

# Market Watch

FIRST QUARTER 2018



William Pitt  
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INTERNATIONAL REALTY



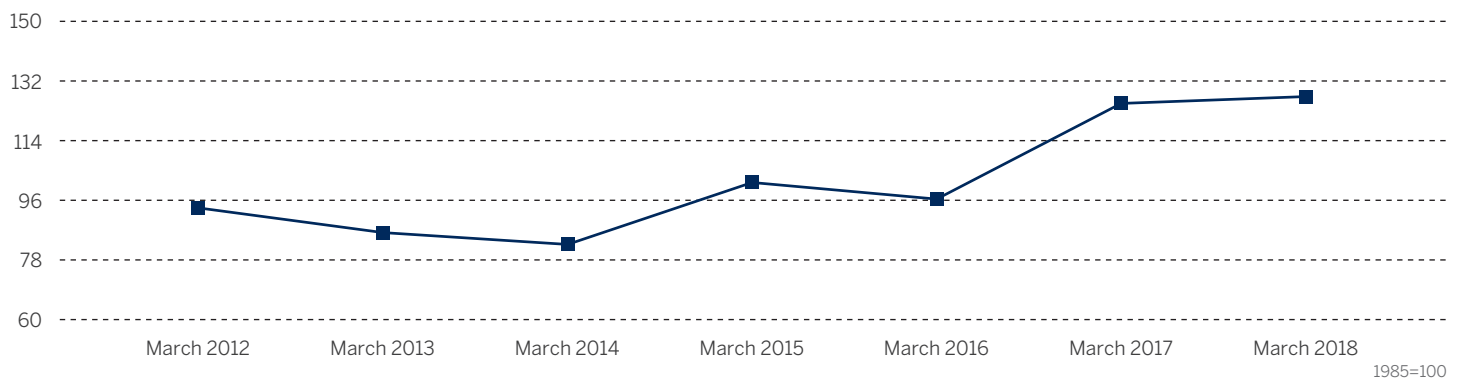
As we closed 2017, another year of exceptional growth for real estate over the year prior, it is striking to note that the new year started with somewhat lower sales versus the first quarter last year. The declines are not enormous, but they are consistent and therefore significant. Every market we serve experienced a small decrease in either unit sales or dollar volume, or both, from quarter one of 2017 to quarter one of 2018.

Westchester County was down by 6% in unit sales and 4% in dollar volume, with the southern county seeing a decrease of 7% in units and 3% in volume, and the northern county down 4% in units and 8% in volume. In Connecticut, Fairfield County saw unit sales decreasing by 2% and dollar volume by 3%, Litchfield County had unit sales about even and dollar volume declining 5%, and the Shoreline region of New Haven, Middlesex and New London counties saw unit sales dipping 5% and volume a slight 1%. Up in the Berkshires, Mass., unit sales slid 14% while dollar volume was flat.

It is interesting to consider some historical perspective. Looking all the way back to our annual Market Watch from 2012, we said that year represented a period of solidifying the splintered gains of the preceding eighteen months into a cohesive movement forward. It was the moment we could confidently state that our markets were surging ahead and out of the recession, and nearly every year since has witnessed continued momentum. 2014 took a slight dip under 2013 but still stood as our second best year in sales since 2007, and each year following saw further gains over the previous year. All of this is to say that it has been a very long time since we observed an overall decline in sales year over year.

One quarter's closings are a function of the previous quarter's contracts. It is clear then that the lower rate of closings this quarter may be explained by a pause that occurred among many buyers at the end of last year. We believe the

## Consumer Confidence





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passage of the new tax bill helped to prompt this pause as it spread a degree of uncertainty among consumers, particularly in those states like ours where the bill may have the greatest effect on income and property taxes. As a result, sales are off to a slower start this year, and yet on the flipside, we remain in a very healthy economy where all signs point to an ongoing strong foundation for the real estate market.

The most recent reading of the GDP recorded an expansion of 2.9% in the fourth quarter of 2017 with the largest growth in consumer spending in three years. At the same time, unemployment is holding steady at its lowest rate since 2000 while the job market continues to grow, interest rates are inching up but still at historic lows, and the stock market, while certainly experiencing recent fluctuations in response to potential policy changes, still stands at incredible heights. Consumer confidence, historically the key leverage point in determining the outlook on real estate, remains at elevated levels with a March reading of 127.7 (1985=100) after a historic 18-year high of 130.0 in February, according to the Conference Board Consumer Confidence Index®.

With so much positive news on the economic front, we would expect to observe a robust real estate marketplace, and indeed we witnessed an uptick in sales in March in many of our areas. And in Fairfield County, units under contract are tremendously higher over this time last year, which is good news for the next quarter. We do feel optimistic that high consumer confidence will override concerns associated with the tax bill going forward, though at the same time we cannot predict the future. In recent months we've seen many in our industry speculate in the media on how tax reform will impact the real estate market this year, but our comment in our annual 2017 Market Watch was that it was too soon to tell. We have said it's irresponsible to draw firm conclusions so soon after the signing of the new law, and we stand by this position still.

I hope you find this report informative on what's happening in your market, and invite you to contact one of our sales associates if we can help you with any of your own real estate needs.



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# Westchester County

## 1 Westchester County's first quarter was slower than the same time last year, with some bright spots

Westchester County, like most of the market areas we serve, saw small declines at the beginning of 2018. Overall, the county was down by 6% in unit sales and 4% in dollar volume versus the first quarter of 2017, with the southern county seeing a decrease of 7% in units and 3% in volume, and the northern county down 4% in units and 8% in volume. One bright spot is the Rye and Harrison area, with Harrison in particular witnessing increases of 21% in unit sales and 32% in volume, and the median sale price also increasing a significant 30% versus this time last year. Homes from \$1.9 to \$3 million in Harrison are going into contract at a pace not seen in recent years, with many of the buyers and their agents coming over from other nearby towns as they discover the value they can find for their money here, according to Rye brokerage manager Pati Holmes. Southern Westchester's high end is holding steady with sales continuing among properties priced over \$5 million, a perfect example being the stone estate in Purchase listed with our Rye brokerage for \$6,995,000 that just went into contract. Bronxville manager Virginia Doetsch reports that Bronxville is also seeing more showings now in that town's higher end segment, though that market was down for the quarter. In Northern Westchester, meanwhile, the high end has seen very little movement, though core towns like Chappaqua and Katonah appear relatively stable, turning in results similar to the first quarter of 2017.

## 2 Entry level offerings are in high demand

Properties remain fiercely sought after in the entry sector where inventory is tight, leading to some interesting ramifications. In the Rivertowns, properties in the \$600,000 to \$1.2 million range are often receiving multiple bids including all-cash offers, forcing those who can't match in cash to either tempt the seller with a higher offer that comes with a mortgage contingency, or consider opportunities elsewhere—like Port Chester, Elmsford and Hartsdale, markets that, according to Doetsch, are benefitting from the heavy competition across the southern county and growing in popularity. Even in Northern Westchester, where multiple offers are not the norm according to Rye agent Joanna Rizoulis, there has been a “feeding frenzy” among homes priced under \$800,000. While that region may still be considered a buyer's market most of the time, the recently limited inventory has prompted buyers at the lower price points, often attracted by the area's highly rated school districts, to bid aggressively. Even the smallest home might sell for as much as 10% over its asking price. Rizoulis notes that the second home market here has grown stronger lately as well.

## Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2017	1Q 2018	1Q17 VS 1Q18	1Q AVERAGE
\$0 - \$999,999	886	844	-5%	2,518
\$1,000,000 - \$1,999,999	158	149	-6%	1,092
\$2,000,000 - \$2,999,999	41	34	-17%	399
\$3,000,000 - \$3,999,999	15	13	-13%	172
\$4,000,000 - \$4,999,999	5	0	-100%	62
\$5,000,000 - \$9,999,999	3	4	33%	91
\$10,000,000+	1	1	0%	13

### 3 Many buyers await the arrival of new inventory

With the exception of a few pockets, the consistent story across the county is a lack of inventory with no lack of buyers. In some cases this has led to multiple bid situations as discussed above, but many other purchasers are waiting for new inventory to strike. In certain towns such as Chappaqua, new inventory does exist, just not in the most popular sub-\$900,000 price bracket. Rizoulis points out that in the northern county low inventory is not usually a problem, and she expects many new listings to hit the market once the weather clears.

