

# Market Watch

THIRD QUARTER 2015



William Pitt  
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Sotheby's  
INTERNATIONAL REALTY

# Third Quarter In Review

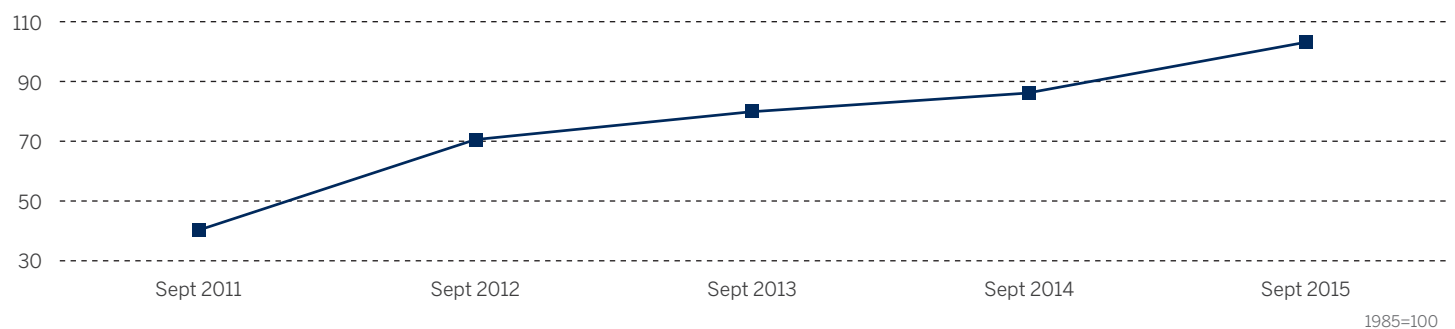


Summer 2015 was active for our local housing markets as heightened demand meaningfully boosted sales ahead of year-ago levels. Westchester County and Fairfield County posted 6% and 10% unit sales gains, respectively, for the quarter with similar year-to-date results. Westchester County experienced quarterly sales that mirrored 2004 levels – the height of the real estate market – while Fairfield County sales were at ten year highs. Moving up the coast, the Shoreline communities continued to enjoy strong quarterly growth, albeit at lower levels than the first and second quarters, which were each exceptionally robust relative to the same periods a year ago. Home sales in the second home markets of Litchfield County and Southern Berkshire County expanded by double digits for the quarter as well as the year as a whole. The positive sales performance in the Southern Berkshires is particularly notable because winter sales were unusually weak, yet activity levels have bounced back in the second and third quarters, and year-to-date sales are now commensurate with 2014 levels.

Consumer confidence in the economy as a whole continues to improve, achieving its highest level since 2007 in August of this year. As a key underpinning of the housing market, rising confidence has certainly helped propel our markets forward. Yet in August and September, the volatility in the stock market and China's economic issues reintroduced a slight hesitancy among some buyers, we believe, which may be reflected in fourth quarter closed sales.

Inventory is the key differentiator in 2015. While sales levels are healthy and continue to grow, some communities and certain price brackets have experienced ballooning inventory without a simultaneous rise in demand. The surplus of inventory is creating heightened competition among sellers and giving buyers greater control. The

## Consumer Confidence





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broad choice has also made buyers more discriminating and their decision making process more difficult. There is generally equilibrium in the entry price category, with the over-inventory situation becoming more prevalent as we move up the price ladder.

During the third quarter, buyers concentrated their attention on the lower price points, where properly priced properties in good condition frequently went to contract very quickly, at times with multiple bids. The mid-range was also vibrant with growth rates typically ahead of the market as a whole.

Sales continue to improve in the luxury segment, but the pace is not fast enough to effectively absorb the large number of properties for sale. This continues to create downward price pressure. Each one of these homes is beautiful and unique, but it takes appropriate pricing, deft marketing and perseverance to find the right buyer. As with all homes, regardless of price category, presentation and value remain the most important factors. New construction, which was so strong in the upper end sector in 2014, has not kept pace with last year due to a variety of factors. Most notably, luxury buyers are again concentrating on premier locations while also recognizing that the value proposition for a redone classic may be stronger than for new construction at the present time.

Builders who have followed the trend towards smaller, walk to town, amenity-rich homes in the middle pricing tier continue to enjoy success. As older small homes in close to town or in-town locations become available for sale, builders are purchasing them at a rapid rate and building new homes that meet the needs of today's buyers, thereby rejuvenating neighborhoods at a rapid pace. This has the effect of meeting the needs of multiple age categories and enriching the fabric of the downtown areas.

We are happy to report that our markets are functioning efficiently with sustained demand and well-qualified buyers. We are hopeful that the fall selling season will result in greater absorption of the wonderful current inventory to end 2015 on a high note.

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# Westchester County

## 1 Westchester County single family home sales achieved their highest level since 2004.

Reflecting a more normalized market, third quarter sales continued to slowly climb, with units increasing 6% for the quarter and 4% for the year. Buyers are active and well-qualified.

## 2 Northern Westchester sales growth outpaced Southern Westchester for the third straight quarter.

In addition to its traditional buyer base, Northern Westchester County has been the beneficiary of the tight inventory and rising home prices in the popular Southern Westchester markets. If buyers are not able to find their optimal choice in housing, they are moving north.

## 3 Homes sales below \$1,000,000 are very strong, tracking at 2004 sales levels.

On a number of metrics, homes sales under \$1,000,000 reflect 2004 and 2005 levels. The median selling prices are slightly lower, currently at \$280 per square foot versus \$291 per square foot in 2004. Days on Market are substantially shorter at 44 days in 2015 versus 105 in 2004. Buyers today, unlike in 2004, are requiring turnkey condition to make a purchase.

## 4 The Westchester market is top-heavy at the upper end.

Transactions for homes valued at \$3,000,000 and higher were flat for the third quarter at 41 homes. For the year the closed sales growth rate is 15% higher than a year ago with 91 properties changing hands. Yet with 286 homes on the market, the absorption rate is over 3 years, creating intense competition and downward price pressure in the segment.

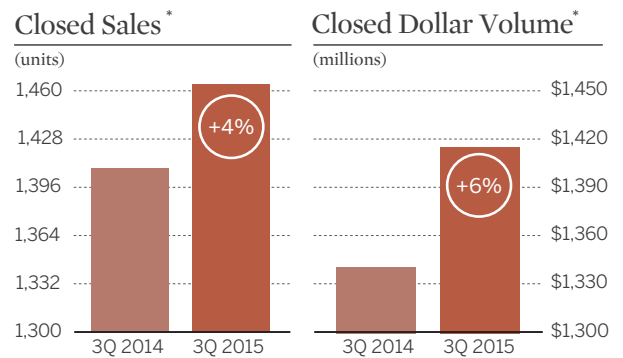
## 5 Luxury home sales are currently concentrated in Southern Westchester County.

