County	109	113	4%	15	11	-27%	147	261%	\$148,000	\$146,000	-1%	\$150,000	\$148,000	-1%
Adams	13	11	-15%	10	10	0%	211	122%	\$103,000	\$135,000	31%	\$111,000	\$135,000	22%
Cheshire	3	4	33%	10	8	-20%	257	64%	\$168,000	\$107,000	-36%	\$159,000	\$137,000	-14%
Clarksburg	2	1	-50%	14	14	0%	262	251%	\$108,000	\$134,000	25%	\$128,000	\$112,000	-13%
Dalton	9	12	33%	16	12	-25%	170	123%	\$150,000	\$147,000	-2%	\$171,000	\$163,000	-5%
Florida	1	1	0%	2	3	50%	14	-93%	\$200,000	\$76,000	-62%	\$162,000	\$111,000	-31%
Hancock	1	2	100%	12	8	-33%	9	800%	\$525,000	\$227,000	-57%	\$414,000	\$208,000	-50%
Hinsdale	2	1	-50%	6	17	183%	61	-74%	\$276,000	\$128,000	-53%	\$244,000	\$145,000	-41%
Lanesboro	7	6	-14%	7	12	71%	72	-31%	\$218,000	\$187,000	-14%	\$174,000	\$190,000	9%
New Ashford	0	0	0%	N/A	N/A	N/A	NO SALES	N/A	NO SALES	NO SALES	N/A	\$335,000	\$350,000	5%
North Adams	12	9	-25%	25	23	-8%	172	-17%	\$117,000	\$131,000	12%	\$118,000	\$116,000	-2%
Peru	0	0	0%	8	NO SALES	N/A	NO SALES	N/A	NO SALES	NO SALES	N/A	\$145,000	\$151,000	4%
Pittsfield	51	54	6%	13	9	50%	116	24%	\$155,000	\$150,000	-3%	\$153,000	\$147,000	-4%
Savoy	0	1	N/A	N/A	7	N/A	59	N/A	NO SALES	\$170,000	N/A	\$140,000	\$150,000	7%
Williamstown	5	10	100%	42	12	-71%	248	4%	\$263,000	\$220,000	-16%	\$310,000	\$256,000	-17%



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Condominiums and Cooperatives



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Condominiums and Cooperatives

1 Condominium and cooperative sales presented a contrasting picture in the first quarter of 2015.

First quarter sales activity for this market segment varied widely by product and area. Sales were stronger than a year ago in Westchester County and the Shoreline, but declined in other market areas.

2 Westchester County condominium and co-op sales growth outpaced single family home sales growth.

In both Southern and Northern Westchester sales growth was strong for the condominium and co-op market as buyers gravitated to this popularly priced housing alternative. The key challenge is making new product become available. While condominium inventory is 6% higher than a year ago, co-op inventory is 18% lower. With Months Supply of Inventory (MSI) between 6 and 9 months, prices will begin to migrate upwards if supply cannot meet demand.

3 Fairfield County condominium closed sales declined versus a year ago, but pending sales are substantially higher.

Closed sales for the first quarter of 2015 in Fairfield County declined by 9% versus the first quarter of 2014, which was an exceptionally strong period. Counter-balancing this, pending sales for the quarter were 39% higher than a year ago. While inventory has kept pace with last year, current levels are 10% lower than the past three-year average, and the MSI now stands at 8 months (equilibrium being 6 months).

4 Condominium sales improved in the Shoreline communities.

In lockstep with the robust single family home market this quarter, condominiums on the Shoreline were also a vibrant sector with sales volume increasing by 8% versus a year ago. Despite the improvement in closed sales and stable inventory levels, Days on Market were longer and the MSI remained elevated, signaling a market where supply and demand are not yet in equilibrium.

5 Litchfield County condominium sales growth beat the single family home sales results.

Both components of residential housing did well in Litchfield County this first quarter, with condominium sales 34% higher than a year ago. All metrics point to an improving condominium market. In addition to the sales growth, inventory declined by 5% and Days on Market by 9%.

6 Sales were slow to start in the Berkshires.

While condominium closed sales declined by 38%, pending sales did increase by 40%, indicating that there were buyers in the market. The activity was focused in the lower price points. Inventory levels are stable.

COUNTIES	CLOSED SALES			MONTHS SUPPLY OF INVENTORY			DAYS ON MARKET		QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE			
			% CHANGE			% CHANGE			% CHANGE			% CHANGE			% CHANGE
	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	1Q14	1Q15	1Q14 VS 1Q15	
Southern Westchester Condominiums	107	165	54%	10	6	-40%	95	-24%	\$355,000	\$345,000	-3%	\$371,000	\$371,000	0%	
Southern Westchester Cooperatives	324	322	-1%	12	9	-25%	129	-26%	\$144,000	\$140,000	-3%	\$154,000	\$151,000	-2%	
Northern Westchester Condominiums	70	80	14%	7	7	0%	112	10%	\$293,000	\$329,000	13%	\$301,000	\$327,000	9%	
Northern Westchester Cooperatives	19	23	21%	20	9	-55%	126	-28%	\$95,000	\$68,000	-28%	\$85,000	\$89,000	5%	
Fairfield County	487	444	-9%	8	8	0%	98	-8%	\$225,000	\$225,000	0%	\$246,000	\$247,000	0%	
The Shoreline	121	131	8%	13	11	-15%	126	31%	\$140,000	\$147,000	5%	\$150,000	\$154,000	3%	
Litchfield County	35	47	34%	34	15	-56%	121	-9%	\$110,000	\$98,000	-11%	\$110,000	\$113,000	3%	
Berkshire County	16	38	-38%	38	92	142%	205	-3%	\$253,000	\$156,000	-38%	\$220,000	\$185,000	-16%	



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2015 has begun on a strong note. Buyer enthusiasm is high, and sellers are actively putting their homes on the market. We expect this energy to continue through the year as the economy further strengthens and consumer confidence improves, while stabilized prices, excellent inventory and the threat of a rise in interest rates stimulate buyer activity.

So what could slow 2015 sales growth? According to Lawrence Yun, Chief Economist for the National Association of Realtors, the factors are three-fold: "The anticipated rise in interest rates (which is also moving some buyers into the market), lenders being slow to ease underwriting standards back to normalized levels and homeowners unwilling to move because they are comfortable with their current low interest rate." Any one of these potential speedbumps could slow the increased pace of sales this year.

New construction and renovated homes are anticipated to remain hot buttons as buyers of all ages seek quality homes in move-in condition. Close to town is also expected to remain a highly desirable trait, satisfying the consumer desire for a sense of community and convenience.

We expect the appetite for lower-priced housing to continue to grow as younger buyers enter the market in ever-greater numbers. The challenge will be ensuring supply to meet the needs of this buyer segment.

Ultimately we are bullish on 2015. Economic factors as well as first quarter activity all point to a strong year ahead with sustained, manageable growth in unit sales and stable pricing.

Information Sources: Case-Schiller reports, Various MLS services, National Association of Realtors, Connecticut Economic Digest, local mortgage brokers, Realty Trac., HGMLS, CMLS, CT-MLS, NCMLS, DARMLS, Greenwich MLS, BCBOR. While information is believed true, no guarantee is made for accuracy.
