

Market Watch

SECOND QUARTER 2018



William Pitt
Julia B Fee

Sotheby's
INTERNATIONAL REALTY

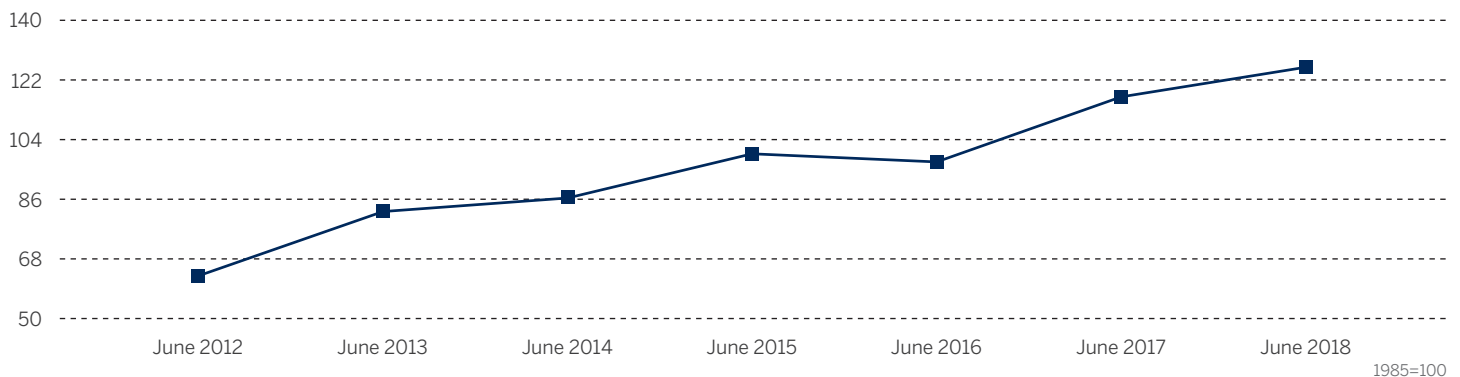
Second Quarter In Review

Last quarter we reported a consistent trend of somewhat lower sales versus the first quarter last year in virtually every market we serve, a phenomenon we attributed largely to a pause that occurred in the fourth quarter of 2017, leading to a lower rate of closings in the first quarter of 2018. We posited that the passage of the new tax bill helped to prompt this pause as it spread a degree of uncertainty among consumers. We're still not certain of the full effect of the tax reform, and likely will have to wait until the end of this year or early next to evaluate all the ramifications. Yet one observation we can make at this time is that the trend is already changing.

If the first quarter was consistently down, the second was more notable for its inconsistency from market to market. Certain areas remain behind the first half of 2017, while others are catching up or even exceeding the prior year. The drop off in unit sales in many markets was more a result of low inventory than low demand, and in several areas the high end is showing promising activity. Properties under contract overall, though not in every region, are increasing year over year, suggesting we will potentially recover some of the lost ground by year's end. We may not finish 2018 ahead of 2017, given the slow start early in the year in the wake of the tax bill, but all signs suggest the market is starting to come back.

This would make sense, given the current strength in the economy. By some estimates the second quarter GDP is forecast to hit 3.5%, unemployment currently stands at its lowest rate in 17 years, hiring is on the rise, interest rates are ticking up but still at historic lows, and consumer confidence, the key benchmark in analyzing the outlook on real estate, remains high. The Conference Board Consumer Confidence Index®'s most recent reading in June was 126.4 (1985=100), only a little lower than the record 18-year high of 130.0 from earlier this year.

Consumer Confidence



The end of the second quarter found Westchester County with sales levels a little lower than this time last year, with unit sales overall declining by 5% and sales volume by 3% in comparing both the second quarter and the first half of 2018 and 2017. In Southern Westchester, unit sales decreased by 3% quarter over quarter as dollar volume was down just a slight 1%, while units decreased by 4% and volume by a small 2% year over year. In Northern Westchester, unit sales decreased by 10% and volume by 6% quarter over quarter, and for the year, unit sales and volume each dropped by 7%. Despite these numbers, in the southern county the entry price segments are performing well with declines mostly due to limited inventory, and in certain areas luxury properties are moving as well. Many of the core towns in the northern county are about even with last year.

In Fairfield County, unit sales in the second quarter this year versus the same period in 2017 dropped by 4% and dollar volume by 8%. Year to date, the county remains behind the first six months of 2017 by 4% in units and 6% in volume. Here, many of the key towns in the southern county are down for the year, though Greenwich has experienced an increase. The northern county's decline is largely attributable to very limited inventory. The Shoreline, including New Haven, Middlesex and New London counties, saw second quarter 2018 unit sales slip behind the same period of 2017



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by a small 2%, but dollar volume climbed ahead by 3%, and similarly, units year to date are behind the first half of 2017 by 4% with dollar volume up 1%. Limited inventory in the entry segments is holding back growth in units, while an increase in the high end is driving up volume and median sale prices.

Up in Litchfield County, the real estate market is trending just ahead of last year, picking up steam late in the second quarter after a slower start to the year. County-wide, unit sales this quarter compared to the same time in 2017 were ahead by a slight 1%, with dollar volume up by 5%, while year to date units have increased by 2% and volume by 1%. Across the state line in Berkshire County, unit sales and dollar volume caught up to the first half of 2017. For the second quarter, unit sales and dollar volume were a small 1% ahead of the same period in 2017, and year to date, unit sales stand 5% lower than the first half of 2017, with dollar volume up again by 1%.

New to our Market Watch this quarter is coverage of the Farmington Valley region of Hartford County, where we have just opened a new brokerage serving Avon, Canton, Farmington, Granby, Simsbury, Burlington, Hartland and West Hartford. Here, unit sales in the second quarter of 2018 versus the same period in 2017 increased by 8% and dollar volume by 9%, bringing sales almost even year to date. For the first half of 2018, unit sales are a slight 2% behind the same time in 2017, and dollar volume is ahead by 1%.

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.



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



Westchester County

1 Sales in Westchester County are still lower than this time last year

Continuing from the first quarter, the real estate market in Westchester County remains down compared to this time last year, though not severely so. Taken as a whole, the county saw declines in unit sales and dollar volume of 5% and 3%, respectively, for both the second quarter and year to date versus the same periods last year. In Southern Westchester, unit sales decreased by 3% quarter over quarter as dollar volume was down just a slight 1%, while units decreased by 4% and volume by a small 2% year over year. In Northern Westchester, unit sales decreased by 10% and volume by 6% quarter over quarter, and for the year, unit sales and volume each dropped by 7%. Despite these numbers, many bright spots exist.

