

Market Watch

THIRD QUARTER 2014



William Pitt
Julia B Fee

Sotheby's
INTERNATIONAL REALTY

Third Quarter In Review



After a strong kick-off to 2014, sales levels moderated in both the second and third quarters as we secured the gains of the prior year. The closest to Manhattan communities of Southern Westchester County experienced closed unit transactions that were flat versus the third quarter of 2013, while dollar volume was 5% higher than the same period a year ago. On the other hand, Fairfield County experienced its second straight quarter of modest unit sales declines versus the same period of 2013. Year to date in 2014, units are 7% lower while dollar volume is a slight 2% lower. Moving further up the coast the Shoreline continues to be a nicely moderated market where activity parallels year-ago levels. Litchfield County and the Berkshires both have experienced sales levels that are somewhat slower than 2013, yet are far ahead of 2012 and 2011.

It is important to note that in contrast to the unit sales performance during the quarter, closed dollar volume has improved in many markets, a reflection of the emerging growth in the upper tier of housing.

The key buyer dynamics of 2014 are “condition, condition, condition” and “value, value, value.” Buyers more than ever want it all, and the heightened inventory levels this year have increased the competition among sellers and allowed buyers to be highly selective in their purchase decisions. Whether purchasing a starter home or a waterfront compound, buyers are signaling loud and clear that they want homes in pristine condition with updated systems and amenities. As a general rule they simply do not want to do any work. It also seems this quarter that buyers are gravitating to properties that they perceive to be offered at below market value. This is a difficult concept to quantify, but the essence is that there has to be a clear price-value proposition to engage today’s buyer.

While this summer’s market results do not reveal the significant gains we have experienced in recent times, it must be remembered that we remain in a recovering market and that sales this quarter are being compared to the third quarter of 2013, which was exceptionally robust. Sales levels remain substantially ahead of 2010–2012. For the remainder of 2014 we expect inventory levels to moderate and the combination of continued job creation, a strong stock market and low interest rates to continue to support sales so that we end 2014 with closed unit volume at parity with 2013 and dollar volume slightly higher.

I hope you find our Third Quarter 2014 Market Watch helpful as you evaluate your own personal real estate holdings and plans for the coming year. At William Pitt and Julia B. Fee Sotheby’s International Realty, we are committed to providing the highest level of service and expertise to buyers and sellers alike in all price categories. If we can be of service, please don’t hesitate to call.

With best regards,

Handwritten signature of Paul E. Breunich

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

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Enchanting, Extraordinary, Waterfront in Rowayton

Rowayton, CT • Web ID: 99054799

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Key Observations



CONSUMER
CONFIDENCE



INVENTORY
LEVELS



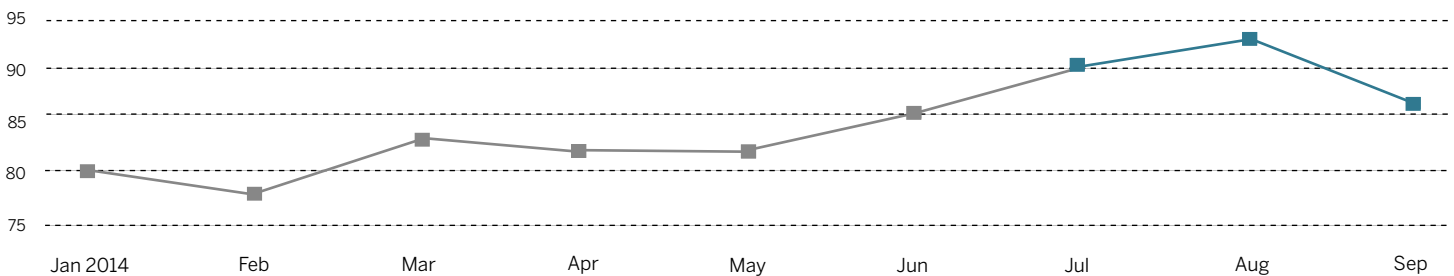
DAYS ON
MARKET



MEDIAN SELLING
PRICES

For both the quarter and the year we are seeing transaction volume very similar to 2013 levels and far ahead of 2012 and 2011. The market is stable and the fundamentals are in place to end the year approximately even with 2013 on a unit basis and slightly higher on a dollar basis due to the strengthening upper end. Holding onto the gains of last year and building a firm foundation to grow both unit and dollar volume in 2015 is our goal for the remainder of the year.

Consumer Confidence





Graceful Nantucket-Style Home

Market At A Glance

“Stable and healthy” best describes our local housing markets at the present time. We are right where we expected to be after 2013, which was a breakout year in all respects. Holding onto the gains of last year and building a firm foundation to move forward into 2015 is the most positive performance goal we can have. For both the quarter and the year we are seeing transaction volume very similar to 2013 levels and far ahead of 2012 and 2011. After two years of above-market sales growth, we are consolidating those gains this year, and expect to end 2014 with closed unit volume on pace with 2013 and dollar volume slightly higher.

Consumer confidence continues to grow, positively impacting the housing market. In fact the Consumer Confidence Level in August rose to its highest level in seven years at 93.4 (1985=100). There was a slight decline in September to 86.4, but this had been expected, and economists feel that this is a temporary slip and shouldn't dampen consumer spending in the coming months. While consumers generally feel positive about the economy, earnings and job prospects, we do see an element of caution in buyer behavior during the home purchase decision-making process, which has become prolonged in many instances as buyers carefully evaluate all aspects of the market and the property. Home purchases today are assessed more thoroughly than ever.

The upper end has significantly improved this year, but supply far outpaces demand, and sales levels are not where they need to be. The heightened competitiveness of this arena has required that sellers carefully prepare their homes for sale and price aggressively to stand out from the competition. Buyers have high expectations for homes priced at \$3,000,000 and higher and are not willing to commit unless, in their eyes, the house is perfect. Many of the same issues that apply to the broader market are also influencing the luxury market – condition, pricing and location. Buyers are also favoring newer construction or renovated homes. Waterfront in Westchester County remains a huge draw and is starting to come back in Connecticut, although the post-Sandy hesitation still exists to some extent.



New Canaan, CT • Web ID: 99058837

Median selling prices are stable, which is an important underpinning to market health. There were some attempts in the entry category to increase prices, but buyers pushed back, slowing sales activity. In the upper tiers prices continue to experience downward pressure as supply exceeds demand.

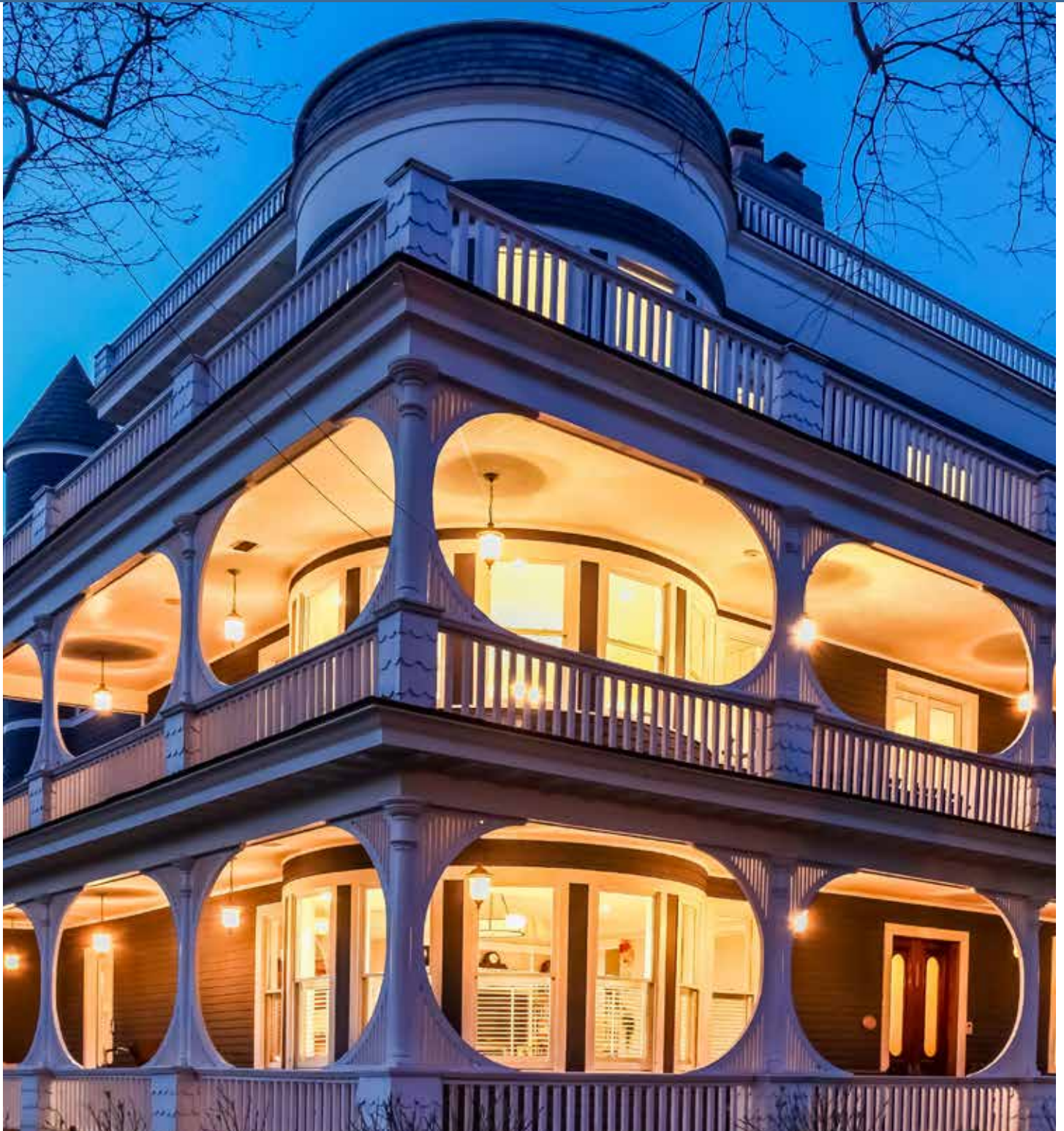
Tight credit is perhaps the biggest constraint to housing today. Despite the historically low interest rates, the tight lending practices make it difficult for many to take advantage of them. "While housing has seen some positive growth throughout the year, there is no denying that tight credit conditions are hindering a full, healthy housing recovery," said David Crowe, NAHB chief economist. "These persistently tight mortgage credit standards continue to limit the number of creditworthy borrowers, particularly younger families and first-time homebuyers, from entering the housing market." Because no market segment exists in a bubble, it is critical that money be more readily accessible to support housing growth in all price categories.