33 of the 40 luxury homes sold this quarter were in Southern Westchester County. Tarrytown and Bronxville share top honors for the two highest sales at \$9,000,000 and \$8,500,000, respectively.

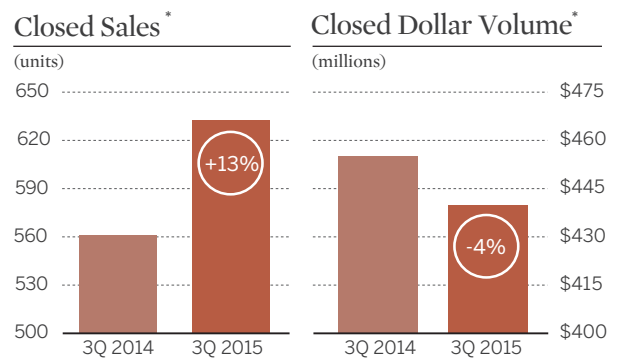
## 6 Condominiums and cooperatives are red-hot.

Large co-ops are filling the gap for families in communities such as Bronxville, where entry level inventory is very tight.

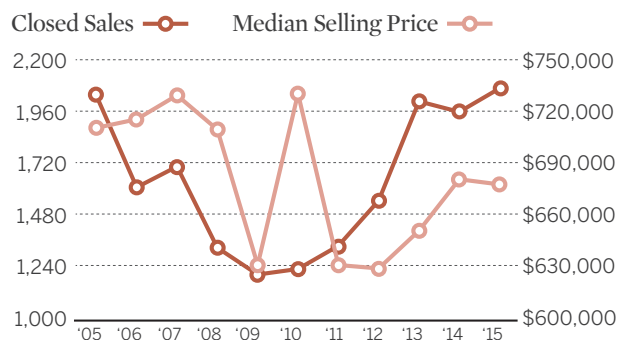
### Southern Westchester



### Northern Westchester



### 10 Year 3rd Quarter Sales\*



\* Single Family Homes Only

SCHOOL DISTRICTS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE	% CHANGE	% CHANGE			% CHANGE			% CHANGE
	3Q14	3Q15	3Q14 VS 3Q15	YTD 2014	YTD 2015	YTD 2014 VS YTD 2015	3Q14 VS 3Q15	YTD 2014 VS YTD 2015	3Q14	3Q15	3Q14 VS 3Q15	3Q14	3Q15	3Q14 VS 3Q15
WESTCHESTER COUNTY	1,956	2,066	6%	4,166	4,337	4%	3%	2%	\$680,000	\$677,000	-1%	\$647,000	\$650,000	1%
Southern Westchester	1,405	1,459	4%	2,942	3,005	2%	6%	4%	\$734,000	\$725,000	-1%	\$653,000	\$653,000	0%
Ardsley	49	34	-31%	94	79	-16%	-32%	-22%	\$650,000	\$678,000	4%	\$650,000	\$678,000	4%
Blind Brook	40	41	3%	72	77	7%	7%	2%	\$815,000	\$845,000	4%	\$813,000	\$788,000	-3%
Briarcliff Manor	29	31	7%	46	55	20%	-1%	10%	\$848,000	\$855,000	1%	\$775,000	\$803,000	4%
Bronxville	38	21	-45%	74	53	-28%	-29%	-15%	\$1,638,000	\$2,200,000	34%	\$1,788,000	\$2,060,000	15%
Dobbs Ferry	27	36	33%	53	79	49%	14%	48%	\$851,000	\$715,000	-16%	\$728,000	\$725,000	-1%
Eastchester	52	45	-14%	102	88	-14%	-16%	-12%	\$725,000	\$715,000	-1%	\$670,000	\$720,000	8%
Edgemont	45	42	-7%	81	90	11%	-8%	7%	\$1,250,000	\$1,137,000	-9%	\$1,201,000	\$1,109,000	-8%
Elmsford	18	22	22%	47	41	-13%	48%	16%	\$415,000	\$478,000	15%	\$377,000	\$459,000	22%
Greenburgh	32	43	34%	92	107	16%	41%	15%	\$473,000	\$525,000	11%	\$481,000	\$471,000	-2%
Harrison	44	53	21%	111	122	10%	16%	5%	\$1,343,000	\$1,200,000	-11%	\$1,345,000	\$1,135,000	-16%
Hartsdale (P.O.)	31	32	3%	77	77	0%	4%	-2%	\$560,000	\$598,000	7%	\$523,000	\$525,000	0%
Hastings	20	42	110%	51	66	29%	123%	49%	\$788,000	\$813,000	3%	\$723,000	\$780,000	8%
Irvington	33	33	0%	64	57	-11%	38%	-11%	\$925,000	\$930,000	1%	\$937,000	\$964,000	3%
Mamaroneck *	126	106	-16%	240	218	-9%	1%	4%	\$1,059,000	\$1,308,000	24%	\$1,043,000	\$1,195,000	15%
Mount Pleasant	37	38	3%	76	72	-5%	1%	2%	\$531,000	\$556,000	5%	\$530,000	\$550,000	4%
Mount Vernon	44	44	0%	98	91	-7%	-19%	-16%	\$395,000	\$383,000	-3%	\$390,000	\$375,000	-4%
New Rochelle	122	141	16%	247	269	9%	12%	7%	\$643,000	\$654,000	2%	\$635,000	\$646,000	2%
Ossining	55	61	11%	117	144	23%	10%	25%	\$405,000	\$390,000	-4%	\$385,000	\$390,000	1%
Pelham	44	66	50%	98	129	32%	75%	43%	\$755,000	\$943,000	25%	\$760,000	\$889,000	17%
Pleasantville	25	17	-32%	57	41	-28%	-29%	-30%	\$575,000	\$625,000	9%	\$615,000	\$563,000	-9%
Pocantico Hills	4	5	25%	8	8	0%	46%	29%	\$678,000	\$715,000	6%	\$600,000	\$686,000	14%
Port Chester	30	25	-17%	71	69	-3%	53%	8%	\$420,000	\$476,000	13%	\$414,000	\$450,000	9%
Purchase (P.O.)	9	13	44%	32	27	-16%	36%	-4%	\$1,100,000	\$1,175,000	6%	\$1,337,000	\$1,338,000	0%
Rye City	61	60	-2%	120	125	4%	-2%	10%	\$2,175,000	\$1,713,000	-21%	\$1,825,000	\$1,650,000	-10%
Rye Neck	30	25	-17%	47	53	13%	13%	28%	\$944,000	\$865,000	-8%	\$878,000	\$825,000	-6%
Scarsdale	102	101	-1%	213	197	-8%	-10%	-10%	\$1,505,000	\$1,600,000	6%	\$1,475,000	\$1,451,000	-2%
Tarrytown	17	33	94%	61	69	13%	92%	10%	\$559,000	\$657,000	18%	\$580,000	\$599,000	3%
Tuckahoe	14	18	29%	40	37	-8%	22%	-6%	\$774,000	\$754,000	-3%	\$708,000	\$653,000	-8%
Valhalla	28	32	14%	46	67	46%	26%	55%	\$505,000	\$504,000	0%	\$504,000	\$488,000	-3%
White Plains	81	85	5%	171	176	3%	14%	11%	\$576,000	\$643,000	12%	\$600,000	\$650,000	8%
Yonkers	158	159	1%	346	327	-6%	8%	-6%	\$436,000	\$459,000	5%	\$430,000	\$430,000	0%

