

Market Watch

THIRD QUARTER 2018



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Third Quarter In Review

2018 has been an unusual year for our housing markets to be sure. We began the year with every market we serve experiencing modest decreases in either unit sales or dollar volume, or both, versus the first quarter of 2017, a phenomenon we had not witnessed in several years. At that time we attributed this pause in the marketplace to uncertainty surrounding the tax reform bill that passed in late 2017. Then, in the second quarter the story began to change: certain areas started to catch up to or even exceed the first half of 2017, while others remained behind. The third quarter found us trending even further in a positive direction. Westchester remains slightly behind 2017 as Fairfield County appears to be closing the gap, even as the Shoreline along with Litchfield and Berkshire Counties climbed ahead of the prior year, and the Farmington Valley stood nearly flat.

Westchester County is an interesting case, and has been the subject of much recent media attention. Citing inaccurate data, *Bloomberg* and *The Wall Street Journal* ran stories this summer reporting a significant drop in unit sales of 18% in the second quarter, whereas the actual decrease that quarter was a far more modest 5%. These news stories have contributed toward an exaggerated negative narrative about the state of the real estate market in Westchester, spreading misinformation and miseducating consumers. The actual picture is dramatically different, according to our own analysis, and varies greatly by town and price range. For more discussion on this issue, please read the Westchester County section of this report.

The articles drew the conclusion that the tax bill was responsible for the steep declines. Our own position on the tax bill question is that we feel it's too early to know its full effect, and we will likely have to wait until the end of this year or early next to evaluate all the ramifications. Whatever effect it may have, the current strength of the economy supports a healthy outlook for real estate.

Historically, the key leverage point in determining the health of the real estate market is consumer confidence. This, in turn, is largely driven by several important economic factors, which include interest rates, the stock market, unemployment and the GDP. Interest rates have inched up but remain at historic lows, unemployment just hit its

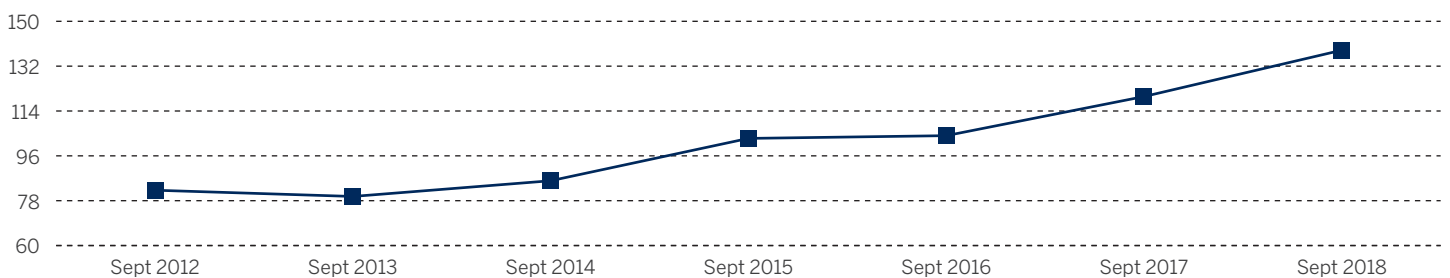
Four Economic Factors

INDICATORS	DATES		
	9/30/17	3/31/18	9/30/18
Stock Market (Dow)	22,405.09	24,103.11	26,458.31
Consumer Confidence	119.8	127.7	138.4
Mortgage Rate*	3.75	4.58	4.875
Unemployment Rate	4.2	4.1	3.7

GDP

GDP: Q4 2017	2.3%
GDP: Q1 2018	2.2%
GDP: Q2 2018	4.2%
Estimated GDP: Q3 2018	3.2%

Consumer Confidence**



* Conventional 30 Year Fixed Rate **1985=100

lowest rate in nearly half a century, and the stock market, while certainly fluctuating at times, still stands at incredible heights. The GDP increased by 4.2% in the second quarter, its fastest growth rate in four years, and is projected to come in anywhere from 3.2 to 3.8% for the third quarter, a slower but still strong pace. These positive factors perfectly correlate with soaring levels of consumer confidence. The Conference Board Consumer Confidence Index has reported consistently elevated consumer confidence levels this year, reaching nearly an 18-year high of 138.4 (1985=100) in September. When consumer confidence is this healthy, we typically see demand in the real estate buyer pool follow suit. We believe these macro U.S. data points apply to our local housing markets just as they do nationally.

In Westchester County overall, unit sales and dollar volume declined in the third quarter compared to the same time last year by 4%. Year to date, unit sales were 5% behind the first three quarters of 2017, while dollar volume was behind by 3%. In Southern Westchester, unit sales for the third quarter were 3% behind and dollar volume 2% behind the same period last year. Year to date, unit sales were lower by 3% compared to the first three quarters of 2017, but dollar volume for the first time this year was ahead by 3%. In Northern Westchester, unit sales and dollar volume for the third quarter both decreased by 8% compared to the same time in 2017, while year to date, unit sales decreased by 7% and volume by 3% versus the first three quarters last year.

In Fairfield County, each quarter this year has found the region just a little behind the same quarter of 2017, and that continued in the third quarter, although this quarter's declines were the most marginal of the year so far. Quarter over quarter, unit sales county-wide were 3% lower while dollar volume was 1% higher than the same period last year. Year to date, unit sales and dollar volume were both 3% behind the first three quarters of 2017. These figures are closer to 2017 figures than we saw last quarter, suggesting the county is making headway and beginning to catch up to last year. The Connecticut Shoreline, encompassing New Haven, Middlesex and New London counties, is now definitively witnessing a stronger back half of 2018 after a slower start early in the year. For the third quarter, the region saw unit sales standing nearly even with the same time last year at a 1% decrease, while dollar volume jumped ahead by 9%. Year to date, units are also close to even with the first three quarters of 2017, only behind by 1%, while volume, again, is ahead by 6%.

Litchfield County started picking up steam last quarter after a slower early part of the year, and is now climbing ahead of the prior year. For the third quarter, unit sales and dollar volume county-wide both stood ahead of the same period last year by 8%, while year to date, unit sales increased by 5% and dollar volume by 4% compared to the first three quarters of 2017. Over in the Farmington Valley region of Hartford County, comprising Avon, Canton, Farmington, Granby and Simsbury, plus the key additional communities we serve including Burlington, Hartland and West Hartford, the market pulled back slightly compared to the same period last year, though it's close to flat year to date. Unit sales for the quarter dipped by 4% and dollar volume by 7% versus the third quarter of 2017, while year to date, unit sales and dollar volume are each behind the first three quarter of 2017 by a slight 2%.

In the Berkshires, the third quarter found the region solidly ahead of 2017. For the quarter, unit sales increased by 11% and dollar volume by 16% compared to the same period last year, while year to date, units increased by 2% and dollar volume by 8% versus the first three quarters last year. Unlike the second quarter, which turned in different results for the north, central and south counties, this quarter the county experienced sales growth across the board.

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

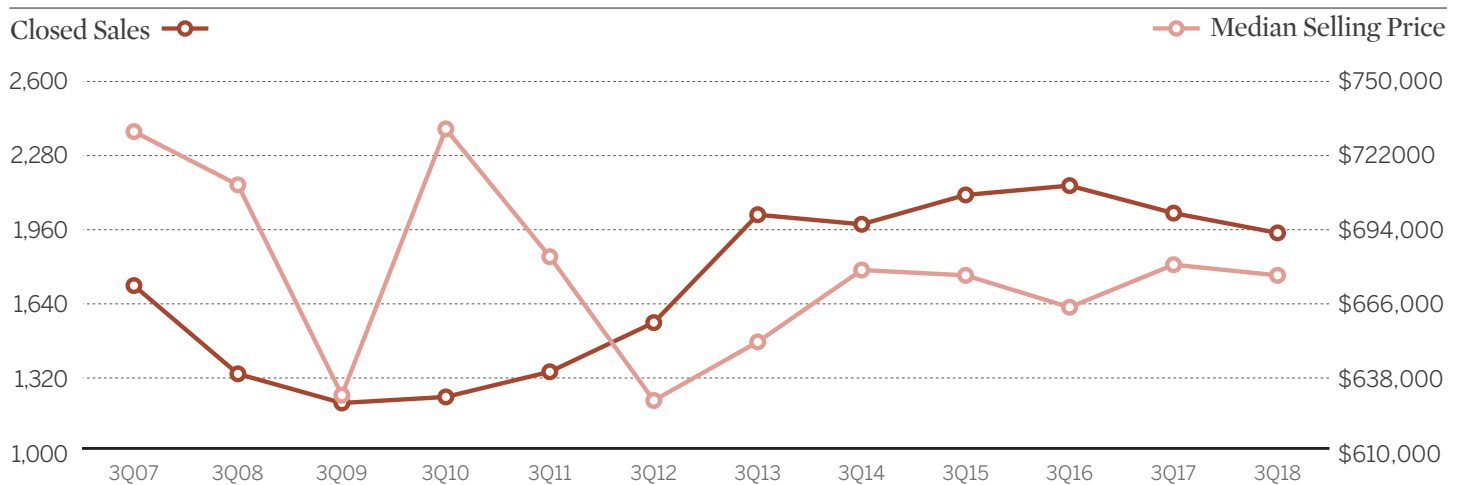
1 A modest decline in the market continues throughout Westchester County

The first two quarters of 2018 saw sales county-wide slipping just behind the same two periods of 2017 by 5-6% in unit sales and 3-4% in dollar volume—contrary to media reports in outlets such as Bloomberg and The Wall Street Journal that misstated the data, spreading confusion among consumers with claims that declines in unit sales were as high as 18% in the second quarter. (A detailed analysis of this issue is provided on williampitt.com/blog, [Part 1](#) and [Part 2](#).) The third quarter was more of the same, with unit sales and dollar volume declining compared to the same time last year by 4%. Year to date, unit sales were 5% behind the first three quarters of 2017, while dollar volume was behind by 3%. Overall the market remains a little down, but a deeper dive into specific price ranges and towns reveals some interesting findings.

2 In the southern county, \$1.5 million to \$2 million struggles as other price ranges remain strong

In Southern Westchester, unit sales for the third quarter were 3% behind and dollar volume 2% behind the same period last year. Year to date, unit sales were lower by 3% compared to the first three quarters of 2017, but dollar volume for the first time this year was ahead by 3%. A closer look at specific price categories shows that the declines, both for the quarter and year to date, are largely found in the \$1.5 to \$2 million price sector. The charts provided illustrate how different price ranges performed county-wide, in the southern and northern counties, and in a few key selected towns. In Southern Westchester, that \$1.5 to \$2 million range year over year is off by 16%, or 39 units, which is driving the overall decrease in the segment county-wide. All other price ranges in the lower county up to about \$3 million have shown improvement this year, except \$2 to \$2.5 million, which is up for the quarter but just a few units behind year to date. It would appear the luxury markets in Westchester are holding their own. Above \$3 million, sales continue in the uppermost price ranges with any unit declines in the single digits, as demonstrated in the charts. Rye has been especially strong at the high end, with more units expected to close by year's end. That hardest hit \$1.5 to \$2 million segment is inconsistent town by town: Scarsdale, for instance, experienced a sharp decline in the segment, while the Mamaroneck School District was closer to flat, off by just 2 units. The Rye City/Rye Neck/Harrison/Blind Brook school district is a bit off in this range as well, though not as high as Scarsdale, and overall is experiencing robust activity in other ranges up to \$3 million. Exactly why this particular \$500,000 price range is so challenged across the southern county is uncertain, but it does appear to be the culprit for the county's overall declines this year.