Buyers continue to favor communities that offer an easy commute. Bronxville, NY is the perfect example of this, where sales increased by 36% this quarter to their highest level in five years.

Condominium and co-op sales are tracking very similarly to the single family home market and are subject to the same macro factors. We expect this segment to continue to improve in the coming months.

Overall our markets are doing quite well. To achieve the next level of sales growth will require demand to improve, which is a function of confidence and more free-flowing credit.

Westchester County



Breathtaking Water View Manor Home

Larchmont, NY • Web ID: 4410693

Westchester County

Single family home sales in Westchester County were strong through the summer months. After declining by 12% in the second quarter due primarily to the harsh winter, home sales improved nicely in the third quarter of 2014, regaining much of the lost ground. For the county as a whole, unit sales were a slight 3% below the third quarter of 2013, which was the strongest sales quarter in five years, while dollar volume increased by 4% compared to this same period, reflecting the larger number of more expensive properties changing hands. Southern Westchester County outperformed the northern areas as buyers continued to exhibit a preference for staying within easy commuting distance of Manhattan. Year-to-date the market remains stable, tracking almost evenly with 2013. After a 20% sales jump in 2013, we anticipated 2014 to be a year of sales consolidation including some changes in the mix of properties sold, and that is exactly what has occurred. There has been a notable shift of buyer activity into the mid-price segments, which have been lagging behind the market for some time. The improvement in higher priced home sales

SINGLE FAMILY HOME CLOSED SALES

SOUTHERN WESTCHESTER COUNTY

	QUARTERLY CLOSED SALES						YEAR-TO-DATE CLOSED SALES				CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2012	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
SO. WESTCHESTER	1,400	1,400	1,111	957	879	0%	3,130	2,941	2,422	6%	5%	5%	92
Ardsley	49	46	30	24	31	7%	94	82	64	15%	8%	29%	83
Blind Brook	40	39	21	21	21	3%	72	79	49	-9%	3%	-4%	98
Briarcliff Manor	29	35	25	20	19	17%	46	68	43	-32%	-12%	-23%	112
Bronxville	38	28	31	26	32	36%	74	72	71	3%	43%	9%	71
Dobbs Ferry	27	23	20	18	11	17%	53	50	49	6%	55%	25%	125
Eastchester	52	50	28	26	21	4%	102	88	63	16%	20%	37%	56
Edgemont	45	35	34	21	20	29%	82	74	98	11%	46%	30%	76
Elmsford	18	16	12	8	8	13%	47	36	23	31%	22%	19%	116
Greenburgh	32	61	26	32	33	-48%	92	105	73	-12%	-43%	-2%	120
Harrison	44	48	40	45	46	-8%	111	115	98	-4%	-3%	0%	120
Hartsdale (P.O.)	31	43	24	20	18	-28%	77	76	56	1%	-23%	12%	62
Hastings	20	34	17	17	19	-41%	51	73	41	-30%	-46%	-34%	70
Irvington	33	29	38	16	15	14%	63	63	65	0%	7%	-3%	93
Mamaroneck **	126	114	91	103	77	11%	240	218	178	10%	7%	11%	78
Mount Pleasant	37	31	28	23	15	19%	76	63	66	21%	33%	27%	81
Mount Vernon	44	29	25	27	19	52%	98	74	75	32%	72%	54%	109
New Rochelle	122	119	92	69	61	3%	247	261	196	-5%	5%	4%	102
Ossining	55	55	43	47	32	0%	117	117	97	0%	8%	5%	96
Pelham	44	43	50	34	28	2%	98	109	102	-10%	4%	-3%	105
Pleasantville	25	32	26	14	14	-22%	57	58	54	-2%	-20%	10%	88
Pocantico Hills	4	6	4	2	2	-33%	8	7	6	14%	-32%	-5%	76
Port Chester	30	40	27	16	14	-25%	71	79	60	-10%	-25%	16%	92
Purchase (P.O.)	9	19	5	9	10	-53%	32	33	18	-3%	-40%	6%	151
Rye City	61	80	54	52	48	-24%	120	153	119	-22%	-20%	-20%	55
Rye Neck	30	24	15	23	15	25%	47	47	36	0%	33%	0%	48
Scarsdale	101	105	90	82	93	-4%	212	206	178	3%	13%	14%	76
Tarrytown	17	24	22	16	9	-29%	61	48	42	27%	-16%	-33%	76
Tuckahoe	14	10	11	9	8	40%	40	33	27	21%	54%	26%	110
Valhalla	28	26	13	11	12	8%	46	67	30	-31%	6%	-36%	75
White Plains	80	82	72	51	67	-2%	171	175	134	-2%	0%	5%	76
Yonkers	157	139	126	104	84	13%	346	329	301	5%	12%	7%	104

*DOM: Twelve-Month Median Days on Market **Mamaroneck School District includes Larchmont P.O.

has resulted in positive dollar volume changes for the year to date. On the other hand, constrained by a combination of rising prices, weak inventory and tight credit, the entry level is slightly softer than a year ago.

In Southern Westchester County closed unit sales activity for the third quarter of 2014 was flat versus the same period a year ago, while dollar volume increased by 5%, reflecting the 32% improvement in closed sales in the \$2,000,000–\$5,000,000 price range. The abundance of beautiful, well-priced homes in this mid-tier segment attracted a broad group of buyers seeking to take advantage of the excellent supply and competitive pricing. Conversely, sales activity of homes under \$1,000,000 declined by 5% for the quarter, constrained by tight credit conditions as well as a lack of well-positioned inventory. Property sales of homes at \$5,000,000 and higher continued to be adversely affected by weak demand and inventory levels that are 31% higher than a year ago. As perspective there were 68 homes on the market in this segment and eight homes sold during the third quarter. The two highest sales each traded over the asking price and went to contract within the first 30 days of the listing. The first was an Orienta Point direct waterfront built in 2004 with a protected Larchmont Harbor deep water dock. It traded at \$700,000 over its \$6,900,000 asking price. The second highest sale was a 1940's Colonial in Scarsdale, with a selling price that included a potential extra building lot. This home was listed for \$6,995,000 and traded for \$7,200,000. The homes in the luxury segment that sold this quarter achieved an average of 94% of their original list price.

In Northern Westchester County, after a strong first quarter where unit volume increased by 8% and dollar volume by a robust 23%, both the second and third quarters have experienced unit sales declines of 6% and 8%, respectively. Despite these declines volume remains strong by recent historical measures in all but the upper end. The market driver this quarter continued to be properties valued in the \$2,000,000–\$3,000,000 range, where 15 properties changed hands and year-to-date sales stood 46% higher than 2013. The luxury segment continues to have a generous supply of 48 homes valued at \$5,000,000 and higher, while there were five sales in this range for the quarter. Two of the five homes were in Bedford with listing prices approaching \$12,000,000 each. At this time there is exceptional inventory for the luxury buyer and keen competition among sellers.

Days on Market (DOM) for contract properties continue to decline from where they were a year ago, an important indicator that proper pricing and positioning immediately upon listing a property is crucial to a successful sale. The buyers are out there, but they are highly discriminating. They evaluate the new listings and then either snap them up or pass them by.

QUARTERLY CLOSED SALES

NORTHERN WESTCHESTER COUNTY

	QUARTERLY CLOSED SALES						YEAR-TO-DATE CLOSED SALES			CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
WESTCHESTER	1,958	2,009	1,540	1,329	1,221	-3%	4,160	4,225	-2%	4%	5%	97
NO. WESTCHESTER	561	611	433	376	345	-8%	1,243	1,296	-4%	3%	7%	108
Bedford	80	77	64	39	56	4%	195	164	19%	15%	32%	121
Byram Hills	51	73	41	42	47	-30%	116	126	-8%	9%	34%	95
Chappaqua	78	82	52	56	39	-5%	140	183	-24%	3%	-19%	111
Croton-Harmon	28	30	13	18	15	-7%	57	64	-11%	1%	18%	85
Hendrick Hudson	39	31	30	22	24	26%	84	69	22%	31%	25%	119
Katonah-Lewis	57	69	70	41	53	-17%	149	151	-1%	-1%	4%	154
Lakeland	80	62	53	52	37	29%	180	151	19%	43%	26%	101
North Salem	22	24	17	10	11	-8%	53	55	-4%	-4%	-22%	157
Peekskill	23	19	15	12	8	21%	54	55	-2%	33%	8%	118
Somers	38	52	29	26	24	-27%	94	110	-15%	-30%	-15%	83
Yorktown	65	92	49	38	31	-29%	123	170	-28%	-31%	-25%	79