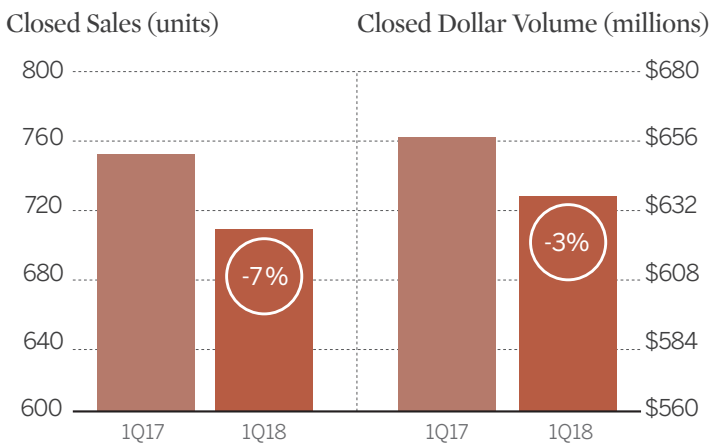
### 4 Condition may still be king, but some buyers don't mind a project

The prospect of walkability and living close to town remains a huge draw for buyers, according to Holmes, and properties presented in excellent condition remain perennially in demand. Properties that have been updated, staged well and priced correctly sell quickly. Yet a new trend has begun to emerge, says Holmes, that some buyers are more willing to take on the potential project of an older, classic home that may require some renovation. Doetsch adds that buyers have become less provincial, placing more priority on finding the right home at the right price over living in a specific town.

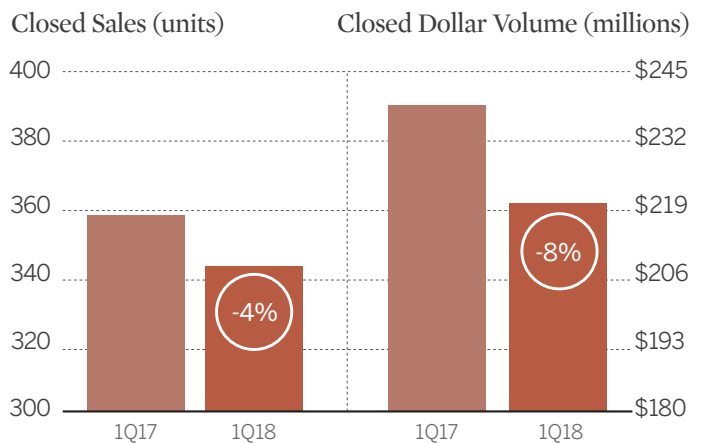
### 5 Brooklyn and Manhattan buyers are out in force

According to a story in the April 2018 issue of Westchester Magazine, many city dwellers are flocking north, with the number of consumers from Brooklyn who purchased in Westchester nearly quadrupling from 2007 to 2016. Today these buyers are out in Westchester in full force, seeking the charming communities and easy commute of the southern county according to Holmes, and the incredible values typically available in the northern according to Rizoulis. Schools are a constant draw as well, says Doetsch, with many buyers looking to close in the months just ahead of the start of the new school year.

## Southern Westchester Single Family Homes



## Northern Westchester Single Family Homes

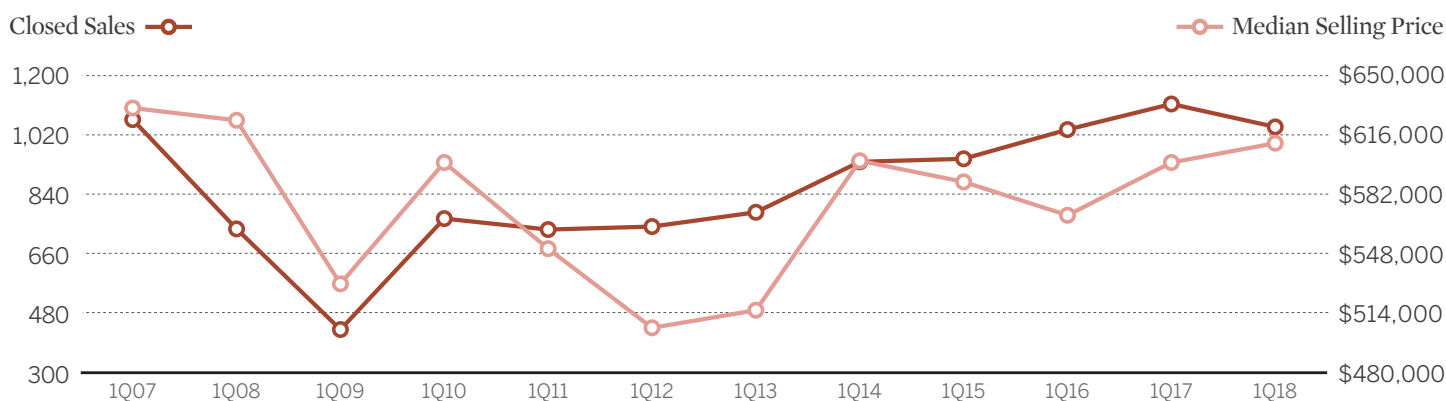


TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
WESTCHESTER COUNTY	1,107	1,042	-6%	-4%	\$599,000	\$610,000	2%	\$650,000	\$665,000	2%
Southern Westchester	751	701	-7%	-3%	\$639,000	\$650,000	2%	\$675,000	\$685,000	1%
Ardsley	18	21	17%	7%	\$631,000	\$714,000	13%	\$660,000	\$715,000	8%
Blind Brook	21	19	-10%	-15%	\$1,045,000	\$895,000	-14%	\$660,000	\$847,000	28%
Briarcliff Manor	10	14	40%	80%	\$849,000	\$883,000	4%	\$890,000	\$847,000	-5%
Bronxville	8	2	-75%	-63%	\$1,471,000	\$2,286,000	55%	\$2,185,000	\$2,350,000	8%
Dobbs Ferry	18	14	-22%	-29%	\$710,000	\$711,000	0%	\$783,000	\$835,000	7%
Eastchester	26	20	-23%	-32%	\$726,000	\$668,000	-8%	\$744,000	\$725,000	-3%
Edgemont	11	11	0%	-11%	\$1,350,000	\$1,190,000	-12%	\$1,182,000	\$1,190,000	1%
Elmsford	17	10	-41%	-29%	\$390,000	\$383,000	-2%	\$420,000	\$445,000	6%
Greenburgh	28	34	21%	9%	\$531,000	\$482,000	-9%	\$492,000	\$515,000	5%
Harrison	28	34	21%	32%	\$1,055,000	\$1,373,000	30%	\$1,220,000	\$1,275,000	5%
Hartsdale (P.O.)	19	19	0%	6%	\$599,000	\$606,000	1%	\$585,000	\$630,000	8%
Hastings	8	12	50%	35%	\$780,000	\$815,000	4%	\$791,000	\$809,000	2%
Irvington	13	12	-8%	-16%	\$976,000	\$823,000	-16%	\$945,000	\$1,000,000	6%
Mamaroneck *	33	26	-21%	-27%	\$1,335,000	\$1,185,000	-11%	\$1,150,000	\$1,200,000	4%
Mount Pleasant	19	24	26%	28%	\$625,000	\$639,000	2%	\$555,000	\$609,000	10%
Mount Vernon	43	40	-7%	15%	\$320,000	\$402,000	26%	\$365,000	\$365,000	0%
New Rochelle	60	67	12%	11%	\$650,000	\$670,000	3%	\$650,000	\$690,000	6%
Ossining	30	36	20%	18%	\$418,000	\$437,000	5%	\$400,000	\$431,000	8%
Pelham	24	16	-33%	-28%	\$890,000	\$1,006,000	13%	\$875,000	\$935,000	7%
Pleasantville	12	12	0%	18%	\$611,000	\$675,000	10%	\$665,000	\$617,000	-7%
Pocantico Hills	2	3	50%	1,661%	\$973,000	\$627,000	-36%	\$920,000	\$744,000	-19%
Port Chester	21	13	-38%	-43%	\$480,000	\$435,000	-9%	\$469,000	\$487,000	4%
Purchase (P.O.)	5	12	140%	76%	\$1,459,000	\$1,082,000	-26%	\$1,480,000	\$1,205,000	-19%
Rye City	28	30	7%	-7%	\$1,800,000	\$1,700,000	-6%	\$1,790,000	\$1,805,000	1%
Rye Neck	11	16	45%	34%	\$1,100,000	\$951,000	-14%	\$1,125,000	\$1,037,000	-8%
Scarsdale	48	26	-46%	-36%	\$1,778,000	\$1,601,000	-10%	\$1,629,000	\$1,635,000	0%
Tarrytown	17	8	-53%	-66%	\$715,000	\$607,000	-15%	\$720,000	\$647,000	-10%
Tuckahoe	8	12	50%	72%	\$775,000	\$755,000	-3%	\$680,000	\$750,000	10%
Valhalla	14	12	-14%	-11%	\$475,000	\$515,000	8%	\$525,000	\$530,000	1%
White Plains	35	47	34%	38%	\$603,000	\$679,000	13%	\$660,000	\$659,000	0%
Yonkers	140	110	-21%	-5%	\$466,000	\$480,000	3%	\$458,000	\$485,000	6%
CONDOMINIUMS AND COOPERATIVES										
Condominiums	165	180	9%	3%	\$375,000	\$370,000	-1%	\$385,000	\$390,000	1%
Cooperatives	414	426	3%	16%	\$150,000	\$160,000	7%	\$156,000	\$163,000	4%

