

SOUND OFF *Jean O'Neill*

Should we be concerned about a local housing bubble?

There is evidence of prices rising 10, 20, even 30 percent over values just as far back as 2012, but unfortunately not here by us. Home prices are rising quickly in some cities including D.C., Seattle and points beyond. So while other areas of the country are hot and potentially could be on track for a burst, here in Fairfield County, average sales price for the first quarter of 2016 is down 0.1 percent as compared to first quarter 2015. Not bad. Not good. Just flat.

Comparatively, the number of sales for Fairfield County is up 6.2

percent for the same time period, which is a positive. The challenge is, when will prices follow?

A good economic indicator is the number of new housing starts: Down a bit — 442 for Fairfield County in first quarter 2016 as compared to 490 in first quarter 2015 (-9.8 percent); not terrible, however, Tolland and Hartford counties saw triple-digit percentage increases in new housing permits for the same time period. What's interesting about that is, looking at Connecticut as a whole, housing starts are up 28.8 percent of those nearly 60

percent are for multi-units dwellings. I guess if anything could potentially burst down the road, it would be the rental market, which is hot.

That said, I am not worried about a housing bubble here because prices aren't rising quickly. In the greater Danbury area, well-priced homes are selling and multiple offers are not uncommon, but it truly comes down to price, location and condition. Buyers are savvy and even with inventory low, they will pass by homes that need work, have physical challenges, or they feel are

overpriced.

So no matter how you figure the facts or track the numbers — at the end of the day, a home is a great place to live. If you can afford one and you have cause to believe you'll be in the area for a while, it absolutely makes sense financially and emotionally to own as compared to renting (rent prices are on the rise), and interest rates are phenomenal.

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