\*Mamaroneck School District includes Larchmont P.O.

SCHOOL DISTRICTS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
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WESTCHESTER COUNTY	1,956	2,066	6%	4,166	4,337	4%	3%	2%	\$680,000	\$677,000	-1%	\$647,000	\$650,000	1%
Northern Westchester	561	632	13%	1,246	1,379	11%	-4%	-3%	\$568,000	\$555,000	-2%	\$534,000	\$538,000	1%
Bedford	80	68	-15%	196	159	-19%	-27%	-24%	\$731,000	\$750,000	3%	\$773,000	\$858,000	11%
Byram Hills	51	44	-14%	116	107	-8%	-33%	-33%	\$1,056,000	\$1,185,000	12%	\$1,050,000	\$1,155,000	10%
Chappaqua	78	86	10%	140	190	36%	3%	28%	\$916,000	\$919,000	0%	\$932,000	\$885,000	-5%
Croton-Harmon	28	41	46%	57	91	60%	68%	54%	\$550,000	\$590,000	7%	\$550,000	\$558,000	2%
Hendrick Hudson	38	41	8%	84	85	1%	2%	3%	\$420,000	\$420,000	0%	\$385,000	\$424,000	10%
Katonah-Lewisboro	57	85	49%	149	174	17%	22%	9%	\$665,000	\$665,000	0%	\$655,000	\$622,000	-5%
Lakeland	80	100	25%	233	181	29%	20%	29%	\$368,000	\$355,000	-3%	\$334,000	\$345,000	3%
North Salem	22	26	18%	53	49	-8%	5%	-15%	\$506,000	\$435,000	-14%	\$525,000	\$520,000	-1%
Peekskill	23	24	4%	54	54	0%	11%	3%	\$275,000	\$303,000	10%	\$259,000	\$267,000	3%
Somers	39	55	41%	95	104	10%	28%	2%	\$625,000	\$495,000	-21%	\$545,000	\$505,000	-7%
Yorktown	65	62	-5%	123	137	11%	0%	7%	\$420,000	\$487,000	16%	\$420,000	\$425,000	1%



Larchmont Manor Colonial Gem • Larchmont, NY • MLS: 4527018





# Fairfield County

## 1 County-wide single family home sales outperformed 2014, reaching 10-year highs.

Sales improved in each of the first three quarters of 2014 relative to a year ago, and are now tracking 10% above year-ago levels. Third quarter transaction volume is the highest since 2006, yet remains 20% below the peak of the market of 2004 and 2005.

## 2 Homes under \$1,000,000 garnered the highest growth this quarter.

With loosening credit and improving confidence, the first time home buyer has collided with the empty nester downsizer to create strong demand in this sector, with transaction volume 13% higher than the third quarter of 2014 and inventory levels stable. Despite strong demand, buyers remain highly discriminating regarding price, condition and location.

## 3 Third quarter demand was moderate for homes above \$1,000,000.

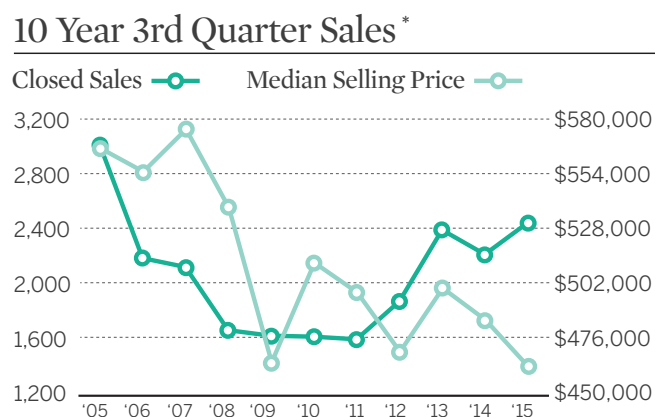
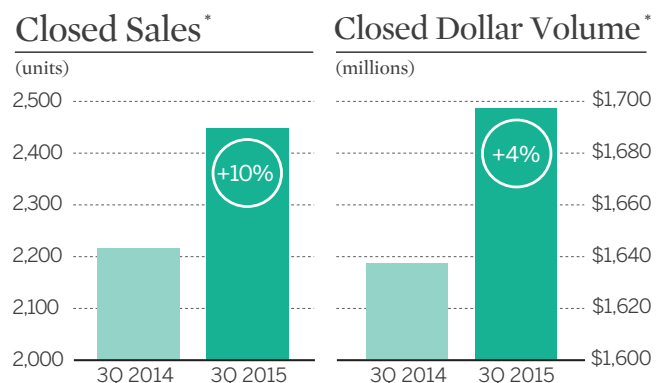
Sales this quarter, and for 2015 year-to-date, were flat in the \$1,000,000 to \$2,000,000 range relative to a year ago. Homes valued between \$2,000,000 and \$5,000,000 declined by 5% for the third quarter but continue to reflect above-market, double digit growth for the year due to the strength of this price category in the January–June period. The greatest percentage increase was in the \$5,000,000 to \$10,000,000 range, where 33% more homes have sold year-to-date in 2015 than the same period of 2014. At \$10,000,000 and higher, buyer activity was scarce.

## 4 Greenwich had a soft third quarter.

Greenwich sales volume declined by 2% for the quarter with bell curve results: weakness existed at the entry and upper ends of the pricing spectrum. The \$1,000,000 to \$2,500,000 category is driving volume this year.