Single Family Homes 12-Year Third Quarter Sales



3 It's all about value, pricing and presentation in the southern county

One notable and consistent trend in 2018 is the sales growth in Harrison, which once again saw a 20% increase in unit sales this quarter versus the same time last year, as well as a 13% increase in the median selling price. Rye brokerage manager Pati Holmes attributes this rebound in Harrison to the incredible value the town has to offer, including more house, property and amenities for the money than neighboring areas. Rye is exhibiting signs of continued momentum through the rest of the year and into the first quarter, with agents reporting an influx of New York City buyers out and about in the marketplace. Elsewhere, pricing and presentation may be critical factors in predicting a successful sale, says Bronxville brokerage manager Virginia Doetsch. In Bronxville, properties must present as the best in their category, priced well and immaculately staged, or risk being ignored—buyers are unlikely to make even a lowball offer on an overpriced property. Markets such as Elmsford, Hartsdale, Pelham and Port Chester, while down year to date, are nevertheless seeing movement under \$1 million, often with buyers who bring all cash to compete. Over in Irvington and the Rivertowns, there have been a couple of significant recent sales over \$2 million, a positive sign for this area.

4 Northern Westchester is quiet but has room to catch up to last year

In Northern Westchester, unit sales and dollar volume for the third quarter both decreased by 8% compared to the same time in 2017, while year to date, unit sales decreased by 7% and volume by 3% versus the first three quarters last year. This has been the consistent picture for the region this year. The largest decline is within the sub-\$1 million sector, with all other price ranges performing similarly to last year, either up or down by just a handful of units. Unlike the southern county, the \$1.5 to \$2 million range actually increased slightly in the third quarter. Rye agent Joanna Rizoulis suggests a couple of different reasons for why the market here may be quieter than usual. First, fresh inventory has been slow to arrive, leaving buyers unexcited by the lack of new options. Yet new listings priced appropriately to the market are starting to hit now, suggesting the potential for an upswing, even before the end of the year. After all, fall is typically a more productive season in the area, says Rizoulis. Second, while there are plenty of buyers out in the marketplace, they aren't feeling much urgency and would rather wait for the right house than settle. This is a difference from the early part of the year, when buyers competed more aggressively in the lower price categories. Armonk (Byram Hills), a historically active market, remains significantly down this year, and Chappaqua and Katonah are seeing fewer sales as well, though Rizoulis notes that the number of properties under contract in all these areas could bring the figures up by year's end. Only Bedford is proving busy at the moment, with units just shy of even quarter over quarter, and dollar volume and the median selling price climbing ahead.

5 Turnkey older homes and properties priced to their condition are selling

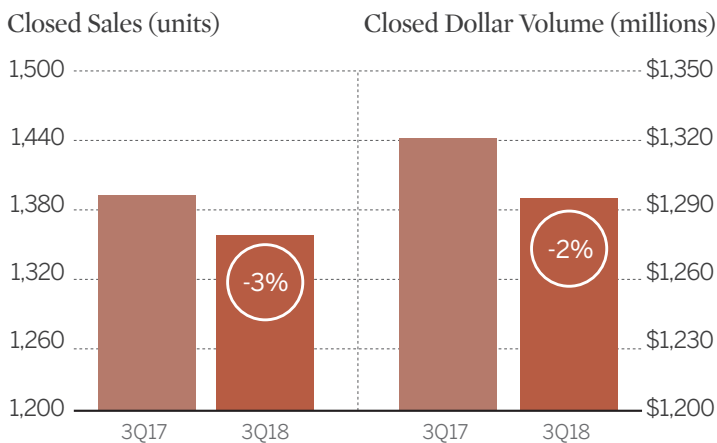
Provided that the interior is turnkey and "toothbrush ready," according to Holmes, older homes are selling at a faster pace than in recent years. This increased interest in properties that aren't new construction has been observed throughout the lower county, including the Rivertowns, where purchasers are drawn to the area for its relaxed outdoor lifestyle, and are more willing than ever to renovate if necessary, says Doetsch. She adds that the pricing of a home must take into consideration the condition in which it is offered. Another ongoing trend among buyers is a preference for convenient access to in-town amenities.

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
	3Q17	3Q18	3Q17 VS 3Q18	YTD 2017	YTD 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18	3Q17	3Q18	3Q17 VS 3Q18	3Q17	3Q18	3Q17 VS 3Q18
WESTCHESTER COUNTY	1,999	1,916	-4%	4,725	4,512	-5%	-4%	-3%	\$680,000	\$679,000	0%	\$635,000	\$656,000	3%
Southern Westchester	1,391	1,356	-3%	3,239	3,127	-3%	-2%	3%	\$725,000	\$725,000	0%	\$685,000	\$693,000	1%
Ardsey	52	53	2%	110	100	-9%	-8%	-13%	\$726,000	\$713,000	-2%	\$708,000	\$680,000	-4%
Blind Brook	24	37	54%	84	76	-10%	74%	2%	\$910,000	\$955,000	5%	\$849,000	\$862,000	2%
Briarcliff Manor	33	22	-33%	61	57	-7%	-34%	-15%	\$775,000	\$947,000	22%	\$778,000	\$820,000	5%
Bronxville	17	16	-6%	46	40	-13%	-19%	-16%	\$2,668,000	\$2,181,000	-18%	\$2,198,000	\$2,075,000	-6%
Dobbs Ferry	21	23	10%	52	55	6%	11%	7%	\$925,000	\$862,000	-7%	\$862,000	\$787,000	-9%
Eastchester	41	32	-22%	92	86	-7%	-9%	0%	\$750,000	\$764,000	2%	\$735,000	\$705,000	-4%
Edgemont	36	49	36%	76	76	0%	36%	-6%	\$1,083,000	\$1,140,000	5%	\$1,207,000	\$1,082,000	-10%
Elmsford	24	25	4%	57	45	-21%	6%	-12%	\$495,000	\$480,000	-3%	\$430,000	\$475,000	10%
Greenburgh	51	47	-8%	117	127	9%	-1%	14%	\$530,000	\$545,000	3%	\$501,000	\$528,000	5%
Harrison	45	54	20%	119	138	16%	31%	30%	\$1,232,000	\$1,393,000	13%	\$1,229,000	\$1,350,000	10%
Hartsdale (P.O.)	40	30	-25%	81	79	-2%	-20%	1%	\$675,000	\$625,000	-7%	\$629,000	\$620,000	-1%
Hastings	30	29	-3%	46	57	24%	1%	31%	\$825,000	\$896,000	9%	\$776,000	\$890,000	15%
Irvington	24	21	-13%	59	57	-3%	-16%	2%	\$939,000	\$1,060,000	13%	\$1,051,000	\$1,000,000	-5%
Mamaroneck*	97	80	-18%	199	208	5%	-2%	3%	\$1,040,000	\$1,233,000	19%	\$1,230,000	\$1,160,000	-6%
Mount Pleasant	36	34	-6%	78	83	6%	-5%	19%	\$603,000	\$565,000	-6%	\$590,000	\$590,000	0%
Mount Vernon	59	51	-14%	156	124	-21%	-4%	-10%	\$365,000	\$435,000	19%	\$381,000	\$418,000	10%
New Rochelle	111	125	13%	273	268	-2%	23%	7%	\$715,000	\$720,000	1%	\$679,000	\$679,000	0%
Ossining	64	67	5%	161	161	0%	8%	6%	\$455,000	\$479,000	5%	\$425,000	\$449,000	6%
Pelham	57	38	-33%	118	98	-17%	-35%	-20%	\$940,000	\$913,000	-3%	\$921,000	\$889,000	-3%
Pleasantville	31	30	-3%	56	61	9%	3%	24%	\$600,000	\$735,000	23%	\$608,000	\$705,000	16%
Pocantico Hills	3	2	-33%	11	9	-18%	84%	436%	\$739,000	\$1,473,000	99%	\$777,000	\$750,000	-3%
Port Chester	36	31	-14%	86	75	-13%	11%	-2%	\$506,000	\$530,000	5%	\$481,000	\$488,000	1%
Purchase (P.O.)	5	9	80%	18	33	83%	94%	82%	\$1,000,000	\$1,685,000	69%	\$1,500,000	\$1,353,000	-10%
Rye City	58	48	-17%	139	126	-9%	-11%	-7%	\$1,953,000	\$1,788,000	-8%	\$1,895,000	\$1,850,000	-2%
Rye Neck	25	25	0%	53	64	21%	8%	36%	\$1,100,000	\$934,000	-15%	\$1,000,000	\$998,000	0%
Scarsdale	89	89	0%	199	177	-11%	-1%	-9%	\$1,635,000	\$1,425,000	-13%	\$1,635,000	\$1,565,000	-4%
Tarrytown	22	26	18%	53	50	-6%	19%	-16%	\$730,000	\$699,000	-4%	\$769,000	\$643,000	-16%
Tuckahoe	15	15	0%	33	38	15%	13%	32%	\$750,000	\$845,000	13%	\$722,000	\$783,000	8%
Valhalla	28	24	-14%	68	51	-25%	-15%	-24%	\$577,000	\$511,000	-11%	\$528,000	\$525,000	-1%
White Plains	81	80	-1%	178	196	10%	4%	29%	\$680,000	\$708,000	4%	\$659,000	\$706,000	7%
Yonkers	181	183	1%	459	424	-8%	6%	2%	\$490,000	\$520,000	6%	\$470,000	\$500,000	6%
CONDOMINIUMS AND COOPERATIVES														
Condominiums	251	272	8%	651	663	2%	13%	4%	\$418,000	\$410,000	-2%	\$390,000	\$390,000	0%
Cooperatives	561	510	-9%	1,473	1,381	-6%	0%	5%	\$167,000	\$175,000	5%	\$160,000	\$167,000	4%

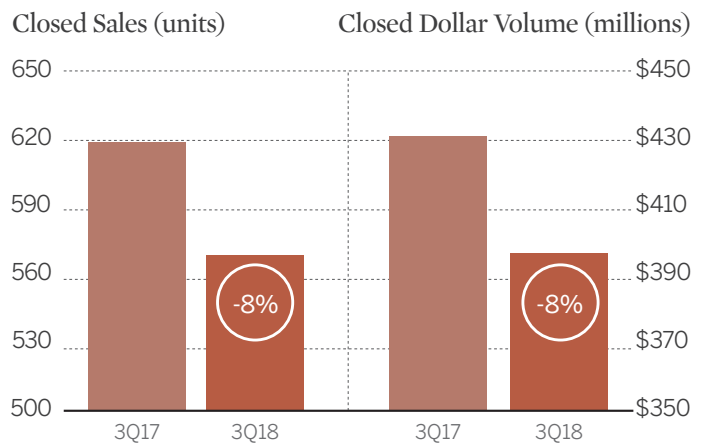
*Mamaroneck School District includes Larchmont P.O.