*DOM: Twelve-Month Median Days on Market



Stunning Direct Waterfront Property

Rye, NY • Web ID: 4425988

SINGLE FAMILY HOME MEDIAN SALES PRICE

SOUTHERN WESTCHESTER COUNTY

	QUARTERLY MEDIAN SALES PRICE						TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q14 VS 3Q13
SO. WESTCHESTER	\$734,000	\$682,000	\$655,000	\$711,000	\$636,000	8%	\$663,000	\$615,000	\$593,000	8%
Ardley	\$650,000	\$630,000	\$647,000	\$615,000	\$603,000	8%	\$656,000	\$566,000	\$515,000	16%
Blind Brook	\$815,000	\$770,000	\$773,000	\$805,000	\$925,000	3%	\$813,000	\$749,000	\$753,000	9%
Briarcliff Manor	\$725,000	\$875,000	\$890,000	\$965,000	\$830,000	6%	\$784,000	\$775,000	\$742,000	1%
Bronxville	\$1,638,000	\$1,825,000	\$1,350,000	\$1,825,000	\$1,825,000	-17%	\$1,891,000	\$1,821,000	\$1,278,000	4%
Dobbs Ferry	\$851,000	\$730,000	\$633,000	\$703,000	\$629,000	-10%	\$713,000	\$655,000	\$668,000	9%
Eastchester	\$725,000	\$610,000	\$565,000	\$609,000	\$519,000	17%	\$662,000	\$561,000	\$579,000	18%
Edgemont	\$1,250,000	\$1,035,000	\$860,000	\$965,000	\$695,000	19%	\$1,135,000	\$896,000	\$968,000	26%
Elmsford	\$415,000	\$415,000	\$365,000	\$428,000	\$414,000	21%	\$389,000	\$381,000	\$401,000	2%
Greenburgh	\$473,000	\$450,000	\$449,000	\$395,000	\$490,000	0%	\$476,000	\$415,000	\$429,000	15%
Harrison	\$1,343,000	\$1,138,000	\$900,000	\$1,400,000	\$1,200,000	-4%	\$1,323,000	\$1,145,000	\$957,000	16%
Hartsdale (P.O.)	\$539,000	\$560,000	\$558,000	\$485,000	\$580,000	5%	\$548,000	\$500,000	\$516,000	10%
Hastings	\$788,000	\$713,000	\$625,000	\$611,000	\$640,000	18%	\$705,000	\$635,000	\$635,000	11%
Irvington	\$925,000	\$800,000	\$793,000	\$875,000	\$810,000	11%	\$942,000	\$929,000	\$689,000	1%
Mamaroneck *	\$1,059,000	\$1,050,000	\$1,018,000	\$1,100,000	\$1,000,000	16%	\$1,061,000	\$1,004,000	\$990,000	6%
Mount Pleasant	\$531,000	\$515,000	\$465,000	\$525,000	\$505,000	1%	\$534,000	\$510,000	\$497,000	5%
Mount Vernon	\$395,000	\$360,000	\$325,000	\$350,000	\$350,000	3%	\$386,000	\$333,000	\$319,000	16%
New Rochelle	\$642,000	\$599,000	\$619,000	\$625,000	\$635,000	10%	\$638,000	\$557,000	\$564,000	15%
Ossining	\$405,000	\$365,000	\$395,000	\$398,000	\$343,000	7%	\$385,000	\$375,000	\$364,000	3%
Pelham	\$755,000	\$740,000	\$667,000	\$949,000	\$790,000	11%	\$788,000	\$718,000	\$660,000	10%
Pleasantville	\$575,000	\$599,000	\$553,000	\$645,000	\$682,000	2%	\$626,000	\$551,000	\$520,000	14%
Pocantico Hills	\$678,000	\$636,000	\$913,000	\$675,000	\$890,000	2%	\$559,000	\$840,000	\$704,000	-33%
Port Chester	\$420,000	\$409,000	\$400,000	\$446,000	\$443,000	7%	\$426,000	\$424,000	\$403,000	0%
Purchase (P.O.)	\$1,100,000	\$1,100,000	\$965,000	\$1,180,000	\$2,548,000	3%	\$1,424,000	\$1,504,000	\$1,418,000	-5%
Rye City	\$2,175,000	\$1,678,000	\$1,090,000	\$1,190,000	\$1,205,000	0%	\$1,762,000	\$1,436,000	\$1,732,000	19%
Rye Neck	\$943,000	\$833,000	\$640,000	\$850,000	\$1,226,000	30%	\$863,000	\$822,000	\$709,000	5%
Scarsdale	\$1,500,000	\$1,310,000	\$1,330,000	\$1,203,000	\$1,235,000	13%	\$1,389,000	\$1,284,000	\$1,224,000	8%
Tarrytown	\$559,000	\$503,000	\$552,000	\$600,000	\$604,000	15%	\$569,000	\$546,000	\$574,000	4%
Tuckahoe	\$775,000	\$743,000	\$650,000	\$638,000	\$672,000	11%	\$696,000	\$762,000	\$622,000	-9%
Valhalla	\$505,000	\$500,000	\$440,000	\$438,000	\$453,000	1%	\$498,000	\$500,000	\$421,000	0%
White Plains	\$576,000	\$603,000	\$637,000	\$585,000	\$610,000	-4%	\$599,000	\$577,000	\$567,000	4%
Yonkers	\$435,000	\$420,000	\$407,000	\$412,000	\$456,000	4%	\$425,000	\$414,000	\$408,000	3%

*Mamaroneck School District includes Larchmont P.O.



Sophisticated Estate Like No Other

Purchase, NY • Web ID: 3333312

SINGLE FAMILY HOME MEDIAN SALES PRICE

NORTHERN WESTCHESTER COUNTY

	QUARTERLY MEDIAN SALES PRICE						TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q14 VS 3Q13
WESTCHESTER	\$680,000	\$650,000	\$628,000	\$682,000	\$730,000	9%	\$624,000	\$590,000	\$569,000	6%
NO. WESTCHESTER	\$569,000	\$573,000	\$525,000	\$579,000	\$555,000	-1%	\$535,000	\$521,000	\$494,000	3%
Bedford	\$731,000	\$710,000	\$623,000	\$773,000	\$731,000	3%	\$784,000	\$860,000	\$763,000	-9%
Byram Hills	\$1,056,000	\$1,040,000	\$865,000	\$1,143,000	\$902,000	2%	\$1,050,000	\$950,000	\$869,000	11%
Chappaqua	\$916,000	\$900,000	\$946,000	\$861,000	\$975,000	2%	\$930,000	\$875,000	\$879,000	6%
Croton-Harmon	\$550,000	\$478,000	\$620,000	\$493,000	\$425,000	15%	\$540,000	\$438,000	\$476,000	23%
Hendrick Hudson	\$420,000	\$427,000	\$393,000	\$360,000	\$493,000	-2%	\$381,000	\$374,000	\$349,000	2%
Katonah-Lewis	\$665,000	\$620,000	\$620,000	\$600,000	\$790,000	7%	\$642,000	\$626,000	\$613,000	3%
Lakeland	\$368,000	\$312,000	\$339,000	\$329,000	\$368,000	18%	\$330,000	\$322,000	\$315,000	2%
North Salem	\$506,000	\$478,000	\$525,000	\$402,000	\$660,000	6%	\$529,000	\$469,000	\$425,000	13%
Peekskill	\$275,000	\$253,000	\$294,000	\$237,000	\$188,000	9%	\$260,000	\$236,000	\$238,000	10%
Somers	\$625,000	\$628,000	\$460,000	\$607,000	\$588,000	0%	\$539,000	\$470,000	\$496,000	15%
Yorktown	\$420,000	\$415,000	\$400,000	\$427,000	\$445,000	1%	\$427,000	\$407,000	\$390,000	5%

Fairfield County



Byebrook Estate

Weston, CT • Web ID: 99031679

Fairfield County

After a breakout sales performance in 2013, this year's housing market is best described as steady and continuing to recover. Consolidating the strong 22% unit sales gains of 2013, Fairfield County real estate for the third quarter of 2014 continued to track modestly below last year's levels on both a unit and dollar basis. For the third quarter of 2014, total unit sales declined by 3% compared to the same period of 2013, while dollar volume was down by 8%. Year-to-date unit sales are 7% lower, while dollar volume is down a slight 2%. Contrary to recent periods, the softest market segment in 2014 has been the entry level, where homes valued at under \$1,000,000 have experienced a 10% quarterly decline in volume and 8% for the year. This is followed closely by homes in the \$1,000,000–\$2,000,000 range, where volume is down 13% for the quarter and 7% for the year. We believe this is most directly attributable to the tight credit situation, where first-time homebuyers are challenged in their ability to finance these purchases due to the banks' stringent lending requirements. We anticipate that as credit loosens, this segment will quickly rebound.

The luxury segment leveled off in the third quarter after some improvement in the first half of the year. Sales of homes valued between \$3,000,000 and \$4,999,999 declined by 6% for the third quarter of 2014 versus the same period last year, with New Canaan and Westport being the only markets to show modest single digit sales improvements. For the year sales are 17% higher for this segment. For properties valued above \$5,000,000, unit sales improved by 11% for the quarter. However, these gains were solely attributable to Greenwich with volume in other towns on par with third quarter 2013 levels. For the year there have been 55 sales in Fairfield County at \$5,000,000 or above, which equates to a 28% improvement versus 2013. Forty-two sales were in Greenwich, six in New Canaan, and the remainder spread

SINGLE FAMILY HOME CLOSED SALES

FAIRFIELD COUNTY

	QUARTERLY CLOSED SALES						YEAR-TO-DATE CLOSED SALES			CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
FAIRFIELD COUNTY	2,205	2,410	1,875	1,529	1,551	-9%	5,369	5,756	-7%	-3%	-2%	99
Bethel	39	39	44	25	26	0%	106	105	1%	2%	5%	94
Brookfield	49	69	53	32	45	-29%	132	147	-10%	-36%	-12%	102
Danbury	127	126	89	99	92	1%	296	306	-3%	-15%	-11%	98
Darien	100	111	94	71	88	-10%	221	234	-6%	-6%	-4%	116
Easton	35	24	23	21	27	46%	88	67	31%	81%	38%	104
Fairfield	202	271	186	154	166	-26%	523	566	-8%	-27%	-6%	93
Greenwich	185	201	186	136	141	-8%	464	582	-8%	-1%	20%	144
Monroe	54	55	42	45	40	-2%	130	156	-17%	-17%	-20%	103
New Canaan	81	99	80	68	83	-18%	189	224	-16%	-9%	1%	153
New Fairfield	51	52	29	33	36	-2%	120	118	2%	21%	9%	119
Newtown	121	94	91	69	72	29%	285	222	28%	36%	27%	125
Norwalk	172	174	150	109	138	-1%	449	482	-7%	-6%	-7%	96
Oxford**	41	48	24	31	17	-15%	87	96	-9%	-23%	-15%	98
Redding	21	39	26	20	18	-46%	66	92	-28%	-37%	-20%	111
Ridgefield	120	136	81	82	82	-12%	270	314	-14%	-19%	-11%	92
Rowayton	22	17	13	10	15	29%	59	55	7%	23%	17%	101
Shelton	89	107	86	63	82	-17%	209	239	-13%	-32%	-21%	82
Sherman	13	14	14	5	4	-7%	38	43	-12%	-33%	-7%	187
Southbury**	37	55	43	41	39	-33%	89	110	-19%	-48%	-29%	98
Stamford	200	221	183	181	140	-10%	463	541	-14%	-5%	-9%	84
Stratford	124	131	109	105	86	-5%	338	353	-4%	1%	1%	93
Trumbull	133	146	114	73	57	-9%	294	311	-6%	-4%	0%	73
Weston	59	61	45	24	31	-3%	122	138	-12%	-5%	-10%	121
Westport	119	151	111	108	126	-21%	292	362	-19%	-10%	-18%	118
Wilton	72	83	71	55	44	-13%	181	208	-13%	-11%	-8%	72

*DOM: Twelve-Month Median Days on Market **New Haven County

throughout the county. During the third quarter we did not see many net new buyers enter the luxury space. Rather, we typically saw the same pool of buyers who have been looking for some time, searching for that magic combination of condition, location and value pricing. There is no market segment that exists in a bubble, so the challenges of tight credit.

The median selling price dipped slightly to \$485,000 this quarter as sellers had to price aggressively to compete. The 3% decline was very modest, and prices remain firmly above the past three year average median selling price of \$461,000. We believe that at this time proper pricing is crucial to achieving a sale, given buyers' current value orientation.

