

# Market Watch

FIRST QUARTER 2016



William Pitt  
Julia B Fee

Sotheby's  
INTERNATIONAL REALTY

# First Quarter In Review

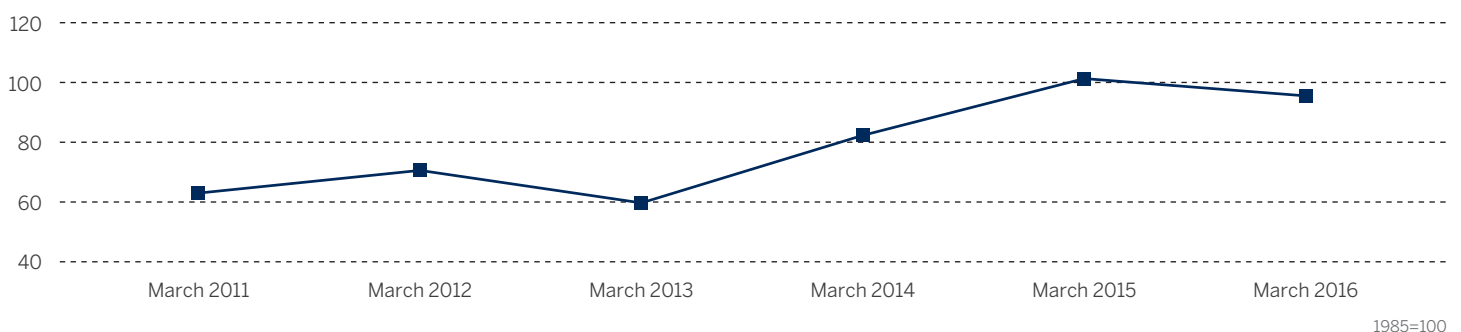


Our housing markets have been an active place for some time now, and that trend continued unabated throughout the first quarter of 2016. There were a number of consistent stories across all of the markets we serve, including Westchester County, N.Y., Connecticut and the Berkshires, Mass., the most important being that unit sales are up year over year in every area—dramatically up, in some cases. Sales volume was higher in most regions as well.

Consider the year over year numbers in each of these areas: In Westchester County overall, units were 9% higher than the first quarter of 2015, with significant growth occurring in the southern part of the county, where closed sales were 12% up over last year and dollar volume 9%. In Fairfield and Litchfield Counties, there were 7% and 6% more units sold this year than last, respectively, the former also seeing a healthy 11% rise in volume. We have observed even more pronounced increases of 29% in units and 22% in volume on the Shoreline of Connecticut, comprising New Haven, Middlesex and New London Counties, and in the Southern Berkshires, an astounding 63% more unit sales with a commensurate 65% growth in volume.

The lower price points are driving the market in most areas, each demonstrating its own sweet spot where properties in that price range often enjoy multiple offers. Moving up the price ladder, we tend to see more inventory than there are buyers, yet there is also positive news in these higher price brackets as more sellers adjust their prices in order to

## Consumer Confidence





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better align with the marketplace. As a result, buyers are discovering significant opportunities in the luxury segment, and they are expressing interest.

These price reductions are essential as buyers have become extremely concerned with overpaying for a home. They are in the marketplace in great numbers, which is excellent news for sellers, but they are only paying attention to those properties they believe to be priced correctly. Price, however, is not the end of the story: Buyers also expect to see homes presented in pristine, move-in condition. Over and over, we hear that those sellers who are successful are the ones willing to invest in home staging and repairs to deliver an offering that looks beautiful and requires no work on the part of the buyer.

The positive market activity is reflected in the continued high levels of consumer confidence, with the index standing at 96.2 (1985=100) in March. This figure is slightly lower than the high marks of last year, but is already on its way back up again after dipping in February amidst a particularly volatile stock market and global uncertainty surrounding instability in China. We will keep an eye on these potentially mitigating factors and others, like 2016 being an election year, but we remain bullish. With the market so active and our markets now on the cusp of the prime real estate season, all indicators point to a strong selling year. Buyers are also very aware that while interest rates remain historically low, there is a real potential they could rise again soon, and this perception will continue to incite these buyers to act.

The exciting kickoff to 2016 gives us every reason to believe the momentum will persist throughout the second quarter and the remainder of the year. I hope you find this report informative on what's happening in your market area, and invite you to contact one of our sales associates if we can help you with any of your own real estate needs.

Paul E. Breunich  
President and Chief Executive Officer  
William Pitt • Julia B. Fee Sotheby's International Realty  
+1 203 644 1470 | pbreunich@williampitt.com



# Westchester County

## 1 First quarter sales were strongest among properties priced under \$2 million in Southern Westchester, and under \$600,000 in Northern Westchester.

Southern Westchester County experienced strong selling activity during the first quarter of 2016, with unit sales about 12% higher across the region compared to the same period of 2015. The bulk of these sales occurred among listings under \$2 million, the sweet spot being the \$1,000,000 to \$1,250,000 range. Illustrating a common scenario, a three-bedroom Rye Brook home priced at \$895,000 received multiple offers shortly after launching, and traded for significantly more than that. In Northern Westchester County, unit sales were approximately even year over year, with properties under \$500,000 representing the most popular price category. County-wide, closed sales rose to a level not seen in a first quarter since 2007.

## 2 Sellers must price their homes correctly to be seen by today's well-educated buyers.

In previous markets, pricing was more an art than a science. Today, a much more analytical pricing strategy is required. Buyers in 2016 thoroughly research the market before setting foot in it—they know what other homes in the community have sold for, and they are very clear that they will not overpay. In this environment, the price positioning of a property is critical. Far from making low bids or waiting for reductions, buyers simply ignore those homes priced higher than their competition.

## 3 The new mantra is “condition, condition, condition.”

While location is still important—many buyers will give up square footage to be closer to town, transportation and schools—mint condition is seen as the top priority. As a result, sellers at almost every price point must invest in significant staging and maintenance to draw interest. Buyers are not interested in investing after the fact, but are gravitating toward homes that are turnkey, ready to move into and enjoy.

## Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q15	1Q16	1Q15 VS 1Q16	1Q AVERAGE
\$0 - \$999,999	726	826	14%	3,483
\$1,000,000 - \$1,999,999	144	149	4%	1,045
\$2,000,000 - \$2,999,999	39	34	-13%	380
\$3,000,000 - \$3,999,999	14	8	-43%	171
\$4,000,000 - \$4,999,999	1	2	100%	92
\$5,000,000 - \$9,999,999	4	6	50%	101
\$10,000,000+	N/A	N/A	N/A	N/A

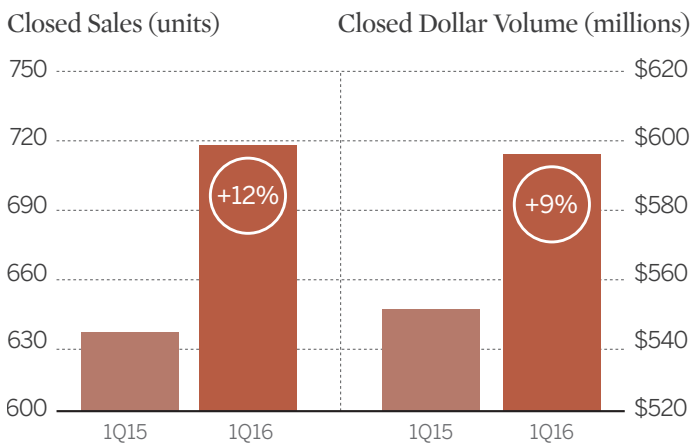
## 4 Southern Westchester County is seeing an influx of Chinese purchasers.