\*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
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
<b>SINGLE FAMILY</b>										
WESTCHESTER COUNTY	1,107	1,042	-6%	-4%	\$599,000	\$610,000	2%	\$650,000	\$665,000	2%
Northern Westchester	356	341	-4%	-8%	\$500,000	\$485,000	-3%	\$525,000	\$555,000	6%
Bedford	49	41	-16%	-12%	\$712,000	\$813,000	14%	\$752,000	\$742,000	-1%
Byram Hills	27	20	-26%	-14%	\$815,000	\$865,000	6%	\$1,050,000	\$980,000	-7%
Chappaqua	29	26	-10%	7%	\$696,000	\$822,000	18%	\$880,000	\$884,000	0%
Croton-Harmon	8	11	38%	23%	\$726,000	\$476,000	-34%	\$565,000	\$575,000	2%
Hendrick Hudson	34	34	0%	15%	\$440,000	\$470,000	7%	\$415,000	\$475,000	14%
Katonah-Lewisboro	44	45	2%	-2%	\$600,000	\$685,000	14%	\$600,000	\$645,000	8%
Lakeland	66	54	-18%	-10%	\$324,000	\$349,000	8%	\$346,000	\$367,000	6%
North Salem	10	17	70%	-35%	\$487,000	\$534,000	10%	\$483,000	\$505,000	5%
Peekskill	27	40	48%	68%	\$250,000	\$304,000	22%	\$272,000	\$285,000	5%
Somers	28	24	-14%	-42%	\$514,000	\$391,000	-24%	\$528,000	\$505,000	-4%
Yorktown	34	29	-15%	-5%	\$438,000	\$425,000	-3%	\$440,000	\$489,000	11%
<b>CONDOMINIUMS AND COOPERATIVES</b>										
Condominiums	97	82	-15%	-20%	\$323,000	\$324,000	0%	\$320,000	\$340,000	6%
Cooperatives	33	27	-18%	-12%	\$104,000	\$99,000	-5%	\$105,000	\$96,000	-9%

## Single Family Homes 12-Year First Quarter Sales





# Fairfield County



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# Fairfield County

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## 1 Sales in Fairfield County overall were slightly under last year, but the higher price ranges performed better

As with most of our markets, Fairfield County in the first quarter performed slightly under the same time last year, with unit sales decreasing by a small 2% and dollar volume by 3%. There is a sense that some buyers may have paused at the end of last year, and we saw the effect of this in several of the lower county's key markets including Greenwich, Darien, New Canaan, Ridgefield and Wilton, each of which experienced declines, though Westport bucked the trend with quarter over quarter sales growth. With consumer confidence still running high, we feel the market will pick up greater speed soon. Interestingly, honing in on certain price categories paints a different picture. Unit sales were higher this year than last in the lower county's \$2 to \$3 million mid-market, a segment that sometimes saw multiple bid interest; the \$3 to \$5 million bracket was nearly flat, off by only a couple of units; and sales in the luxury over \$5 million segment increased. In the northern county, Bethel and Newtown witnessed sales growth while Danbury and Brookfield saw very similar numbers to last year, and New Fairfield was down by just a few units.

## 2 The high end is selling, but at a discount

The upper end has recently been in a phase of prices adjusting downward, and that trend continued in the first quarter of 2018, with a correlating increase in high end sales. Properties offered over \$5 million are frequently selling for as much as 25% off their original asking price. According to New Canaan brokerage manager William Larkin, the high end in lower Fairfield County is often a value-driven marketplace, and a constant refrain among buyers is that they are looking for an incredible deal. Sellers have become more attuned to this phenomenon, and are encouraged by their agents to work with the offers they receive. The result in the first quarter of 2018 was an increase in sales over \$5 million versus the same period last year, with Greenwich's sales in this range holding steady with the first quarter of 2017, and the number of sales above \$5 million outside of Greenwich doubling. The buyer profile for these homes is an increasingly international one, says Larkin. Looking further north to Ridgefield, sellers in that area's \$1 million-plus luxury segment have not yet adjusted their pricing to meet the realities of the marketplace, and upper end sales remain slow, according to Ridgefield brokerage manager Nick Davis.

## 3 Inventory is slow to arrive

So far, 2018 has not seen a rush of new inventory, though those houses that do hit the market often trade quickly since they are indeed new—provided the price is right, says Larkin, adding that the recent winter storms have played a role in the delay of fresh listings. Davis suggests the limited inventory is also helping spur sales of new listings by creating a sense of urgency in buyers, who may risk losing an opportunity, especially in a market like Ridgefield where inventory in the dominant under \$1 million price sector is 11% lower than this time last year.

## 4 There is a significant pipeline leading into quarter two

Although the first quarter's sales came in a little lower than the first quarter of 2017, a look at the number of properties under contract in March throughout Fairfield County reveals a considerable increase over the same time last year. All signs point to a strong second quarter.

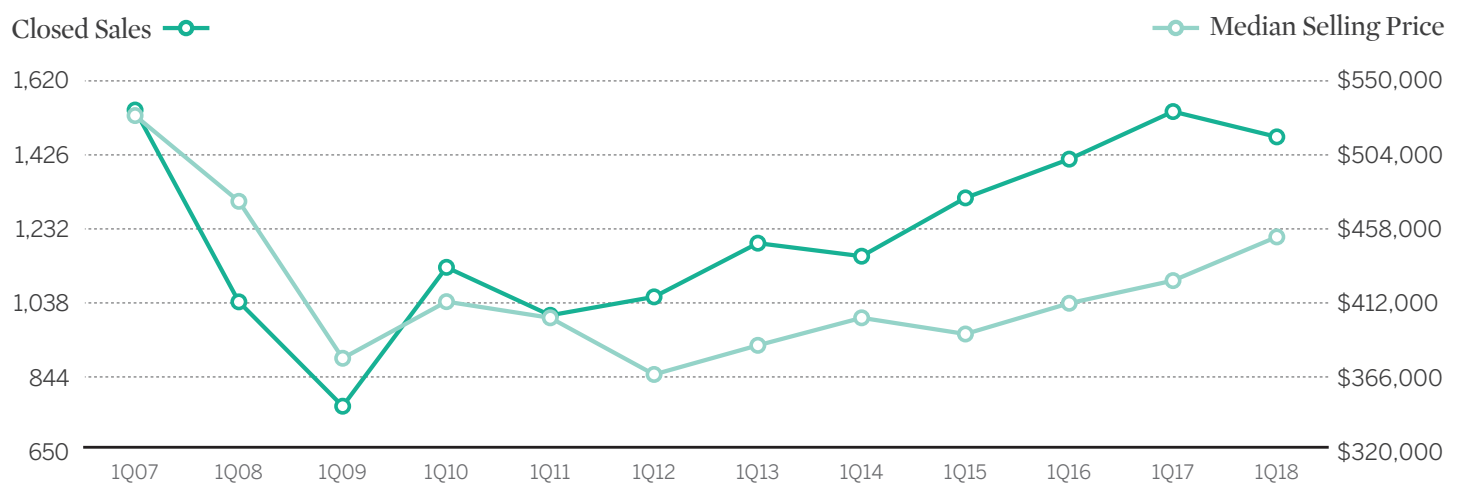
## 5 Bigger isn't necessarily better

Buyers continue to favor smaller properties that are closer to town, notes Larkin, rather than larger properties that are further out. Convenience and proximity to amenities are paramount.