2 In Southern Westchester, the entry and luxury markets are both active

A more careful analysis of the market in Southern Westchester reveals that those overall declines don't tell the whole story. The entry market, up to about \$1.2 million, is strong everywhere, with any declines in units in certain towns largely attributable to tight inventory. The volume change is positive, suggesting an upward trend in sales prices. The trend makes sense—with limited inventory in this sector creating a sense of urgency among buyers, sellers are enjoying multiple bids and ultimately higher prices. The \$1.2 to \$2 million segment, on the other hand, is more challenged. But healthy activity returns to the market over \$2 million, where units and volume saw improvements for the second quarter, if not year to date. The Rye P.O. area is essentially flat in units, volume and average price, with Harrison proving a particularly hot market this year. Here, units have increased year to date by 14% and volume by 28%, with the median price up as well and the town averaging a sale to last asking price of 97%. Rye brokerage manager Pati Holmes feels that elevated consumer confidence is fueling activity over \$2 million in this market area, as well as awareness among buyers that interest rates may increase again soon. Not all towns are on fire with their upper end, however, with Bronxville and Scarsdale in particular still down year to date in both units and volume.

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$999,999	1,192	1,137	-5%	2,495
\$1,000,000 - \$1,999,999	352	319	-9%	864
\$2,000,000 - \$2,999,999	77	80	4%	228
\$3,000,000 - \$3,999,999	18	12	-33%	67
\$4,000,000 - \$4,999,999	7	7	0%	25
\$5,000,000 - \$9,999,999	5	6	20%	28
\$10,000,000+	0	1	N/A	4

3 Northern Westchester saw overall declines, but is on pace in key towns

Although sales in Northern Westchester overall have decreased compared to last year, a look at each of the region's core towns paints a more nuanced picture. Chappaqua is close to even with 2017 in unit sales year to date and Bedford is only off by a few units. The median price is on the rise in both areas this quarter as well. In addition, Chappaqua has more than 50 houses under contract, a healthy sign as we enter the second half of the year. Katonah is up over last year in unit sales, and the median price has surged ahead by more than \$100,000. Notably, many areas of Northern Westchester experienced a deluge of activity in the entry sub-\$800,000 market right out of the gates early this year. Of the core areas only Armonk (Byram Hills) is significantly down, reversing course from 2017, and properties under contract are lower as well. But Northern Westchester's frequent market leader has made up lost ground before, says Rye agent Joanna Rizoulis, who feels optimistic the region will rally and fully catch up to 2017 by year's end. And while reported sales in the \$3 million-plus market are much lower year to date compared to the first six months last year, Rizoulis points out that places like Armonk and Bedford have seen a number of private, non MLS sales at the high end, including many equestrian properties.

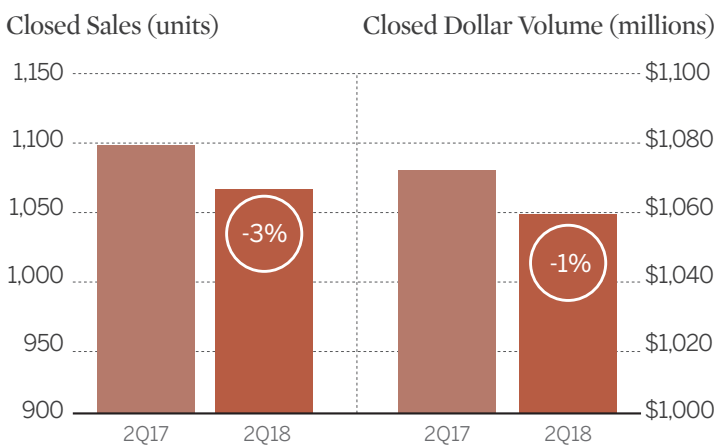
4 Buyers go where the value is

The meaningful uptick in sales in Harrison provides a great case study on what buyers are looking for: value. Sellers here have become more realistic in their pricing, says Pati Holmes, presenting a tremendous value proposition with more privacy, property and house than neighboring towns can offer, and more favorable taxes too. Rizoulis also sees this phenomenon in the northern county, where many New York City buyers are drawn to the region for the incredible value found here.

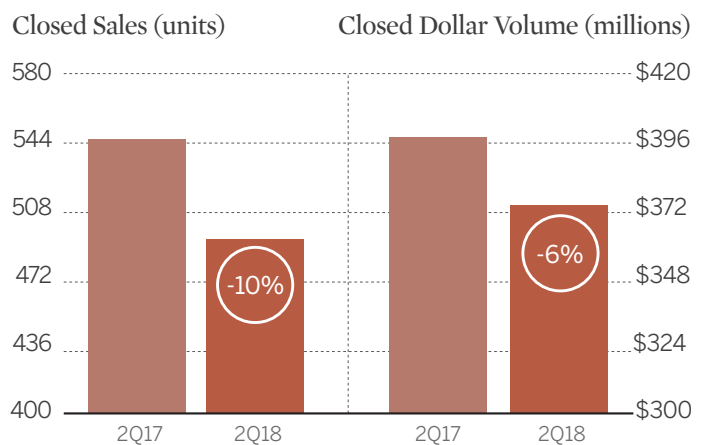
5 Older homes are gaining traction

While new construction is as popular as ever, says Holmes, older properties that may need some work are finally attracting purchasers, provided the interiors are up to date. Doetsch has found that in the Rivertowns, the more unique the home, the more attention it will receive, even if it requires renovation. That area is consistently sought after for its lifestyle, amenities and accessibility to the city.