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			% CHANGE
	3Q17	3Q18	3Q17 VS 3Q18	YTD 2017	YTD 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18	3Q17	3Q18	3Q17 VS 3Q18	3Q17	3Q18	3Q17 VS 3Q18		
SINGLE FAMILY																	
WESTCHESTER COUNTY	1,999	1,916	-4%	4,725	4,512	-5%	-4%	-3%	\$680,000	\$679,000	0%	\$635,000	\$656,000	3%			
Northern Westchester	619	569	-8%	1478	1372	-7%	-8%	-3%	\$600,000	\$560,000	-7%	\$547,000	\$553,000	1%			
Bedford	71	66	-7%	198	182	-8%	9%	-4%	\$687,000	\$747,000	9%	\$700,000	\$765,000	9%			
Byram Hills	53	36	-32%	138	96	-30%	-27%	-28%	\$1,080,000	\$1,245,000	15%	\$965,000	\$1,014,000	5%			
Chappaqua	71	62	-13%	164	152	-7%	-8%	-1%	\$920,000	\$956,000	4%	\$849,000	\$924,000	9%			
Croton-Harmon	40	24	-40%	76	56	-26%	-30%	-11%	\$618,000	\$643,000	4%	\$570,000	\$624,000	9%			
Hendrick Hudson	49	50	2%	123	111	-10%	10%	1%	\$490,000	\$480,000	-2%	\$440,000	\$478,000	9%			
Katonah-Lewisboro	76	62	-18%	174	169	-3%	-11%	13%	\$654,000	\$682,000	4%	\$593,000	\$689,000	16%			
Lakeland	86	101	17%	221	216	-2%	24%	9%	\$392,000	\$395,000	1%	\$359,000	\$387,000	8%			
North Salem	25	14	-44%	52	49	-6%	-37%	-15%	\$519,000	\$498,000	-4%	\$498,000	\$538,000	8%			
Peekskill	22	40	82%	73	105	44%	101%	79%	\$280,000	\$360,000	29%	\$261,000	\$320,000	23%			
Somers	46	46	0%	111	120	8%	16%	8%	\$549,000	\$550,000	0%	\$536,000	\$503,000	-6%			
Yorktown	65	54	-17%	148	116	-22%	-2%	-13%	\$520,000	\$495,000	-5%	\$467,000	\$475,000	2%			
CONDOMINIUMS AND COOPERATIVE																	
Condominiums	155	129	-17%	376	333	-11%	8%	1%	\$345,000	\$344,000	0%	\$328,000	\$346,000	5%			
Cooperatives	29	34	17%	91	88	-3%	1%	5%	\$100,000	\$106,000	6%	\$100,000	\$102,000	2%			

Southern Westchester Single Family Homes



Northern Westchester Single Family Homes



Single Family Homes Closed Sales by Price Point Westchester County Overall Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	1,999	1,916	-83	-4%	5,533
0-\$999,999	1,454	1,453	-1	0%	3,591
\$1,000,000 - \$1,499,999	227	251	24	11%	772
\$1,500,000 - \$1,999,999	126	105	-21	-17%	458
\$2,000,000 - \$2,499,999	41	40	-1	-2%	208
\$2,500,000 - \$2,999,999	37	42	5	14%	155
\$3,000,000 - \$3,999,999	24	22	-2	-8%	152
\$4,000,000 - \$4,999,999	8	6	-2	-25%	52
\$5,000,000 - \$9,999,999	3	2	-1	-33%	76
\$10,000,000+	0	1	1	N/A	11

Single Family Homes Closed Sales by Price Point Westchester County Overall YTD

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	YTD 2017	YTD 2018	YTD 17 VS YTD 18	YTD 17 VS YTD 18	3Q AVERAGE
ALL PRICE RANGES	4,725	4,515	-210	-4%	15,837
0-\$999,999	3,412	3,416	4	0%	9,821
\$1,000,000 - \$1,499,999	533	568	35	7%	2,385
\$1,500,000 - \$1,999,999	293	251	-42	-14%	1,364
\$2,000,000 - \$2,499,999	116	105	-11	-9%	655
\$2,500,000 - \$2,999,999	76	88	12	16%	518
\$3,000,000 - \$3,999,999	53	47	-6	-11%	482
\$4,000,000 - \$4,999,999	21	12	-9	-43%	172
\$5,000,000 - \$9,999,999	10	12	2	20%	242
\$10,000,000+	1	3	2	200%	36

Single Family Homes Closed Sales by Price Point Southern Westchester County Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	1,334	1,356	22	2%	1,516
0-\$999,999	954	977	23	2%	2,176
\$1,000,000 - \$1,499,999	173	197	24	14%	518
\$1,500,000 - \$1,999,999	106	80	-26	-25%	315
\$2,000,000 - \$2,499,999	32	36	4	13%	149
\$2,500,000 - \$2,999,999	31	38	7	23%	108
\$3,000,000 - \$3,999,999	23	20	-3	-13%	119
\$4,000,000 - \$4,999,999	7	5	-2	-29%	38
\$5,000,000 - \$9,999,999	3	2	-1	-33%	52
\$10,000,000+	0	1	1	N/A	3

Single Family Homes Closed Sales by Price Point Southern Westchester County YTD

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	YTD 2017	YTD 2018	YTD 17 VS YTD 18	YTD 17 VS YTD 18	3Q AVERAGE
ALL PRICE RANGES	3,077	3,120	43	1%	10,220
0-\$999,999	2,175	2,237	62	3%	5,969
\$1,000,000 - \$1,499,999	413	439	26	6%	1,645
\$1,500,000 - \$1,999,999	242	203	-39	-16%	955
\$2,000,000 - \$2,499,999	96	88	-8	-8%	470
\$2,500,000 - \$2,999,999	67	78	11	16%	383
\$3,000,000 - \$3,999,999	50	42	-8	-16%	394
\$4,000,000 - \$4,999,999	15	9	-6	-40%	126
\$5,000,000 - \$9,999,999	7	11	4	57%	173
\$10,000,000+	0	2	2	N/A	12

Single Family Homes Closed Sales by Price Point Northern Westchester County Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	592	569	-23	-4%	2,017
0-\$999,999	500	476	-24	-5%	1,415
\$1,000,000 - \$1,499,999	54	54	0	0%	254
\$1,500,000 - \$1,999,999	20	25	5	25%	143
\$2,000,000 - \$2,499,999	9	4	-5	-56%	59
\$2,500,000 - \$2,999,999	6	4	-2	-33%	47
\$3,000,000 - \$3,999,999	1	2	1	100%	33
\$4,000,000 - \$4,999,999	1	1	0	0%	14
\$5,000,000 - \$9,999,999	0	0	0	N/A	24
\$10,000,000+	0	0	0	N/A	8

Single Family Homes Closed Sales by Price Point Northern Westchester County YTD

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	YTD 2017	YTD 2018	YTD 17 VS YTD 18	YTD 17 VS YTD 18	3Q AVERAGE
ALL PRICE RANGES	1,451	1,399	-52	-4%	5,617
0-\$999,999	1,237	1,179	-58	-5%	3,852
\$1,000,000 - \$1,499,999	120	129	9	8%	740
\$1,500,000 - \$1,999,999	51	48	-3	-6%	409
\$2,000,000 - \$2,499,999	20	17	-3	-15%	185
\$2,500,000 - \$2,999,999	9	9	0	0%	135
\$3,000,000 - \$3,999,999	3	5	2	67%	88
\$4,000,000 - \$4,999,999	5	3	-2	-40%	46
\$5,000,000 - \$9,999,999	3	1	-2	-67%	69
\$10,000,000+	1	1	0	0%	24

Single Family Homes Closed Sales by Price Point Scarsdale School District Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	86	89	3	3%	268
0-\$999,999	12	20	8	67%	39
\$1,000,000 - \$1,499,999	24	28	4	17%	66
\$1,500,000 - \$1,999,999	21	11	-10	-48%	55
\$2,000,000 - \$2,499,999	9	7	-2	-22%	26
\$2,500,000 - \$2,999,999	8	14	6	75%	24
\$3,000,000 - \$3,999,999	9	7	-2	-22%	29
\$4,000,000 - \$4,999,999	2	2	0	0%	7
\$5,000,000 - \$9,999,999	0	0	0	N/A	14
\$10,000,000+	0	0	0	N/A	0

Single Family Homes Closed Sales by Price Point Mamaroneck School District Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	92	80	-12	-13%	182
0-\$999,999	43	30	-13	-30%	65
\$1,000,000 - \$1,499,999	20	20	0	0%	42
\$1,500,000 - \$1,999,999	16	14	-2	-13%	26
\$2,000,000 - \$2,499,999	4	6	2	50%	16
\$2,500,000 - \$2,999,999	7	6	-1	-14%	11
\$3,000,000 - \$3,999,999	2	3	1	50%	9
\$4,000,000 - \$4,999,999	0	1	1	N/A	1
\$5,000,000 - \$9,999,999	0	0	0	N/A	5
\$10,000,000+	0	0	0	N/A	1

Single Family Homes Closed Sales by Price Point

Rye City/Rye Neck/Harrison/Blind Brook (Combined) School Districts Q3

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	146	164	18	12%	532
0-\$999,999	45	60	15	33%	138
\$1,000,000 - \$1,499,999	35	43	8	23%	109
\$1,500,000 - \$1,999,999	32	24	-8	-25%	76
\$2,000,000 - \$2,499,999	10	13	3	30%	60
\$2,500,000 - \$2,999,999	10	14	4	40%	43
\$3,000,000 - \$3,999,999	7	6	-1	-14%	58
\$4,000,000 - \$4,999,999	4	1	-3	-75%	22
\$5,000,000 - \$9,999,999	2	2	0	0%	21
\$10,000,000+	0	1	1	N/A	1



Fairfield County



17 Brush Island Road • Darien, CT • MLS: 170124543

Fairfield County

1 Fairfield County is still behind but closing in on last year

Each quarter this year has found Fairfield County just a little behind the same quarter of 2017, and that continued to be the case in the third quarter, although this quarter's declines were the most marginal of the year so far. Quarter over quarter, unit sales county-wide were 3% lower while dollar volume was 1% higher than the same period last year. Year to date, unit sales and dollar volume were both 3% behind the first three quarters of 2017. These figures are closer to 2017 figures than we saw last quarter, suggesting the county is making headway and beginning to catch up to last year. Greenwich is responsible for a significant portion of this activity, with other standout towns including Norwalk, Redding, Sherman, Weston and Wilton.

2 The high end in the lower county has stalled

Although Fairfield County overall is picking up some steam and starting to approach last year's sales numbers, certain key areas of the lower county like Darien, New Canaan and Rowayton remain challenged. Of the higher end communities, only Greenwich is witnessing an uptick, though Westport is about even with this time last year in unit sales. New Canaan brokerage manager Bill Larkin characterizes the luxury market segments in one word: "quiet." After seeing movement in recent quarters among notably discounted properties at the high end, these offerings are now experiencing far fewer showings and sales are tapering off, even after price reductions as high as 30%. Without a significant contingent of buyers at the upper end, continued price adjustments mean little, and Larkin is advising sellers that for now, small incremental price cuts are not working to generate increased interest. This stagnation affects other parts of the market too: condos in New Canaan, for example, are quiet because the downsizers who make up a larger part of that particular market are unable to sell their higher end homes in town before making the move. Despite the slowdown, the luxury rental market is seeing a correlational increase as some sellers opt to rent out their homes given the current climate. The value proposition now on display among these higher end properties is almost unheard of, according to Larkin. There are properties in Greenwich now selling in the \$3 million range that started out in the \$5 million range, often to international buyers, he says. Even if there appears to be minimal urgency among consumers in some of these price categories, the lower price ranges representing the entry level in the higher end markets did see growth this quarter.