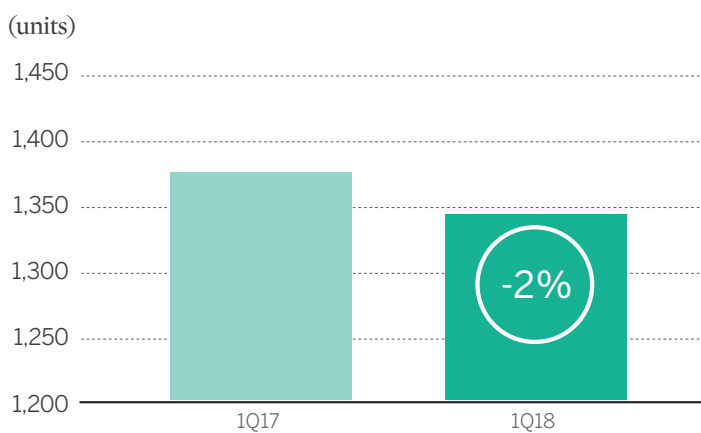
# Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2017	1Q 2018	1Q17 VS 1Q18	1Q AVERAGE
\$0 - \$799,999	1,197	1,143	-5%	4,403
\$800,000 - \$1,499,999	196	182	-7%	1,484
\$1,500,000 - \$1,999,999	67	56	-16%	562
\$2,000,000 - \$2,999,999	58	47	-19%	468
\$3,000,000 - \$4,999,999	18	20	11%	281
\$5,000,000 - \$9,999,999	4	9	125%	128
\$10,000,000+	1	1	0%	25

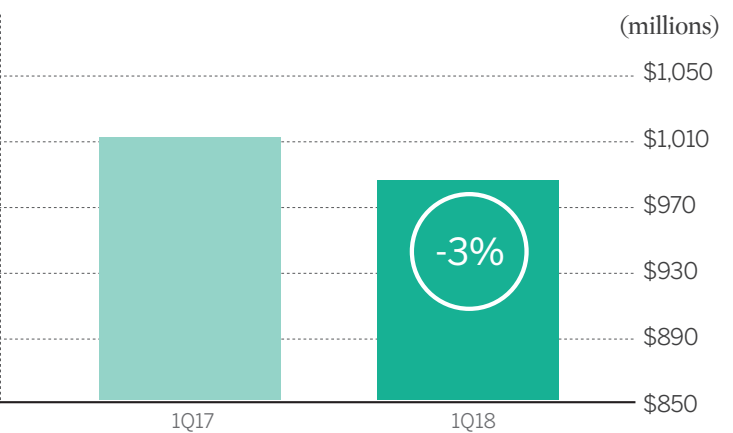
# Single Family Homes 12-Year First Quarter Sales



## 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
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
SINGLE FAMILY										
FAIRFIELD COUNTY	1,372	1,340	-2%	-3%	\$470,000	\$484,000	3%	\$460,000	\$485,000	5%
Bethel	33	42	27%	42%	\$305,000	\$335,000	10%	\$312,000	\$326,000	4%
Brookfield	35	33	-6%	-6%	\$360,000	\$356,000	-1%	\$370,000	\$365,000	-1%
Danbury	81	79	-2%	3%	\$280,000	\$295,000	5%	\$275,000	\$307,000	12%
Darien	47	39	-17%	-23%	\$1,440,000	\$1,128,000	-22%	\$1,375,000	\$1,390,000	1%
Easton	13	22	69%	55%	\$500,000	\$509,000	2%	\$570,000	\$590,000	4%
Fairfield	120	128	7%	4%	\$615,000	\$570,000	-7%	\$595,000	\$590,000	-1%
Greenwich	126	100	-21%	-15%	\$1,870,000	\$2,000,000	7%	\$1,725,000	\$1,805,000	5%
Monroe	36	41	14%	11%	\$327,000	\$365,000	12%	\$367,000	\$373,000	2%
New Canaan	46	34	-26%	-20%	\$1,406,000	\$1,550,000	10%	\$1,435,000	\$1,500,000	5%
New Fairfield	37	33	-11%	-11%	\$372,000	\$325,000	-13%	\$328,000	\$325,000	-1%
Newtown	81	83	2%	19%	\$361,000	\$399,000	11%	\$379,000	\$383,000	1%
Norwalk	127	104	-18%	-8%	\$415,000	\$501,000	21%	\$448,000	\$475,000	6%
Redding	26	21	-19%	-3%	\$420,000	\$534,000	27%	\$524,000	\$500,000	-5%
Ridgefield	61	47	-23%	-29%	\$606,000	\$628,000	4%	\$640,000	\$645,000	1%
Rowayton	15	10	-33%	-37%	\$915,000	\$811,662	-11%	\$1,200,000	\$1,285,000	7%
Shelton	76	71	-7%	-10%	\$313,000	\$312,000	0%	\$328,000	\$330,000	1%
Sherman	15	16	7%	22%	\$425,000	\$418,000	-2%	\$400,000	\$435,000	9%
Stamford	142	149	5%	-2%	\$591,000	\$602,000	2%	\$561,000	\$577,000	3%
Stratford	121	124	2%	9%	\$225,000	\$246,000	9%	\$236,000	\$245,000	4%
Trumbull	75	68	-9%	-9%	\$360,000	\$370,000	3%	\$360,000	\$388,000	8%
Weston	24	23	-4%	-7%	\$628,000	\$690,000	10%	\$794,000	\$781,000	-2%
Westport	66	84	27%	21%	\$1,621,000	\$1,403,000	-13%	\$1,300,000	\$1,300,000	0%
Wilton	44	34	-23%	-31%	\$735,000	\$745,000	1%	\$788,000	\$735,000	-7%
CONDOMINIUMS										
FAIRFIELD COUNTY	493	492	0%	-1%	\$269,000	\$275,000	2%	\$271,000	\$275,000	1%

# The Shoreline



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## 1 In the Connecticut Shoreline, sales mildly decreased compared to the first quarter of 2017

The Connecticut Shoreline region, encompassing New Haven, Middlesex and New London counties, concluded the first quarter with numbers slightly under the same period last year, much like the other markets we serve. Here, unit sales dipped 5% and volume a slight 1% versus the first quarter of 2017. Some towns in the first quarter performed better than others, with Guilford and Madison serving as particularly encouraging standouts: the former saw an increase in unit sales and the latter in dollar volume compared to the first quarter last year. Deep River, where the high end is experiencing a surge of interest, was another bright spot. Meanwhile, other core markets such as Branford, Clinton, Killingworth and Old Lyme were a little down compared to last year, while the Essex area was closer to flat.

## 2 As inventory shrinks in the entry sector, prices are creeping upward in some areas

The entry market continues to serve as the primary driver of the market throughout the Shoreline region, yet in some cases a lack of inventory in the lowest price ranges is pushing sales activity into higher tiers. For example, while most turnkey properties priced under \$400,000 in New Haven County will sell quickly with multiple offers, the tight inventory in that bracket correlates with an upward creep in Guilford and Madison into the \$400,000s and \$500,000s. Guilford and Madison brokerage manager Kathy Mitchell comments that some first time home buyers who are now finding themselves shut out of these towns due to pricing are shifting to nearby Killingworth, where the prices are lower and the value is good, and Guilford and Madison can perhaps serve as a future destination. New London County too is largely driven by the entry sub-\$300,000 market, where properties sell fast with multiple offers as General Dynamics Electric Boat continues to draw more purchasers to the area, according to Essex and Old Lyme brokerage manager Maureen Swarts. In Middlesex County, the \$400,000 to \$600,000 range is proving the hottest segment.

## 3 More listings are needed in the most popular price segments

Speaking of inventory, there is nowhere near enough of it to satisfy the many buyers who are out in force, according to Swarts, who references one recent open house visited by as many as 60 potential buyers. Mitchell suggests that normally more inventory is available by this time of year, but the recent winter weather has caused many sellers to wait for better conditions to photograph and market their homes. Once fresh listings arrive, particularly where it is most needed in the entry market, the buyers will be ready, both managers say.