An interesting international trend is the emerging market of Chinese buyers looking to purchase in lower Westchester County, according to Rye brokerage manager Pati Holmes. There is currently a visible increase in Chinese purchasers exploring open houses throughout the area. These Manhattan and Brooklyn-based consumers are coming to Westchester to spread out with more square footage and property, and they're also coming for the top-rated public schools, sophisticated urban-style villages, miles of pristine shoreline and convenient commutes to midtown.

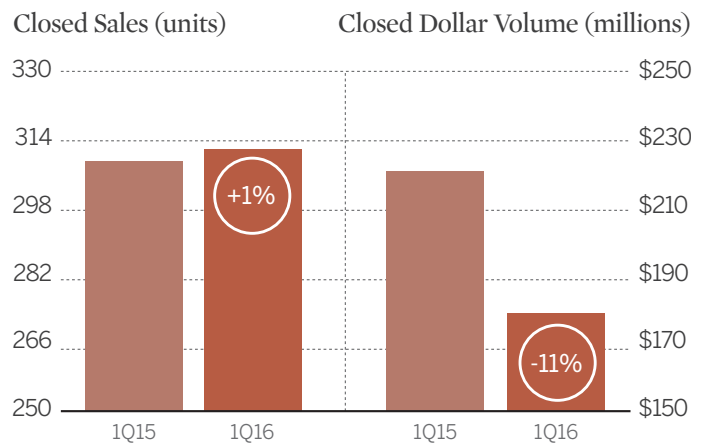
## 5 Westchester County is attracting city dwellers with urban-style amenities.

Buyers from Manhattan and Brooklyn have always come to Westchester County for its schools, but now they're also coming for the urban lifestyle. The Rivertowns offer that flair already, and now more towns are beginning to join in according to Scarsdale brokerage manager Jason Wilson, with more diverse restaurants and high-quality take-out options, retail developments, walkability and an overall tight-knit, community-oriented atmosphere.

### Southern Westchester\*



### Northern Westchester\*



\* Single Family Homes Only



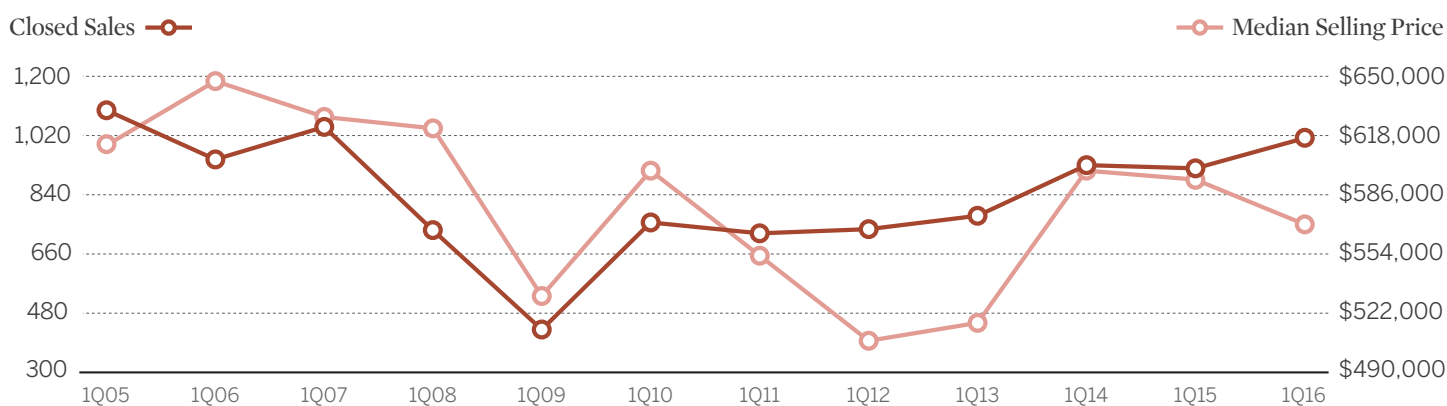
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TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
WESTCHESTER COUNTY	966	1,050	9%	3%	595,000	\$570,000	-4%	\$649,000	\$645,000	-1%
Southern Westchester	657	739	12%	9%	\$621,000	\$615,000	-1%	\$580,000	\$614,000	6%
Ardasley	21	19	-10%	-8%	\$526,000	\$615,000	17%	\$610,000	\$663,000	9%
Blind Brook	17	12	-29%	-25%	\$800,000	\$808,000	1%	\$815,000	\$799,000	-2%
Briarcliff Manor	11	11	0%	20%	\$610,000	\$810,000	33%	\$775,000	\$810,000	5%
Bronxville	10	9	-10%	7%	\$1,391,000	\$1,250,000	-10%	\$1,663,000	\$2,200,000	32%
Dobbs Ferry	15	16	7%	-2%	\$655,000	\$710,000	8%	\$739,000	\$721,000	-2%
Eastchester	15	23	53%	47%	\$760,000	\$745,000	-2%	\$710,000	\$716,000	1%
Edgemont	23	10	-57%	-63%	\$1,150,000	\$894,000	-22%	\$1,213,000	\$1,037,000	-15%
Elmsford	10	14	40%	3%	\$393,000	\$310,000	-21%	\$365,000	\$430,000	18%
Greenburgh	28	26	-7%	-9%	\$445,000	\$460,000	3%	\$461,000	\$477,000	3%
Harrison	32	32	0%	19%	\$1,058,000	\$1,335,000	26%	\$1,300,000	\$1,131,000	-13%
Hartsdale (P.O.)	18	16	-11%	-9%	\$471,000	\$558,000	18%	\$528,000	\$550,000	4%
Hastings	8	13	63%	55%	\$752,000	\$725,000	-4%	\$743,000	\$789,000	6%
Irvington	11	11	0%	57%	\$850,000	\$1,300,000	53%	\$987,000	\$975,000	-1%
Mamaroneck *	46	52	13%	-20%	\$1,195,000	\$1,000,000	-16%	\$1,025,000	\$1,180,000	15%
Mount Pleasant	15	21	40%	29%	\$515,000	\$525,000	2%	\$526,000	\$555,000	6%
Mount Vernon	22	28	27%	33%	\$328,000	\$375,000	14%	\$383,000	\$365,000	-5%
New Rochelle	58	67	16%	19%	\$586,000	\$610,000	4%	\$625,000	\$645,000	3%
Ossining	30	36	20%	16%	\$385,000	\$358,000	-7%	\$390,000	\$380,000	-3%
Pelham	13	17	31%	51%	\$532,000	\$780,000	47%	\$760,000	\$878,000	16%
Pleasantville	11	19	73%	85%	\$498,000	\$612,000	23%	\$565,000	\$615,000	9%
Pocantico Hills	2	0	N/A	0%	\$879,000	\$0	-100%	\$623,000	\$794,000	27%
Port Chester	19	20	5%	5%	\$400,000	\$409,000	2%	\$426,000	\$470,000	10%
Purchase (P.O.)	4	5	25%	45%	\$1,606,000	\$2,200,000	37%	\$1,488,000	\$1,265,000	-15%
Rye City	24	18	-25%	-18%	\$2,038,000	\$2,200,000	8%	\$1,875,000	\$1,675,000	-11%
Rye Neck	13	6	-54%	-47%	\$510,000	\$1,011,000	98%	\$849,000	\$870,000	2%
Scarsdale	30	43	43%	31%	\$1,568,000	\$1,450,000	-8%	\$1,488,000	\$1,450,000	-3%
Tarrytown	13	17	31%	162%	\$480,000	\$700,000	46%	\$588,000	\$614,000	4%
Tuckahoe	7	9	29%	63%	\$645,000	\$1,296,000	101%	\$680,000	\$788,000	16%
Valhalla	10	10	0%	39%	\$492,000	\$454,000	-8%	\$505,000	\$515,000	2%
White Plains	39	43	13%	-7%	\$805,000	\$589,500	-27%	\$645,000	\$600,000	-7%
Yonkers	82	115	40%	51%	\$398,000	\$440,000	11%	\$430,000	\$440,000	2%
CONDOMINIUMS AND COOPERATIVES										
Condominiums	165	188	14%	19%	\$338,000	\$338,000	0%	\$350,000	\$350,390	0%
Cooperatives	323	387	20%	22%	\$135,000	\$148,000	10%	\$147,000	\$151,000	3%

\*Mamaroneck School District includes Larchmont P.O.

TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
SINGLE FAMILY										
WESTCHESTER COUNTY	966	1,050	9%	3%	\$595,000	\$570,000	-4%	\$649,000	\$645,000	-1%
Northern Westchester	309	311	1%	-11%	\$551,000	\$480,000	-13%	\$546,000	\$530,000	-3%
Bedford	23	41	78%	23%	\$925,000	\$715,000	-23%	\$845,000	\$765,000	-9%
Byram Hills	28	17	-39%	-50%	\$940,000	\$970,000	3%	\$1,038,000	\$997,000	-4%
Chappaqua	41	21	-46%	-45%	\$932,000	\$941,000	1%	\$900,000	\$905,000	1%
Croton-Harmon	24	10	-58%	-62%	\$534,000	\$418,000	-22%	\$550,000	\$555,000	1%
Hendrick Hudson	25	30	20%	36%	\$330,000	\$373,000	13%	\$405,000	\$425,000	5%
Katonah-Lewisboro	41	40	-2%	-3%	\$625,000	\$625,000	0%	\$633,000	\$603,000	-5%
Lakeland	58	59	2%	-4%	\$341,000	\$327,000	-4%	\$346,000	\$350,000	1%
North Salem	14	13	-7%	12%	\$530,000	\$385,000	-27%	\$529,000	\$405,000	-23%
Peekskill	7	16	129%	77%	\$284,000	\$210,000	-26%	\$250,000	\$280,000	12%
Somers	19	31	63%	39%	\$586,000	\$420,000	-28%	\$545,000	\$493,000	-10%
Yorktown	29	33	14%	24%	\$405,000	\$450,000	11%	\$425,000	\$439,000	3%
CONDOMINIUMS AND COOPERATIVES										
Condominiums	80	94	18%	7%	\$329,000	\$305,000	-7%	\$321,000	\$314,000	-2%
Cooperatives	23	15	-35%	-15%	\$68,000	\$99,000	46%	\$95,000	\$83,000	-13%

## Single Family Homes 11-Year First Quarter Sales





# Fairfield County



Elegant Waterfront Georgian Colonial • Norwalk, CT • MLS: 99131073

# Fairfield County

## 1 Price corrections at the high end in Southern Fairfield County bode well for the luxury sector.

According to New Canaan brokerage manager William Larkin, properties situated at the high end of the market are undergoing a major price adjustment, particularly in towns like New Canaan, Greenwich, Darien, Fairfield, Southport and Westport, as sellers need less convincing that their homes should be priced competitively. They understand now that today's buyer is well educated on the dynamics of the market, and highly concerned about overspending, especially when considering a home's future resale value. This price correction has certainly attracted more interest in the luxury segment, but also has a trickle-down effect on the lower price points in that it reinforces the idea among consumers that the properties to look at are those representing incredible value. In Southern Fairfield County, the hottest price range tends to be around \$1.25 million to \$2 million, where properties are experiencing multiple bids. As in the top end, if that price is perceived to be even a little off, the property won't sell.

## 2 Sales are starting to progress up the price ladder in Northern Fairfield County.

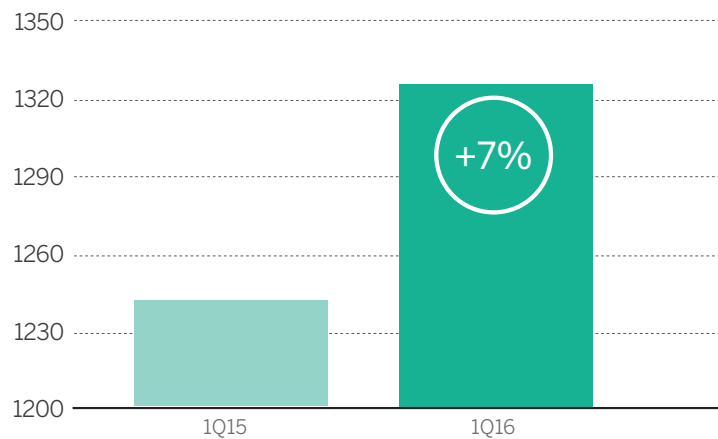
In the northern part of the county, the first quarter saw strength in the lowest price categories, but the current data on pending sales suggests that the second quarter will see more activity in higher price ranges. For example, in Ridgefield 63% of all sales in the first quarter were for properties under \$599,000. Coincidentally, 63% of all under contract properties expected to close in the second quarter are over \$599,000.

## 3 High inventory puts pressure on prices, yielding excellent buying opportunities.

With more inventory to absorb than there are buyers—and even more expected to come on the market as the spring market really gets underway—an overall softening of prices is occurring. There is a direct correlation between prices dropping and offers accepted: Once a property is priced right, it is far more likely to sell. The abundance of inventory and lower prices has resulted in many exceptional deals to be had on wonderful properties, especially outside of the most popular and competitive price ranges.

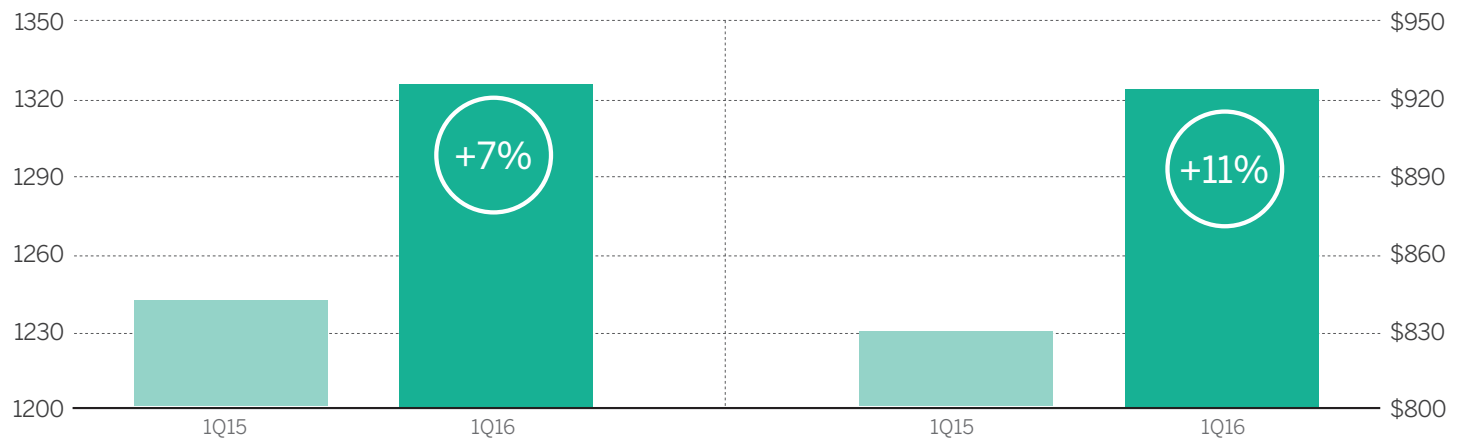
### Single Family Homes Closed Sales

(units)



