



Lower price points, in-town living are driving the town's real estate market

By [Kristan Sveda](#) on September 10, 2015 in [Lead News](#), [News](#), [Real Estate](#) · 0 Comments

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The housing market crash of 2007 put everyone on edge. Nothing had been a more secure investment for decades than real estate. Since then, the market has been on a slow but steady rise, but some realtors say there is still an air of uneasiness about real estate. John Engel, real estate agent at Barbara Cleary's Realty Guild on South Avenue, which just merged with Halstead Property, said he has heard talk that "the market is dead," time and again, but disagrees.

"It's unfair to say that 'the market is dead' or that 'the market is strong,'" said Engel. "The market is actually fairly efficient. When sellers feel confident, they tend to raise prices."

Bouncing back

Prices have been climbing steadily since 2009, which was, according to Zillow.com, the year New Canaan's median sales price reached a low of \$1.17 million — down from its last high of \$1.48 million in 2006. This year, according to Zillow, New Canaan's median home value index is \$1.36. This index is the median "zestimate" or Zillow's estimate of the current market value of the home. That figure, up 2.2% since last year, is predicted to go up 1.8% within the next year.

The number of sales is up this year as well. According to data provided by the New Canaan MLS and Board of Realtors, there were 168 single-family home sales from Jan. 1, 2015 through Aug. 19 of this year, compared to 159 in the same period of 2014. The uptick reflects a nationwide trend of home sales being up this year. Sales across the United States rose 2%, according to tradingeconomics.com and the national Association of Realtors.

In Fairfield County, the collective volume of home sales is rising even faster. According to Brian Cleary, broker and business manager at Barbara Cleary's Realty Guild, home sales are up across New Canaan, Greenwich, Stamford, Wilton, Norwalk, Westport and Fairfield by 5% year-over-year, and the collective median sales price is up 0.7%.

"National statistics don't always apply to local markets," said Joe Scozzafava, president-elect of the Board of Realtors and an agent with William Raveis in New Canaan, who said New Canaan, even post-recession, maintains a high value market.

"No market is dead but some markets are slower than others," he adds.

Mini markets

"How's the market?" should not be the question anyone is asking, said Engel. "It depends on what you're selling," he said. "There is no one market because the market above \$5 million and below \$1 million behave very differently."

Rachel Walsh, a real estate agent with William Pitt Sotheby's International Realty said she sees four markets in New Canaan: entry-level homes selling for \$1 million and less, mid-range homes selling for \$1 million to \$2 million, high end homes selling for \$2 million to \$4 million, and very high end homes for \$4 million and above. She said right now, the strongest markets are the entry-level and mid-range homes. According to MLS figures from the Board of Realtors, as of July 2015, the greatest number of sales were in the \$1 million to \$2 million range (77 homes sold), with \$2 million to \$3 million coming in next with 35 homes sold and \$1 million and less coming in third with 20 homes sold. (See Chart)

Single Family Homes Unit Sales

	YTD 2015	YTD 2014	% change
0 - \$999,999	20	17	17
\$1 million - \$1.99	77	79	-2
\$2 million - \$2.99	35	33	6
\$3 million - \$5 million	14	10	40
\$5 million +	2	4	-50
TOTALS	148	143	3

Source: New Canaan MLS / Board of Realtors

"People aren't looking for mega mansions," Walsh said. "Values have changed a little bit. People are interested in giving children the option to walk to school or bike to school — being closer to town with smaller properties, but still maintaining a good-sized house."

Scozzafava agrees, adding that homes close to the center of town are doing well right now. He has worked with a number of homeowners in New Canaan wanting to move closer to the center of town. "If a home is in good condition and well-priced, it sells very quickly," he said. "Its days on the market are sometimes single digits."

Single-family vs. condos

But while single-family homes are up this year, condos are down. Condominium sales totaled 24 January through July 2015 compared to 36 year to date in 2014. That's a 33% decrease. Realtors say there are buyers out there, but inventory is not meeting demand. Many buyers want single-level living. "There is great demand for a first floor master bedroom," said Scozzafava.

"Unfortunately, most of the condos in New Canaan don't have that. The ones that do, sell quickly."

High vs. low

He said at the lower price points, homeowners look for financing, and with interest rates continuing to stay low longer than was predicted, realtors are now expecting an active fall market. "That's spurred the market right now," said Scozzafava.

At the higher price points, many buyers work in cash, and interest rates don't play as much of a role. Factors that play into high-end market sales are job security, personal needs and tastes, and lifestyle. When less of the high-end inventory is moving, Walsh said it becomes a catch 22, with some high-end homeowners holding off on putting their house on the market because what is on the market isn't selling. But Walsh said, she has seen buyers looking for very high-end homes begin to look in other towns because nothing new is coming on the market. "It's not that we have a surplus of high-end houses, but the ones that we do have are sitting," said Walsh.

Pricing and timing are keys to a successful home sale, said Walsh. "The pricing of a house is really an art," she said. "Both parties want to walk away from the sale feeling like they got what they want."

Walsh's point raises more questions, which we will explore in the Advertiser's next entry in this series on the real estate market. When you put your home on the market, do you need to leave room for negotiating? How much? What if you don't get the offer you want in the first week or so? Do you hold out or drop the price?

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