## 5 Inventory ballooned by double-digits for all categories except the entry level.

Supply is averaging 14% higher for homes valued between \$1,000,000 and \$5,000,000 and has risen by 22% for homes over \$5,000,000 versus a year ago. While demand is improving across all sectors, it is simply not strong enough to absorb the active inventory. This creates a highly competitive market and downward pricing pressure on all but the most unique and perfect properties.



\* Single Family Homes Only

TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
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	3Q14	3Q15	3Q14 VS 3Q15	YTD 2014	YTD 2015	YTD 2014 VS YTD 2015	3Q14 VS 3Q15	YTD 2014 VS YTD 2015	3Q14	3Q15	3Q14 VS 3Q15	3Q14	3Q15	3Q14 VS 3Q15
FAIRFIELD COUNTY	2,217	2,446	10%	5,383	5,911	10%	3%	8%	\$485,000	\$463,000	-5%	\$455,000	\$455,000	0%
Bethel	39	70	80%	107	147	37%	63%	31%	\$320,000	\$298,000	-7%	\$295,000	\$300,000	2%
Brookfield	50	57	14%	133	138	4%	26%	3%	\$325,000	\$368,000	13%	\$360,000	\$360,000	0%
Danbury	129	125	-3%	298	309	4%	6%	4%	\$265,000	\$275,000	4%	\$260,000	\$263,000	1%
Darien	102	112	10%	223	237	6%	12%	14%	\$1,499,000	\$1,495,000	0%	\$1,395,000	\$1,500,000	8%
Easton	35	31	-11%	88	78	-11%	-16%	-15%	\$630,000	\$625,000	-1%	\$590,000	\$599,000	2%
Fairfield	203	242	19%	524	609	16%	33%	21%	\$585,000	\$625,000	7%	\$573,000	\$580,000	1%
Greenwich	186	182	-2%	466	480	3%	3%	-6%	\$1,723,000	\$1,861,000	8%	\$1,859,000	\$1,842,000	-1%
Monroe	54	59	9%	130	153	17%	16%	18%	\$330,000	\$363,000	10%	\$328,000	\$349,000	6%
New Canaan	81	78	-4%	189	197	4%	-17%	-3%	\$1,752,000	\$1,440,000	-18%	\$1,638,000	\$1,590,000	-3%
New Fairfield	55	50	-9%	124	123	-1%	-24%	-9%	\$345,000	\$324,000	-6%	\$330,000	\$335,000	2%
Newtown	121	111	-8%	285	295	4%	-16%	1%	\$370,000	\$368,000	-1%	\$355,000	\$365,000	3%
Norwalk	174	215	24%	451	497	10%	21%	11%	\$450,000	\$460,000	2%	\$425,000	\$447,000	5%
Oxford*	42	39	-7%	88	88	0%	7%	21%	\$345,000	\$340,000	-2%	\$340,000	\$342,000	1%
Redding	21	30	43%	66	90	36%	10%	23%	\$610,000	\$510,000	-16%	\$605,000	\$530,000	-12%
Ridgefield	120	102	-15%	270	241	-11%	-21%	-15%	\$663,000	\$687,000	4%	\$680,000	\$655,000	-4%
Rowayton	22	22	0%	59	57	-3%	1%	-5%	\$938,000	\$1,075,000	15%	\$910,000	\$1,245,000	37%
Shelton	89	109	23%	209	262	25%	24%	20%	\$279,000	\$310,000	11%	\$295,000	\$310,000	5%
Sherman	13	20	54%	38	40	5%	84%	1%	\$346,000	\$452,000	31%	\$400,000	\$435,000	9%
Southbury*	42	70	67%	104	138	33%	91%	47%	\$320,000	\$381,000	19%	\$365,000	\$375,000	3%
Stamford	200	241	21%	463	563	22%	20%	17%	\$626,000	\$590,000	-6%	\$615,000	\$575,000	-7%
Stratford	123	146	19%	337	404	20%	14%	18%	\$235,000	\$235,000	0%	\$228,000	\$226,000	-1%
Trumbull	132	141	7%	293	306	4%	6%	6%	\$388,000	\$370,000	-5%	\$370,000	\$352,000	-5%
Weston	59	51	-14%	122	123	1%	-6%	7%	\$775,000	\$810,000	5%	\$775,000	\$845,000	9%
Westport	119	137	15%	292	296	1%	7%	9%	\$1,344,000	\$1,290,000	-4%	\$1,314,000	\$1,293,000	-2%
Wilton	72	68	-6%	181	167	-8%	-10%	-9%	\$820,000	\$820,000	0%	\$805,000	\$845,000	5%

\*New Haven County

# The Shoreline



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# The Shoreline

## 1 Single family home sales continued to steadily improve.

With the exception of the \$1,000,000 to \$1,499,999 sector, all price ranges experienced rising sales levels relative to a year ago. Shoreline single family home sales have enjoyed steady quarter over quarter growth in 2015. Third quarter unit sales are 8% higher than a year ago, while year-to-date sales are 10% higher. With dollar and unit sales increases mirroring each other, it is clear that the mix of properties sold is relatively consistent with the 2014 sales profile. Projecting forward, moderate pending sales in the third quarter signal a fourth quarter with more restrained closed sales figures. Yet given the strength of the year to-date sales figures, we expect a positive growth profile for 2015 as a whole.

## 2 Mid-range properties remain most popular.

Sales have been particularly vibrant in the \$400,000 to \$750,000 range – a sweet spot for a broad range of buyers. This price band registered a 15% increase this quarter versus 8% for the market as a whole, with a commensurate 12% year-to-date growth figure.

## 3 Luxury property sales have not regained pre-Sandy strength.

Sales are clearly improving for the upper end, just not at a pace as fast as we would like to see. Eight homes sold at the \$1,500,000+ level in the third quarter versus six a year ago. Another eight are pending. For the year, volume is running 21% higher than 2014, which translates to 29 homes year to date in 2015 versus 24 for the same period of 2014. The highest sale of the quarter was a glorious waterfront estate in Guilford, which was originally offered at \$4,975,000 and closed in July at \$3,100,000. The challenge remains the slow pace of sales relative to inventory levels, a market condition that is clearly creating downward pricing pressure.

## 4 Overall, inventory levels declined slightly to normalized seasonal levels.

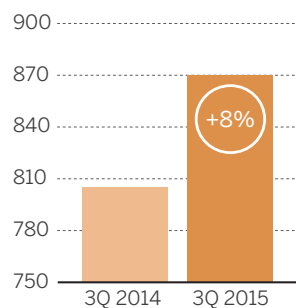
After an uptick in inventory during the second quarter, buyers in the third quarter absorbed much of that new inventory.