3 The markets to the north are active

After a delayed market resulting from the major storm that hit the region in May, Northern Fairfield County saw an uptick over the summer and is experiencing brisk movement this fall. To be clear, single family home sales are lower than this time last year, but that is only because inventory is so limited, according to Northern Fairfield County brokerage manager Adele Unger. Buyers are out in the marketplace, and when properly priced turnkey inventory hits, multiple bid situations are common, particularly in the entry and mid markets. Condo sales have increased throughout greater Danbury, including areas like Brookfield, Danbury and New Fairfield—an indication that many buyers are gravitating toward purchases that require less maintenance. New construction is also moving, and land sales are demonstrating an increase as well, with dollar volume rising higher than unit sales as larger tracts sell. Growth in the \$500 to \$750,000 range may be attributed to price reductions at the high end settling to a point where the value has become too hard to resist, says Unger. With plenty of properties still going into contract, the outlook for the fourth quarter looks promising.

4 Inventory is tight county-wide

Inventory is low in both the northern and southern counties, with different effects. Reduced inventory in the lower county may be partly a result of sellers observing a challenging environment and choosing not to sell if they don't have to, says Larkin. One of the outcomes has been a stronger rental market. Up north, inventory was slow to arrive this year with the cleanup needed after the May storm, and though properties have arrived, there are not as many as last year. This has led to a competitive marketplace for buyers.

5 Unique homes are in demand

Larkin reports elevated interest in properties that don't fit the standard mold and have something different and unique to offer. Mid-century modern residences in New Canaan serve as a good example, though even these properties are vulnerable to price adjustments.

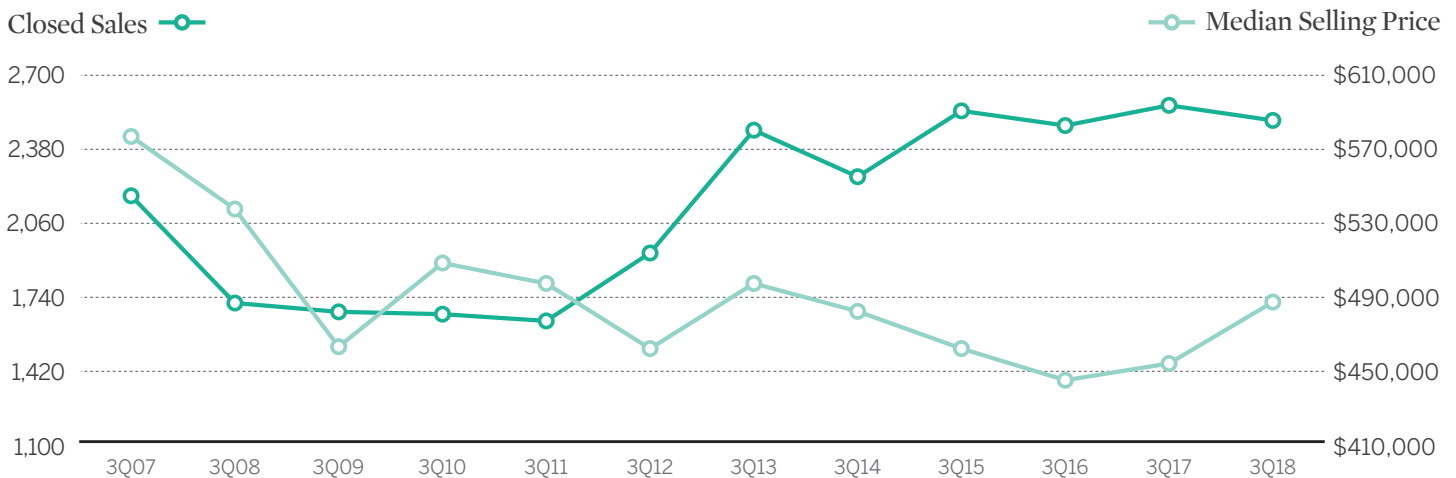


Country French Classic • Stamford, CT • MLS: 170119698

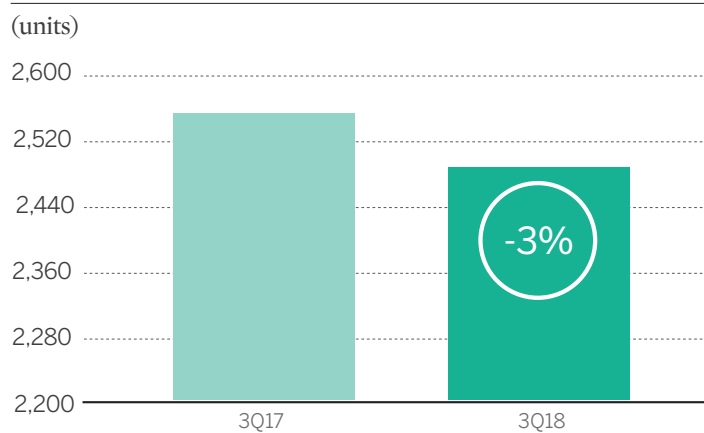
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	2,554	2,458	-96	-4%	9,032
0 - \$799,999	1,947	1,841	-106	-5%	5,613
\$800,000 - \$1,499,999	369	387	18	5%	1,828
\$1,500,000 - \$1,999,999	111	114	3	3%	572
\$2,000,000 - \$2,999,999	80	72	-8	-10%	491
\$3,000,000 - \$4,999,999	34	34	0	0%	308
\$5,000,000 - \$9,999,999	13	9	-4	-31%	148
\$10,000,000+	0	0	0	N/A	37

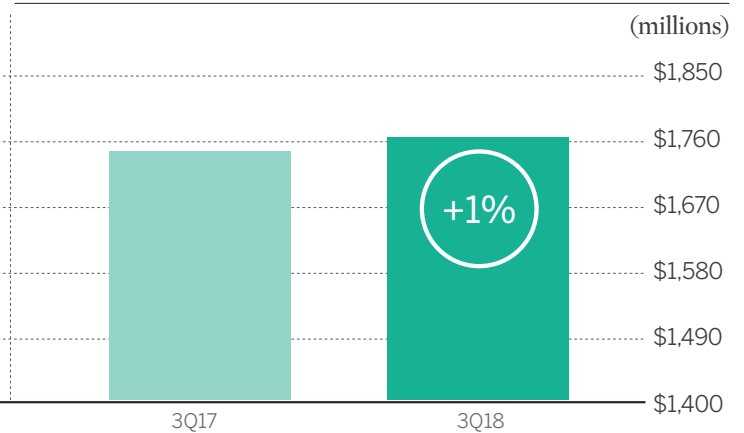
Single Family Homes 12-Year Third Quarter Sales



Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
	3Q17	3Q18	% CHANGE	YTD 2017	YTD 2018	% CHANGE	% CHANGE	% CHANGE	3Q17	3Q18	% CHANGE	3Q17	3Q18	% CHANGE
			3Q17 VS 3Q18			3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18			3Q17 VS 3Q18			3Q17 VS 3Q18
SINGLE FAMILY														
FAIRFIELD COUNTY	2,546	2,480	-3%	6,561	6,381	-3%	1%	-3%	\$452,000	\$485,000	7%	\$449,000	\$463,000	3%
Bethel	47	67	43%	148	168	14%	58%	23%	\$315,000	\$350,000	11%	\$316,000	\$335,000	6%
Brookfield	63	59	-6%	149	158	6%	-8%	9%	\$350,000	\$390,000	11%	\$370,000	\$379,000	2%
Danbury	163	119	-27%	376	302	-20%	-21%	-16%	\$319,000	\$325,000	2%	\$295,000	\$308,000	4%
Darien	111	84	-24%	249	207	-17%	-27%	-18%	\$1,440,000	\$1,282,000	-11%	\$1,420,000	\$1,395,000	-2%
Easton	33	33	0%	84	102	21%	-5%	13%	\$545,000	\$611,000	12%	\$600,000	\$562,000	-6%
Fairfield	248	230	-7%	617	589	-5%	5%	2%	\$585,000	\$690,000	18%	\$595,000	\$630,000	6%
Greenwich	145	183	26%	434	458	6%	8%	3%	\$1,795,000	\$1,800,000	0%	\$1,500,000	\$1,629,000	9%
Monroe	74	72	-3%	176	173	-2%	-11%	-7%	\$402,000	\$369,000	-8%	\$365,000	\$365,000	0%
New Canaan	74	71	-4%	202	168	-17%	-8%	-19%	\$1,478,000	\$1,342,000	-9%	\$1,441,000	\$1,424,000	-1%
New Fairfield	80	46	-43%	179	127	-29%	-50%	-28%	\$332,000	\$331,000	0%	\$330,000	\$330,000	0%
Newtown	121	109	-10%	317	306	-3%	-4%	3%	\$376,000	\$378,000	1%	\$380,000	\$385,000	1%
Norwalk	187	205	10%	510	514	1%	12%	2%	\$470,000	\$520,000	11%	\$470,000	\$490,000	4%
Redding	32	49	53%	107	99	-7%	89%	12%	\$463,000	\$600,000	30%	\$500,000	\$541,000	8%
Ridgefield	116	113	-3%	294	262	-11%	-14%	-18%	\$658,000	\$670,000	2%	\$632,000	\$645,000	2%
Rowayton	26	24	-8%	67	56	-16%	-8%	-23%	\$1,418,000	\$1,092,000	-23%	\$1,280,000	\$1,044,000	-18%
Shelton	133	121	-9%	329	315	-4%	-7%	-4%	\$310,000	\$325,000	5%	\$323,000	\$331,000	2%
Sherman	16	24	50%	49	63	29%	11%	0%	\$445,000	\$450,000	1%	\$429,000	\$415,000	-3%
Stamford	214	187	-13%	568	556	-2%	-16%	-6%	\$576,000	\$570,000	-1%	\$577,000	\$573,000	-1%
Stratford	189	193	2%	515	516	0%	12%	8%	\$249,000	\$266,000	7%	\$240,000	\$255,000	6%
Trumbull	135	133	-1%	322	359	11%	-3%	12%	\$410,000	\$380,000	-7%	\$380,000	\$383,000	1%
Weston	42	63	50%	126	129	2%	56%	-4%	\$817,000	\$749,000	-8%	\$796,000	\$721,000	-9%
Westport	132	131	-1%	337	333	-1%	-7%	-10%	\$1,271,000	\$1,243,000	-2%	\$1,325,000	\$1,225,000	-8%
Wilton	66	74	12%	181	165	-9%	20%	-3%	\$753,000	\$825,000	10%	\$770,000	\$759,000	-1%
CONDOMINIUMS														
FAIRFIELD COUNTY	778	813	4%	2,152	2,130	-1%	3%	-2%	\$260,000	\$265,000	2%	\$252,000	\$255,000	1%

The Shoreline



55 Vineyard Place • Guilford, CT • MLS: 170110356

The Shoreline

1 With dollar volume on the rise, the Connecticut Shoreline is seeing movement at the high end

After a slower start early in the year, and a second quarter that saw dollar volume beginning to trend ahead of the prior year, the Connecticut Shoreline is now definitively witnessing a stronger back half of 2018. For the third quarter, the region encompassing New Haven, Middlesex and New London counties saw unit sales standing nearly even with the same time last year at a 1% decrease, while dollar volume jumped ahead by 9%. This increase combined with a 3% increase in the median price are indicative of a resurgence at the high end in many areas. Year to date, units are also close to even with the first three quarters of 2017, only behind by 1%, while volume, again, is ahead by 6%. With a strong swelling in contracts and offers written, we anticipate the market to continue picking up speed through the fourth quarter.