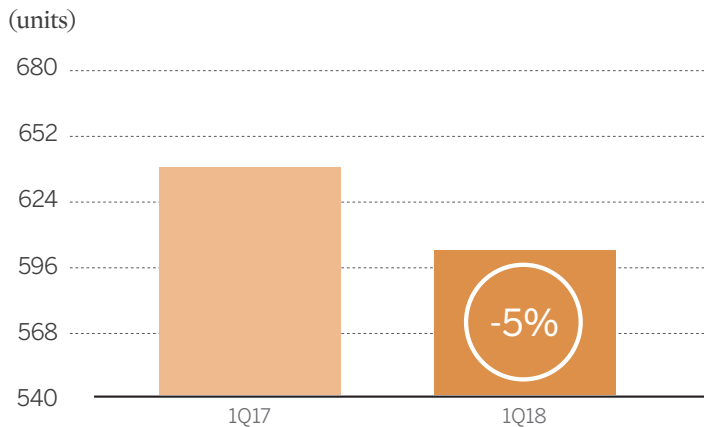
## 4 There are pockets of activity in the high end

Although the high end is still slow compared to other price segments, we continue to see signs of possible improvement in certain areas. A quick look at sales over \$1 million for the entire region reveals that closings were very similar to this time last year, off by only two units, but a couple of key towns stood out. Madison has had five \$1 million-plus sales year to date versus three at this time in 2017, and Deep River, a town with virtually no high end activity in recent years, has seen a significant uptick in the luxury segment with three waterfront listings in the uppermost price tiers now under deposit. As we reported in the third and fourth quarters last year, Middlesex County is currently experiencing a resurgence in waterfront sales, a phenomenon that Swarts ties to the increased bonus money among the frequently all-cash buyers for these properties.

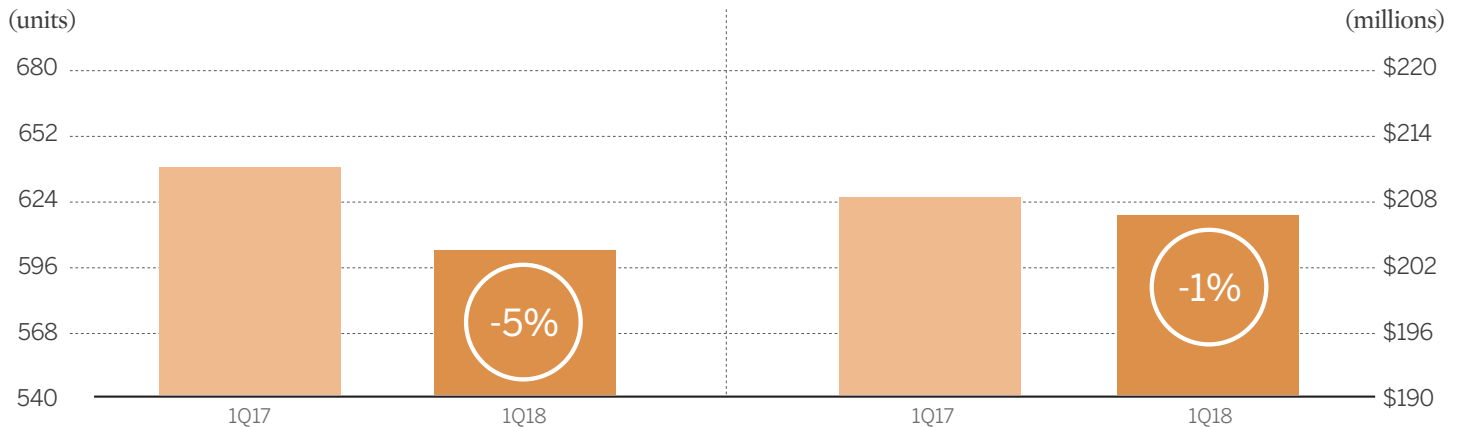
## 5 Condition is still key, but investors will buy properties that need work

As always, those homes presented in the best condition and offering great value are usually the first to sell. But Mitchell notes that some homes requiring renovation are not always just sitting on the market as they once did. They've begun to capture the attention of investors seeking opportunities to rehab and flip properties.

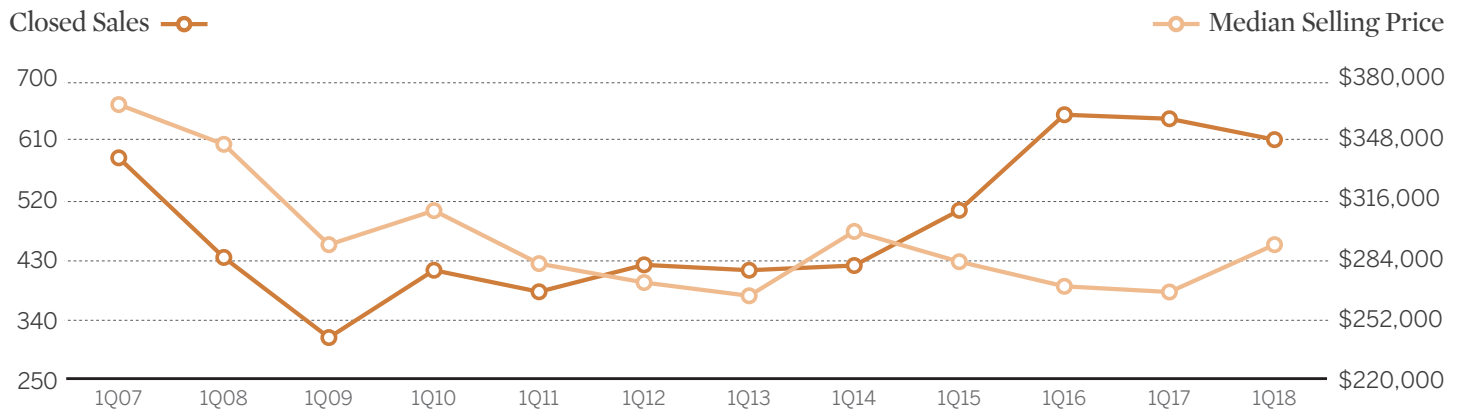
### Single Family Homes Closed Sales



### Single Family Homes Closed Dollar Volume



### Single Family Homes 12-Year First Quarter Sales



### Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2017	1Q 2018	1Q17 VS 1Q18	1Q AVERAGE
\$0 - \$399,999	489	439	-10%	1,562
\$400,000 - \$749,999	118	137	16%	911
\$750,000 - \$999,999	18	14	-22%	220
\$1,000,000 - \$1,499,999	9	6	-33%	135
\$1,500,000+	4	5	25%	152

TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
SINGLE FAMILY										
THE SHORELINE	636	605	-5%	-1%	\$265,000	\$290,000	9%	\$285,000	\$300,000	5%
Branford	44	37	-16%	-10%	\$319,000	\$329,000	3%	\$318,000	\$318,000	0%
Chester	6	11	83%	69%	\$303,000	\$290,000	-4%	\$268,000	\$295,000	10%
Clinton	36	32	-11%	-20%	\$253,000	\$260,000	3%	\$260,000	\$261,000	0%
Deep River	7	10	43%	62%	\$192,000	\$248,000	29%	\$234,000	\$253,000	8%
East Haddam	27	29	7%	-12%	\$255,000	\$175,000	-31%	\$248,000	\$235,000	-5%
East Lyme	34	49	44%	35%	\$285,000	\$275,000	-4%	\$280,000	\$300,000	7%
Essex*	21	20	-5%	2%	\$335,000	\$367,000	10%	\$335,000	\$352,000	5%
Groton	80	69	-14%	-16%	\$217,000	\$220,000	1%	\$223,000	\$227,000	2%
Guilford	43	47	9%	-4%	\$340,000	\$346,000	2%	\$364,000	\$378,000	4%
Haddam	24	25	4%	-10%	\$275,000	\$255,000	-7%	\$268,000	\$283,000	6%
Killingworth	23	16	-30%	-21%	\$295,000	\$291,000	-1%	\$308,000	\$323,000	5%
Lyme	8	8	0%	18%	\$435,000	\$480,000	10%	\$440,000	\$390,000	-11%
Madison	56	52	-7%	2%	\$395,000	\$429,000	9%	\$400,000	\$410,000	3%
New London	36	21	-42%	-37%	\$136,000	\$143,000	5%	\$143,000	\$143,000	0%
North Stonington	16	12	-25%	0%	\$263,000	\$275,000	5%	\$239,000	\$260,000	9%
Old Lyme	32	22	-31%	-33%	\$355,000	\$328,000	-8%	\$350,000	\$350,000	0%
Old Saybrook	29	35	21%	-7%	\$350,000	\$325,000	-7%	\$360,000	\$364,000	1%
Stonington	32	41	28%	73%	\$294,000	\$293,000	0%	\$308,000	\$349,000	13%
Waterford	60	48	-20%	-16%	\$215,000	\$234,000	9%	\$95,000	\$103,000	8%
Westbrook	22	21	-5%	44%	\$281,000	\$340,000	21%	\$275,000	\$330,000	20%
NEW HAVEN COUNTY										
Middlebury	24	20	-17%	-30%	\$284,000	\$320,000	13%	\$280,000	\$297,000	6%
Oxford	23	20	-13%	5%	\$268,000	\$305,000	14%	\$325,000	\$325,000	0%
Southbury	48	29	-40%	-39%	\$310,000	\$315,000	2%	\$348,000	\$345,000	-1%
CONDOMINIUMS										
THE SHORELINE	143	142	-1%	0%	\$155,000	\$165,000	6%	\$163,000	\$180,000	10%