## 5 Buyers are highly discriminating.

Buyers remain value-driven and gravitate toward convenience and turnkey living. This is reflected in an ongoing preference for close-to-town or school locations, renovated or new homes and crisp pricing.

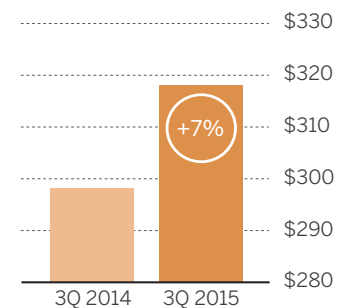
### Closed Sales\*

(units)

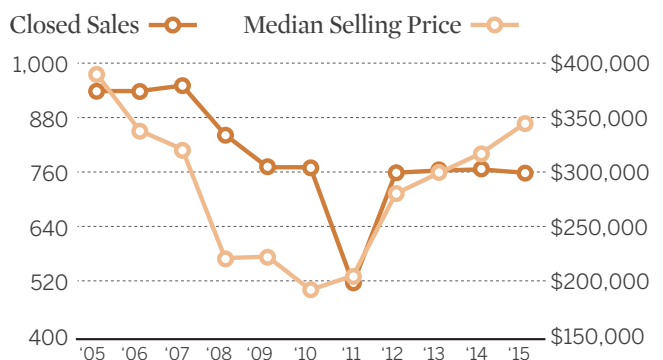


### Closed Dollar Volume\*

(millions)



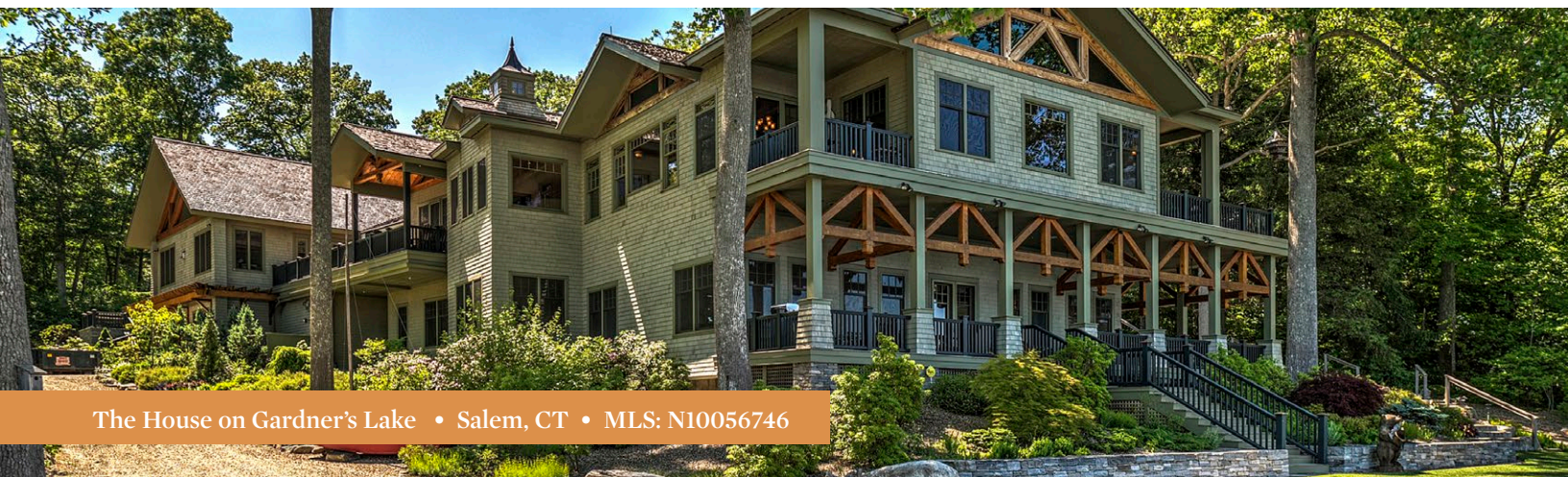
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\* Single Family Homes Only

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			3Q14 VS 3Q15			YTD 2014 VS YTD 2015		YTD 2014 VS YTD 2015			3Q14 VS 3Q15			3Q14 VS 3Q15
THE SHORELINE	805	869	8%	1885	2,067	10%	7%	10%	\$303,000	\$300,000	-1%	\$300,000	\$297,000	-1%
Branford	63	72	14%	139	169	22%	11%	22%	\$350,000	\$330,000	-6%	\$322,000	\$320,000	-1%
Chester	13	9	-31%	40	32	-20%	-30%	-2%	\$290,000	\$345,000	19%	\$275,000	\$325,000	18%
Clinton	45	55	31%	100	137	37%	37%	49%	\$241,000	\$244,000	1%	\$242,000	\$245,000	1%
Deep River	14	15	7%	33	31	-6%	2%	10%	\$219,000	\$215,000	-2%	\$242,000	\$230,000	-5%
East Lyme	81	64	-21%	166	144	-13%	-6%	-1%	\$270,000	\$300,000	11%	\$275,000	\$296,000	8%
Essex*	28	28	0%	72	69	-4%	-15%	-15%	\$372,000	\$376,000	1%	\$403,000	\$385,000	-5%
Groton	71	88	24%	214	211	-1%	24%	-13%	\$209,000	\$248,000	18%	\$209,000	\$227,000	9%
Guilford	87	94	8%	195	215	10%	13%	4%	\$375,000	\$354,000	-6%	\$377,000	\$360,000	-5%
Killingworth	25	22	-12%	60	53	-12%	-12%	-4%	\$355,000	\$375,000	6%	\$351,000	\$355,000	1%
Lyme	6	9	50%	18	19	6%	25%	3%	\$770,000	\$479,000	-38%	\$648,000	\$525,000	-19%
Madison	74	94	27%	183	215	18%	17%	10%	\$438,000	\$398,000	-9%	\$457,000	\$413,000	-10%
New London	29	45	55%	81	115	42%	23%	26%	\$168,000	\$138,000	-18%	\$150,000	\$138,000	-8%
Old Lyme	42	32	-24%	96	87	-9%	-22%	0%	\$317,000	\$294,000	-7%	\$360,000	\$340,000	-6%
Old Saybrook	61	62	2%	121	139	15%	-7%	32%	\$349,000	\$340,000	-3%	\$325,000	\$353,000	9%
Stonington	58	65	12%	135	177	31%	15%	33%	\$255,000	\$315,000	24%	\$275,000	\$297,000	8%
Waterford	89	84	-6%	183	195	7%	-10%	-3%	\$250,000	\$228,000	-9%	\$229,000	\$216,000	-6%
Westbrook	22	29	32%	50	66	32%	58%	41%	\$264,000	\$350,000	33%	\$328,000	\$300,000	-9%

\*Includes Essex, Ivoryton and Centerbrook



The House on Gardner's Lake • Salem, CT • MLS: N10056746



# Litchfield County

## 1 Home sales are extremely active in the Litchfield Hills.

Each quarter of 2015 has outpaced 2014 market performance. First quarter sales were 5% higher, second quarter sales 23% higher and third quarter sales 19% higher in units, as well as 10% higher in dollar volume. For the year, unit sales are tracking ahead of 2014 by 16% in units and 14% in dollar volume. This growth is driven by the improving economy coupled with the fact that the Litchfield Hills remains one of the best values within two hours of New York City.