### Single Family Homes Closed Dollar Volume

(millions)



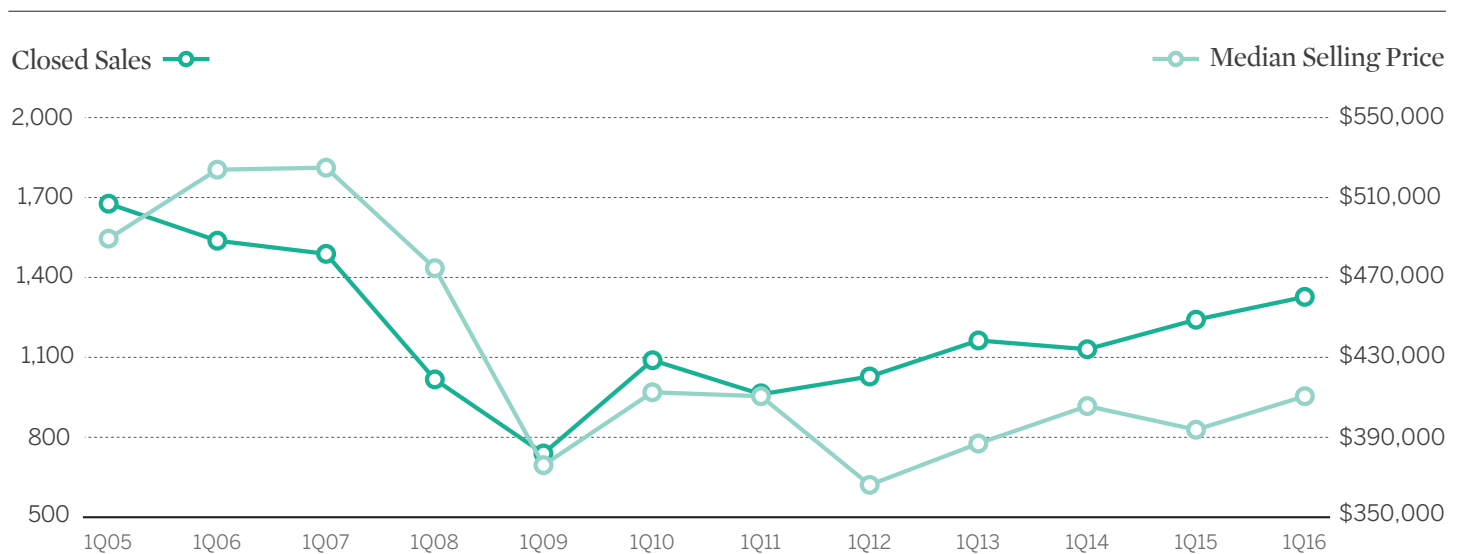
## 4 Buyers want the “perfect package.”

Consumers are on the hunt for the trifecta of the “perfect package”—a great location, a beautiful presentation and a strong value proposition. The properties with the highest chance of selling offer all three. For instance, a close to town home that is staged and offered in turnkey condition as well as priced competitively is likely to receive more interest.

## 5 More New Yorkers are relocating to Fairfield County for the schools.

While Fairfield County has always been sought after for its schools, there is a growing trend of people from Manhattan and Brooklyn migrating to the suburbs because the city schools are short on classroom space, according to Larkin. As New York parents this spring learn whether their children were accepted into their desired schools for the fall, we expect to see even more shoppers here in search of top-rated schools.

## Single Family Homes 11-Year First Quarter Sales



## Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q15	1Q16	1Q15 VS 1Q16	1Q AVERAGE
\$0 - \$799,999	937	995	6%	5,380
\$800,000 - \$1,499,999	172	189	10%	1,682
\$1,500,000 - \$1,999,999	52	51	-2%	612
\$2,000,000 - \$2,999,999	49	44	-10%	519
\$3,000,000 - \$4,999,999	16	33	106%	440
\$5,000,000 - \$9,999,999	10	9	-10%	216
\$10,000,000+	5	4	-20%	65

TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
SINGLE FAMILY										
FAIRFIELD COUNTY	1,241	1,325	7%	11.3%	\$393,000	\$410,000	4%	\$455,000	\$446,000	-2%
Bethel	36	33	-8%	-10.8%	\$297,000	\$295,000	-1%	\$308,000	\$295,000	-4%
Brookfield	36	32	-11%	9.8%	\$335,000	\$370,000	10%	\$360,000	\$371,000	3%
Danbury	81	87	7%	18.6%	\$242,000	\$256,000	6%	\$260,000	\$269,000	3%
Darien	33	44	33%	60.7%	\$1,707,000	\$1,433,000	-16%	\$1,414,000	\$1,485,000	5%
Easton	19	27	42%	69.6%	\$570,000	\$630,000	11%	\$615,000	\$595,000	-3%
Fairfield	113	120	6%	-1.1%	\$545,000	\$622,000	14%	\$569,000	\$590,000	4%
Greenwich	114	122	7%	-4.6%	\$1,563,000	\$1,500,000	-4%	\$1,600,000	\$1,675,000	5%
Monroe	39	28	-28%	-33.7%	\$348,000	\$312,000	-10%	\$349,000	\$334,000	-4%
New Canaan	34	31	-9%	0.9%	\$1,420,000	\$1,750,000	23%	\$1,435,000	\$1,595,000	11%
New Fairfield	38	40	5%	15.1%	\$286,000	\$321,000	12%	\$322,000	\$330,000	2%
Newtown	69	72	4%	7%	\$345,000	\$358,000	4%	\$360,000	\$367,000	2%
Norwalk	107	113	6%	4.1%	\$430,000	\$408,000	-5%	\$440,000	\$433,000	-2%
Oxford*	21	20	-5%	-13.4%	\$374,000	\$315,000	-16%	\$358,000	\$335,000	-6%
Redding	24	23	-4%	94.1%	\$510,000	\$585,000	15%	\$573,000	\$530,000	-8%
Ridgefield	48	55	15%	20.8%	\$628,000	\$541,000	-14%	\$650,000	\$640,000	-2%
Rowayton	14	15	7%	11.1%	\$1,138,000	\$900,000	-21%	\$1,063,000	\$1,175,000	11%
Shelton	61	53	-13%	-7.8%	\$271,000	\$297,000	10%	\$310,000	\$308,000	-1%
Sherman	8	12	50%	31.5%	\$363,000	\$418,000	15%	\$418,000	\$430,000	3%
Southbury*	19	33	74%	127.3%	\$366,000	\$388,000	6%	\$356,000	\$390,000	10%
Stamford	122	143	17%	19.1%	\$501,000	\$545,000	9%	\$589,000	\$579,000	-2%
Stratford	100	110	10%	-0.9%	\$209,000	\$213,000	2%	\$229,000	\$227,000	-1%
Trumbull	53	71	34%	27.4%	\$350,000	\$370,000	6%	\$365,000	\$363,000	-1%
Weston	21	22	5%	9.9%	\$655,000	\$715,000	9%	\$805,000	\$850,000	6%
Westport	61	62	2%	-10.5%	\$1,250,000	\$1,380,000	10%	\$1,300,000	\$1,340,000	3%
Wilton	29	26	-10%	-7.4%	\$875,000	\$861,000	-2%	\$823,000	\$813,000	-1%
CONDOMINIUMS										
FAIRFIELD COUNTY	454	477	5%	8.1%	\$225,000	\$213,000	-5%	\$250,000	\$242,000	-3%

\*New Haven County

# The Shoreline



Beach Living at Its Finest • Madison, CT • MLS: N10119888

# The Shoreline

## 1 The entry level market experienced a very robust first quarter.

Continuing a trend that began in the first quarter of last year, there was a great deal of activity among properties situated at the lowest price points. Closed sales were plentiful in the \$200,000 to \$300,000 range in towns like Branford and Clinton, and \$300,000 to \$500,000 in Guilford and Madison.