While there was a slight decline in inventory levels from the second quarter, inventory overall remains elevated versus normative levels as sellers took advantage of the improving market conditions in the early part of this year and listed their homes for sale at a higher than typical rate. The number of single family homes for sale in Fairfield County is 10% higher than the same period a year ago. This elevated inventory is impacting buyers and sellers alike. It is a positive condition for buyers, providing more choice and greater leverage, yet for sellers the heightened competition requires that all market variables align positively to achieve a sale.

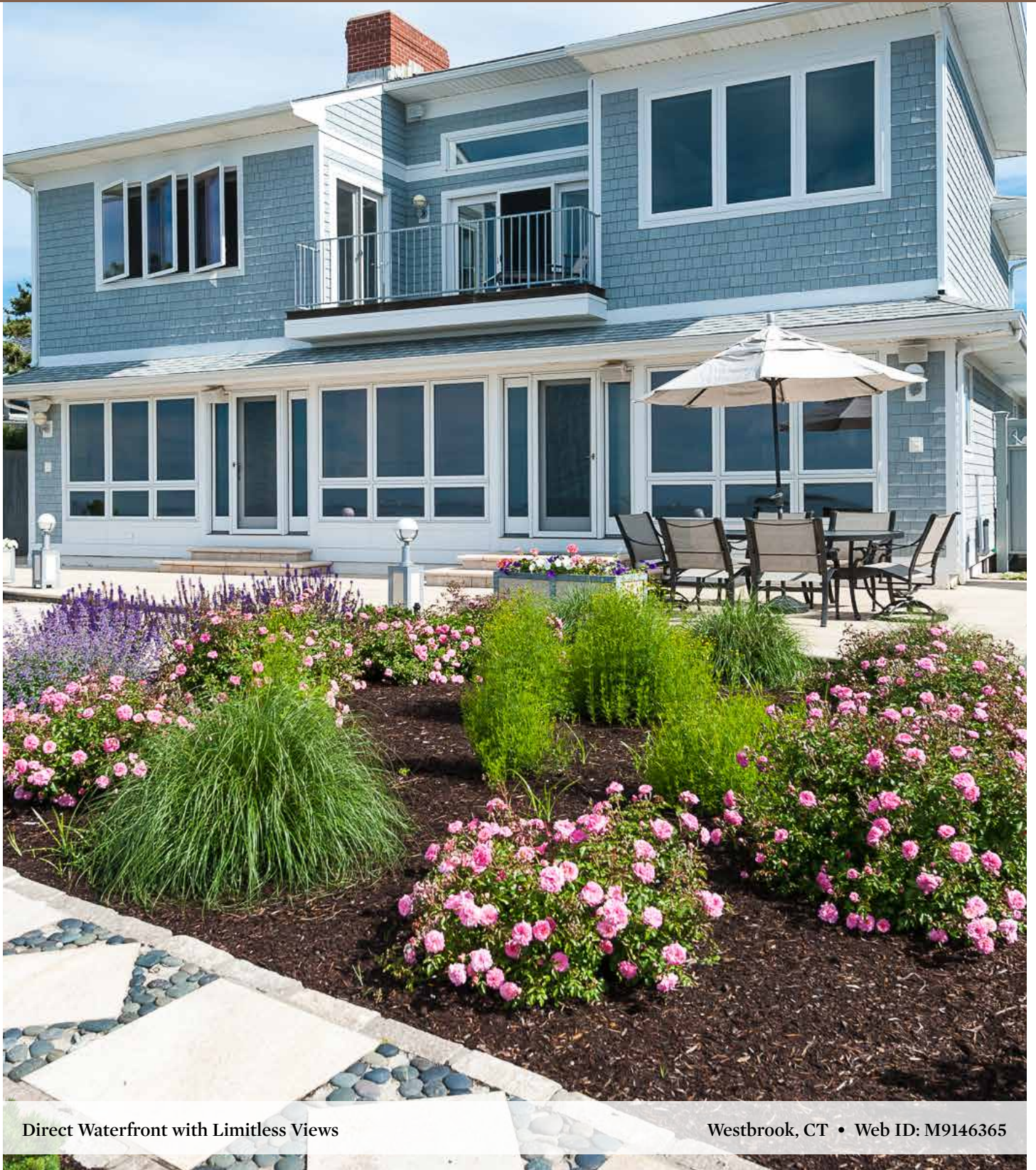
SINGLE FAMILY HOME MEDIAN SALES PRICE

FAIRFIELD COUNTY

	QUARTERLY MEDIAN SALES PRICE						TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q14 VS 3Q13
FAIRFIELD COUNTY	\$489,000	\$500,000	\$470,000	\$484,000	\$505,000	-2%	\$453,000	\$449,000	\$419,000	1%
Bethel	\$320,000	\$310,000	\$322,000	\$415,000	\$350,000	3%	\$301,000	\$304,000	\$299,000	-1%
Brookfield	\$325,000	\$360,000	\$355,000	\$330,000	\$356,000	-10%	\$357,000	\$372,000	\$304,000	-4%
Danbury	\$265,000	\$287,000	\$237,000	\$265,000	\$308,000	-8%	\$251,000	\$256,000	\$239,000	-2%
Darien	\$1,485,000	\$1,318,000	\$1,233,000	\$1,295,000	\$1,310,000	13%	\$1,376,000	\$1,325,000	\$1,245,000	4%
Easton	\$630,000	\$496,000	\$620,000	\$680,000	\$540,000	27%	\$579,000	\$524,000	\$570,000	10%
Fairfield	\$589,000	\$604,000	\$575,000	\$582,000	\$535,000	-2%	\$589,000	\$559,000	\$504,000	5%
Greenwich	\$1,750,000	\$1,700,000	\$1,721,000	\$1,498,000	\$1,862,000	3%	\$1,880,000	\$1,684,000	\$1,625,000	12%
Monroe	\$330,000	\$421,000	\$412,000	\$418,000	\$431,000	-22%	\$333,000	\$352,000	\$372,000	-5%
New Canaan	\$1,752,000	\$1,413,000	\$1,480,000	\$1,810,000	\$1,552,000	24%	\$1,638,000	\$1,375,000	\$1,475,000	19%
New Fairfield	\$355,000	\$290,000	\$295,000	\$305,000	\$360,000	20%	\$330,000	\$310,000	\$295,000	6%
Newtown	\$370,000	\$366,000	\$395,000	\$445,000	\$452,000	1%	\$356,000	\$367,000	\$366,000	-3%
Norwalk	\$450,000	\$465,000	\$421,000	\$422,000	\$449,000	-4%	\$417,000	\$424,000	\$402,000	-2%
Oxford*	\$340,000	\$334,000	\$313,000	\$275,000	\$380,000	2%	\$350,000	\$337,000	\$311,000	4%
Redding	\$610,000	\$518,000	\$602,000	\$568,000	\$647,000	18%	\$568,000	\$472,000	\$534,000	20%
Ridgefield	\$663,000	\$748,000	\$637,000	\$654,000	\$730,000	-11%	\$679,000	\$627,000	\$611,000	8%
Rowayton	\$938,000	\$985,000	\$1,262,000	\$1,062,000	\$1,462,000	-5%	\$924,000	\$928,000	\$952,000	0%
Shelton	\$279,000	\$346,000	\$312,000	\$328,000	\$318,000	-19%	\$300,000	\$310,000	\$293,000	-3%
Sherman	\$346,000	\$403,000	\$285,000	\$260,000	\$343,000	-14%	\$383,000	\$363,000	\$401,000	6%
Southbury*	\$315,000	\$408,000	\$345,000	\$365,000	\$375,000	-23%	\$359,000	\$357,000	\$329,000	0%
Stamford	\$628,000	\$579,000	\$580,000	\$575,000	\$634,000	8%	\$608,000	\$545,000	\$530,000	12%
Stratford	\$235,000	\$234,000	\$198,000	\$222,000	\$242,000	0%	\$226,000	\$219,000	\$208,000	3%
Trumbull	\$388,000	\$365,000	\$341,000	\$375,000	\$380,000	6%	\$364,000	\$344,000	\$357,000	6%
Weston	\$788,000	\$775,000	\$829,000	\$860,000	\$1,075,000	2%	\$767,000	\$760,000	\$703,000	1%
Westport	\$1,344,000	\$1,260,000	\$1,130,000	\$1,030,000	\$1,225,000	6%	\$1,308,000	\$1,240,000	\$1,178,000	5%
Wilton	\$820,000	\$845,000	\$720,000	\$850,000	\$843,000	-2%	\$773,000	\$753,000	\$760,000	3%

*New Haven County

The Shoreline



Direct Waterfront with Limitless Views

Westbrook, CT • Web ID: M9146365

The Shoreline

The Shoreline continues to be a steady housing market, where the sale of single family homes is on pace with 2013 levels on both a dollar and unit basis. Closed units are 1% higher than the third quarter of 2013 and associated dollar volume is 4% higher, reflecting the slightly improving upper end sales picture. The median selling price for the quarter is stable at \$311,000. Year-to-date sales are also tracking similarly to 2013 performance, while the 12-month average median selling price reveals a 3% improvement to \$315,000, which is a function of the 25% increase in upper end sales this year. The driver for the quarter is the \$500,000–\$750,000 price range, where closed sales demonstrated a 13% improvement compared to a flat overall market.

The most notable news for this quarter, which began earlier in 2014, is the continued re-emergence of the upper end. During the third quarter of 2014 there were 26 home sales valued at \$1,000,000 and higher versus 25 such sales in the third quarter of 2013. However, the year-to-date figures paint a much clearer picture of the growing strength of this market segment. There were 64 closed transactions through September 30, 2014, representing a 25% improvement compared to the same period of 2013. In the third quarter of 2014 the median closed price per square foot was \$349, the list to sell ratio was 91% and the Days on Market were 103. Waterfront properties typically represent the highest priced properties in the Shoreline area. The largest sale this quarter was a coveted 1813 waterfront antique Colonial set privately in desired North Cove, with stunning views of the Connecticut River and Long Island Sound. It sold at \$3,300,000—\$100,000 over the asking price. The second highest sale was a property in Stonington on prestigious Wamphassuc Point, which closed for \$2,825,000 and featured 2.9 waterfront acres and 233 feet of frontage on Stonington Harbor.

Elevated inventory levels remain a concern. While excellent inventory offers the buyer broader purchase opportunities, it also can serve as a check on prices and certainly impacts the negotiating power between buyer and seller. Inventory levels have remained approximately the same as the second quarter of 2014, but are elevated versus recent norms. The heightened competitiveness of the market increases seller pressure to ensure their house is presented in the best possible condition and is priced aggressively to attract a buyer.