## 2 Under contract sales for the third quarter were down slightly, which is typical of the season sales cycle of the Litchfield Hills.

The fourth quarter should finish strongly, as October through December typically represents a significant sales period as buyers seek to close transactions prior to the year's end.

## 3 Homes sales above \$2,000,000 bounced back strongly.

There were six sales of note over \$2,000,000 in the third quarter of 2015, versus two for the same period last year. Year to date, there have been 15 sales compared to three for 2014. Amplifying the relative vibrancy of the luxury sector, two high end sales were recorded in August: a \$4,500,000 property in Washington and a \$3,200,000 property in Cornwall.

## 4 New listing activity was flat versus a year ago, except in the upper end.

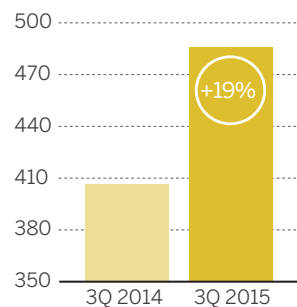
Inventory levels remained steady at approximately 1,380 units, except in the luxury sector, where the improving sales encouraged a greater level of new listing activity, up 20% from the third quarter of 2014. While listing activity increased for the luxury market, the heightened demand was able to absorb quite a bit of it, resulting in stable inventory levels by the end of the quarter. Nevertheless, competition is high among sellers, and it remains critical for them to properly price and present their homes to enjoy a successful sale.

## 5 The median selling price is relatively consistent at \$309,000.

The median selling price has remained stable.

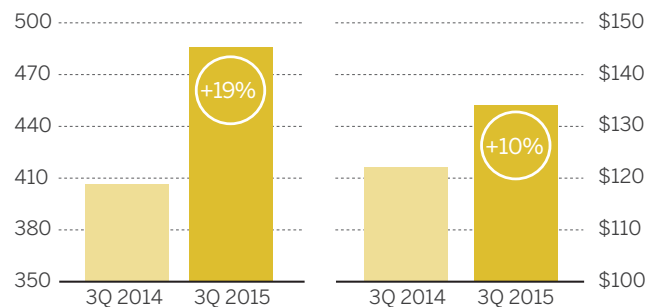
### Closed Sales \*

(units)

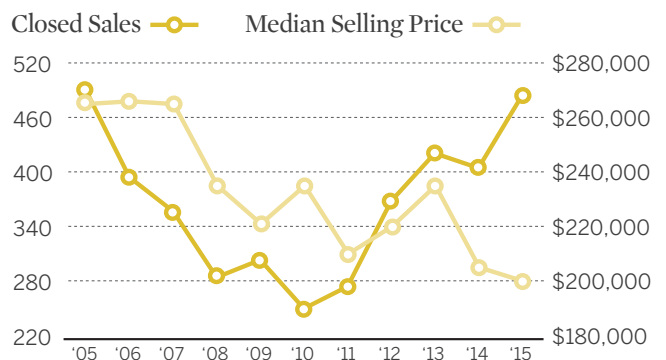


### Closed Dollar Volume \*

(millions)



### 10 Year 3rd Quarter Sales \*



\* Single Family Homes Only

TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE	% CHANGE	% CHANGE			% CHANGE			% CHANGE
	3Q14	3Q15	3Q14 VS 3Q15	YTD 2014	YTD 2015	YTD 2014 VS YTD 2015	3Q14 VS 3Q15	YTD 2014 VS YTD 2015	3Q14	3Q15	3Q14 VS 3Q15	3Q14	3Q15	3Q14 VS 3Q15
LITCHFIELD COUNTY	406	485	19%	963	1,118	16%	10%	14%	\$205,000	\$200,000	-2%	\$210,000	\$210,000	0%
Bethlehem	6	11	83%	19	29	53%	0%	21%	\$379,000	\$235,000	-38%	\$275,000	\$252,000	-8%
Bridgewater	5	4	-20%	13	14	8%	20%	30%	\$380,000	\$713,000	88%	\$344,000	\$536,000	56%
Canaan	4	5	25%	9	19	111%	58%	125%	\$143,000	\$141,000	-2%	\$172,000	\$170,000	-1%
Colebrook	5	5	0%	9	10	11%	-20%	-16%	\$237,000	\$200,000	-16%	\$249,000	\$165,000	-34%
Cornwall*	7	9	29%	17	12	-29%	80%	-8%	\$450,000	\$435,000	-3%	\$393,000	\$278,000	-29%
Goshen	10	21	110%	28	48	71%	168%	58%	\$275,000	\$330,000	20%	\$283,000	\$330,000	17%
Harwinton	13	23	77%	42	50	19%	75%	24%	\$232,000	\$224,000	-3%	\$223,000	\$218,000	-2%
Kent, South Kent	7	9	29%	18	27	50%	13%	6%	\$289,000	\$315,000	9%	\$375,000	\$343,000	-9%
Litchfield	24	28	17%	59	69	17%	-12%	-13%	\$339,000	\$295,000	-13%	\$312,000	\$310,000	-1%
Morris	14	13	-7%	24	26	8%	-39%	-29%	\$333,000	\$249,000	-25%	\$280,000	\$249,000	-11%
New Hartford	24	28	17%	51	61	20%	16%	12%	\$264,000	\$255,000	-3%	\$278,000	\$250,000	-10%
New Milford	34	43	27%	90	100	11%	28%	11%	\$285,000	\$252,000	-12%	\$261,000	\$273,000	5%
Norfolk	7	11	57%	13	14	8%	80%	-9%	\$249,000	\$233,000	-6%	\$250,000	\$229,000	-8%
Plymouth	36	36	0%	93	84	-10%	-7%	-10%	\$177,000	\$161,000	-9%	\$164,000	\$161,000	-2%
Roxbury	9	11	22%	25	26	4%	93%	5%	\$575,000	\$650,000	13%	\$649,000	\$654,000	1%
Salisbury	6	11	83%	28	30	7%	197%	70%	\$350,000	\$530,000	52%	\$375,000	\$380,000	1%
Sharon	14	7	-50%	32	38	19%	-84%	-9%	\$373,000	\$205,000	-45%	\$309,000	\$225,000	-27%
Thomaston	19	14	-26%	42	49	17%	-27%	12%	\$200,000	\$166,000	-17%	\$107,000	\$112,000	5%
Torrington	94	114	21%	216	245	13%	8%	-3%	\$138,000	\$122,000	-12%	\$105,000	\$80,000	-24%
Warren	5	8	60%	10	11	10%	10%	-44%	\$547,000	\$288,000	-47%	\$365,000	\$220,000	-40%
Washington**	12	15	25%	26	35	35%	57%	91%	\$773,000	\$600,000	-22%	\$230,000	\$373,000	62%
Winchester	38	39	3%	70	81	16%	-2%	16%	\$121,000	\$140,000	13%	\$110,000	\$105,000	-5%
Woodbury	22	29	32%	54	72	33%	12%	23%	\$288,000	\$311,000	8%	\$139,000	\$158,000	14%