## 2 Positive change is occurring in the higher price points including waterfront.

After a relatively slow period at the higher end of the spectrum along the Connecticut Shoreline, we are at last seeing some movement among properties priced in the \$600,000 to \$700,000 range, and even with homes over \$999,000. Also encouraging, we have observed glimmers of interest in waterfront according to Madison and Guilford brokerage manager Kathy Mitchell, and sellers are emboldening those prospective buyers by making significant price reductions on their properties. We look forward to continuing to watch the waterfront sector in the second quarter and throughout 2016 to see if these positive signs will translate into real momentum.

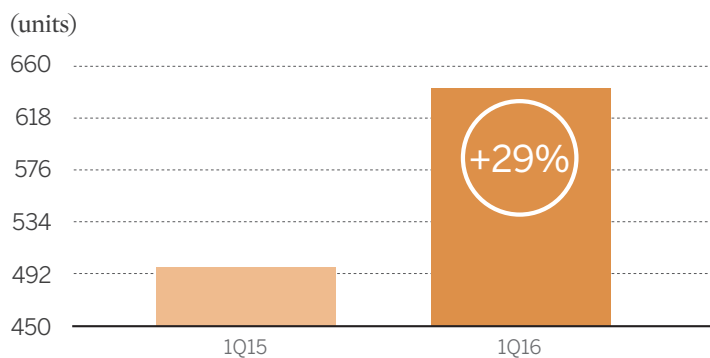
## 3 The market is priced right for the first-time buyer.

Prices have adjusted to levels that are meeting the healthy demand among younger, first-time purchasers, according to Mitchell. In prior years this population was often priced out of the Shoreline market, but properties have become more affordable to the point that these buyers are moving out of their rentals and into their first homes.

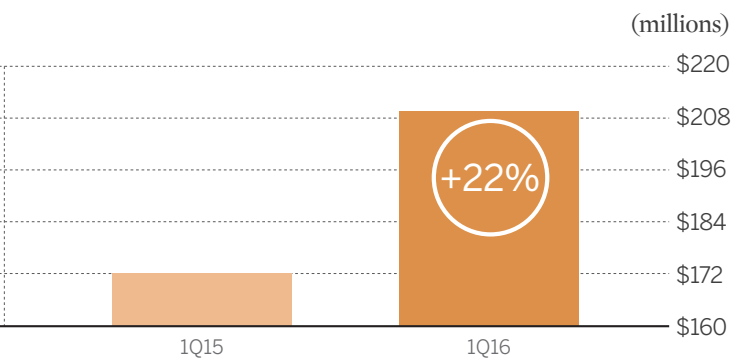
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	1Q15	1Q16	1Q15 VS 1Q16	1Q AVERAGE
\$0 - \$399,999	358	478	34%	1,985
\$400,000 - \$749,999	112	133	19%	1,039
\$750,000 - \$999,999	13	18	38%	264
\$1,000,000 - \$1,499,999	8	10	25%	149
\$1,500,000+	5	3	-40%	173

## Single Family Homes Closed Sales



## Single Family Homes Closed Dollar Volume



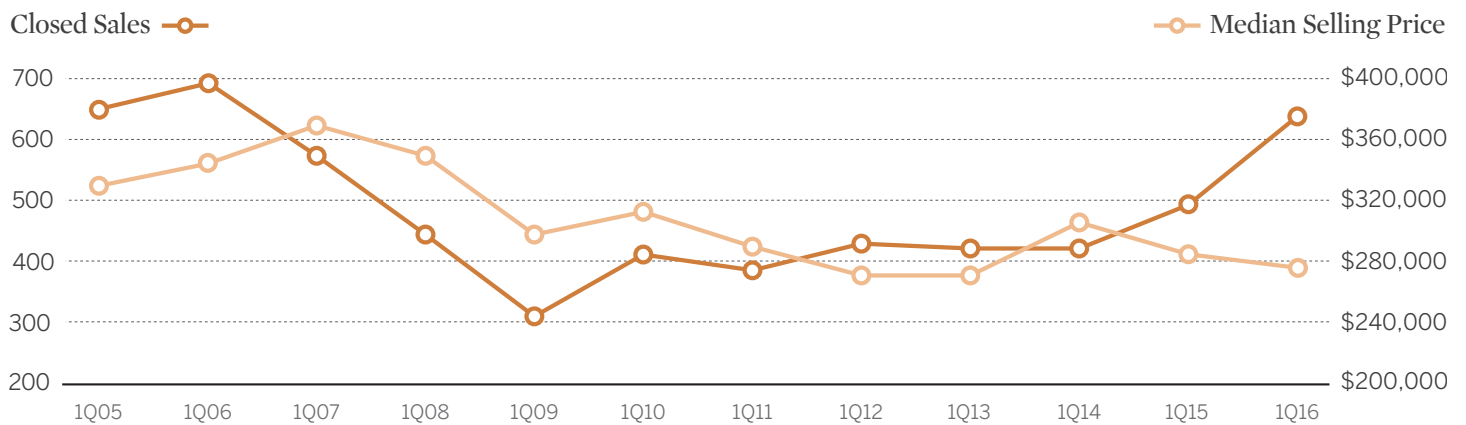
## 4 Lower prices have resulted in a lower median, but with unit sales up, volume has also increased.

With more sales happening at the lower price levels across the Shoreline, the median price point has naturally come down versus the first quarter of last year. But unit sales have increased, with first quarter 2016 closed sales standing 29% higher than the same period of 2015. The busy selling activity at the lower end is making up for the slower sales at the upper end, so that dollar volume this quarter has seen a healthy increase.

## 5 Buyers typically seek properties that are not only priced well, but presented in move-in condition.

The everyman buyer of 2016 is really after the move-in ready home that requires no work, offers quality finishes and represents the best value in a given price point. Those residences in top shape that are competitively priced are most likely to achieve the highest sale in their price bracket within the shortest amount of time.