Southern Westchester Single Family Homes



Northern Westchester Single Family Homes

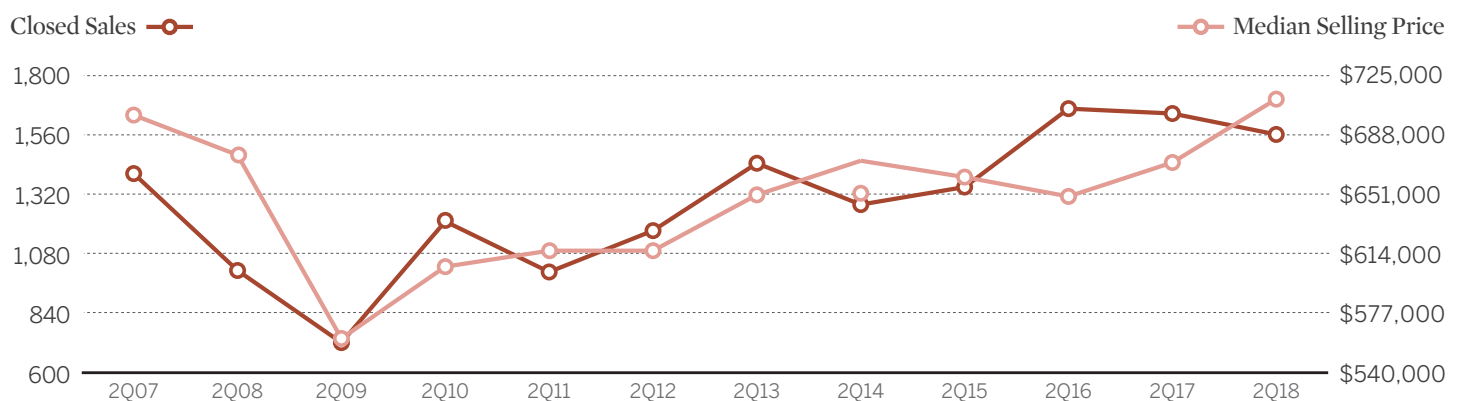


TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE			% CHANGE	% CHANGE	% CHANGE			% CHANGE			% CHANGE
	2Q17	2Q18	2Q17 VS 2Q18	YTD 2017	YTD 2018	2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17	2Q18	2Q17 VS 2Q18	2Q17	2Q18	2Q17 VS 2Q18
WESTCHESTER COUNTY	1,644	1,559	-5%	2,751	2,603	-5%	-3%	-3%	\$670,000	\$710,000	6%	\$648,000	\$675,000	4%
Southern Westchester	1,098	1,066	-3%	1,849	1,770	-4%	-1%	-2%	\$723,000	\$760,000	5%	\$683,000	\$695,000	2%
Ardsey	40	26	-35%	58	47	-19%	-44%	-28%	\$718,000	\$668,000	-7%	\$673,000	\$700,000	4%
Blind Brook	39	20	-49%	60	39	-35%	-50%	-36%	\$795,000	\$835,000	5%	\$890,000	\$849,000	-5%
Briarcliff Manor	18	21	17%	28	35	25%	-12%	17%	\$948,000	\$765,000	-19%	\$820,000	\$775,000	-5%
Bronxville	21	22	5%	29	24	-17%	-2%	-14%	\$2,300,000	\$1,974,000	-14%	\$2,136,000	\$2,200,000	3%
Dobbs Ferry	12	19	58%	30	32	7%	27%	-4%	\$937,000	\$809,000	-14%	\$810,000	\$820,000	1%
Eastchester	25	34	36%	51	54	6%	31%	-2%	\$725,000	\$702,000	-3%	\$740,000	\$716,000	-3%
Edgemont	29	16	-45%	40	27	-33%	-55%	-44%	\$1,275,000	\$1,000,000	-22%	\$1,225,000	\$1,050,000	-14%
Elmsford	16	10	-38%	33	20	-39%	-29%	-29%	\$415,000	\$557,000	34%	\$420,000	\$470,000	12%
Greenburgh	38	46	21%	66	80	21%	23%	17%	\$503,000	\$567,000	13%	\$490,000	\$525,000	7%
Harrison	46	50	9%	74	84	14%	26%	28%	\$1,438,000	\$1,508,000	5%	\$1,255,000	\$1,293,000	3%
Hartsdale (P.O.)	22	30	36%	41	49	20%	37%	23%	\$585,000	\$629,000	8%	\$589,000	\$633,000	7%
Hastings	8	16	100%	16	28	75%	81%	83%	\$713,000	\$927,000	30%	\$787,000	\$831,000	6%
Irvington	22	24	9%	35	36	3%	5%	-2%	\$1,250,000	\$1,153,000	-8%	\$999,000	\$972,000	-3%
Mamaroneck *	69	100	45%	102	127	25%	19%	5%	\$1,386,000	\$1,202,000	-13%	\$1,185,000	\$1,145,000	-3%
Mount Pleasant	23	25	9%	42	49	17%	28%	28%	\$600,000	\$655,000	9%	\$580,000	\$615,000	6%
Mount Vernon	54	32	-41%	97	73	-25%	-37%	-17%	\$433,000	\$455,000	5%	\$386,000	\$404,000	5%
New Rochelle	102	74	-27%	162	142	-12%	-23%	-11%	\$702,000	\$675,000	-4%	\$670,000	\$677,000	1%
Ossining	66	59	-11%	96	94	-2%	-7%	1%	\$420,000	\$449,000	7%	\$413,000	\$442,000	7%
Pelham	37	44	19%	61	60	-2%	3%	-8%	\$1,125,000	\$942,000	-16%	\$909,000	\$916,000	1%
Pleasantville	13	19	46%	25	31	24%	67%	44%	\$590,000	\$755,000	28%	\$668,000	\$655,000	-2%
Pocantico Hills	6	4	-33%	8	7	-13%	-57%	404%	\$787,000	\$520,000	-34%	\$816,000	\$724,000	-11%
Port Chester	29	31	7%	50	44	-12%	7%	-14%	\$545,000	\$483,000	-11%	\$477,000	\$484,000	1%
Purchase (P.O.)	8	12	50%	13	24	85%	81%	79%	\$1,534,000	\$2,095,000	37%	\$1,525,000	\$1,253,000	-18%
Rye City	54	47	-13%	82	78	-5%	-13%	-10%	\$1,830,000	\$2,259,000	23%	\$1,863,000	\$1,885,000	1%
Rye Neck	17	23	35%	28	39	39%	58%	47%	\$935,000	\$1,125,000	20%	\$1,130,000	\$1,088,000	-4%
Scarsdale	62	62	0%	110	88	-20%	1%	-16%	\$1,584,000	\$1,555,000	-2%	\$1,620,000	\$1,613,000	0%
Tarrytown	14	16	14%	31	24	-23%	-10%	-38%	\$847,000	\$776,000	-8%	\$753,000	\$648,000	-14%
Tuckahoe	10	11	10%	18	23	28%	10%	36%	\$640,000	\$705,000	10%	\$709,000	\$757,000	7%
Valhalla	26	15	-42%	40	27	-33%	-42%	-32%	\$511,000	\$539,000	5%	\$525,000	\$534,000	2%
White Plains	62	69	11%	97	116	20%	40%	39%	\$614,000	\$815,000	33%	\$640,000	\$695,000	9%
Yonkers	140	131	-6%	280	240	-14%	0%	-8%	\$477,000	\$510,000	7%	\$464,000	\$493,000	6%
CONDOMINIUMS AND COOPERATIVES														
Condominiums	235	211	-10%	400	390	-3%	-15%	-7%	\$396,000	\$385,000	-3%	\$390,000	\$389,000	0%
Cooperatives	497	443	-11%	911	869	-5%	-8%	2%	\$165,000	\$175,000	6%	\$158,000	\$165,000	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
	2Q17	2Q18	2Q17 VS 2Q18	YTD 2017	YTD 2018	2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17	2Q18	2Q17 VS 2Q18	2Q17	2Q18	2Q17 VS 2Q18
SINGLE FAMILY														
WESTCHESTER COUNTY	1,644	1,559	-5%	2,751	2,603	-5%	-3%	-3%	\$670,000	\$710,000	6%	\$648,000	\$675,000	4%
Northern Westchester	546	493	-10%	902	835	-7%	-6%	-7%	\$575,000	\$618,000	7%	\$534,000	\$560,000	5%
Bedford	78	74	-5%	127	115	-9%	-14%	-13%	\$780,000	\$775,000	-1%	\$727,000	\$740,000	2%
Byram Hills	58	40	-31%	85	60	-29%	-36%	-30%	\$988,000	\$1,010,000	2%	\$999,000	\$989,000	-1%
Chappaqua	64	64	0%	93	90	-3%	-6%	-3%	\$922,000	\$938,000	2%	\$884,000	\$899,000	2%
Croton-Harmon	28	22	-21%	36	33	-8%	-10%	-2%	\$526,000	\$648,000	23%	\$562,000	\$610,000	9%
Hendrick Hudson	40	27	-33%	74	61	-18%	-28%	-8%	\$425,000	\$460,000	8%	\$425,000	\$485,000	14%
Katonah-Lewisboro	54	62	15%	98	107	9%	55%	28%	\$608,000	\$756,000	24%	\$600,000	\$675,000	13%
Lakeland	92	77	-16%	158	131	-17%	-7%	-8%	\$351,000	\$400,000	14%	\$349,000	\$377,000	8%
North Salem	22	21	-5%	32	38	19%	38%	-8%	\$620,000	\$570,000	-8%	\$475,000	\$512,000	8%
Peekskill	24	25	4%	51	65	27%	49%	59%	\$225,000	\$282,000	25%	\$263,000	\$290,000	10%
Somers	37	49	32%	65	74	14%	27%	-1%	\$550,000	\$530,000	-4%	\$532,000	\$505,000	-5%
Yorktown	49	32	-35%	83	61	-27%	-34%	-24%	\$503,000	\$493,000	-2%	\$450,000	\$475,000	6%
CONDOMINIUMS AND COOPERATIVES														
Condominiums	124	122	-2%	221	204	-8%	-2%	-10%	\$313,000	\$335,000	7%	\$317,000	\$345,000	9%
Cooperatives	29	27	-7%	62	54	-13%	1%	-6%	\$85,000	\$102,000	20%	\$97,000	\$100,000	3%