As Kathy Mitchell, manager of William Pitt Sotheby's International Realty's Madison and Guilford brokerages, expressed, "The improvement in our more expensive properties is a welcome sign that buyers see the beauty of our area and understand its value compared to other waterfront areas. We are enthusiastic to welcome these buyers to our market and believe the metrics all point to positive growth."

SINGLE FAMILY HOME CLOSED SALES

THE SHORELINE

	QUARTERLY CLOSED SALES						YEAR-TO-DATE CLOSED SALES			CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
THE SHORELINE	734	725	671	497	490	1%	1,754	1,728	2%	4%	3%	101
Branford	62	64	47	43	47	-3%	138	150	-8%	7%	0%	99
Chester	12	13	12	14	5	-8%	39	29	35%	-10%	27%	79
Clinton	42	37	49	40	27	14%	100	95	5%	26%	-2%	163
Deep River	14	10	7	11	8	40%	33	24	38%	-44%	-20%	93
East Lyme	36	33	33	19	27	9%	73	75	-3%	4%	-13%	56
Essex**	28	17	22	17	18	65%	72	48	50%	45%	63%	131
Groton	25	25	23	22	29	0%	82	70	17%	-9%	18%	104
Guilford	86	81	72	44	50	2%	193	196	-2%	3%	-4%	93
Killingworth	24	19	23	12	16	26%	59	49	20%	45%	26%	93
Lyme	6	3	8	9	5	100%	17	19	-11%	218%	-3%	538
Madison	74	94	76	43	48	-21%	183	202	-9%	-21%	-10%	103
New London	29	32	21	29	22	-9%	81	89	-9%	-3%	0%	72
Old Lyme	43	29	44	23	21	48%	96	73	32%	32%	30%	112
Old Saybrook	59	47	49	40	31	26%	119	106	12%	59%	11%	84
Stonington	24	26	19	12	13	-8%	58	64	-9%	-16%	-5%	105
Waterford	73	57	61	41	29	28%	155	124	25%	58%	50%	89
Westbrook	22	21	25	15	21	5%	50	55	-9%	-25%	-14%	95

*DOM: Twelve-Month Median Days on Market **Includes Essex, Ivoryton and Centerbrook



Overlooking Scenic North Cove

Old Saybrook, CT • Web ID: M9149282

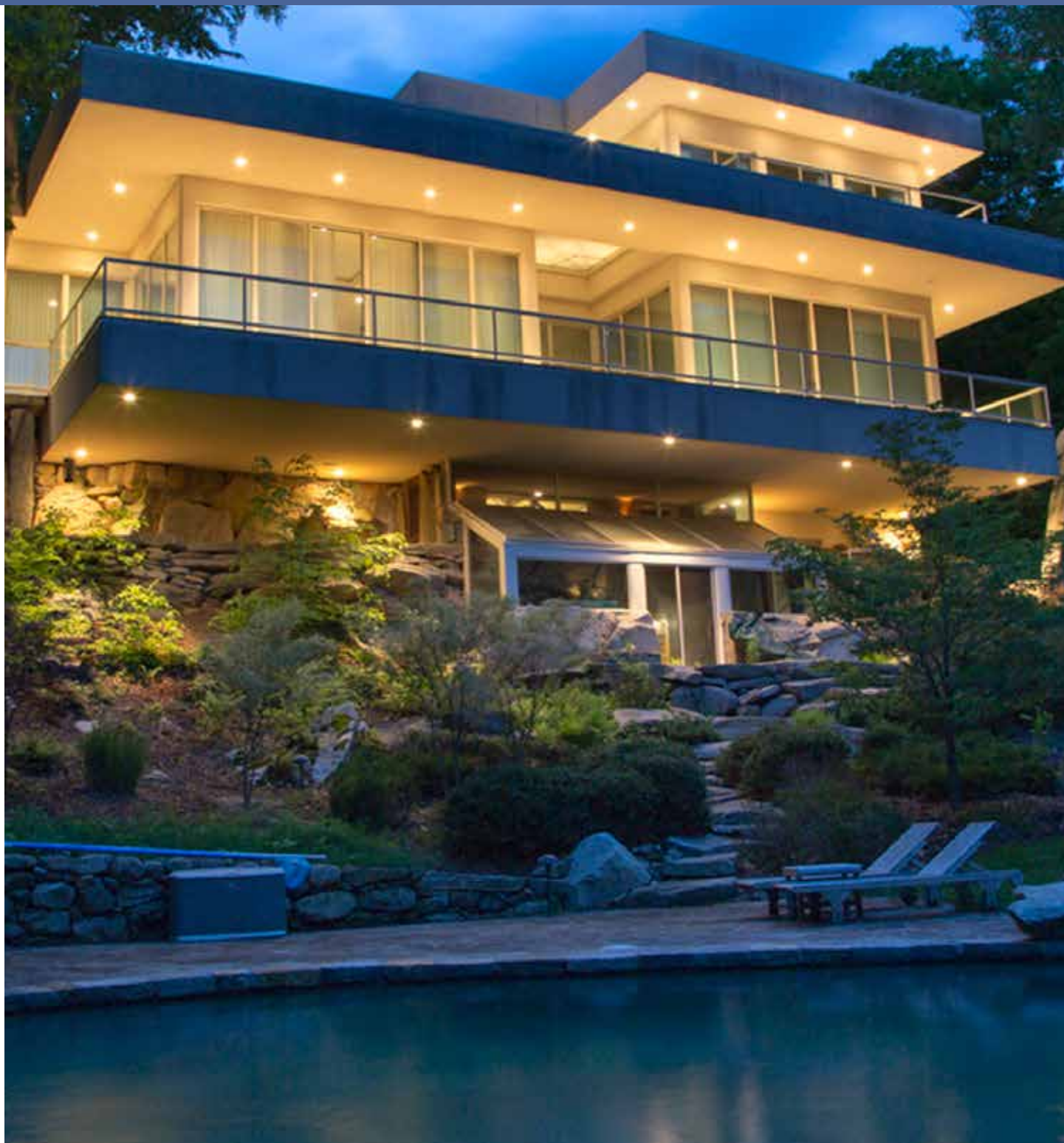
SINGLE FAMILY HOME MEDIAN SALES PRICE

THE SHORELINE

	QUARTERLY MEDIAN SALES PRICE						TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q10	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q14 VS 3Q13
THE SHORELINE	\$311,000	\$315,000	\$313,000	\$311,000	\$311,000	-1%	\$310,000	\$301,000	\$299,000	3%
Branford	\$350,000	\$285,000	\$284,000	\$360,000	\$310,000	23%	\$328,000	\$287,000	\$297,000	14%
Chester	\$293,000	\$335,000	\$262,000	\$248,000	\$310,000	-13%	\$292,000	\$325,000	\$251,000	-10%
Clinton	\$241,000	\$240,000	\$275,000	\$262,000	\$256,000	1%	\$255,000	\$253,000	\$266,000	1%
Deep River	\$219,000	\$262,000	\$443,000	\$252,000	\$301,000	-16%	\$231,000	\$264,000	\$329,000	-13%
East Lyme	\$319,000	\$320,000	\$380,000	\$415,000	\$350,000	0%	\$318,000	\$334,000	\$388,000	-5%
Essex*	\$372,000	\$438,000	\$345,000	\$329,000	\$355,000	-15%	\$441,000	\$436,000	\$362,000	1%
Groton	\$120,000	\$154,000	\$175,000	\$124,000	\$150,000	-22%	\$132,000	\$141,000	\$154,000	-6%
Guilford	\$375,000	\$400,000	\$411,000	\$419,000	\$365,000	-6%	\$360,000	\$382,000	\$387,000	-6%
Killingworth	\$358,000	\$300,000	\$320,000	\$329,000	\$293,000	19%	\$368,000	\$330,000	\$355,000	12%
Lyme	\$750,000	\$395,000	\$320,000	\$648,000	\$550,000	89%	\$684,000	\$595,000	\$373,000	15%
Madison	\$438,000	\$430,000	\$463,000	\$440,000	\$418,000	4%	\$456,000	\$436,000	\$413,000	5%
New London	\$168,000	\$169,000	\$159,000	\$144,000	\$180,000	-1%	\$129,000	\$131,000	\$148,000	-2%
Old Lyme	\$304,000	\$380,000	\$315,000	\$265,000	\$370,000	-20%	\$352,000	\$359,000	\$337,000	-2%
Old Saybrook	\$349,000	\$332,000	\$355,000	\$370,000	\$311,000	5%	\$318,000	\$358,000	\$356,000	-11%
Stonington	\$296,000	\$353,000	\$402,000	\$252,000	\$415,000	-16%	\$294,000	\$353,000	\$338,000	-17%
Waterford	\$253,000	\$220,000	\$225,000	\$254,000	\$223,000	15%	\$240,000	\$211,000	\$222,000	14%
Westbrook	\$264,000	\$350,000	\$320,000	\$259,000	\$395,000	-25%	\$324,000	\$294,000	\$319,000	10%

*Includes Essex, Ivoryton and Centerbrook

Litchfield County



Modern Sophistication

Bridgewater, CT • Web ID: 1150688

Litchfield County

Litchfield County sales achieved their highest levels in over three years during the third quarter of 2014 with a 1% improvement over third quarter 2013 levels and a 9% increase versus the third quarter of 2012. The third quarter is typically the strongest selling quarter of the year for Litchfield County because it incorporates the late spring - summer tourist season, which often culminates in a visitor falling in love with the area. The sales improvement in comparison to robust prior year performance was a strong indicator of a stable market that is positively recovering. For the year, closed units are down by a very slight 4%, while dollar volume is 7% lower.

While seasonal inventory growth is in line with historical norms, actual units on the market are at their highest level in recent years as sellers responded to improving market conditions by offering their homes for sale. For the market as a whole the number of new listings added during the third quarter was 7%. However, among homes valued at \$1,000,000 and above, new listings were 25% higher than third quarter of 2013, an increase likely due to sellers testing the market's recent strength. While the enriched inventory enticed buyers to the table, it also created a more competitive selling environment, giving them enhanced leverage. We will closely monitor new inventory figures as we head into the fall market.