\*Includes Essex, Ivoryton and Centerbrook



# Litchfield County



The Painted Lady of Lime Rock • Salisbury, CT • MLS: 170066786

# Litchfield County

## 1 Litchfield County's market was slightly down in volume but held steady in unit sales

Litchfield County concluded the first quarter of 2018 with unit sales about even with the same period in 2017, while dollar volume declined 5%, an indication of sales in the higher price ranges falling off slightly. Most of the markets our company serves witnessed a small drop in units or volume or both this quarter, yet consumer confidence remains very high, a healthy sign that the market is likely to start picking up again soon—and in Litchfield County in particular, the usual busy season runs from around April to August, so we are hopeful looking ahead. The slower start to the quarter here may also be due to comparing its performance to a period in 2017 that yielded unusually extraordinary results in the upper end. The recent winter weather has also been prohibitive in attracting buyers to the region to start their search, says Litchfield County brokerage manager Kristine Newell.

## 2 The uppermost end of the market pulled back in the first quarter

From the middle of 2016 the market has experienced several consecutive quarters of growth in the upper end, a trend that pulled back slightly at the beginning of 2018. The \$1 to \$2 million range has been on fire the entire time, and that didn't change much this quarter, with the data showing a mild increase by one unit over this time last year. But sales over \$2 million, which picked up significant speed in 2017, dropped by half this quarter versus the same period last year. The decrease in this segment certainly bears some of the responsibility for the dip in volume overall in the first quarter. Newell notes that many of these sales are discretionary purchases made by buyers seeking weekend retreats, and recent activity suggests these sales will soon return. For example, a grand lakeside estate on over 100 acres in Kent, listed with our company for \$5,150,000, has recently been put into contract. After closing, the sale of the home may represent the highest transaction county-wide so far this year. The company also recently had both sides of a \$3 million sale in Kent. Sharon had a big sale this quarter as well, helping to drive dollar volume ahead by 157% even as unit sales were lower.

## 3 Inventory is steadily declining

We have been reporting for some time on the inventory decline in Litchfield County, and that situation continued in early 2018, with inventory at the end of the quarter standing approximately 10% below this time last year. If some of the dollar volume decrease this quarter is attributable to fewer sales in the luxury segment, lower inventory has contributed to this drop off as well. Declining inventory is a pattern that continues to be closely monitored. The median sale price is now up 5% versus this time last year.

## Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2017	1Q 2018	1Q17 VS 1Q18	1Q AVERAGE
\$0 - \$399,999	356	360	1%	832
\$400,000 - \$749,999	41	45	10%	316
\$750,000 - \$999,999	9	5	-44%	99
\$1,000,000 - \$1,999,999	7	8	14%	118
\$2,000,000 - \$4,999,999	6	3	-50%	57
\$5,000,000+	0	0	N/A	13

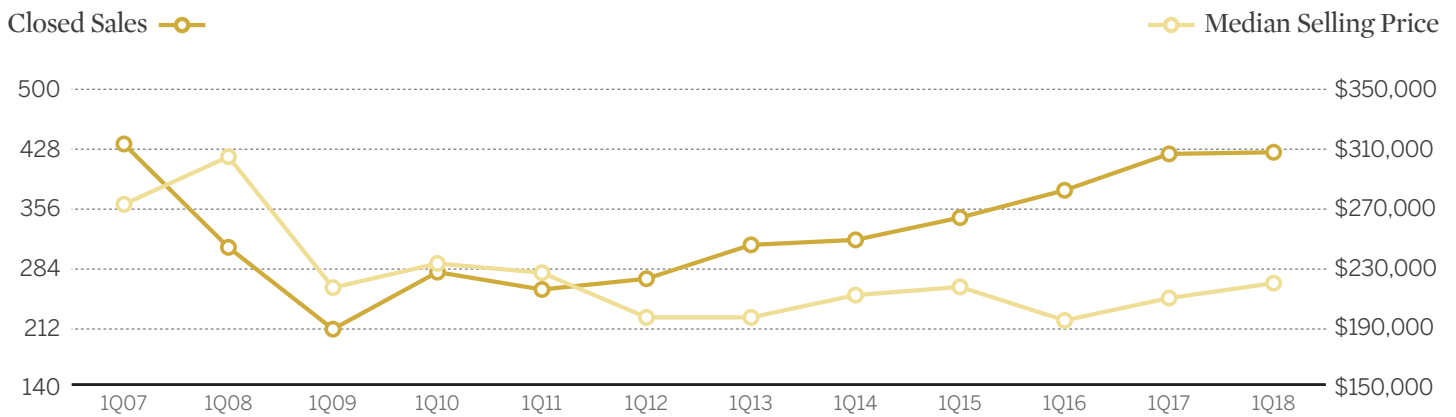
## 4 Presentation is key

The homes most likely to sell the fastest are those fresh new listings that are staged well and offered in excellent condition. In this current environment of limited inventory, these offerings may be hard to find, but when they do hit the market they typically see plenty of activity, says Newell. She recommends any seller coming to the market give serious thought to staging, an investment that can pay off handsomely, as well as pricing at or below market value to increase buyer activity.

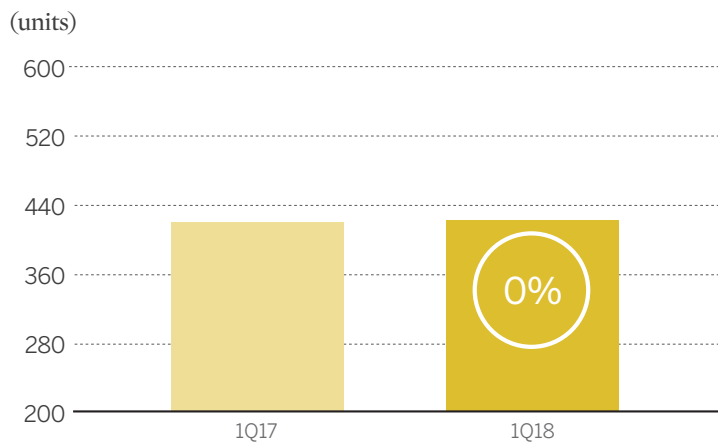
## 5 New Yorkers are escaping to the Hills

Our Litchfield County brokerages will continue this year with the company’s popular “Escape to the Hills” print, digital and social media marketing campaign, which has helped to introduce many new buyers to this unique region. Weekend home-seeking New Yorkers have long flocked to the Litchfield Hills, and that buyer pool has only been growing. These purchasers choose the Hills over other destinations like the Hamptons for the area’s easy two-hour commuting distance from the city as well as its cultural offerings, pastoral setting and relaxed lifestyle.