2 In New Haven County, the luxury segment is driving the market for the first time in years

If in recent times the entry sub-\$350,000 market has driven the market in New Haven County, now, for the first time in years, we are seeing the region's higher price ranges experiencing more robust volume. Madison and Guilford assistant brokerage manager Rob McConville attributes this to a combination of consumer confidence and price reductions finally landing in a position where the value proposition is undeniable. Properties priced north of \$1 million, some of which have been sitting on the market for as long as two years, are now moving at a quicker pace, while fresh inventory at the same price point will sometimes trade in a matter of days when priced competitively. The majority of the offerings in this high-inventory segment of the market are waterfront or water-oriented properties. Even the \$700,000 to \$900,000 range, which has been the area's more sluggish sector, is seeing growth.

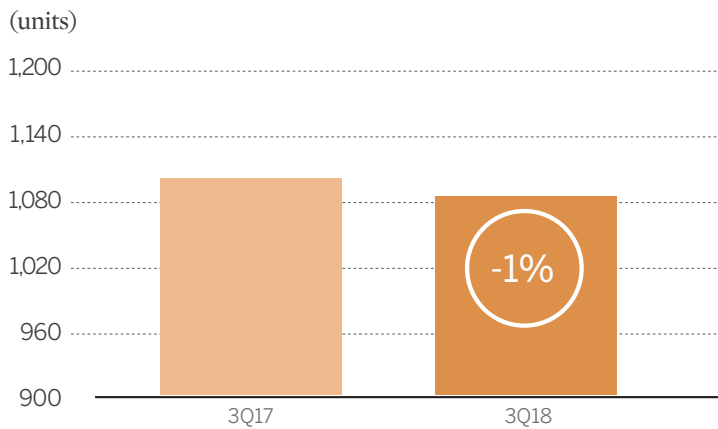
3 While sales overall were lower in Middlesex County, the region's mid-market continued its growth streak

Middlesex County is the one region of the Connecticut Shoreline that remains down compared to this time last year, both for the quarter and year to date, though Director of Business Development Heather Gagnon suggests that inventory may be playing a role in that. There are both buyers and sellers in the marketplace, she says, but buyers are very particular and aren't always finding quite what they're looking for, particularly in the entry sub-

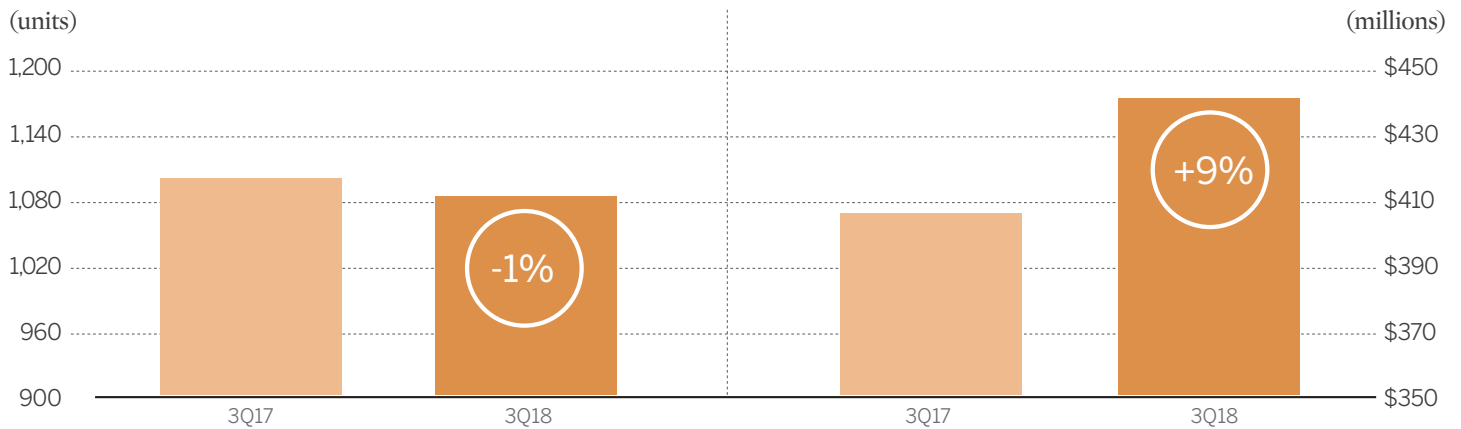
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	1,022	1,006	-16	-2%	3,597
0 - \$399,999	737	688	-49	-7%	1,906
\$400,000 - \$749,999	229	254	25	11%	1,113
\$750,000 - \$999,999	35	41	6	17%	267
\$1,000,000 - \$1,499,999	20	20	0	0%	164
\$1,500,000+	9	12	3	33%	173

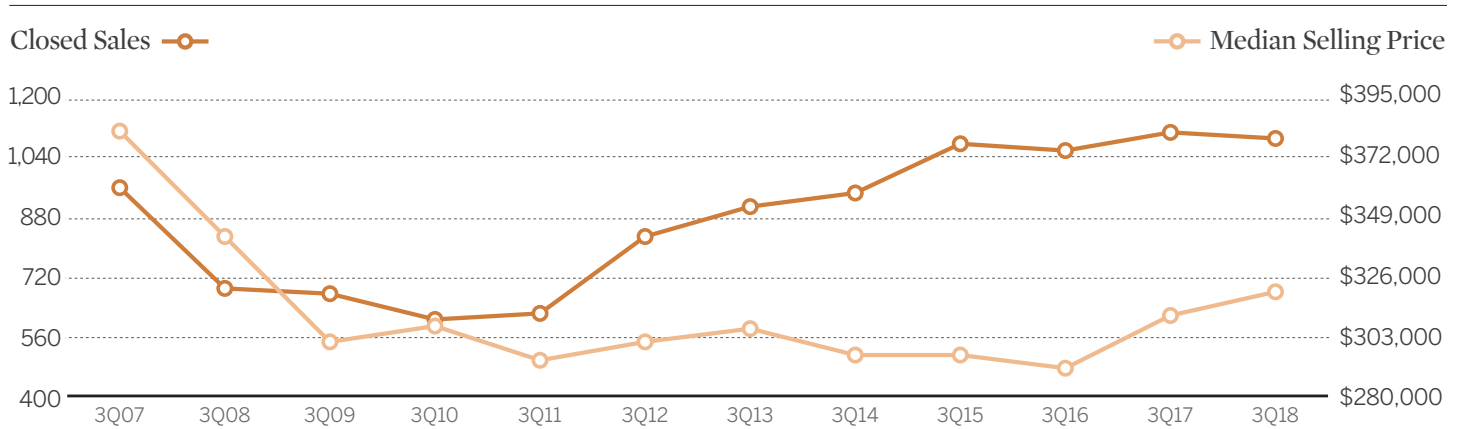
Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



Single Family Homes 12-Year Third Quarter Sales



\$350,000 segment. Yet that price point up to about \$1 million continues to grow, with areas like Deep River and Chester seeing healthy activity especially among their riverfront offerings, and agents are reporting that their open houses are busy with interested buyers. The luxury \$1 million-plus sector was quieter this quarter compared to the same time in 2017 after a more robust second quarter, though it must be noted that the period we are comparing to last year saw the record outlier sale of the historic Katharine Hepburne estate in Old Saybrook.

4 New London County is firing on all cylinders

We have reported in recent quarters that the market in New London County is thriving from the ongoing hiring spree at General Dynamics Electric Boat, especially in the entry sub-\$300,000 market, where properties go for highest and best almost as soon as they hit the market. Now for the first time we are observing this growth spread to the upper price ranges, reflected in both a rise in the median price and a greater increase in volume than unit sales. Much like in New Haven County, Gagnon feels that price adjustments among properties over \$1 million, as well as from \$600,000 to \$1 million, have ignited interest for the incredible value proposition they offer. Agents are experiencing an exceptionally busy market in New London County across all price ranges.

5 The new mantra is condition, condition, condition

“Location, location, location” is a thing of the past. According to Gagnon, buyers are far more interested in the condition of a home, opting for pristine, turnkey houses that require little maintenance and have less square footage to deal with.

TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
	3Q17	3Q18	% CHANGE	YTD 2017	YTD 2018	% CHANGE	% CHANGE	% CHANGE	3Q17	3Q18	% CHANGE	3Q17	3Q18	% CHANGE
			3Q17 VS 3Q18			3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18			3Q17 VS 3Q18			3Q17 VS 3Q18
SINGLE FAMILY														
THE SHORELINE	1,096	1,080	-1%	2,866	2,825	-1%	9%	6%	\$310,000	\$319,000	3%	\$300,000	\$315,000	5%
Branford	80	81	1%	184	197	7%	87%	51%	\$314,000	\$369,900	18%	\$320,000	\$330,000	3%
Chester	11	8	-27%	34	31	-9%	-14%	-18%	\$280,000	\$377,500	35%	\$295,000	\$299,000	1%
Clinton	48	56	17%	139	152	9%	14%	12%	\$265,000	\$285,000	8%	\$260,000	\$278,000	7%
Deep River	12	10	-17%	30	38	27%	45%	72%	\$268,000	\$362,500	35%	\$260,000	\$250,000	-4%
East Haddam	43	41	-5%	104	110	6%	-13%	-6%	\$238,000	\$255,000	7%	\$238,000	\$239,000	0%
East Lyme	92	75	-18%	196	199	2%	-21%	-3%	\$301,000	\$330,000	10%	\$293,000	\$309,000	5%
Essex*	32	31	-3%	80	92	15%	-7%	29%	\$348,000	\$342,500	-2%	\$338,000	\$385,000	14%
Groton	111	106	-5%	316	271	-14%	-6%	-15%	\$235,000	\$245,000	4%	\$225,000	\$236,000	5%
Guilford	79	96	22%	201	247	23%	23%	24%	\$380,000	\$373,750	-2%	\$375,000	\$380,000	1%
Haddam	30	29	-3%	94	85	-10%	9%	-15%	\$266,000	\$304,170	14%	\$290,000	\$281,000	-3%
Killingworth	33	33	0%	86	77	-10%	12%	-2%	\$315,000	\$386,000	23%	\$309,000	\$373,000	21%
Lyme	12	15	25%	33	34	3%	222%	64%	\$330,000	\$490,000	48%	\$390,000	\$430,000	10%
Madison	77	85	10%	234	235	0%	16%	8%	\$400,000	\$450,000	13%	\$403,000	\$444,000	10%
New London	55	50	-9%	134	130	-3%	3%	5%	\$150,000	\$168,000	12%	\$140,000	\$155,000	11%
North Stonington	17	22	29%	62	52	-16%	80%	11%	\$265,000	\$286,000	8%	\$260,000	\$265,000	2%
Old Lyme	44	45	2%	121	120	-1%	14%	-1%	\$374,000	\$340,000	-9%	\$360,000	\$350,000	-3%
Old Saybrook	59	53	-10%	142	139	-2%	-44%	-23%	\$383,000	\$325,000	-15%	\$370,000	\$340,000	-8%
Stonington	65	75	15%	166	188	13%	16%	23%	\$335,000	\$350,000	4%	\$328,000	\$342,000	4%
Waterford	90	81	-10%	233	212	-9%	-9%	-7%	\$248,000	\$242,000	-2%	\$232,000	\$245,000	6%
Westbrook	30	27	-10%	83	67	-19%	-19%	-17%	\$323,000	\$292,000	-10%	\$308,000	\$320,000	4%
NEW HAVEN COUNTY														
Middlebury	35	28	-20%	88	69	-22%	-1%	-16%	\$298,000	\$362,000	21%	\$280,000	\$325,000	16%
Oxford	49	46	-6%	114	102	-11%	-8%	-8%	\$370,000	\$345,000	-7%	\$325,000	\$325,000	0%
Southbury	76	61	-20%	194	149	-23%	-18%	-16%	\$389,000	\$390,000	0%	\$348,000	\$375,000	8%
CONDOMINIUMS														
THE SHORELINE	278	257	-8%	768	727	-5%	-9%	1%	\$165,000	\$165,000	0%	\$160,000	\$165,000	3%

*Includes Essex, Ivoryton and Centerbrook

Litchfield County



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Litchfield County

1 After catching up during the second quarter, Litchfield County is now climbing ahead of last year

Last quarter we reported that the Litchfield County market started picking up steam after a slower early part of the year, a trend that continued through the third quarter. If the healthy performance in the second quarter had the effect of catching up to the first half of 2017, by now the market is climbing ahead of the prior year. For the third quarter, unit sales and dollar volume county-wide both stood ahead of the same period last year by 8%, while year to date, unit sales increased by 5% and dollar volume by 4% compared to the first three quarters of 2017. According to Litchfield County brokerage manager Kristine Newell, agents remain busy throughout the region as we head into the fourth quarter, and the rate of pending sales suggest that 2018 will come in for a strong finish. Some of the towns that performed well this quarter included Goshen, Kent, New Milford and Roxbury.