Year-to-date transaction volume for homes valued at \$1,000,000 and higher is on pace with 2013, with 40 homes sold year to date in 2014 versus 39 homes sold during the same period of 2013. However, these sales were front-loaded in the first six months of the year. During the third quarter of 2014 closed sales for this segment declined by 32% in comparison to a year ago due to the slow start to the summer season. Yet the highest sales of the year occurred in the third quarter. For the luxury sector the average selling price per square foot was \$360, the average list to sell was 84%

SINGLE FAMILY HOME CLOSED SALES

LITCHFIELD COUNTY

	QUARTERLY CLOSED SALES					YEAR-TO-DATE CLOSED SALES				CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2012	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
LITCHFIELD COUNTY	465	460	423	321	1%	1,091	1,132	1,346	-4%	-15%	-7%	119
Barkhamsted	12	9	6	1	33%	25	18	18	39%	43%	39%	99
Bethlehem	5	8	6	9	-38%	18	17	15	6%	-17%	28%	216
Bridgewater	3	7	4	0	-57%	6	7	12	-14%	-70%	-1%	84
Canaan	0	1	0	1	N/A	1	3	2	-67%	NO SALES	-69%	NO SALES
Colebrook	5	5	3	4	0%	9	13	9	-31%	17%	-21%	92
Cornwall**	5	3	8	3	67%	15	10	15	50%	16%	15%	258
Goshen	9	17	10	9	-47%	27	39	21	-31%	-65%	-22%	208
Harwinton	12	18	16	13	-33%	41	46	37	-11%	-26%	-4%	82
Kent, South Kent	7	8	7	9	-13%	18	17	16	6%	-19%	47%	149
Litchfield, Milton	18	23	21	12	-22%	46	51	38	-10%	-27%	-8%	168
Morris	14	6	9	6	133%	24	13	14	85%	85%	70%	119
New Hartford	21	23	25	16	-9%	48	54	51	-11%	-22%	-26%	115
New Milford	16	21	33	24	-24%	45	69	71	-35%	-27%	-41%	109
Norfolk	7	5	2	1	40%	13	11	10	18%	3%	4%	206
Plymouth	14	21	25	16	-33%	44	55	78	-20%	-32%	-15%	119
Roxbury	8	4	7	4	100%	19	14	11	36%	169%	107%	78
Salisbury	2	12	3	5	-83%	12	28	34	-57%	-91%	-80%	122
Sharon	12	18	8	6	-33%	28	25	26	12%	13%	62%	234
Thomaston	19	18	13	12	6%	42	57	31	-26%	-4%	-26%	103
Torrington	93	92	70	62	1%	212	226	187	-6%	-6%	-9%	86
Warren	4	7	0	4	-43%	7	13	8	-46%	-83%	-76%	229
Washington***	6	14	14	5	-57%	14	24	21	-42%	-21%	-26%	206
Winchester	20	24	16	13	-17%	39	54	35	-28%	-35%	-36%	114
Woodbury	19	11	24	7	73%	48	45	54	7%	113%	30%	145

*DOM: Twelve-Month Median Days on Market **Includes Cornwall, West Cornwall and Cornwall Bridge ***Includes Washington, Washington Depot and New Preston

and the average closed Days on Market were 324. With the 19% improvement in under contract sales for the quarter, we expect that fourth quarter closed sales will be strong to end the year.

There were two exceptional sales in Litchfield County this fall, both in Sharon, and each represented the highest sales of the year. Closing at just over \$6,000,000 was one of the most beautiful authentic estates in New England, dating to 1903 and including over 100 acres and all original detailing. It was listed and sold by William Pitt Sotheby's International Realty. The second highest sale of the year was an exceptional hilltop estate built in 2001 with a sweeping western view, five en-suite bedrooms, a glorious terrace and every possible amenity.

Days on Market are averaging 119 for sold properties, a marketing period consistent with performance for the past four years, with upper-end properties taking significantly longer to sell. The Months' Supply of Inventory, which is an excellent measure of market health, currently stands at 12.2 months, three months lower than the past two year average and five months lower than the high point this same period last year.

The third quarter median selling price declined by 9% to \$200,000, reflecting a different mix of properties sold this quarter versus the third quarter of 2013. Yet, more relevant is the twelve month average median selling price, which has been stable for the past three quarters at \$205,000. This pricing stability is a cornerstone to the region's recovery and provides a solid basis from which to accurately value properties.

All data points support an ever strengthening market, and we project ending the year on pace with 2013.

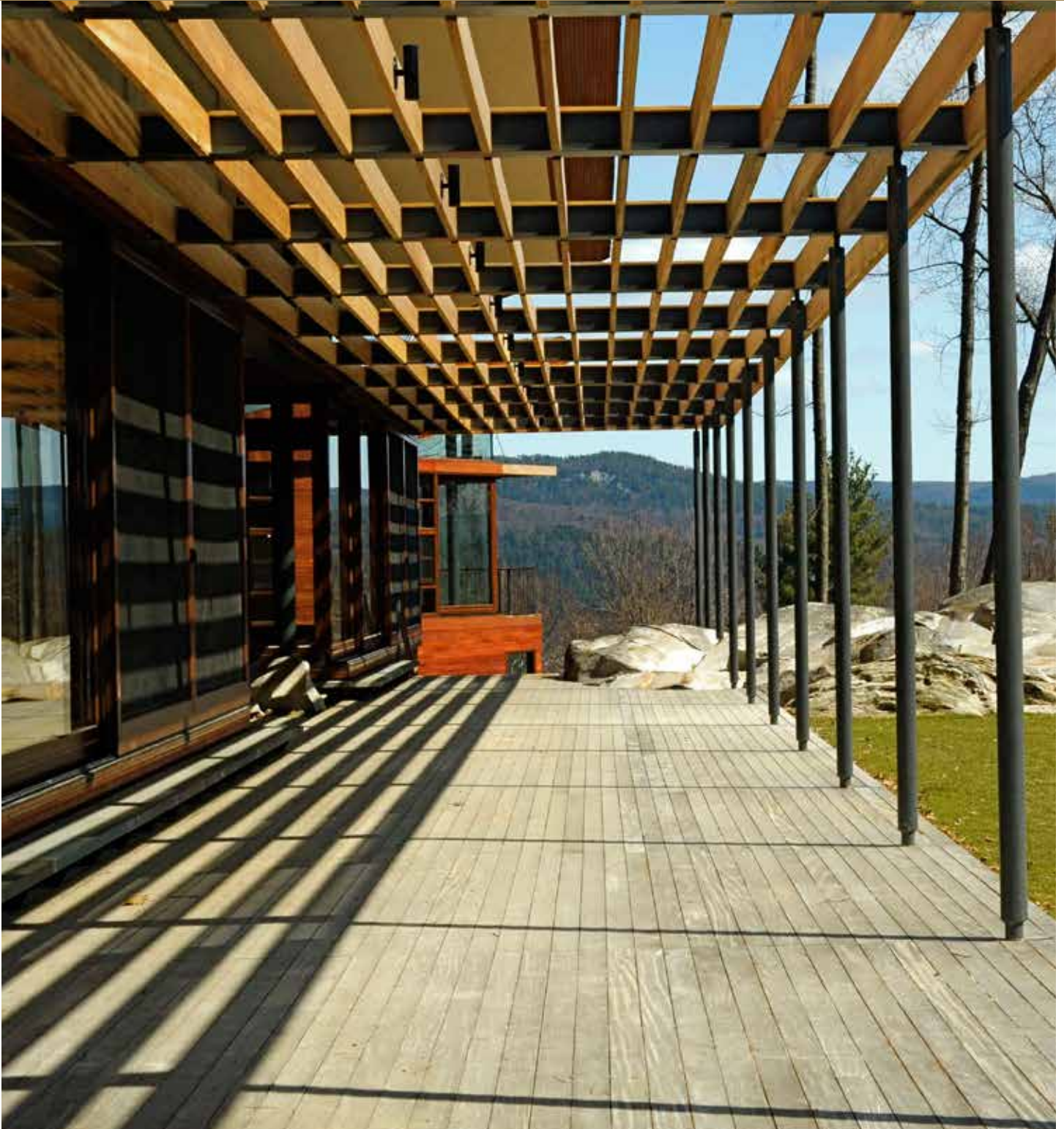
SINGLE FAMILY HOME MEDIAN SALES PRICE

LITCHFIELD COUNTY

	QUARTERLY MEDIAN SALES PRICE					TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q14 VS 3Q13
LITCHFIELD COUNTY	\$200,000	\$221,000	\$217,000	\$209,000	-9%	\$205,000	\$205,000	\$206,000	0%
Barkhamsted	\$220,000	\$209,000	\$235,000	\$245,000	5%	\$228,000	\$212,000	\$231,000	8%
Bethlehem	\$353,000	\$260,000	\$287,000	\$255,000	36%	\$285,000	\$238,000	\$264,000	20%
Bridgewater	\$330,000	\$308,000	\$580,000	NO SALES	23%	\$513,000	\$566,000	\$510,000	-9%
Canaan	NO SALES	\$170,000	NO SALES	\$125,000	N/A	\$145,000	\$260,000	\$386,000	-44%
Colebrook	\$237,000	\$230,000	\$220,000	\$224,000	3%	\$230,000	\$230,000	\$208,000	0%
Cornwall*	\$395,000	\$500,000	\$443,000	\$600,000	-21%	\$408,000	\$331,000	\$319,000	23%
Goshen	\$280,000	\$329,000	\$286,000	\$310,000	-15%	\$343,000	\$306,000	\$322,000	12%
Harwinton	\$235,000	\$232,000	\$251,000	\$205,000	1%	\$232,000	\$223,000	\$229,000	4%
Kent, South Kent	\$289,000	\$282,000	\$250,000	\$335,000	2%	\$384,000	\$349,000	\$283,000	10%
Litchfield, Milton	\$376,000	\$373,000	\$332,000	\$366,000	1%	\$338,000	\$293,000	\$273,000	15%
Morris	\$333,000	\$393,000	\$245,000	\$292,000	-15%	\$371,000	\$317,000	\$238,000	17%
New Hartford	\$280,000	\$265,000	\$306,000	\$265,000	6%	\$257,000	\$264,000	\$256,000	-3%
New Milford	\$241,000	\$243,000	\$263,000	\$269,000	-1%	\$240,000	\$269,000	\$247,000	-11%
Norfolk	\$249,000	\$335,000	\$231,000	\$470,000	-26%	\$357,000	\$280,000	\$648,000	28%
Plymouth	\$160,000	\$165,000	\$150,000	\$138,000	-3%	\$154,000	\$151,000	\$163,000	2%
Roxbury	\$603,000	\$495,000	\$937,000	\$930,000	22%	\$550,000	\$585,000	\$987,000	-6%
Salisbury	\$621,000	\$599,000	\$340,000	\$340,000	4%	\$449,000	\$393,000	\$378,000	14%
Sharon	\$320,000	\$533,000	\$235,000	\$830,000	-40%	\$402,000	\$373,000	\$337,000	8%
Thomaston	\$200,000	\$188,000	\$168,000	\$222,000	7%	\$184,000	\$180,000	\$196,000	2%
Torrington	\$138,000	\$150,000	\$124,000	\$144,000	-8%	\$138,000	\$141,000	\$137,000	-2%
Warren	\$363,000	\$335,000	NO SALES	\$503,000	8%	\$374,000	\$303,000	\$376,000	23%
Washington**	\$848,000	\$497,000	\$392,000	\$575,000	71%	\$498,000	\$333,000	\$464,000	50%
Winchester	\$129,000	\$199,000	\$148,000	\$145,000	-35%	\$138,000	\$164,000	\$135,000	-16%
Woodbury	\$280,000	\$299,000	\$335,000	\$325,000	-6%	\$341,000	\$286,000	\$363,000	19%