Single Family Homes 12-Year First Quarter Sales





Fairfield County

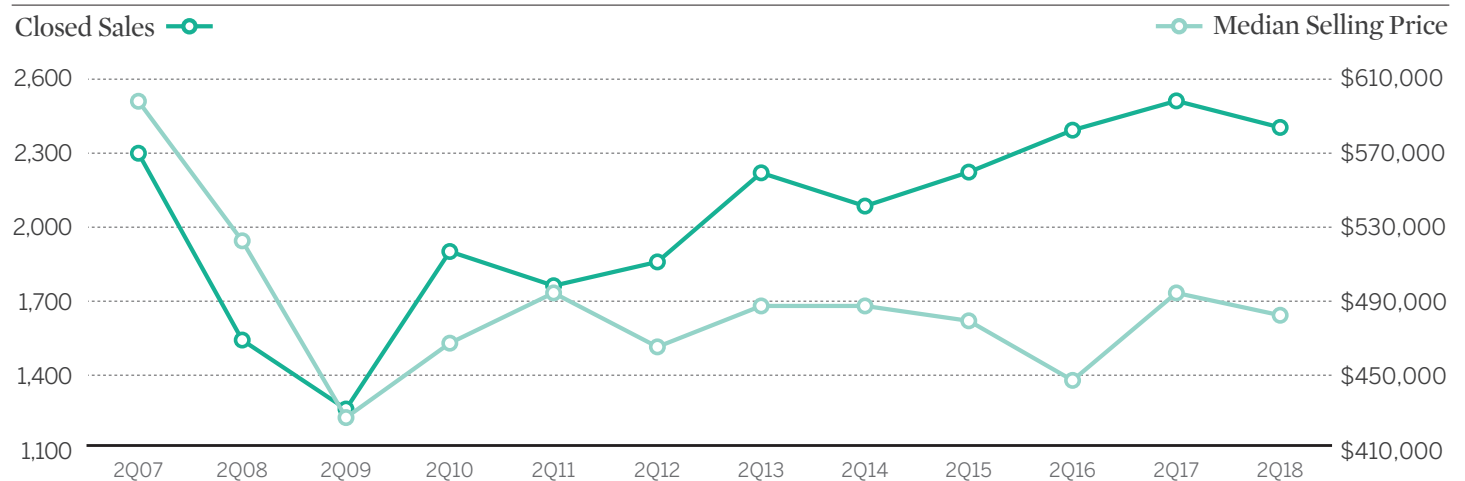
1 Fairfield County sales remain slightly behind last year

Fairfield County experienced sales declines the first quarter this year, and that trend continued into the second with unit sales versus the same period in 2017 decreasing by 4% and dollar volume by 8%. Year to date, the county remains behind the first six months of 2017 by 4% in units and 6% in volume. Key towns such as New Canaan, Darien and Westport are all down for the year. Greenwich, after declining during the first quarter, caught up significantly in the second with good increases in both unit sales and volume, ending the quarter about even with the first half of 2017 in sales volume. Looking ahead for the lower county, we don't anticipate a dramatic shift from its current trajectory. Traditionally, the conclusion of the spring market cycle leads into a quiet summer, according to New Canaan brokerage manager William Larkin, with activity picking up speed again in the fall. The minimal number of properties currently under contract supports this outlook. The northern part of the county, encompassing the greater Danbury region, witnessed steeper declines overall than the southern, though reduced sales were often due to inventory shortages. Brookfield was a notable exception and witnessed significant increases. Northern Fairfield County Regional brokerage manager Adele Unger says that the severe storm in the region in May delayed every market related activity from new listings launching to inspections on properties going into contract for at least a couple of weeks. This may account for a pause in the market that occurred in the middle of the quarter, but the market has now regained momentum.

2 The lower price segments are active

In the lower county, properties in the entry sub-\$1 million segment are moving. From there to about \$3.5 million, we see fewer property sales than last year, though Larkin reports that in New Canaan there are homes selling between \$1.5 and \$2.5 million if they are close to town. Further north, Ridgefield and Redding have healthy sales up to about \$700,000, after which activity drops off significantly. Within that popular lower price segment, unit sales have declined, but this is due to less availability of inventory compared to last year. The limited inventory has had the effect of properties realizing higher prices, with the average price in both towns increasing in the under \$700,000 bracket. Similarly, in the upper county, properties under \$400,000 are selling at a brisk pace, and even mid-tier offerings up to about \$750,000 are moving if priced appropriately. Unger says that the drop off in unit sales is largely a result of tight inventory, and that when fresh offerings hit the market they frequently receive multiple offers within days and trade quickly. The buyers are there, waiting to jump into the market as soon as new properties are available.