### Single Family Homes 11-Year First Quarter Sales



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
SINGLE FAMILY										
THE SHORELINE	496	640	29%	22%	\$285,000	\$276,000	-3%	\$295,000	\$295,000	0%
Branford	45	44	-2%	8%	\$312,000	\$300,000	-4%	\$311,000	\$329,000	6%
Chester	9	11	22%	14%	\$324,000	\$275,000	-15%	\$289,000	\$294,000	2%
Clinton	38	34	-11%	-4%	\$237,000	\$253,000	7%	\$240,000	\$265,000	10%
Deep River	8	22	175%	118%	\$283,000	\$227,000	-20%	\$245,000	\$229,000	-7%
East Haddam	19	30	58%	64%	\$227,000	\$225,000	-1%	\$238,000	\$216,000	-9%
East Lyme	29	44	52%	32%	\$303,000	\$281,000	-7%	\$275,000	\$295,000	7%
Essex*	20	18	-10%	-18%	\$419,000	\$332,000	-21%	\$391,000	\$376,000	-4%
Groton	44	77	75%	71%	\$219,000	\$196,000	-11%	\$215,000	\$221,000	3%
Guilford	44	52	18%	18%	\$350,000	\$305,000	-13%	\$380,000	\$352,000	-7%
Haddam	14	28	100%	84%	\$289,000	\$250,000	-13%	\$275,000	\$255,000	-7%
Killingworth	11	18	64%	21%	\$335,000	\$304,000	-9%	\$343,000	\$350,000	2%
Lyme	4	7	75%	-18%	\$684,000	\$435,000	-36%	\$616,000	\$435,000	-29%
Madison	45	58	29%	33%	\$420,000	\$406,000	-3%	\$435,000	\$401,000	-8%
New London	21	25	19%	-10%	\$150,000	\$108,000	-28%	\$153,000	\$129,000	-16%
North Stonington	15	9	-40%	-38%	\$265,000	\$210,000	-21%	\$240,000	\$220,000	-8%
Old Lyme	20	19	-5%	-41%	\$444,000	\$275,000	-38%	\$338,000	\$335,000	-1%
Old Saybrook	22	20	-9%	-13%	\$358,000	\$403,000	13%	\$340,000	\$356,000	5%
Stonington	41	42	2%	8%	\$252,000	\$279,000	11%	\$270,000	\$308,000	14%
Waterford	42	56	33%	35%	\$190,000	\$201,000	6%	\$225,000	\$216,000	-4%
Westbrook	7	20	186%	158%	\$270,000	\$280,000	4%	\$292,000	\$310,000	6%
CONDOMINIUMS										
THE SHORELINE	136	154	13%	-3%	\$148,000	\$157,000	6%	\$155,000	\$159,000	3%

\*Includes Essex, Ivoryton and Centerbrook



# Litchfield County



Dwell-style Home With Forever Western Views • Roxbury, CT • MLS: LI0117673

# Litchfield County

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## 1 The mild winter gave a jumpstart to spring market.

This winter's weather was much milder than usual, and this was reflected both in the higher number of listings coming to market in February and March, and in the higher unit sales, increasing 6% from the first quarter of 2015 to the first quarter of 2016. The most popular price range was \$250,000 to \$500,000, with properties priced between \$1 million and \$1.5 million also seeing an uptick.

## 2 When the price is right, the property is more likely to sell.

When a buyer senses a great deal, they are likely to jump on it. We are seeing multiple bid situations with properties that are new to the market and priced either at or below market value, along with properties that have undergone reductions and finally landed at the right price point. In the latter category, even properties that have been sitting on the market for several years are now selling once their prices have been appropriately adjusted. These price corrections are happening more and more as seller expectations become more aligned with the realities of the marketplace.

## 3 Consumers want finished products that don't require any work.

As we have commonly seen in our market areas, today's buyers gravitate toward properties that are in excellent condition and ready to move into. Houses that need work tend to sit on the market.

## 4 Litchfield County remains a highly sought-after second home destination.

The second home market is consistently strong in this region, with buyers continually drawn to the area for the beautiful countryside, outdoor activities, cultural events and attractions, and more. Consumers recognize the exceptional value and lifestyle they can find only two hours outside of New York City. According to Litchfield County brokerage manager Kristine Newell, weekends are the backbone of the luxury sector, and will continue to seek well-priced homes in good condition as an investment and getaway.

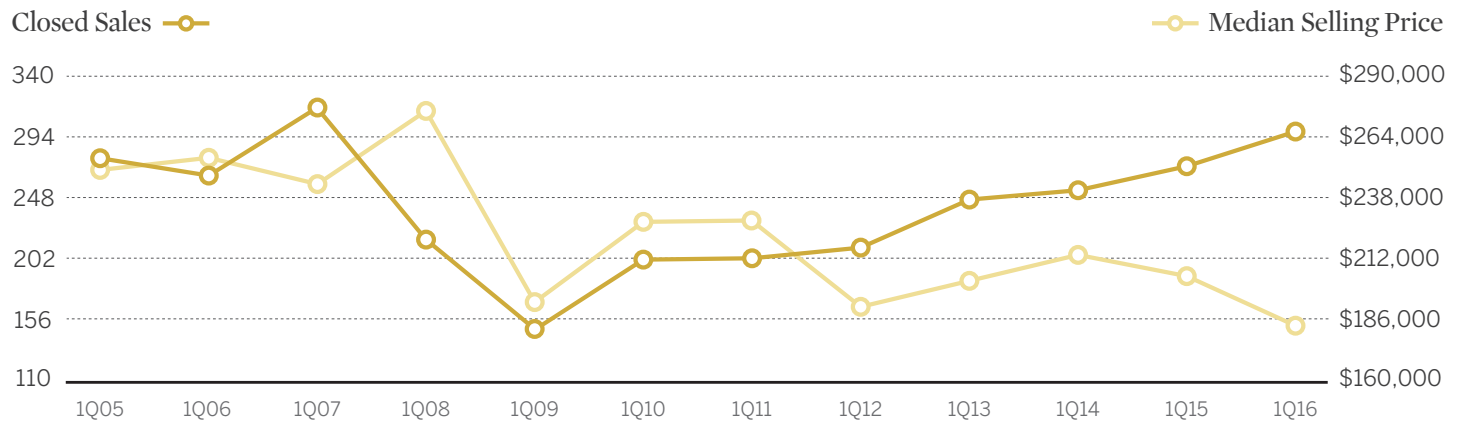


Mohawk Mountain Ski House • Cornwall, CT • MLS: L10119455

## 5 All signs point to a healthy summer selling season.

The height of the market in this region is summertime, and it is unusual to head into that season with so many closed sales already recorded. The positive selling activity in the first quarter is a very good sign of things to come as we move into the prime real estate season in Litchfield County.

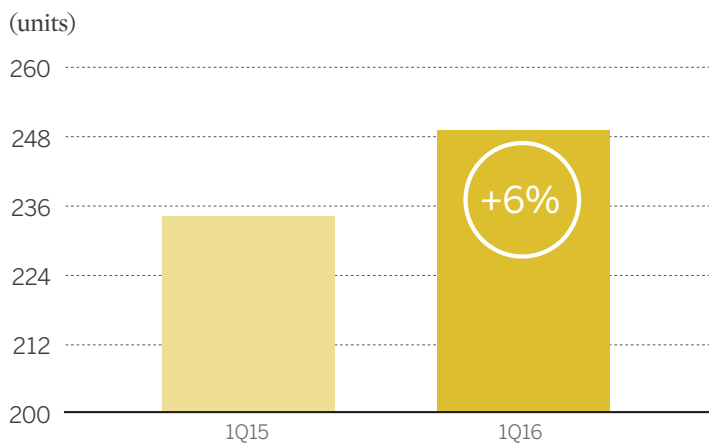
### Single Family Homes 11-Year First Quarter Sales



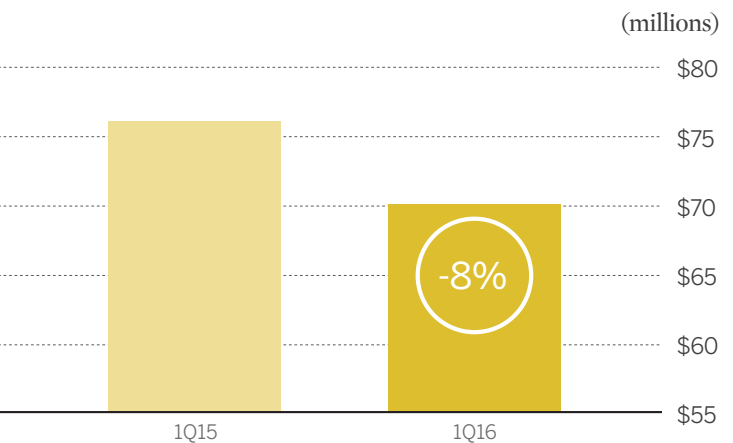
### Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q15	1Q16	1Q15 VS 1Q16	1Q AVERAGE
\$0 - \$399,999	193	213	10%	1,140
\$400,000 - \$749,999	23	25	9%	371
\$750,000 - \$999,999	4	2	-50%	108
\$1,000,000 - \$1,999,999	10	7	-30%	139
\$2,000,000 - \$4,999,999	4	2	-50%	59
\$5,000,000+	N/A	N/A	N/A	16