\*Includes Cornwall, West Cornwall and Cornwall Bridge \*\*Includes Washington, Washington Depot and New Preston



# Southern Berkshire County



Bull Hill Farm • Sheffield, MA • MLS: 210886

# Southern Berkshire County

## 1 Vibrant sales in the second and third quarters erased the weather-related softness of the first quarter of 2015.

Third quarter unit sales expanded by 21% versus a year ago. Under contract activity remained strong through September, standing 17% higher than a year ago and setting the stage for a positive fourth quarter.

## 2 Despite a 9% reduction in inventory for the summer months, a surplus remains.

The combination of strong sales and a 15% reduction in new listing activity resulted in substantially fewer homes being offered for sale during the peak selling season. This translated to 81 less units on the market. Even with the improving inventory picture, the months supply of inventory remains elevated at 24 months.

## 3 Luxury remains the most challenging sector.

As is true in the vast majority of our Northeastern United States markets, buyer activity is concentrated in the low to mid-price points, while homes in the upper ranges continue to recover. In the \$1,000,000 and higher range, closed sales year-to-date are flat relative to 2014, and there are 9% more homes on the market after a burst of third quarter listing activity. We do anticipate that the increased pending sales activity, with six pending homes compared to only one a year ago, will improve the year-end sales performance statistics.

## 4 The market remains price driven.

There continues to be significant competition in the market among sellers, and price is the top discriminator.

## 5 Move-in condition is the watchword.

Buyers are demanding that homes are presented in turnkey condition. Sellers continue to be under pressure to carefully prepare their homes for sale.

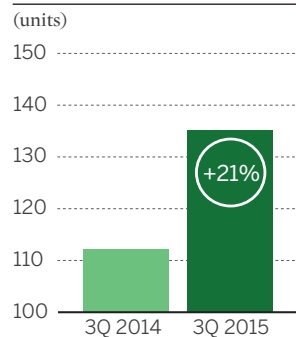
## 6 Buyers represent a broad range including New York City, Boston and international.

The majority of buyers continue to be second home buyers attracted to the exceptional quality of life this area offers, with its beautiful scenery, charming towns, bountiful farm to table offerings and excellent value relative to other nearby vacation areas.

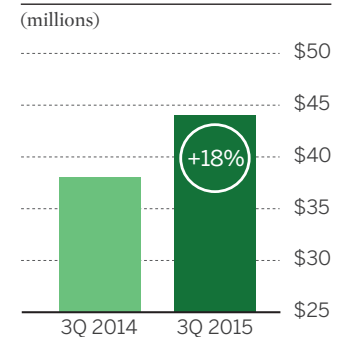
## 7 Prices are relatively flat.

While the median listing price slightly increased this quarter due to the number of higher end homes that came on the market, the median selling prices for both under contract and sold homes was marginally lower.

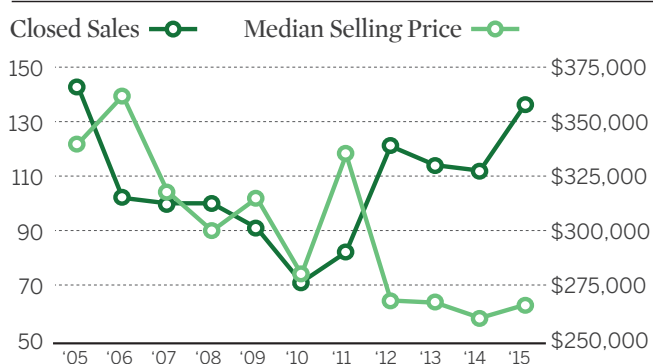
Closed Sales\*



Closed Dollar Volume\*



10 Year 3rd Quarter Sales\*



\* Single Family Homes Only

TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE	% CHANGE	% CHANGE			% CHANGE			% CHANGE
	3Q14	3Q15	3Q14 VS 3Q15	YTD 2014	YTD 2015	YTD 2014 VS YTD 2015	3Q14 VS 3Q15	YTD 2014 VS YTD 2015	3Q14	3Q15	3Q14 VS 3Q15	3Q14	3Q15	3Q14 VS 3Q15
SOUTHERN BERKSHIRE COUNTY	112	135	21%	285	290	2%	18%	-4%	\$260,000	\$267,000	3%	\$285,000	\$290,000	2%
Alford	2	2	0%	7	7	0%	-74%	-10%	\$1,525,000	\$404,000	-74%	\$512,000	\$417,000	-19%
Becket	19	19	0%	36	35	-3%	-27%	-23%	\$215,000	\$128,000	-41%	\$215,000	\$170,000	-21%
Egremont	3	4	33%	16	16	0%	82%	-5%	\$242,000	\$326,000	35%	\$410,000	\$348,000	-15%
Gt. Barrington	16	21	31%	42	50	19%	72%	53%	\$291,000	\$294,000	1%	\$282,000	\$268,000	-5%
Lee	14	18	29%	34	31	-9%	4%	-22%	\$215,000	\$201,000	-6%	\$234,000	\$209,000	-11%
Lenox	11	15	-27%	32	33	3%	-5%	-5%	\$267,000	\$384,000	44%	\$331,000	\$343,000	4%
Monterey	5	5	0%	13	10	-23%	-1%	-28%	\$517,000	\$370,000	-28%	\$455,000	\$344,000	-24%
Mt. Washington	1	2	100%	1	3	200%	19%	62%	\$325,000	\$193,000	-41%	\$212,000	\$173,000	-18%
New Marlborough	6	9	50%	13	21	62%	144%	33%	\$303,000	\$458,000	51%	\$360,000	\$357,000	-1%
Otis	7	11	57%	21	19	-10%	122%	9%	\$265,000	\$344,000	30%	\$218,000	\$273,000	25%
Richmond	6	5	-17%	13	14	8%	6%	-8%	\$273,000	\$368,000	35%	\$368,000	\$350,000	-5%
Sandisfield	4	5	25%	9	12	33%	43%	-33%	\$221,000	\$240,000	8%	\$280,000	\$265,000	-5%
Sheffield	3	16	433%	20	27	35%	655%	50%	\$245,000	\$259,000	6%	\$268,000	\$291,000	9%
Stockbridge	11	7	-36%	29	21	-28%	-40%	-36%	\$365,000	\$355,000	-3%	\$365,000	\$400,000	10%
Tyringham	0	3	N/A	0	4	N/A	N/A	N/A	NO SALES	\$460,000	N/A	\$628,000	\$460,000	-27%
West Stockbridge	6	3	-50%	29	21	-28%	-67%	-36%	\$334,000	\$235,000	-30%	\$465,000	\$345,000	-26%