Single Family Homes 12-Year First Quarter Sales



3 Luxury is selling, but it's a buyer's market

Moving up the price ladder, the buyer pool is very small, according to Larkin, which gives them an advantage in negotiating with sellers. The high end, \$3.5 million-plus market in Fairfield County is ahead for the year compared to the first half of 2017, but many of these properties are selling at major discounts. In New Canaan, a property that listed last summer for \$9.3 million just traded for \$5,350,000, while another that listed two years ago for \$7,995,000 sold this quarter for \$4,420,000. Buyers will offer whatever they want, says Larkin, and if a seller really wants to sell, they're encouraged to entertain and work that offer when they get it. As prices in the luxury sector continue to drop, some sellers are choosing to put their homes up for rent instead. Larkin reports an exploding rental market among high end properties in the southern county. Up in the Ridgefield area, the high end \$1 million-plus market remains challenged year to date, yet further north in greater Danbury, the \$750,000-plus luxury market has increased year over year, with properties in this segment selling if they are priced and presented well. Staging is critical, says Unger, as purchasers will be deterred if a property is not offered in pristine condition. Second home sales around Candlewood Lake, which include many of the region's high end transactions, are moving at a steady rate as is typical of the summer lake season.

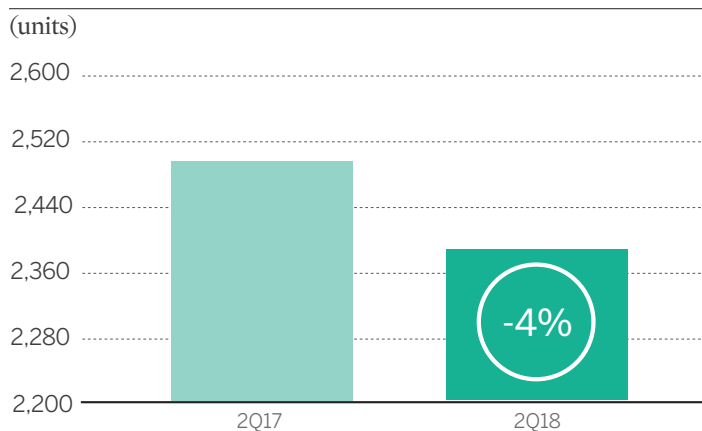
4 There is amazing value to be found in the luxury sector

With the aforementioned price reductions and smaller buyer pool in the luxury sector, there is great value to be found at the high end in Fairfield County. The quality of house and level of amenities have simply never been available to buyers at these prices, Larkin states. Even brand-new construction properties will sell at incredible prices, their sellers reluctant to carry them into another market cycle. Still, buyers remain cautious and will pull out of a deal the moment they feel they are overpaying. In the Ridgefield and Redding area, the luxury properties that sell are those that reduce to a price where the value becomes irresistible and the property is at the top of its class within its category, according to Ridgefield brokerage manager Nick Davis.

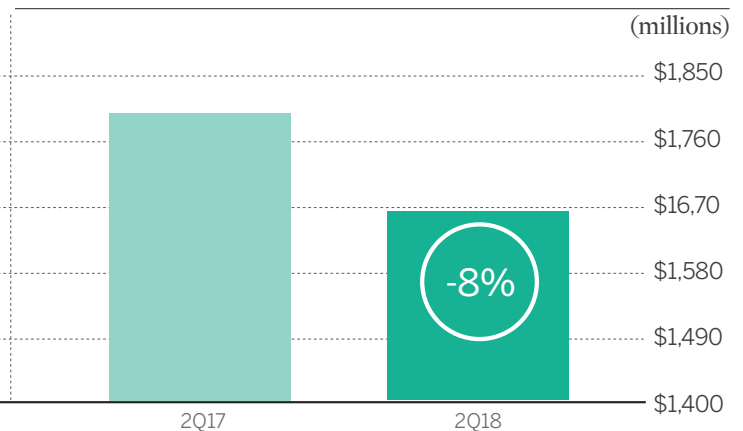
5 Fresh inventory is hard to come

In the lower county, generally there has been a diminishment of new properties becoming available for sale, but many that have been sitting on the market remain to be sold. Davis reports that in Ridgefield several fresh new listings just hit the market in June, and that the buyers for them do exist, which leaves him optimistic for an extended spring selling season. In the northern county where inventory is still very limited, new to market properties grab significant attention as soon as they hit.

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		
	2Q17	2Q18	% CHANGE	YTD 2017	YTD 2018	% CHANGE	% CHANGE	% CHANGE	2Q17	2Q18	% CHANGE	2Q17	2Q18	% CHANGE
			2Q17 VS 2Q18			2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18			2Q17 VS 2Q18			2Q17 VS 2Q18
SINGLE FAMILY														
FAIRFIELD COUNTY	2,489	2,382	-4%	4,016	3,871	-4%	-8%	-6%	\$492,000	\$480,000	-2%	\$444,000	\$453,000	2%
Bethel	68	56	-18%	101	99	-2%	-19%	2%	\$353,000	\$358,000	1%	\$318,000	\$320,000	1%
Brookfield	51	64	25%	86	97	13%	31%	16%	\$405,000	\$383,000	-5%	\$388,000	\$365,000	-6%
Danbury	132	99	-25%	214	180	-16%	-22%	-12%	\$303,750	\$323,000	6%	\$285,000	\$308,000	8%
Darien	91	80	-12%	138	119	-14%	-9%	-14%	\$1,385,000	\$1,550,000	12%	\$1,371,000	\$1,450,000	6%
Easton	38	46	21%	51	69	35%	9%	21%	\$648,750	\$613,000	-6%	\$615,000	\$550,000	-11%
Fairfield	249	225	-10%	369	356	-4%	-8%	-3%	\$625,000	\$638,000	2%	\$614,000	\$591,000	-4%
Greenwich	163	172	6%	289	274	-5%	11%	0%	\$1,768,000	\$1,850,000	5%	\$1,716,000	\$1,814,000	6%
Monroe	66	58	-12%	102	100	-2%	-15%	-3%	\$362,500	\$360,000	-1%	\$355,000	\$370,000	4%
New Canaan	82	61	-26%	128	96	-25%	-33%	-26%	\$1,478,000	\$1,360,000	-8%	\$1,424,000	\$1,473,000	3%
New Fairfield	62	48	-23%	99	81	-18%	-12%	-11%	\$340,000	\$353,000	4%	\$330,000	\$330,000	0%
Newtown	115	112	-3%	196	196	0%	-5%	6%	\$438,700	\$403,000	-8%	\$388,000	\$380,000	-2%
Norwalk	195	201	3%	323	308	-5%	-6%	-6%	\$508,000	\$498,000	-2%	\$460,000	\$475,000	3%
Redding	49	29	-41%	75	50	-33%	-34%	-24%	\$515,000	\$548,000	6%	\$515,000	\$500,000	-3%
Ridgefield	117	99	-15%	178	147	-17%	-21%	-22%	\$629,000	\$625,000	-1%	\$625,000	\$645,000	3%
Rowayton	26	21	-19%	41	32	-22%	-33%	-33%	\$1,360,000	\$815,000	-40%	\$1,155,000	\$1,143,000	-1%
Shelton	120	119	-1%	196	192	-2%	-4%	-5%	\$342,450	\$345,000	1%	\$330,000	\$330,000	0%
Sherman	18	23	28%	33	39	18%	-15%	-2%	\$455,000	\$370,000	-19%	\$400,000	\$408,000	2%
Stamford	212	215	1%	354	368	4%	-3%	-1%	\$618,022	\$590,000	-5%	\$573,000	\$575,000	0%
Stratford	205	191	-7%	326	321	-2%	-3%	4%	\$245,000	\$260,000	6%	\$239,000	\$250,000	5%
Trumbull	112	156	39%	187	225	20%	39%	21%	\$385,000	\$390,000	1%	\$372,000	\$390,000	5%
Weston	60	43	-28%	84	66	-21%	-43%	-34%	\$827,500	\$650,000	-21%	\$795,000	\$726,000	-9%
Westport	139	118	-15%	205	202	-1%	-26%	-11%	\$1,331,000	\$1,138,000	-15%	\$1,350,000	\$1,250,000	-7%
Wilton	71	57	-20%	115	91	-21%	-7%	-17%	\$773,000	\$825,000	7%	\$765,000	\$740,000	-3%
CONDOMINIUMS														
FAIRFIELD COUNTY	804	723	-10%	1,374	1,291	-6%	-14%	-8%	\$262,000	\$265,000	1%	\$248,000	\$253,000	2%