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

Berkshire County



Berkshire County

After strong volume growth in the first quarter of 2014, Berkshire County sales have been softer than anticipated for the past two quarters. We originally attributed this to the long and harsh winter, but it now appears that the Berkshires are following regional trends of a slower summer season as buyers remain highly discriminating and are taking their time in making purchase decisions. Third quarter unit sales declined by 7% in the Southern Berkshires and 9% in the Northern Berkshires. Year-to-date sales are tracking at or just slightly below 2013 levels. One of the factors constraining this market is the lack of new inventory, particularly in the popular mid-price segment. There are many buyers, especially in the southern part of the county, where they have seen everything that is on the market and are waiting for that perfect vacation or retirement spot.

The \$500,000–\$750,000 range continues to drive the market with sales in the third quarter increasing by 23% for the quarter and a significant 43% for the year. Year-to-date in 2014 there have been 43 closed sales in this price segment, versus 30 for the same period in 2013. Inventory levels remain stable for this price category, but the 18% fewer new listings could be a long-term constraint. Homes valued at \$750,000 and above had a strong start to the year, but in the third quarter sales declined by a substantial 64% to 5 properties. At the same time, sellers responding to the vibrancy of the first quarter listed their homes in higher numbers than we typically see. There was a 33% increase in new listings in this price category during the third quarter. There were two \$4,000,000+ sales this quarter, both in the southern part of the Berkshires. One was a pristine Colonial estate home and substantial barn complex with a stunning guest home. Originally listed at \$5,500,000, it traded at \$4,500,000. The other was a contemporary located in the Alford Valley, set on 245 acres with incredible mountain views. Listed at \$5,750,000, it closed at \$5,000,000. Both properties were on the market for almost two years prior to finding their ultimate buyer.

The median selling price for Berkshire County declined a slight 4% during the third quarter due to softness in the upper end. However, on a twelve month basis the median selling price remains stable at \$184,000.

The fall weather has been beautiful, and the selection of homes and pricing is attractive. We expect these dynamics to positively impact the fourth quarter selling season so that we end the year slightly ahead of 2013 levels on both a unit and dollar basis.

SINGLE FAMILY HOME CLOSED SALES

SOUTHERN BERKSHIRE COUNTY

	QUARTERLY CLOSED SALES					YEAR-TO-DATE CLOSED SALES			CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
BERKSHIRE COUNTY	313	335	298	246	-7%	771	799	-4%	-16%	2%	133
SO. BERKSHIRES	109	117	128	82	-7%	282	282	0%	-22%	7%	201
Alford	2	4	2	2	-50%	7	9	-22%	-16%	18%	N/A
Becket	19	13	17	4	46%	36	29	24%	54%	64%	179
Egremont	3	3	2	3	0%	16	12	33%	-84%	-2%	154
Great Barrington	16	15	15	15	7%	42	49	-14%	-20%	-26%	130
Lee	12	13	11	7	-8%	32	29	10%	23%	13%	171
Lenox	15	21	15	9	-29%	32	33	-3%	-32%	22%	205
Monterey	5	5	4	4	0%	13	12	8%	-13%	-1%	458
Mount Washington	1	0	2	0	N/A	1	0	N/A	N/A	N/A	112
New Marlborough	6	2	8	5	200%	13	13	0%	638%	-33%	269
Otis	7	8	12	13	-13%	21	15	-33%	-14%	40%	225
Richmond	6	5	7	0	20%	13	13	-9%	19%	16%	287
Sandisfield	3	7	5	2	-57%	8	12	-33%	-68%	88%	220
Sheffield	3	11	18	10	-72%	20	22	-9%	-77%	10%	199
Stockbridge	11	6	8	4	83%	29	33	-12%	2%	-8%	166
Tyringham	0	0	0	0	0%	0	1	N/A	N/A	N/A	N/A
West Stockbridge	6	6	2	4	0%	12	13	-8%	-13%	12%	183

*DOM: Twelve-Month Median Days on Market

SINGLE FAMILY HOME CLOSED SALES

NORTHERN BERKSHIRE COUNTY

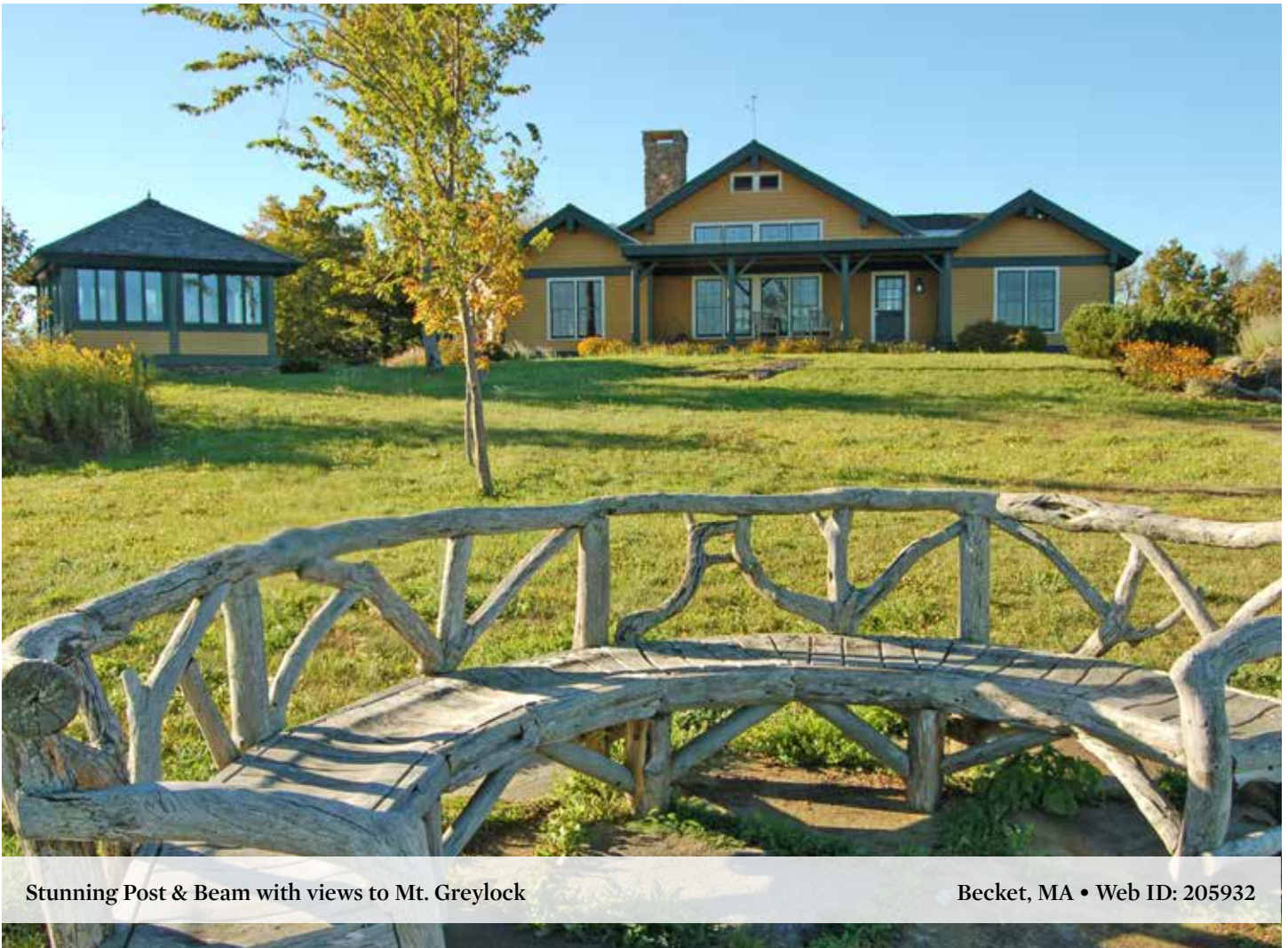
	QUARTERLY CLOSED SALES					YEAR-TO-DATE CLOSED SALES			CLOSED DOLLAR VOLUME		DOM*
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14 VS 3Q13	YTD 2014 VS YTD 2013	3Q14
NO. BERKSHIRES	193	213	171	165	-9%	471	502	-6%	-13%	-4%	93
Adams	13	15	16	13	-13%	41	39	5%	-10%	8%	94
Cheshire	5	11	7	8	-55%	11	21	-48%	-52%	-38%	236
Clarksburg	3	3	4	NO SALES	0%	8	7	14%	-15%	3%	79
Dalton	12	20	7	9	-35%	42	41	2%	-46%	3%	236
Florida	NO SALES	NO SALES	NO SALES	NO SALES	NO SALES	1	2	-50%	NO SALES	-12%	262
Hancock	1	1	1	2	0%	3	2	50%	-16%	1%	73
Hinsdale	6	3	4	9	100%	11	9	22%	90%	19%	86
Lanesboro	8	4	5	4	100%	24	7	242%	149%	67%	160
New Ashford	1	NO SALES	NO SALES	2	N/A	1	0	N/A	N/A	N/A	N/A
North Adams	25	19	23	22	32%	55	49	12%	22%	13%	132
Peru	2	2	NO SALES	3	0%	0	5	0%	-34%	9%	106
Pittsfield	100	114	85	77	-12%	235	264	-11%	-14%	-7%	78
Savoy	0	3	1	1	N/A	0	5	N/A	N/A	N/A	44
Williamstown	14	16	14	14	-13%	28	38	-26%	-16%	-25%	70
Windsor	3	2	4	1	50%	6	3	100%	-16%	80%	68