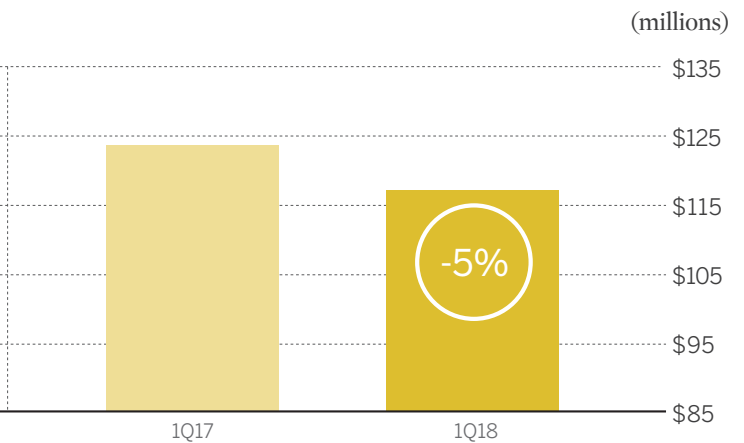
## Single Family Homes 12-Year First Quarter Sales



## 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
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
SINGLE FAMILY										
LITCHFIELD COUNTY	419	421	0%	-5%	\$208,000	\$218,000	5%	\$220,000	\$228,500	4%
Barkhamsted	7	6	-14%	-36%	\$325,000	\$250,000	-23%	\$258,000	\$245,000	-5%
Bethlehem	7	10	43%	115%	\$180,000	\$303,000	68%	\$248,200	\$282,500	14%
Bridgewater	2	4	100%	46%	\$565,000	\$462,000	-18%	\$435,000	\$447,000	3%
Canaan*	15	3	-80%	-84%	\$160,000	\$148,200	-7%	\$158,000	\$167,000	6%
Colebrook	2	3	50%	256%	\$136,250	\$263,000	93%	\$216,000	\$227,000	5%
Cornwall**	5	7	40%	154%	\$220,000	\$400,000	82%	\$290,000	\$305,000	5%
Goshen	10	11	10%	7%	\$302,500	\$290,000	-4%	\$317,500	\$325,000	2%
Harwinton	10	10	0%	-19%	\$244,950	\$198,450	-19%	\$251,250	\$247,500	-1%
Kent, South Kent	6	8	33%	47%	\$279,350	\$472,250	69%	\$385,000	\$470,000	22%
Litchfield	17	21	24%	-23%	\$237,000	\$275,000	16%	\$299,950	\$304,000	1%
Morris	3	4	33%	-33%	\$510,000	\$721,250	41%	\$305,000	\$364,250	19%
New Hartford	17	11	-35%	-28%	\$255,000	\$262,000	3%	\$267,950	\$265,000	-1%
New Milford	63	60	-5%	3%	\$260,000	\$279,950	8%	\$281,000	\$283,450	1%
Norfolk	1	4	300%	794%	\$175,000	\$440,000	151%	\$166,000	\$376,000	127%
Plymouth	32	30	-6%	4%	\$148,700	\$155,750	5%	\$157,000	\$158,500	1%
Roxbury	5	7	40%	-27%	\$800,000	\$286,650	-64%	\$496,000	\$550,000	11%
Salisbury	17	12	-29%	-14%	\$405,000	\$467,500	15%	\$425,000	\$478,750	13%
Sharon	10	7	-30%	157%	\$355,000	\$645,000	82%	\$333,750	\$387,500	16%
Thomaston	19	11	-42%	-33%	\$181,950	\$165,000	-9%	\$183,750	\$187,000	2%
Torrington	76	94	24%	30%	\$123,750	\$136,000	10%	\$129,000	\$136,500	6%
Warren	3	2	-33%	-73%	\$357,500	\$335,000	-6%	\$441,250	\$332,500	-25%
Washington***	17	7	-59%	-86%	\$460,000	\$315,000	-32%	\$460,000	\$405,000	-12%
Watertown	37	48	30%	11%	\$200,000	\$190,325	-5%	\$197,000	\$205,500	4%
Winchester	21	22	5%	15%	\$123,000	\$123,250	0%	\$154,750	\$172,500	11%
Woodbury	17	19	12%	30%	\$285,007	\$351,000	23%	\$315,000	\$360,600	14%
CONDOMINIUMS										
LITCHFIELD COUNTY	63	73	16%	21%	\$84,650	\$107,000	26%	\$107,500	\$115,000	7%

\*Includes Canaan, North Canaan and Falls Villages \*\*Cornwall, West Cornwall and Cornwall Bridge \*\*\*Includes Washington, Washington Depot and New Preston

# Berkshire County



## 1 Unit sales in the Berkshires declined while dollar volume stayed even, indicating an increase in higher end transactions

Every market served by our company experienced declines in unit sales or dollar volume or both this quarter, and the Berkshires was no exception with unit sales sliding 14% compared to the first quarter of 2017. Yet dollar volume was flat with last year, suggesting an increase in higher end sales—and indeed, we saw the average sale price in this market increase by 4% and the median price by 28% over the first quarter of 2017. The average sale price was up even higher in southern Berkshire County. With consumer confidence and other economic indicators remaining positive, we have every reason to believe the market momentum will resume soon.

## 2 The million dollar buyer has returned

We reported last quarter that the first several new construction condominium offerings at the luxury spa and wellness resort Canyon Ranch in Lenox, listed exclusively with William Pitt Sotheby's International Realty, went into contract. This quarter those sales closed, and combined with the quarter's upper end single family residential sales, brought million dollar-plus units surging over the same time last year. Million dollar buyers have been back in the market since the second half of 2017, many of them scooping up properties that have undergone significant price reductions over time, ultimately landing in a price bracket presenting an opportunity too irresistible to pass up, according to Berkshires assistant brokerage manager Tim Donnelly.

## 3 Inventory continues to decline

The Berkshires has been dealing with low inventory for some time, and while that remained the case in the first quarter of 2018, the market is approaching its traditional peak listing season, says Donnelly, so new offerings may be expected soon. New listings are already launching in fact, an early start for a market that usually sees fresh inventory arriving closer to May, Donnelly remarks. The first quarter, however, finished with total active listings about 16% lower than the same time last year—an ongoing theme for over a year now—and new to market listings down about 9%. The lower inventory contributed to the drop off in unit sales this quarter versus the first quarter in 2017, as well as a 14% decrease in under contract properties.

## 4 It's a price driven market

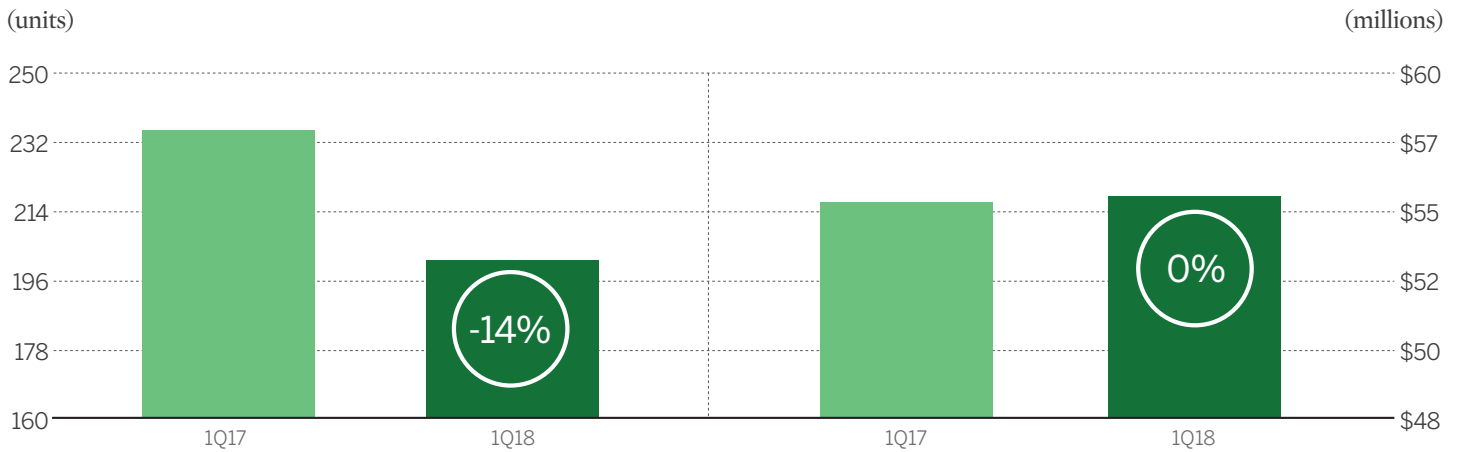
With sellers typically realizing sale prices around 90% of their list price, the Berkshires continues to be a price-driven marketplace. In some cases, when a new listing comes to the market and is priced correctly, it will enjoy brisk activity and sell above the average days on market. Donnelly states that the Berkshires is not usually a multiple-offer kind of market, yet there have been instances of this recently across all price ranges when a property is priced at or below market value.