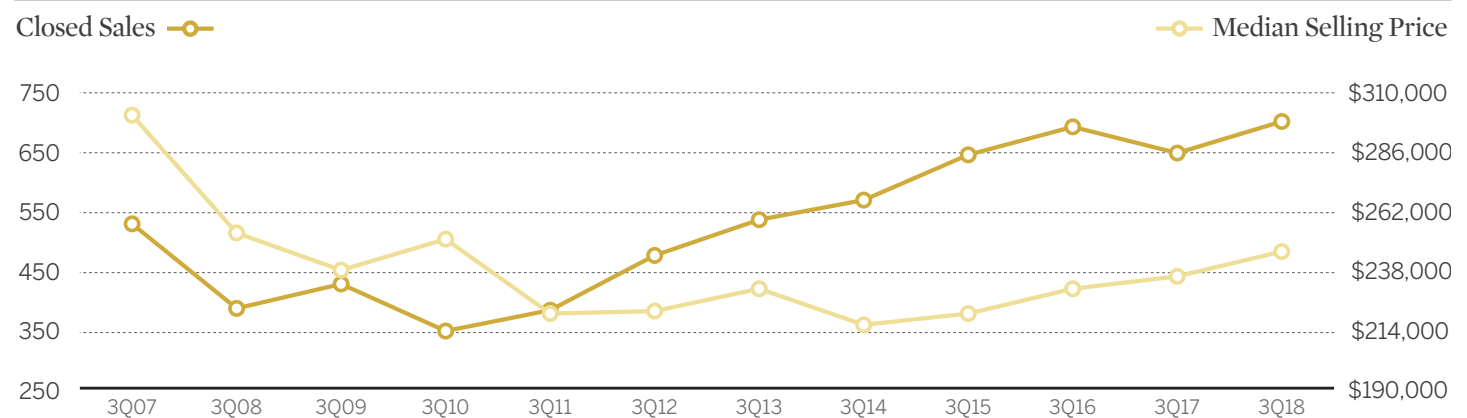
2 The high end is still moving but slowed slightly this quarter

Litchfield County's \$1 to \$2 million sector has experienced several consecutive quarters of growth, an ongoing important trend in that region's luxury market. For the first time in a long while, that segment fell behind this quarter compared to the same time last year, though the difference was not drastic with the number of unit sales declining from 15 to 11. Newell suggests that a lack of fresh inventory in this price range contributed to the drop off. Meanwhile, the uppermost end of the market, consisting of sales over \$2 million, experienced similar sales activity to this time last year. One notable sale in this price range was that of an 18th-century residence in a bucolic setting with sweeping views in Washington, listed by our company and sold for approximately \$2.2 million in August. Newell reports activity and interest among luxury properties over \$3 million, but deals have been slow to come together so far.

3 Inventory is arriving, but still limited overall

Inventory remains tight throughout Litchfield County, although September did see an influx of fresh listings hitting the market. With the spring season representing the usual listing period in the county, it is unusual to see so many new options become available for the fall market, but the fact that more offerings than usual are now for sale is a positive indicator heading into the rest of the year. Nevertheless, even with new listings arriving, inventory overall is still limited, particularly properties that are priced well to the market. Realistic pricing remains a key factor in realizing a sale, with overpriced listings struggling to rouse interest.

Single Family Homes 12-Year Third Quarter Sales



4 With presentation always imperative, some properties are benefitting from virtual staging

Properties that are staged well and presented in excellent condition continue to be the ones that see the most activity and sell the fastest. A new app developed by our brand for virtual staging—*Curate by Sotheby's International Realty*SM, the first-ever Augmented Reality (AR) app for real estate—has been embraced by agents as a way of showcasing vacant homes as fully staged through AR technology. Rooms can even be personalized and tailored for individual consumers, enabling clients to visualize interiors to their own taste. Newell says that virtual staging has allowed certain properties to achieve good online activity, translating into more showings.

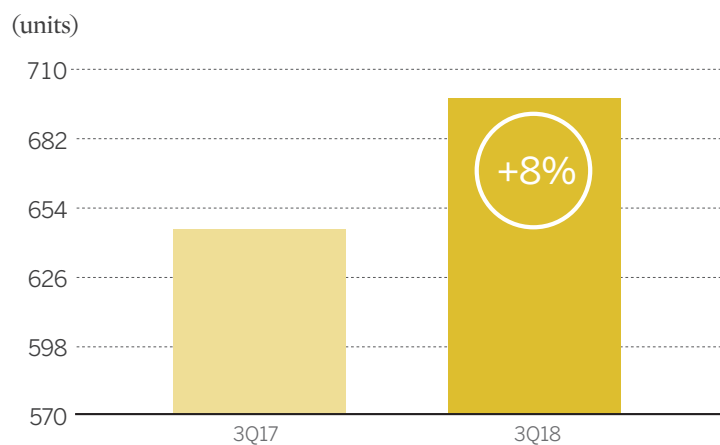
5 New Yorkers are seeking to “Escape to the Hills” of Litchfield County

The company's ongoing “Escape to the Hills” print, digital and social media campaign continues to attract prospective purchasers from New York City who are seeking weekend destination alternatives to places like the Hamptons. Newell reports increased engagement with buyers through the campaign's presence on social media in particular. The marketing piece highlights the county's many unique lifestyle attributes including its bucolic surrounds and cultural amenities, as well as its convenient two-hour commute from Manhattan.

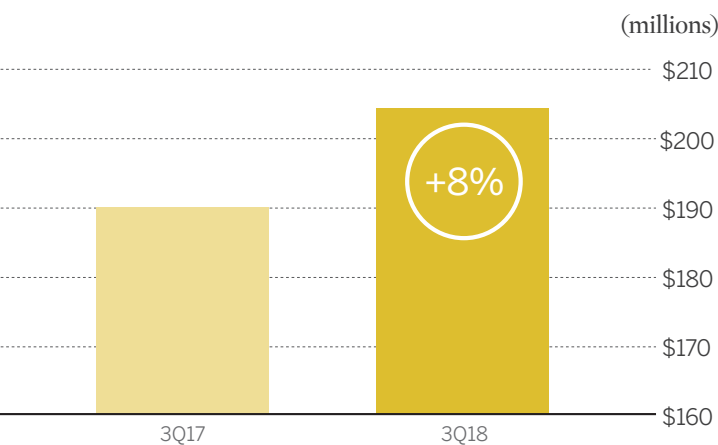
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	645	698	53	8%	1,847
0 - \$399,999	544	580	36	7%	1,084
\$400,000 - \$749,999	69	89	20	29%	391
\$750,000 - \$999,999	15	15	0	0%	129
\$1,000,000 - \$1,999,999	15	11	-4	-27%	148
\$2,000,000 - \$3,999,999	2	3	1	50%	68
\$4,000,000+	0	0	0	0%	27

Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



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
	3Q17	3Q18	3Q17 VS 3Q18	YTD 2017	YTD 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18	3Q17	3Q18	3Q17 VS 3Q18	3Q17	3Q18	3Q17 VS 3Q18
SINGLE FAMILY														
LITCHFIELD COUNTY	645	698	8%	1,699	1,781	5%	8%	4%	\$235,000	\$245,000	4%	\$225,000	\$235,000	4%
Barkhamsted	9	18	100%	29	35	21%	67%	25%	\$307,000	\$260,000	-15%	\$258,500	\$256,000	-1%
Bethlehem	7	11	57%	20	33	65%	134%	109%	\$285,000	\$339,000	19%	\$255,000	\$286,000	12%
Bridgewater	7	6	-14%	18	16	-11%	22%	1%	\$518,500	\$570,000	10%	\$439,000	\$507,500	16%
Canaan*	12	11	-8%	35	29	-17%	-7%	-23%	\$165,000	\$170,000	3%	\$168,500	\$169,000	0%
Colebrook	6	3	-50%	16	9	-44%	-35%	18%	\$180,000	\$280,000	56%	\$212,000	\$280,000	32%
Cornwall**	6	3	-50%	20	15	-25%	-54%	-44%	\$426,250	\$380,000	-11%	\$230,000	\$322,500	40%
Goshen	10	11	10%	39	39	0%	111%	-10%	\$290,000	\$325,000	12%	\$325,000	\$322,500	-1%
Harwinton	16	19	19%	46	47	2%	19%	0%	\$302,450	\$260,000	-14%	\$260,000	\$238,500	-8%
Kent, South Kent	7	9	29%	19	28	47%	63%	96%	\$267,500	\$380,000	42%	\$411,250	\$500,000	22%
Litchfield	28	28	0%	78	73	-6%	-18%	-35%	\$356,000	\$290,000	-19%	\$304,175	\$277,500	-9%
Morris	3	8	167%	15	22	47%	82%	49%	\$361,000	\$273,000	-24%	\$305,000	\$338,250	11%
New Hartford	24	21	-13%	66	54	-18%	-21%	-24%	\$269,950	\$222,000	-18%	\$269,150	\$237,500	-12%
New Milford	100	127	27%	246	277	13%	31%	21%	\$289,950	\$315,000	9%	\$280,000	\$295,000	5%
Norfolk	9	7	-22%	16	18	13%	-40%	3%	\$377,000	\$325,000	-14%	\$352,500	\$350,000	-1%
Plymouth	58	54	-7%	146	134	-8%	-3%	-3%	\$165,000	\$172,000	4%	\$160,450	\$163,350	2%
Roxbury	5	12	140%	24	32	33%	59%	28%	\$642,500	\$356,750	-44%	\$579,500	\$460,625	-21%
Salisbury	20	17	-15%	50	45	-10%	8%	-14%	\$394,250	\$612,500	55%	\$425,000	\$530,000	25%
Sharon	11	12	9%	32	33	3%	-36%	36%	\$590,000	\$300,750	-49%	\$355,000	\$361,500	2%
Thomaston	20	28	40%	62	63	2%	45%	6%	\$187,500	\$176,000	-6%	\$187,000	\$185,000	-1%
Torrington	106	125	18%	298	332	11%	33%	21%	\$136,750	\$152,990	12%	\$130,000	\$145,000	12%
Warren	9	5	-44%	13	16	23%	-60%	120%	\$320,000	\$311,000	-3%	\$357,500	\$320,000	-10%
Washington***	9	15	67%	42	42	0%	-13%	-44%	\$875,000	\$405,000	-54%	\$490,000	\$400,000	-18%
Watertown	97	82	-15%	198	219	11%	-10%	10%	\$218,900	\$238,450	9%	\$207,000	\$214,450	4%
Winchester	36	36	0%	91	93	2%	-10%	-3%	\$176,000	\$136,950	-22%	\$162,500	\$150,000	-8%
Woodbury	30	30	0%	80	77	-4%	-2%	-3%	\$378,750	\$335,000	-12%	\$332,500	\$355,000	7%
CONDOMINIUMS														
LITCHFIELD COUNTY	90	76	-16%	262	250	-5%	-8%	-1%	\$113,500	\$123,250	9%	\$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

Farmington Valley



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Farmington Valley

1 The Farmington Valley region of Hartford County is performing similarly to 2017

After an active second quarter that allowed the Farmington Valley region to largely catch up to the first half of 2017, the third quarter of 2018 found the market pulling back slightly compared to the same period last year, though the market is close to flat year to date. The region comprising Avon, Canton, Farmington, Granby and Simsbury, plus the key additional communities we serve including Burlington, Hartland and West Hartford, saw unit sales for the quarter dip by 4% and dollar volume by 7% versus the third quarter of 2017. Burlington and Hartland experienced a notable uptick, while areas such as Avon and West Hartford saw similar unit sales to the third quarter last year. Year to date, the Farmington Valley market is nearly even with 2017 with unit sales and dollar volume each behind the first three quarter of 2017 by a slight 2%.