*DOM: Twelve-Month Median Days on Market

SINGLE FAMILY HOME MEDIAN SALES PRICE

SOUTHERN BERKSHIRE COUNTY

	QUARTERLY MEDIAN SALES PRICE					TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q13 VS 3Q12
BERKSHIRE COUNTY	\$183,000	\$190,000	\$185,000	\$183,000	-4%	\$184,000	\$184,000	\$174,000	0%
SO. BERKSHIRES	\$260,000	\$269,000	\$269,000	\$335,000	-3%	\$296,000	\$279,000	\$276,000	6%
Alford	\$1,525,000	\$751,000	\$1,190,000	\$620,000	103%	\$1,239,000	\$785,000	\$678,000	58%
Becket	\$215,000	\$195,000	\$179,000	\$360,000	10%	\$208,000	\$168,000	\$154,000	24%
Egremont	\$242,000	\$963,000	\$368,000	\$330,000	-75%	\$389,000	\$495,000	\$329,000	-21%
Great Barrington	\$292,000	\$421,000	\$217,000	\$340,000	-31%	\$269,000	\$358,000	\$247,000	-25%
Lee	\$239,000	\$200,000	\$173,000	\$300,000	20%	\$246,000	\$209,000	\$184,000	18%
Lenox	\$267,000	\$295,000	\$277,000	\$425,000	-10%	\$333,000	\$270,000	\$290,000	23%
Monterey	\$556,000	\$425,000	\$294,000	\$338,000	31%	\$519,000	\$491,000	\$407,000	6%
Mount Washington	\$325,000	NO SALES	\$595,000	NO SALES	N/A	\$212,000	\$190,000	\$485,000	12%
New Marlborough	\$303,000	\$107,000	\$358,000	\$174,000	183%	\$389,000	\$359,000	\$453,000	8%
Otis	\$265,000	\$191,000	\$265,000	\$350,000	39%	\$261,000	\$319,000	\$347,000	-18%
Richmond	\$273,000	\$340,000	\$349,000	NO SALES	-20%	\$416,000	\$496,000	\$245,000	-16%
Sandisfield	\$163,000	\$201,000	\$341,000	\$478,000	-19%	\$259,000	\$196,000	\$276,000	32%
Sheffield	\$208,000	\$259,000	\$258,000	\$206,000	-20%	\$265,000	\$330,000	\$256,000	-20%
Stockbridge	\$365,000	\$415,000	\$318,000	\$400,000	-12%	\$416,000	\$373,000	\$360,000	12%
Tyringham	NO SALES	NO SALES	NO SALES	NO SALES	0%	\$628,000	\$860,000	\$425,000	-24%
West Stockbridge	\$334,000	\$356,000	\$303,000	\$294,000	-6%	\$492,000	\$344,000	\$324,000	43%



Stunning Post & Beam with views to Mt. Greylock

Becket, MA • Web ID: 205932

SINGLE FAMILY HOME MEDIAN SALES PRICE

NORTHERN BERKSHIRE COUNTY

	QUARTERLY MEDIAN SALES PRICE					TWELVE-MONTH MEDIAN SALES PRICE			
	3Q14	3Q13	3Q12	3Q11	3Q14 VS 3Q13	3Q14	3Q13	3Q12	3Q13 VS 3Q12
NO. BERKSHIRES	\$148,000	\$160,000	\$139,000	\$150,000	-7%	\$149,000	\$151,000	\$144,000	-1%
Adams	\$125,000	\$105,000	\$118,000	\$123,000	19%	\$120,000	\$117,000	\$123,000	3%
Cheshire	\$129,000	\$177,000	\$153,000	\$164,000	-27%	\$158,000	\$152,000	\$166,000	4%
Clarksburg	\$133,000	\$200,000	\$135,000	NO SALES	-34%	\$107,000	\$148,000	\$107,000	-27%
Dalton	\$172,000	\$162,000	\$128,000	\$195,000	6%	\$167,000	\$165,000	\$165,000	1%
Florida	NO SALES	NO SALES	NO SALES	NO SALES	0%	\$162,000	\$129,000	\$88,000	26%
Hancock	\$210,000	\$250,000	\$175,000	\$510,000	-16%	\$285,000	\$412,000	\$158,000	-31%
Hinsdale	\$147,000	\$209,000	\$144,000	\$108,000	-30%	\$204,000	\$242,000	\$162,000	-16%
Lanesboro	\$229,000	\$207,000	\$310,000	\$205,000	11%	\$195,000	\$180,000	\$247,000	8%
New Ashford	\$350,000	NO SALES	NO SALES	\$169,000	N/A	\$342,000	NO SALES	\$150,000	NO SALES
North Adams	\$125,000	\$130,000	\$95,000	\$114,000	-4%	\$118,000	\$126,000	\$100,000	-6%
Peru	\$150,000	\$225,000	NO SALES	\$200,000	-34%	\$160,000	\$196,000	\$131,000	-18%
Pittsfield	\$148,000	\$158,000	\$143,000	\$150,000	-6%	\$150,000	\$150,000	\$145,000	0%
Savoy	NO SALES	\$190,000	\$328,000	\$215,000	n/a	\$140,000	\$135,000	\$198,000	4%
Williamstown	\$371,000	\$331,000	\$388,000	\$261,000	12%	\$280,000	\$303,000	\$295,000	-8%
Windsor	\$80,000	\$150,000	\$176,000	\$175,000	-47%	\$162,000	\$219,000	\$198,000	-26%

Condominiums and Cooperatives



Spectacular Waterfront Residence

Tarrytown, NY • Web ID: 4412222

Condominiums and Cooperatives

The condominium and cooperative market is generally following the broader single family home market this quarter. The overall performance is one of softer sales than the same period last year, but for the year most markets are trending on pace with 2013.

Fairfield County, after seeing two quarters of unit sales gains, experienced a 7% quarterly decline in unit volume and a 1% decline in dollar volume versus the same period of 2013. Year-to-date condominium sales remain slightly ahead of 2013 with 3% more units sold and a strong 10% improvement in total dollar volume. The positive differential between unit and dollar sales reflects improvement in the upper end condominium market. In contrast to the broader market, in certain communities like New Canaan where condominium and cooperative sales have lagged behind the single family home market in recent years, breakout performance occurred. For both the quarter and the year condominium sales increased by 45%, far outpacing single family home sales growth.

In Westchester County cooperative sales this quarter improved by 4% compared to the third quarter of 2013, while condominium sales experienced a 10% sales decline. Year-to-date co-op sales are 7% higher than the same period last year while condominiums have slowed by 11%. Dollar volume is trailing behind unit sales for condominiums and co-ops as the mix of properties sold is weighted on the lower end of the price spectrum. Co-op sales are particularly strong in northern Westchester County, where sales this quarter increased by a blistering 83% compared to the same period a year ago.

After two quarters of sales improvement, Litchfield County experienced a decline in both unit and dollar closed sales. Yet for the year this segment of the market remains firmly ahead of 2013 with a 5% unit increase and 17% dollar volume increase. The Berkshires condominium market remains slow this year with both unit and dollar volume declining by 23%. The Shoreline condominium market was also slower than 2013, with a sales decline of 8%. Year-to-date, Shoreline condominium sales are on pace with 2013 levels.

CONDOMINIUM AND COOPERATIVE CLOSED SALES AND MEDIAN SALES PRICE

	QUARTERLY CLOSED SALES			YEAR-TO-DATE CLOSED SALES			TWELVE-MONTH MEDIAN SALES PRICE			INVENTORY	DOM*
	3Q14	3Q13	3Q14 VS 3Q13	YTD 2014	YTD 2013	YTD 2014 VS YTD 2013	3Q14	3Q13	3Q14 VS 3Q13	3Q14 VS 3Q13	3Q14
So. Westchester Condos	226	244	-7%	515	580	-11%	\$385,000	\$400,000	-4%	-3%	85
So. Westchester Coops	463	451	3%	1,151	1,109	4%	\$158,000	\$160,000	-2%	-14%	122
No. Westchester Condos	112	133	-16%	275	307	-11%	\$335,000	\$310,000	8%	7%	94
No. Westchester Coops	28	22	27%	77	42	83%	\$102,000	\$81,000	25%	-15%	131
Fairfield County	649	701	-7%	1,830	1,773	3%	\$272,000	\$265,000	3%	15%	98
The Shoreline	192	200	-4%	471	479	-2%	\$160,000	\$167,000	-4%	4%	103
Litchfield County	64	74	-14%	164	157	5%	\$115,000	\$116,000	-1%	8%	90
Berkshire County	28	48	-39%	61	79	-23%	\$188,000	\$178,000	5%	0%	151

*DOM: Twelve-Month Median Days on Market



Old Town

East Haven, CT • Web ID: M9149102



Spectacular Waterfront Estate

Old Saybrook, CT • Web ID: M9142224

Where We Are Headed

As we see continued regionalization of housing trends and conditions, it is clear that our local markets do not march in lockstep with national trends. Rather we have micro-markets where substantive differences exist. As evidenced by the variations in market performance this quarter between the counties we cover and the towns within each county, each micro-market is subject to its own unique dynamics.

While much has been said about the lack of vibrancy these past two quarters, careful analysis confirms that our year-to-date sales volume is tracking close to 2013 levels and substantially ahead of each of the past five years. With the exceptional double digit growth last year we fully expected this more moderated market during 2014. With the improving jobs outlook, continued low interest rates, broad array of homes for sale, favorable pricing and current pending sales levels ahead of where they were a year ago, our local Metro New York metrics all point to ending the year approximately even with 2013 and favorable growth for 2015.

Tight credit is perhaps the biggest hindrance at present to a full housing recovery and an issue we are hoping will be addressed in the near future by Washington. According to Core Logic's Housing Credit Index, mortgage standards are at their toughest levels since at least 1998, and credit availability for all home loans as of May was about half of what it was in the late 1990s, when the housing market was in a recovery mode similar to the one we are in today. No market segment exists in isolation, so the availability of credit is critical to unlocking the sales ladder of trading up and trading down. As credit eases we are confident we will see a significant uptick in demand.

Buyers are earnestly in the market, but they are cautious. We see Days on Market for sold properties declining as buyers evaluate new listings and, if the property is properly positioned, commit quickly. Those homes that are successfully trading are typically in excellent condition and priced aggressively. There is a constant buyer focus on the price-value proposition, and they are considering both the purchase price as well as the ongoing cost of operation. As a general rule, buyers today have little appetite for renovation work. The desire for updated bathrooms, kitchens and systems will continue for the foreseeable future.

We agree with Lawrence Yun, Chief Economist for the National Association of Realtors, who projects, "As long as solid job growth continues, wages should eventually pick up to steadily improve purchasing power and help fully release the pent-up demand for buying."

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.