### Single Family Homes Closed Sales



### Single Family Homes Closed Dollar Volume



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
SINGLE FAMILY										
LITCHFIELD COUNTY	234	249	6%	-8.1%	\$205,000	\$185,000	10%	\$216,000	\$210,000	-3%
Barkhamsted	8	6	-25%	-42.5%	\$223,000	\$237,000	6%	\$227,000	\$218,000	-4%
Bethlehem	8	7	-13%	-42%	\$281,000	\$165,000	41%	\$290,000	\$250,000	-14%
Bridgewater	3	3	0%	2%	\$330,000	\$566,000	72%	\$413,000	\$627,000	52%
Canaan	7	2	-71%	N/A	\$275,000	\$230,000	16%	\$180,000	\$141,000	-22%
Colebrook	1	1	0%	-41%	\$216,000	\$128,000	-41%	\$227,000	\$215,000	-5%
Cornwall*	2	5	150%	433%	\$134,000	\$295,000	-120%	\$380,000	\$258,000	-32%
Goshen	11	11	0%	-38%	\$318,000	\$235,000	-26%	\$319,000	\$315,000	-1%
Harwinton	15	17	13%	29%	\$190,000	\$250,000	-32%	\$220,000	\$235,000	7%
Kent, South Kent	9	12	33%	9%	\$520,000	\$375,000	-28%	\$373,000	\$346,000	-7%
Litchfield, Milton	15	15	0%	-8%	\$275,000	\$235,000	15%	\$319,000	\$285,000	-11%
Morris	8	4	-50%	-16%	\$257,000	\$168,000	-35%	\$263,000	\$238,000	-10%
New Hartford	11	8	-27%	-9%	\$175,000	\$245,000	-40%	\$271,000	\$243,000	-10%
New Milford	21	51	143%	-48%	\$300,000	\$218,000	-27%	\$268,000	\$269,000	0%
Norfolk	1	7	600%	7,610%	\$25,000	\$197,000	-688%	\$249,000	\$233,000	-6%
Plymouth	23	19	-17%	-30%	\$162,000	\$134,000	-17%	\$162,000	\$154,000	-5%
Roxbury	6	5	-17%	-14%	\$579,000	\$631,000	-9%	\$639,000	\$585,000	-8%
Salisbury	9	7	-22%	-44%	\$550,000	\$215,000	-61%	\$375,000	\$550,000	47%
Sharon	8	11	38%	-40%	\$963,000	\$305,000	68%	\$420,000	\$279,000	-34%
Thomaston	16	9	-44%	-30%	\$173,000	\$205,000	18%	\$191,000	\$186,000	-3%
Torrington	52	71	37%	34%	\$100,000	\$117,000	-17%	\$137,000	\$124,000	-9%
Warren	2	8	300%	972%	\$270,000	\$263,000	-3%	\$500,000	\$268,000	-46%
Washington**	6	5	-17%	-69%	\$1,735,000	\$420,000	76%	\$628,000	\$439,000	-30%
Watertown	42	40	-5%	-11%	\$205,000	\$188,000	-8%	\$200,000	\$190,000	-5%
Winchester	15	25	67%	66%	\$102,000	\$126,000	24%	\$123,000	\$134,000	9%
Woodbury	15	21	40%	17%	\$270,000	\$298,000	-10%	\$311,000	\$306,000	-2%
CONDOMINIUMS										
LITCHFIELD COUNTY	44	40	-9%	-21%	\$97,000	\$97,000	0%	\$107,000	\$100,000	-7%

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

# Southern Berkshire County



Thistlewood - A Timeless & Classic Berkshire Cottage • Lenox, MA • MLS: 214688

# Southern Berkshire County

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## 1 The Southern Berkshires experienced an outstanding quarter in unit sales and dollar volume.

For the first quarter of 2016, unit sales in Southern Berkshire County stood a remarkable 63% higher than the same period of 2015, while sales volume was up 65% over the prior year. Properties at every price point benefited from the robust sales activity, with homes going under contract across the spectrum from the low \$200,000s to over \$1 million. The Northern Berkshires had a healthy quarter as well, with 24% more units sold year to date in 2016 compared to the same time last year.

## 2 Properties are priced to sell.

The days of the seller launching their home at a high price then slowly reducing until at last coming into line with the marketplace have begun to wane. Sellers are both more realistic and more serious about finding a buyer, and are pricing their properties correctly, as evidenced by the strong uptick in sales year over year. Purchasers are out in force to take full advantage of the great deals to be had.

## 3 Inventory is a little low due to heightened buyer activity, but more properties are expected to come to the market soon.

The excellent news that inventory is moving means that the current supply of active listings is slightly down compared to last year. However, we are poised to enter the prime listing season in the Berkshires and expect to soon see plenty of fresh options to meet the high level of buyer demand. Many sellers, fully understanding that today's buyer is looking for move-in condition, are taking more time than usual to list in order to properly prep and stage their properties before coming to the market.



Spectacular 36-acre Estate Steps From Tanglewood • Stockbridge, MA • MLS: 211352

## 4 The Berkshires is witnessing an influx in primary home buyers from the city.

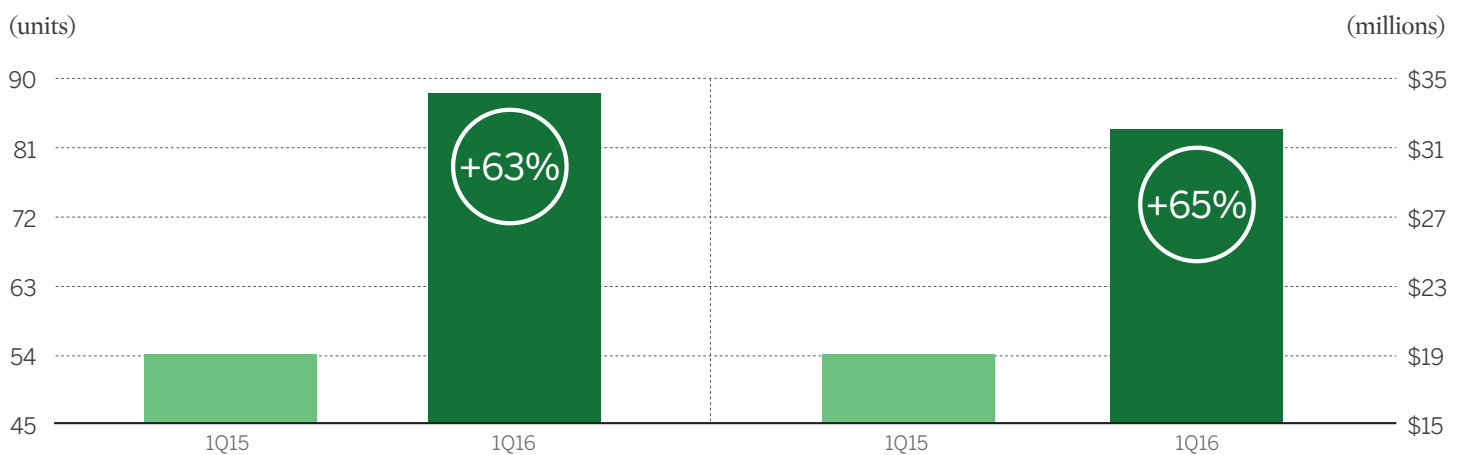
While this region of the country has long served as a sought-after second home destination, and still does, according to Great Barrington assistant manager Timothy Donnelly there is a trend of homeowners from the baby boomer generation putting their properties on the market as they see their children and grandchildren taking less and less advantage of these long-held summer retreats. These properties are then scooped up by younger buyers from New York and Boston, seeking not vacation homes but primary residences out in the country, where they can settle in to raise their own families. This transition from a traditional second home to a more primary home market is a fascinating trend that we will continue to watch.