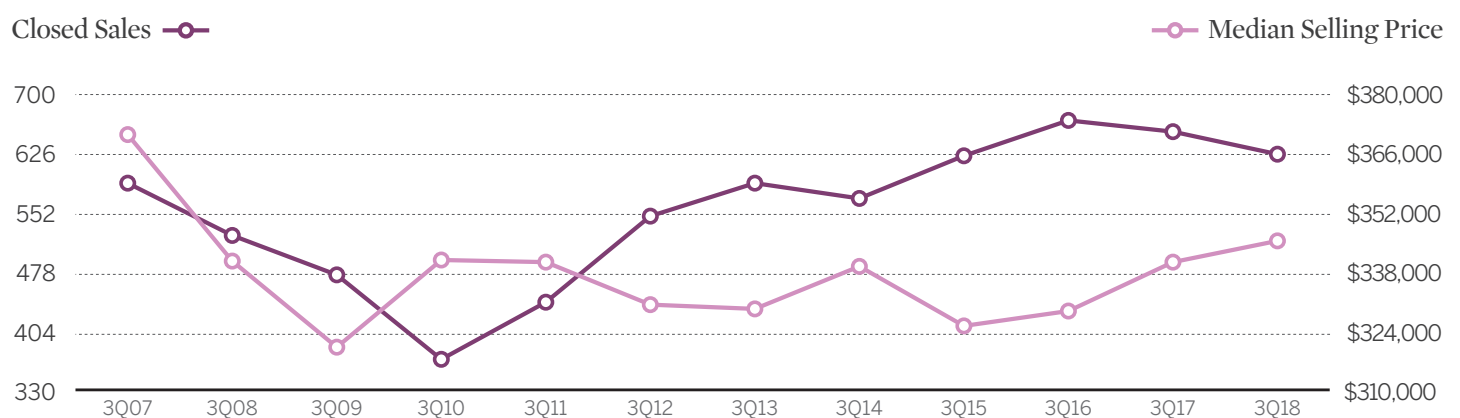
2 The entry market is moving, while the high end continues to struggle

The \$300,000 to \$400,000 range represents the sweet spot where most activity occurs in the Farmington Valley, and that was true in the third quarter, which saw the median price holding steady with the third quarter of 2017 at \$345,000. By contrast, the luxury \$1 million-plus market with its not insignificant property taxes remains a difficult sell, even as price adjustments in this sector have yielded some tremendous deals to be had, according to Hartford County regional brokerage manager Alex Ohlandt.

3 The price must be right

Pricing is the crucial factor in realizing a successful sale across all price categories, says Ohlandt. Sellers who initially price their homes too high, anywhere from \$15 to \$20 per square foot above the average, will likely find they need to reduce the asking price to start enticing buyers. Ohlandt notes there have been properties starting in the mid \$800,000 range that have had to come down to the high \$700,000 range before experiencing any showings. As long as listings are priced appropriately to the market, the current pace of activity suggests contracts should continue at a steady rate.

Single Family Homes 12-Year First Quarter Sales



4 Abundant inventory makes it a buyer's market

The Farmington Valley is flush with listings at all price points and plenty of open houses, leaving buyers with no lack of options, and therefore, little sense of urgency. They are content to wait for the right house at the right price. The flip side is that interest rates continue to tick up, even if they still stand at historic lows, so overly picky buyers risk losing out on the best possible rate if they wait too long, Ohlandt warns.

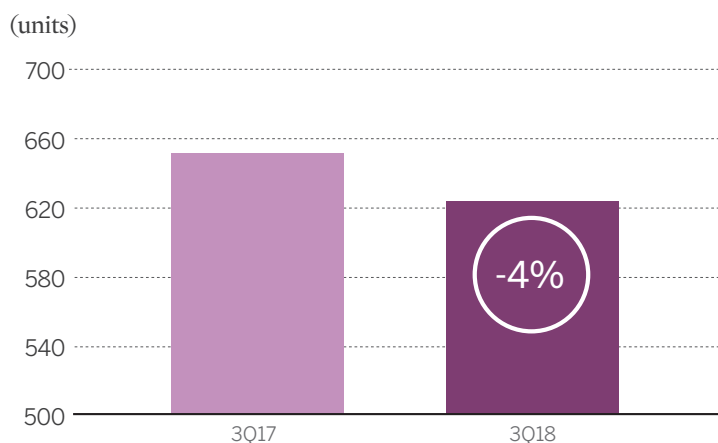
5 West Hartford is as sought after as ever, but other areas are alluring buyers as well

With its bustling downtown and thriving community, West Hartford is the enduring hot spot in the region. Yet areas offering a more rural and laid-back lifestyle, such as Simsbury with its highly rated schools, are attracting plenty of buyers as well. Ohlandt points out that new commercial development in Avon may help to increase that town's profile as a destination for consumers.

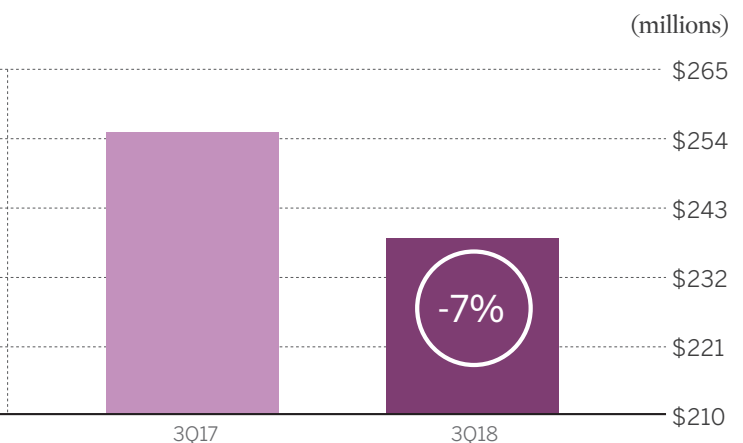
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	651	623	-4%	-28	993
0 - \$399,999	425	398	-6%	-27	566
\$400,000 - \$749,999	191	203	6%	12	329
\$750,000 - \$999,999	25	20	-20%	-5	48
\$1,000,000 - \$1,999,999	9	2	-78%	-7	35
\$2,000,000 +	1	0	-100%	-1	15

Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



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
	3Q17	3Q18	3Q17 VS 3Q18	YTD 2017	YTD 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	YTD 17 VS YTD 18	3Q17	3Q18	3Q17 VS 3Q18	3Q17	3Q18	3Q17 VS 3Q18
SINGLE FAMILY														
FARMINGTON VALLEY	651	623	-4%	1,636	1,606	-2%	-7%	-2%	\$340,000	\$345,000	1%	\$327,500	\$335,000	2%
Avon	84	84	0%	201	207	3%	-12%	1%	\$446,250	\$419,500	-6%	\$411,000	\$425,000	3%
Burlington	43	49	14%	104	127	22%	14%	22%	\$324,900	\$340,000	5%	\$327,975	\$350,700	7%
Canton	46	36	-22%	109	96	-12%	-16%	-9%	\$322,450	\$327,000	1%	\$314,950	\$325,000	3%
Farmington	76	72	-5%	183	206	13%	-5%	7%	\$398,250	\$375,450	-6%	\$380,000	\$361,500	-5%
Granby	48	40	-17%	126	125	-1%	-15%	5%	\$285,900	\$293,500	3%	\$279,000	\$292,700	5%
Hartland	2	8	300%	10	17	70%	192%	46%	\$292,250	\$193,750	-34%	\$254,950	\$211,000	-17%
Simsbury	114	101	-11%	264	247	-6%	-12%	-4%	\$335,000	\$340,000	1%	\$322,400	\$339,000	5%
West Hartford	238	233	-2%	639	581	-9%	-3%	-9%	\$319,950	\$331,250	4%	\$315,000	\$317,000	1%
CONDOMINIUMS														
FARMINGTON VALLEY	157	147	-6%	415	402	-3%	-2%	1%	\$184,000	\$190,000	3%	\$183,500	\$190,000	4%



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Berkshire County



Country Elegance • West Stockbridge, MA • MLS: 220785

1 Sales in the Berkshires are surging ahead of last year

If last quarter found the Berkshires playing catch-up after a softer first part of the year, the third quarter finds the region solidly ahead of 2017. For the quarter, unit sales increased by 11% and dollar volume by 16% compared to the same period last year, while year to date, units increased by 2% and dollar volume by 8% versus the first three quarters last year. Unlike the second quarter, which turned in different results for the north, central and south counties, this quarter the county experienced sales growth across the board. There is no sign of sales abating either, with agents reporting they are busier than ever heading into the fourth quarter. Properties under contract are also up versus this time last year, as is the median selling price.

2 The market continues to boom in the north county

One of the bigger stories in the Berkshires this year has been the dramatic growth in the northern county. The north is far outpacing the gains seen county-wide, with units up 57% and volume 82% quarter over quarter, despite inventory levels only standing even with this time last year. In the past, the market here has been more challenged, but Berkshires brokerage manager Tim Donnelly suggests that cultural offerings like the MASS MoCA in North Adams are boosting the region's appeal.

3 The \$350,000 to \$550,000 range is on fire, and \$550,000 to \$750,000 remains up as well

The hottest market segment during the third quarter was the \$350,000 to \$550,000 price range, which experienced significant increases over the same period last year with unit sales rising by 33% and dollar volume by 37%. The \$550,000 to \$750,000 mid-market was also a hot market with units increasing by 15% and volume 16% quarter over quarter, and has been since 2017, despite a quieter winter. Year to date, this price range has taken a commanding lead over other ranges, with units up 35% and volume 40% versus the first three quarters last year. There was a time when this price sector struggled more, but Donnelly says that the value proposition now available here makes these offerings hard to resist. Many of these properties would previously have been offered at a higher price point, but a price driven marketplace has induced sellers to listen more closely to the market when pricing their homes. Today, properties are achieving 96% of their asking price on average when they sell. The value proposition is also true of that lower \$350,000 to \$550,000 sector, where tight inventory makes for a competitive market as long as the properties are priced to the market. The higher end \$750,000-plus market was also up in the Berkshires this quarter, though the south county experienced a decline in this segment.