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES		% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$799,999	1,868	1,839	-2%	3,453
\$800,000 - \$1,499,999	411	351	-15%	1,031
\$1,500,000 - \$1,999,999	113	88	-22%	310
\$2,000,000 - \$2,999,999	82	63	-23%	263
\$3,000,000 - \$4,999,999	29	39	34%	149
\$5,000,000 - \$9,999,999	16	11	-31%	64
\$10,000,000+	1	1	0%	17

The Shoreline



231 Nortontown Road • Guilford, CT • MLS: 170097658

The Shoreline

1 The Connecticut Shoreline is holding steady with last year in dollar volume with unit sales slightly behind

The Connecticut Shoreline market, encompassing New Haven, Middlesex and New London counties, has fallen just a little behind the first half of 2017 in unit sales. Yet dollar volume is approximately even year over year and just ahead for the quarter, an indication that the median price is on the rise. Overall, in the second quarter of 2018 unit sales slipped behind the same period of 2017 by a small 2% as dollar volume climbed ahead by 3%, and similarly, units year to date are behind the first half of 2017 by 4% with dollar volume up 1%. A dropoff in the entry market, up to about \$350,000, is driving much of the decrease in units, but it's not for lack of buyers. There is simply not enough inventory to go around. The high end, meanwhile, is enjoying a resurgence in many areas.

2 In New Haven County, the high end is making a comeback

The second quarter was much more robust than the first in New Haven County, especially in the luxury \$1 million-plus market, where sales are finally taking off after a lengthy period of quiet. In virtually every one of the core towns we serve, including Madison, Guilford, Clinton and Branford, the median price has increased this quarter, which is reflective of the uptick at the high end due to more waterfront or water-oriented sales. Many of the sales are waterfront or water-oriented properties, but not all. We are encouraged that it appears this activity will only continue as we head into quarter three, with several more offerings in the upper end in Madison and Guilford now under contract. Promisingly, in most of these towns units or volume, or both, are trending up for the year, with only Killingworth seeing decreases. Madison and Guilford brokerage manager Kathy Mitchell attributes the renewed interest in the luxury segment to a combination of high consumer confidence and prices adjusting to the point where the value proposition is too compelling to overlook. The value component is key for sellers to understand: those properties priced too high will still have difficulty selling, even as the market starts to see some movement.

3 The surge at the higher end in Middlesex County continues

In the lower price categories in Middlesex County, tight inventory is restricting unit sales, leading to a reduction year over year. But dollar volume is about even year to date compared to the first half of 2017 and the median price has increased, which means the higher priced segments, as in New Haven County, are seeing good performance. Units and volume in the \$600,000 to \$1 million mid market are both on the rise, and a greater number of \$1 million-plus offerings closed in the second quarter as well versus the same time last year. Essex and Old Lyme brokerage manager Maureen Swarts reports that showings in this segment are continuing, a promising sign looking ahead. The high end listings that are trading are largely riverfront properties with docks and moorings; their buyers are boaters seeking the river lifestyle. If a luxury property is not on the river or has no water view, it is harder to sell, says Swarts.

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$399,999	774	738	-5%	1,288
\$400,000 - \$749,999	267	293	10%	719
\$750,000 - \$999,999	34	42	24%	143
\$1,000,000 - \$1,499,999	10	8	-20%	67
\$1,500,000+	10	13	30%	73

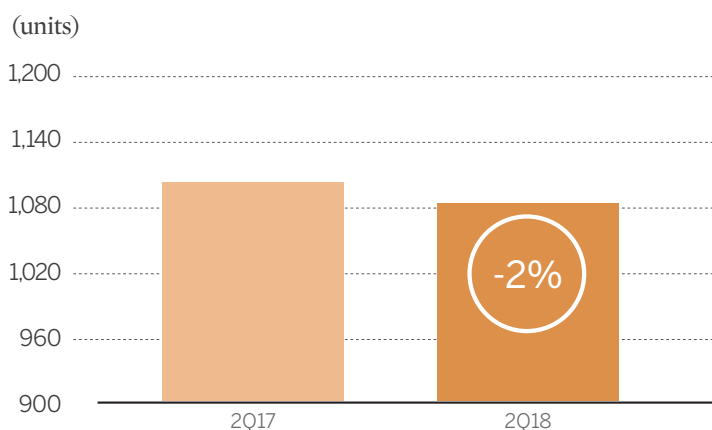
4 The entry level in New London County is as competitive as it gets

The sub-\$300,000 market has been on fire for some time in New London County. Purchasers at the entry level are sweeping properties off the market, drawn to the area by the ongoing hiring spree at General Dynamics Electric Boat, according to Swarts. Greatly limited inventory is virtually the only reason unit sales and dollar volume have declined in this segment. Swarts shares that some properties in this category will sell within an hour of hitting the market, that buyers will write up offers before even visiting a home. Even overpriced listings are moving quickly, and can sell for more than they're listed for. In light of this activity, it is no surprise that the median price in New London County is increasing. Not only primary homes but second homes in beach communities are also selling, though these are mostly priced under \$500,000. The higher luxury categories in New London County, from \$500,000 on up, are proving a slower market.