## 5 Current under contracts point to more market momentum ahead.

As of the end of the first quarter of 2016, under contract homes in the Southern Berkshires were 29% ahead of the same period in 2015, and 38% ahead in the Northern Berkshires. These figures give us every reason to believe that the very positive activity we have observed so far this year will only continue through the second quarter and beyond.

### Single Family Homes Closed Sales

### Single Family Homes Closed Dollar Volume

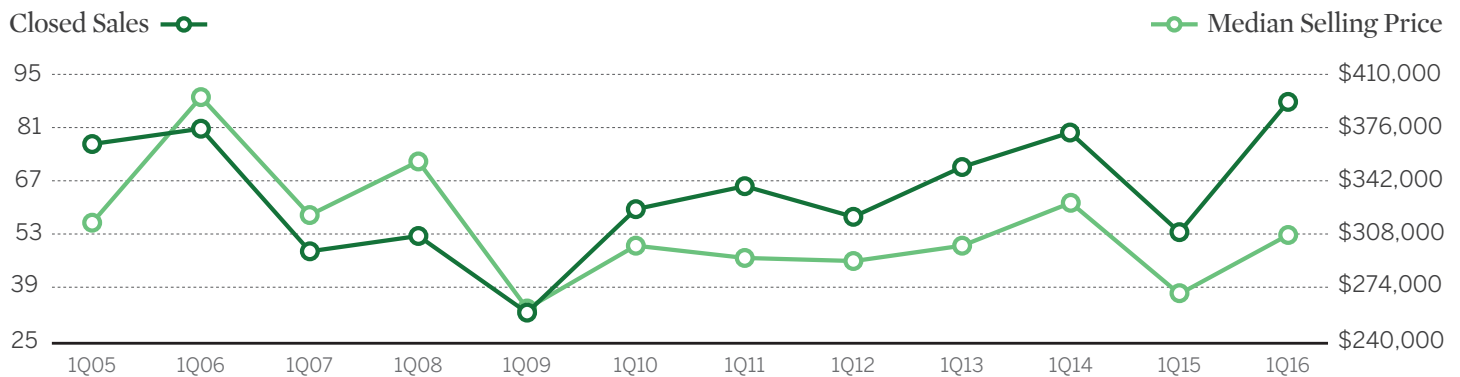


### Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q15	1Q16	1Q15 VS 1Q16	1Q AVERAGE
\$0 - \$399,999	44	58	32%	377
\$400,000 - \$749,999	6	24	300%	234
\$750,000 - \$999,999	2	2	0%	71
\$1,000,000 - \$1,499,999	2	3	50%	35
\$1,500,000+	1	1	0%	54

TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q15	1Q16	1Q15 VS 1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16	1Q15	1Q16	1Q15 VS 1Q16
<b>SINGLE FAMILY</b>										
<b>SOUTHERN BERKSHIRE COUNTY</b>	54	88	63%	65%	\$285,000	\$307,000	8%	\$361,000	\$396,000	10%
Alford	2	2	0%	-26%	\$1,118,000	\$825,000	-26%	\$650,000	\$550,000	-15%
Becket	5	13	160%	254%	\$223,000	\$290,000	30%	\$208,000	\$215,000	3%
Egremont	2	4	100%	99%	\$291,000	\$268,000	-8%	\$348,000	\$315,000	-9%
Gt. Barrington	11	17	55%	70%	\$268,000	\$307,000	15%	\$263,000	\$300,000	14%
Lee	4	6	50%	44%	\$208,000	\$223,000	7%	\$225,000	\$212,000	-6%
Lenox	7	2	-71%	-68%	\$312,000	\$344,000	10%	\$290,000	\$385,000	33%
Monterey	1	4	300%	55%	\$1,100,000	\$447,000	-59%	\$378,000	\$397,000	5%
Mt. Washington	1	1	0%	-52%	\$140,000	\$68,000	-51%	\$233,000	\$193,000	-17%
New Marlborough	6	7	17%	81%	\$165,000	\$280,000	70%	\$265,000	\$357,000	35%
Otis	2	1	-50%	-38%	\$170,000	\$210,000	24%	\$250,000	\$312,000	25%
Richmond	0	4	N/A	N/A	NO SALES	\$402,000	N/A	\$318,000	\$330,000	4%
Sandisfield	1	4	300%	796%	\$195,000	\$405,000	108%	\$279,000	\$255,000	-9%
Sheffield	5	8	60%	-36%	\$270,000	\$149,000	-45%	\$269,000	\$254,000	-6%
Stockbridge	5	7	40%	126%	\$410,000	\$403,000	-2%	\$367,000	\$400,000	9%
Tyringham	0	2	N/A	N/A	NO SALES	\$273,000	N/A	\$333,000	\$405,000	22%
West Stockbridge	2	3	50%	103%	\$344,000	\$450,000	31%	\$385,000	\$328,000	-15%
<b>CONDOMINIUMS</b>										
<b>SOUTHERN BERKSHIRE COUNTY</b>	5	4	-20%	-16%	\$255,000	\$164,000	-36%	\$282,000	\$308,000	9%

## Single Family Homes 11-Year First Quarter Sales





# Where We Are Headed



Rosehill Estate • New Canaan, CT • MLS: 99105899

Our market areas are truly a unique part of the world with their close proximity to New York City, the heartbeat of the region. The economy and job outlook in New York remains incredibly healthy, but not everyone who works or simply enjoys spending time there wishes to live full time in that urban environment. The rare lifestyle our towns present—the combination of a beautiful country atmosphere, high-quality suburban amenities, exceptional public schools and convenient city access—will always be sought after among first and second home buyers alike.

That said, today's seller must be very aware that buyers will not consider a property unless the price represents a significant value proposition. These consumers educate themselves on the market conditions and carefully watch what is transacting and what isn't, and when they bid on a home they take all emotion out of it: The typical buyer will make an offer on several properties, finally choosing the one where they can get the best price but otherwise indifferent on which they end up purchasing. The price is important, but the real winners are those properties that also offer both great condition and a great location, close to town with walkability to shopping, restaurants, parks and other amenities.

The good news is that sellers appear to be more attuned than ever to what buyers want. They're staging their homes and they're pricing them to sell, and we expect this phenomenon to continue to fuel the fire of buyer demand as we move forward through the year. In addition, with an abundance of inventory, buyers have many options and exceptional opportunities available to them, from the top of the price spectrum on down. Sellers will keep listing their homes for multiple reasons—in some cases, they perceive that the marketplace could become over-saturated with inventory and will want to beat that flood, and in others, they are aware of pending tax revaluations in their own communities and will want to sell ahead of any possible increases. In all cases, they want to take advantage of the high motivation among buyers.

We at William Pitt and Julia B. Fee Sotheby's International Realty hope you find the insights provided in this report to be of value. 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.