# Single Family Homes Closed Sales by Price Point

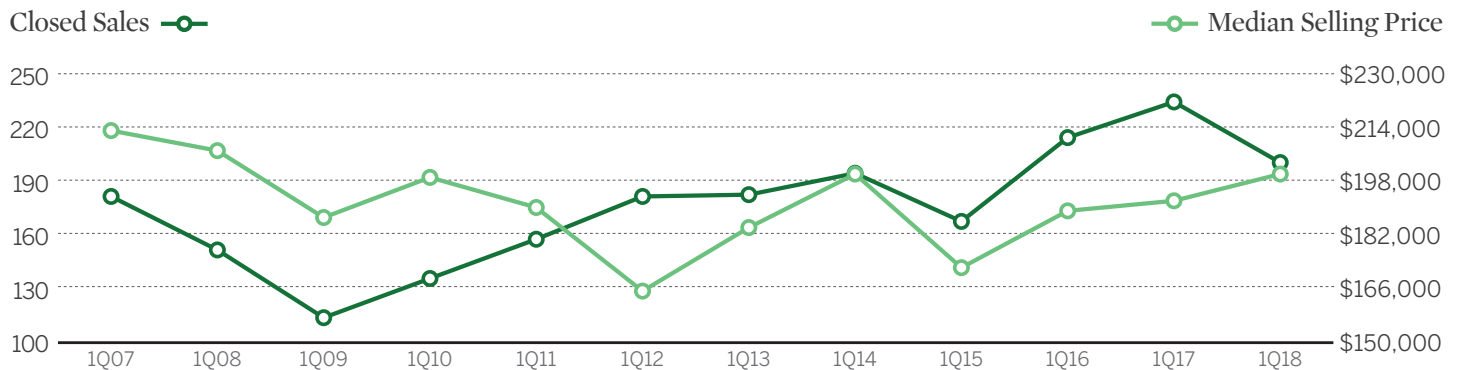
PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2017	1Q 2018	1Q17 VS 1Q18	1Q AVERAGE
\$0 - \$399,999	208	167	-20%	661
\$400,000 - \$749,999	24	26	8%	238
\$750,000 - \$999,999	1	5	400%	82
\$1,000,000 - \$1,499,999	0	1	N/A	56
\$1,500,000+	2	2	0%	66

## Single Family Homes Closed Sales

## Single Family Homes Closed Dollar Volume



## Single Family Homes 12-Year First Quarter Sales



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q17	1Q18	1Q17 VS 1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18	1Q17	1Q18	1Q17 VS 1Q18
<b>SINGLE FAMILY</b>										
BERKSHIRE COUNTY	235	201	-14%	0%	\$192,000	\$200,000	4%	\$192,000	\$200,000	4%
Adams	18	12	-33%	-22%	\$126,000	\$128,000	2%	\$130,000	\$130,000	0%
Alford	2	1	-50%	-53%	\$497,500	\$460,000	-8%	\$571,000	\$644,000	13%
Becket	11	10	-9%	-2%	\$268,000	\$194,000	-28%	\$230,000	\$194,000	-16%
Cheshire	3	6	100%	225%	\$105,000	\$198,000	89%	\$190,000	\$200,000	5%
Clarksburg	2	3	50%	25%	\$135,000	\$114,000	-16%	\$134,000	\$128,000	-4%
Dalton	8	10	25%	56%	\$195,000	\$186,000	-5%	\$182,000	\$189,000	4%
Egremont	6	5	-17%	101%	\$224,000	\$555,000	148%	\$445,000	\$472,000	6%
Florida	0	1	N/A	0%	\$0	\$111,000	N/A	\$97,000	\$155,000	60%
Gt. Barrington	10	12	20%	90%	\$290,000	\$325,000	12%	\$304,000	\$335,000	10%
Hancock	1	2	100%	369%	\$170,000	\$399,000	135%	\$184,000	\$275,000	49%
Hinsdale	4	4	0%	17%	\$152,000	\$188,000	24%	\$212,000	\$242,000	14%
Lanesborough	6	6	0%	24%	\$175,000	\$280,000	60%	\$171,000	\$205,000	20%
Lee	7	9	29%	0%	\$265,000	\$242,000	-9%	\$215,000	\$240,000	12%
Lenox	13	1	-92%	-87%	\$379,000	\$625,000	65%	\$345,000	\$357,000	3%
Monterey	4	5	25%	-1%	\$558,000	\$349,000	-37%	\$475,000	\$430,000	-9%
Mt. Washington	0	1	N/A	0%	\$0	\$550,000	N/A	\$390,000	\$709,000	82%
New Ashford	0	1	N/A	0%	\$0	\$340,000	N/A	\$0	\$340,000	N/A
New Marlborough	4	7	75%	254%	\$180,000	\$320,000	78%	\$248,000	\$330,000	33%
North Adams	15	13	-13%	34%	\$89,000	\$139,000	56%	\$118,000	\$130,000	10%
Otis	5	3	-40%	-20%	\$170,000	\$170,000	0%	\$203,000	\$280,000	38%
Peru	1	2	100%	169%	\$157,000	\$211,000	34%	\$180,000	\$205,000	14%
Pittsfield	75	52	-31%	-33%	\$165,000	\$140,000	-15%	\$166,000	\$160,000	-4%
Richmond	5	6	20%	83%	\$305,000	\$579,000	90%	\$285,000	\$373,000	31%
Sandisfield	2	4	100%	52%	\$254,000	\$187,000	-26%	\$265,000	\$210,000	-21%
Savoy	0	1	N/A	0%	\$0	\$186,000	N/A	\$75,000	\$112,000	49%
Sheffield	12	9	-25%	-35%	\$300,000	\$320,000	7%	\$275,000	\$295,000	7%
Stockbridge	6	8	33%	152%	\$244,000	\$305,000	25%	\$325,000	\$418,000	29%
Tyringham	0	0	N/A	0%	\$0	\$0	N/A	\$270,000	\$740,000	174%
Washington	0	0	N/A	0%	\$0	\$0	N/A	\$214,000	\$241,000	13%
West Stockbridge	7	1	-86%	-91%	\$380,000	\$350,000	-8%	\$406,000	\$379,000	-7%
Williamstown	7	5	-29%	3%	\$187,000	\$326,000	74%	\$234,000	\$283,000	21%
Windsor	1	0	-100%	0%	\$190,000	\$0	-100%	\$190,000	\$198,000	4%
<b>CONDOMINIUMS</b>										
BERKSHIRE COUNTY	17	24	41%	234%	\$194,000	\$233,000	20%	\$170,000	\$227,000	34%



# Where We Are Headed



Traditional Elegance • Bronxville, NY • MLS: 4810230

Historically, the key leverage point in determining the outlook on real estate is consumer confidence. This, in turn, is largely driven by four important economic factors: the stock market, the GDP, interest rates and unemployment. Each of these factors has lately reached either historic highs or historic lows, a rare and significantly favorable phenomenon to a strong economy. These positives perfectly correlate with soaring levels of consumer confidence, according to the Conference Board Consumer Confidence Index®. When consumer confidence is healthy, demand in the real estate buyer pool typically follows suit.

The newly introduced cap on property tax deductions is a negative for the market, yet property taxes represent just one consideration that must go into the purchaser's decision process. In addition, the property tax aspect is just one piece of a far more intricate tax law. On one side we have the complexity of the bill, and on the other, the high rate of consumer confidence, consumer demand and a booming economy, all coming together to create a confluence of variables that leave the future unknown. Despite this, the tried and true economic indicators that have always served as our compass are still going strong, and we remain bullish on the market looking ahead to 2018.

In addition, there are a number of evergreen aspects to our marketplaces that ensure they always retain their desirability, including our highly rated schools, outstanding cultural offerings, beautiful surroundings, sought-after suburban lifestyle and above all, our incredibly convenient proximity to New York City. These elements place us in an enviable position in the real estate industry, while also providing us with firm footing in times of flux.

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, and we always 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, SmartMLS, BCBOR. While information is believed true, no guarantee is made for accuracy.