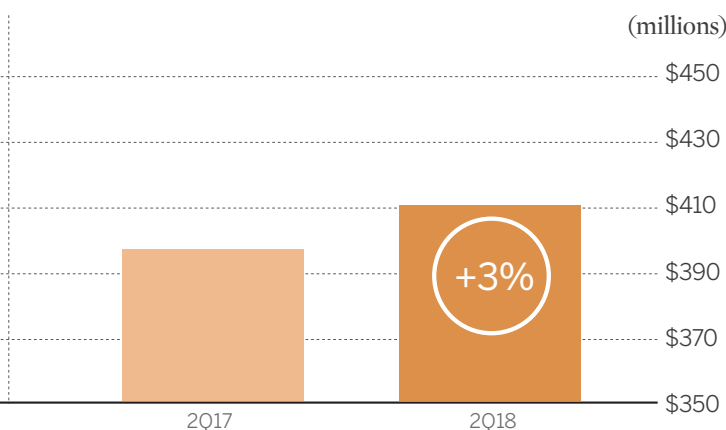
5 Inventory has arrived in New Haven County

If inventory in the most popular price points in New London and Middlesex Counties is very limited, New Haven County is finally seeing plentiful fresh inventory arriving after a much slower first quarter. Mitchell says that many buyers are out exploring all the new options to choose from, providing reason for optimism on the market as we move into the second half of the year.

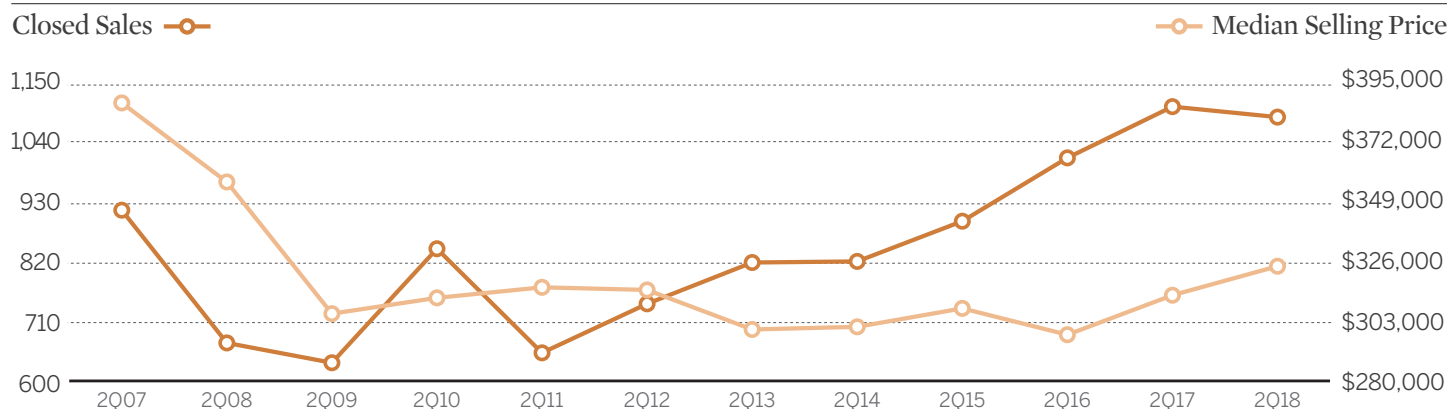
Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



Single Family Homes 12-Year First Quarter Sales



TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
	2Q17	2Q18	% CHANGE	YTD 2017	YTD 2018	2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17	2Q18	2Q17 VS 2Q18	2Q17	2Q18	2Q17 VS 2Q18
SINGLE FAMILY														
THE SHORELINE	1,098	1,077	-2%	1,782	1,719	-4%	3%	1%	\$312,000	\$323,000	4%	\$295,000	\$311,000	5%
Branford	63	76	20%	107	112	5%	26%	13%	\$320,000	\$330,000	3%	\$330,000	\$320,000	-3%
Chester	17	12	-29%	23	23	0%	-45%	-19%	\$337,000	\$288,000	-15%	\$297,000	\$286,000	-4%
Clinton	55	64	16%	91	96	5%	30%	12%	\$270,000	\$298,000	10%	\$257,000	\$269,000	5%
Deep River	11	15	36%	18	26	44%	83%	78%	\$265,000	\$235,000	-11%	\$235,000	\$248,000	6%
East Haddam	35	39	11%	62	68	10%	9%	-1%	\$235,000	\$256,000	9%	\$241,000	\$237,000	-2%
East Lyme	73	72	-1%	107	121	13%	-1%	6%	\$312,000	\$309,000	-1%	\$287,000	\$303,000	6%
Essex*	27	41	52%	48	61	27%	93%	56%	\$320,000	\$423,000	32%	\$321,000	\$385,000	20%
Groton	125	93	-26%	205	163	-20%	-25%	-21%	\$223,000	\$242,000	9%	\$223,000	\$323,000	45%
Guilford	79	101	27%	122	148	21%	29%	20%	\$385,000	\$395,000	3%	\$369,000	\$382,000	4%
Haddam	40	31	-23%	64	56	-13%	-34%	-25%	\$308,000	\$283,000	-8%	\$295,000	\$273,000	-7%
Killingworth	30	28	-7%	53	44	-17%	-5%	-10%	\$381,000	\$395,000	4%	\$314,000	\$340,000	8%
Lyme	13	10	-23%	21	19	-10%	-47%	-20%	\$525,000	\$326,000	-38%	\$450,000	\$364,000	-19%
Madison	102	97	-5%	158	150	-5%	7%	5%	\$417,000	\$449,000	8%	\$403,000	\$419,000	4%
New London	43	56	30%	79	78	-1%	31%	4%	\$139,000	\$151,000	9%	\$140,000	\$150,000	7%
North Stonington	29	15	-48%	45	27	-40%	-30%	-21%	\$265,000	\$280,000	6%	\$250,000	\$260,000	4%
Old Lyme	45	53	18%	77	75	-3%	5%	-9%	\$350,000	\$380,000	9%	\$350,000	\$360,000	3%
Old Saybrook	54	50	-7%	83	85	2%	-2%	-4%	\$360,000	\$358,000	-1%	\$360,000	\$365,000	1%
Stonington	72	69	-4%	104	110	6%	0%	17%	\$350,000	\$315,000	-10%	\$330,000	\$331,000	0%
Waterford	83	82	-1%	143	130	-9%	0%	-6%	\$235,000	\$258,000	10%	\$222,000	\$247,000	11%
Westbrook	31	19	-39%	53	40	-25%	-42%	-15%	\$385,000	\$376,000	-2%	\$285,000	\$329,000	15%
NEW HAVEN COUNTY														
Middlebury	29	19	-34%	53	41	-23%	-17%	-14%	\$258,000	\$325,000	26%	\$274,000	\$303,000	11%
Oxford	42	34	-19%	65	54	-17%	-14%	-7%	\$327,000	\$370,000	13%	\$320,000	\$350,000	9%
Southbury	71	58	-18%	119	87	-27%	-3%	-17%	\$326,000	\$392,000	20%	\$346,000	\$363,000	5%
CONDOMINIUMS														
THE SHORELINE	286	289	1%	493	467	-5%	2%	-3%	\$175,000	\$172,000	-2%	\$157,000	\$165,000	5%