4 Inventory is starting to come back

The Berkshires has been contending with limited inventory for some time, but that trend appears to be reversing course. Total inventory is down for the region by 6.3% versus this time last year, but that figure has been much higher in previous quarters. Even more promising, new to market listings have picked up by 10.3% compared to last year after a somewhat later than usual peak listing season. This increase in fresh options to entice buyers is a promising sign as we move into the final quarter of the year.

5 The Berkshires' cachet is on the rise

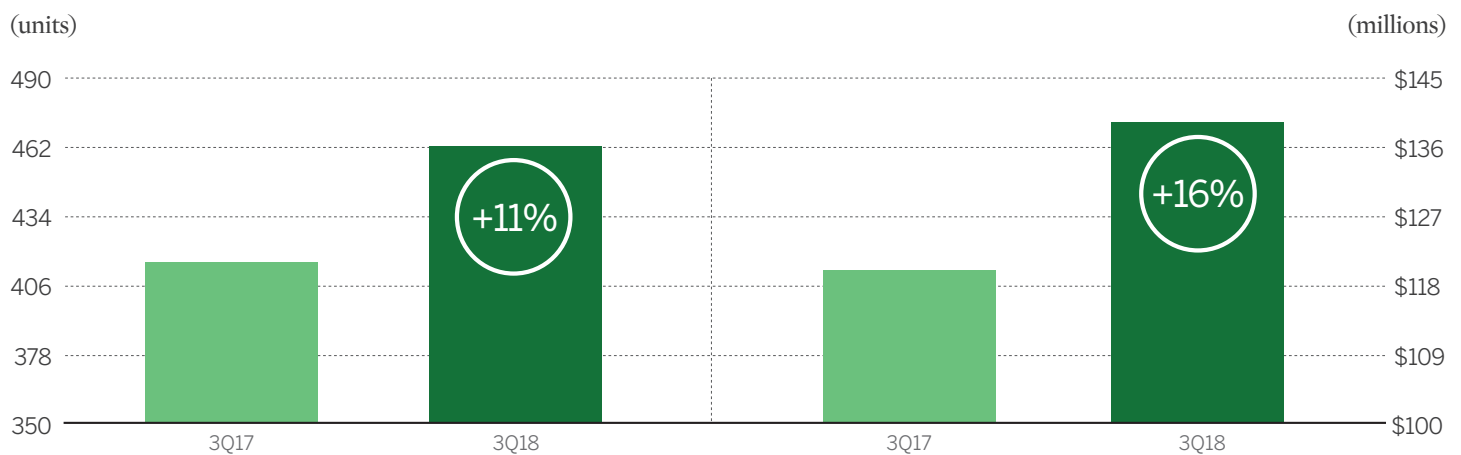
Donnelly describes a simple indicator of how far the Berkshires real estate market has come in recent years: The amount of traffic one must sit in on Main Street in Great Barrington. It's far more than in previous years, he says. The region's cultural activities from Tanglewood to Jacob's Pillow Dance Festival, its year-round lifestyle activities from hiking to skiing, and its beautiful pastoral countryside are attracting visitors and buyers in record numbers. Looking ahead, we are optimistic the market here will continue to thrive.

Single Family Homes Closed Sales by Price Point

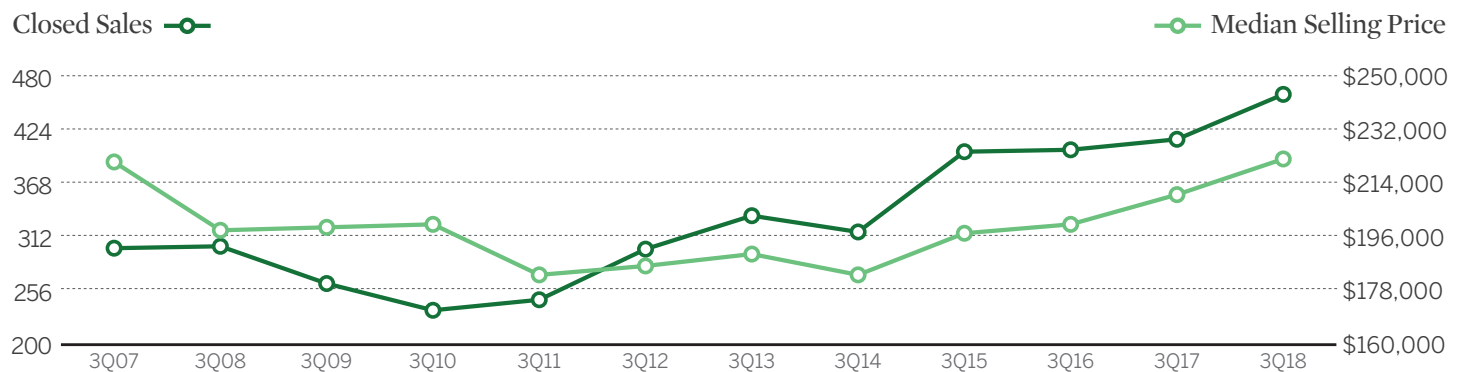
PRICE POINT	CLOSED SALES	CLOSED SALES	DIFFERENCE IN UNITS	% CHANGE	INVENTORY
	3Q 2017	3Q 2018	3Q17 VS 3Q18	3Q17 VS 3Q18	3Q AVERAGE
ALL PRICE RANGES	415	462	47	11%	710
0 - \$399,999	341	367	26	8%	565
\$400,000 - \$749,999	55	72	17	31%	107
\$750,000 - \$999,999	13	10	-3	-23%	19
\$1,000,000 - \$1,499,999	4	11	7	175%	15
\$1,500,000 +	4	3	-1	-25%	6

Single Family Homes Closed Sales

Single Family Homes Closed Dollar Volume



Single Family Homes 12-Year Third Quarter Sales



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
	3Q17	3Q18	3Q17 VS 3Q18	YTD 2017	YTD 2018	YTD 17 VS YTD 18	3Q17 VS 3Q18	YTD 17 VS YTD 18	3Q17	3Q18	3Q17 VS 3Q18	3Q17	3Q18	3Q17 VS 3Q18
SINGLE FAMILY														
BERKSHIRE COUNTY	415	462	11%	995	1,016	2%	16%	8%	\$210,000	\$222,000	6%	\$198,000	\$209,000	6%
Adams	17	24	41%	48	54	13%	42%	17%	\$130,000	\$135,000	4%	\$130,000	\$132,000	2%
Alford	2	2	0%	5	5	0%	-9%	-3%	\$773,000	\$697,000	-10%	\$571,000	\$637,000	12%
Becket	11	19	73%	36	40	11%	98%	17%	\$200,000	\$225,000	13%	\$211,000	\$188,000	-11%
Cheshire	12	11	-8%	23	19	-17%	24%	-4%	\$209,000	\$193,000	-8%	\$209,000	\$194,000	-7%
Clarksburg	6	3	-50%	11	8	-27%	-40%	-5%	\$98,000	\$130,000	33%	\$120,000	\$134,000	12%
Dalton	24	23	-4%	52	49	-6%	-9%	0%	\$184,000	\$182,000	-1%	\$181,000	\$184,000	2%
Egremont	13	5	-62%	26	18	-31%	-63%	-30%	\$505,000	\$515,000	2%	\$472,000	\$470,000	0%
Florida	1	1	0%	2	2	0%	-37%	-25%	\$187,000	\$118,000	-37%	\$154,000	\$136,000	-12%
Gt. Barrington	24	27	13%	54	63	17%	48%	41%	\$318,000	\$385,000	21%	\$308,000	\$362,000	18%
Hancock	4	3	-25%	9	6	-33%	43%	4%	\$257,000	\$450,000	75%	\$228,000	\$450,000	97%
Hinsdale	5	8	60%	13	19	46%	-12%	16%	\$325,000	\$193,000	-41%	\$199,000	\$196,000	-2%
Lanesborough	15	11	-27%	31	31	0%	-4%	18%	\$184,000	\$227,000	23%	\$177,000	\$227,000	28%
Lee	17	15	-12%	40	35	-13%	9%	-5%	\$210,000	\$290,000	38%	\$224,000	\$260,000	16%
Lenox	21	16	-24%	51	22	-57%	-41%	-61%	\$375,000	\$385,000	3%	\$350,000	\$371,000	6%
Monterey	0	10	N/A	9	19	111%	N/A	122%	\$0	\$337,000	N/A	\$390,000	\$434,000	11%
Mt. Washington	1	2	100%	2	3	50%	72%	108%	\$868,000	\$748,000	-14%	\$485,000	\$748,000	54%
New Ashford	1	0	-100%	1	1	0%	N/A	125%	\$151,000	\$0	-100%	\$151,000	\$344,000	128%
New Marlborough	7	9	29%	17	22	29%	77%	90%	\$278,000	\$350,000	26%	\$265,000	\$370,000	40%
North Adams	17	33	94%	59	80	36%	137%	84%	\$104,000	\$141,000	36%	\$115,000	\$143,000	24%
Otis	12	13	8%	29	25	-14%	27%	36%	\$323,000	\$425,000	32%	\$262,000	\$360,000	37%
Peru	0	2	N/A	1	9	800%	N/A	1033%	\$0	\$195,000	N/A	\$160,000	\$206,000	29%
Pittsfield	137	139	1%	309	311	1%	14%	6%	\$164,000	\$189,000	15%	\$162,000	\$169,000	4%
Richmond	7	8	14%	17	17	0%	13%	34%	\$399,000	\$394,000	-1%	\$299,000	\$475,000	59%
Sandisfield	5	0	-100%	12	9	-25%	N/A	-59%	\$510,000	\$0	-100%	\$265,000	\$217,000	-18%
Savoy	2	5	150%	4	9	125%	347%	259%	\$114,000	\$183,000	61%	\$112,000	\$183,000	63%
Sheffield	15	16	7%	47	32	-32%	-10%	-28%	\$295,000	\$335,000	14%	\$275,000	\$315,000	15%
Stockbridge	6	14	133%	17	30	76%	131%	69%	\$634,000	\$496,000	-22%	\$355,000	\$355,000	0%
Tyringham	3	2	-33%	5	4	-20%	-50%	-58%	\$880,000	\$590,000	-33%	\$600,000	\$469,000	-22%
Washington	3	1	-67%	3	4	33%	-59%	74%	\$241,000	\$255,000	6%	\$241,000	\$310,000	29%
West Stockbridge	7	8	14%	20	14	-30%	22%	-24%	\$329,000	\$523,000	59%	\$435,000	\$510,000	17%
Williamstown	19	26	37%	39	49	26%	42%	43%	\$443,000	\$341,000	-23%	\$240,000	\$325,000	35%
Windsor	1	6	500%	3	7	133%	2829%	240%	\$46,000	\$220,000	378%	\$212,000	\$220,000	4%
CONDOMINIUMS														
BERKSHIRE COUNTY	41	51	24%	95	107	13%	42%	63%	\$240,000	\$215,000	-10%	\$220,000	\$216,000	-2%

Where We Are Headed



Sensational Southport Beachfront • Fairfield, CT • MLS: 170080263

As we have seen, key economic indicators including the stock market, the GDP, interest rates and unemployment have 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®. Taken together, these factors lay a strong foundation for a healthy real estate market.

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, with the tried and true economic indicators that have always served as our compass still going strong, we remain bullish on the market looking ahead.

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-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.

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.