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# Condominiums and Cooperatives



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# Condominiums and Cooperatives

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## **1** Westchester County condominiums and cooperatives continued to see above-market sales gains this quarter.

Both condominiums and cooperatives experienced double-digit third quarter sales growth in both units and dollars. With dollar volume outpacing units, it is clear that a higher percentage of higher end units are being sold. This phenomenon has been true for the year as a whole, with condo and co-op growth rates outpacing single family homes due to factors such as affordability, convenience and lack of quality inventory in the entry single family home sector.

## **2** Fairfield County condominium sales were vibrant in the third quarter, and year-to-date they remain ahead of 2014.

All metrics point to a solid market where prices are stable, months supply of inventory close to equilibrium at seven months (with six months representing equilibrium), inventory levels standing at the low end of the past ten-year range and sales the second highest since 2006.

## **3** Shoreline condominium sales grew in tandem with single family home sales.

Condominiums remain strong performers with positive growth throughout 2015, and sales migrating into the higher price categories. Taking advantage of the improvement in sales, the Shoreline experienced a 17% increase in new listings during the third quarter. Despite the increase in listing activity, inventory levels remain 5% below the three-year average, helping to keep the months supply of inventory at six months.

## **4** After a lackluster second quarter, condominium sales in Litchfield County regained momentum in the third quarter.

Reversing course, the condominium market improved substantially in the third quarter. Activity remains concentrated in the lower price points, and median selling prices for the quarter and the year are 18% lower than a year ago. The lower median selling price coupled with the decline in dollar volume reflects buyer focus on the lower price points. Inventory is relatively stable.

## **5** The Southern Berkshires condominium market continues to forge ahead at rates 107% higher than a year ago.

The condominium market, while small at 51 units sold year-to-date, is demonstrating sustained vibrancy. Two quarters of 78% and 100% unit growth versus the same period a year ago, coupled with 11% fewer units for sale and positive pending sale activity, points to a strong year for this segment of the market.

COUNTIES	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE	% CHANGE	% CHANGE			% CHANGE			% CHANGE
	3Q14	3Q15	3Q14 VS 3Q15	YTD 2014	YTD 2015	YTD 2014 VS YTD 2015	3Q14 VS 3Q15	YTD 2014 VS YTD 2015	3Q14	3Q15	3Q14 VS 3Q15	3Q14	3Q15	3Q14 VS 3Q15
Southern Westchester Condominiums	221	259	15%	516	624	21%	21%	27%	\$385,000	\$380,000	-1%	\$373,000	\$371,000	-1%
Southern Westchester Cooperatives	466	521	12%	1,159	1,247	8%	15%	9%	\$157,000	\$168,000	7%	\$151,000	\$152,000	1%
Northern Westchester Condominiums	112	144	29%	276	337	22%	31%	25%	\$335,000	\$357,000	7%	\$312,000	\$325,000	4%
Northern Westchester Cooperatives	28	29	4%	77	71	-8%	-5%	-12%	\$102,000	\$83,000	-19%	\$90,000	\$81,000	-10%
Fairfield County	654	785	20%	1,837	1,927	5%	8%	4%	\$275,000	\$253,000	-8%	\$259,000	\$256,000	-1%
The Shoreline	156	177	13%	383	477	25%	16%	21%	\$170,000	\$175,000	3%	\$167,000	\$166,000	-1%
Litchfield County	35	42	20%	80	84	5%	-8%	-18%	\$149,000	\$124,000	-17%	\$171,000	\$130,000	-24%
Southern Berkshire County	15	31	107%	34	52	53%	92%	45%	\$160,000	\$190,000	19%	\$221,000	\$211,000	-5%



Condominium Couture • New Canaan, CT • MLS: 99120441

# Where We Are Headed



Pre-War English Manor • Irvington, NY • MLS: 4522094

Sellers are well aware that price and condition are the key buyer motivators and that competition is stiff. More realistic seller expectations coupled with an improving labor market have provided a meaningful boost to sales. Concurrently, buyers are coming to the home search process well-qualified and knowledgeable. With buyer and seller interests more closely aligned, transactions are smoother.

For properly positioned entry level properties, the market is quite efficient with a few town-specific exceptions. The easing of credit will continue to enhance the power of the first-time homebuyer, and with interest rates not projected to rise until at least December, we anticipate continued high demand through the fall selling season. In the other sectors, particularly the luxury sector, demand is building albeit at a significantly slower pace. With the surplus of inventory, sellers need to be cognizant of the importance of positioning their home as best in class, while also recognizing that it simply takes a longer time to find the right buyer.

We are cautiously optimistic about the fourth quarter of 2015. Agents report season-appropriate showing activity, and pending sales continue to be posted at a normalized rate. However, the recent volatility in the stock market as well as the highly publicized economic challenges in China may result in a “wait and see” attitude among some buyers, particularly in the upper price ranges. Nevertheless, there has not been a time in recent memory when so many beautiful homes in all price ranges have been available for sale, with interest rates at historic lows and the economy so strong. This point in time represents a superb buying opportunity.

We at William Pitt and Julia B. Fee Sotheby's International Realty hope you find our insights valuable, and we welcome the opportunity to serve you.

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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.