*Includes Essex, Ivoryton and Centerbrook



Litchfield County

1 Litchfield County is starting to outpace the prior year

The real estate market in Litchfield County overall is trending just ahead of last year, picking up steam late in the second quarter after a slower start to the year. County-wide, unit sales this quarter compared to the same time in 2017 were ahead by a slight 1%, with dollar volume up by 5%, while year to date units have increased by 2% and volume by 1%. This is an improvement from the first quarter when dollar volume was down compared to the same period last year, though we noted then that the time frame we were comparing to, the first quarter of 2017, was an unusually extraordinary one for the upper end. Litchfield County brokerage manager Kristine Newell additionally cites this year's formidable winter weather as a reason for the delayed market. In any case, the market is now taking off, and looks all the more impressive in light of two interesting points: that 2017 was such a banner year for the high end, and that the market is performing well ahead of this time two years ago. With pending sales up across the county, and our agents reporting busy activity, the region should enjoy a strong summer and fall in sales. Some of the towns currently experiencing a surge include Kent, Sharon and Warren.

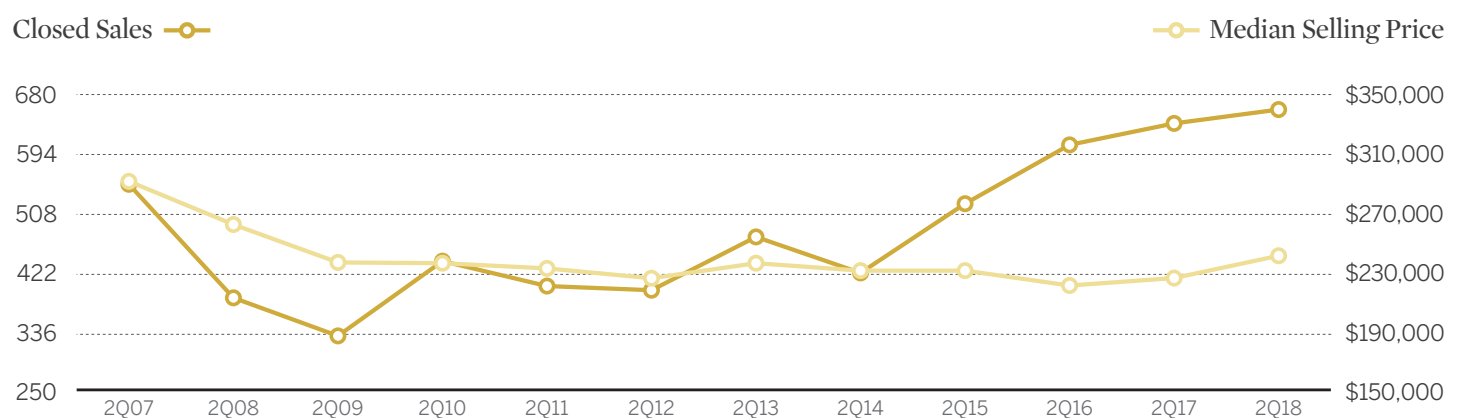
2 The high end is moving along at a steady rate

After several quarters of continuous growth, sales in the \$1 to \$2 million price range are now holding steady compared to last year, and remain ahead of this time two years ago. We reported last quarter that the uppermost end of the market, consisting of sales over \$2 million, had fallen off versus the prior year—yet now we are ahead in the luxury sector, with two more sales than the first half of 2017. These closings have helped to send the median price about 7% higher in Litchfield County, quarter over quarter. Still, Newell notes there is currently an excess of inventory in the high end with not enough buyers, so despite the increase, challenges persist in this segment. One important sale this quarter was that of a grand lakeside estate on over 100 acres in Kent, listed by our company and sold for \$4.4 million. It represents the county's second highest transaction year to date.

3 Limited inventory has made the lower price categories more competitive

Inventory continues to tighten in Litchfield County, a pattern that we have observed here for several quarters now. The reduced inventory is largely in the lower price segments where unit sales are highest. With listings in the entry market hard to come by, multiple offer situations occur in many cases, especially among fresh offerings that are priced well, according to Newell. In the highest price ranges, an overabundance of inventory makes pricing a critical component to drawing the attention of buyers.

Single Family Homes 12-Year First Quarter Sales



4 Staging and pricing are key

As always, the properties most likely to sell the fastest are those that are new to the market and priced well right out of the gates. If the property is also beautifully staged and offered in excellent condition, it will likely elicit an offer.

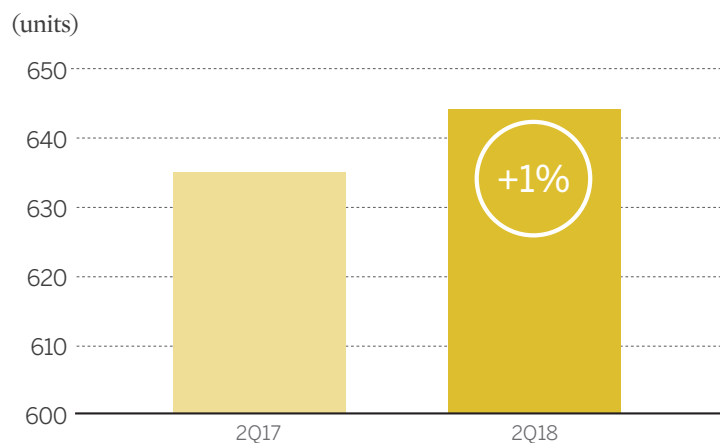
5 The Litchfield County brokerages are inviting purchasers to “Escape to the Hills”

The company has just released the summer edition of its popular “Escape to the Hills” print, digital and social media campaign, a marketing piece that entices consumers with its presentation of Litchfield County’s unique lifestyle. Newell has found that more and more New Yorkers are responding to the campaign, and choosing the Litchfield Hills over other weekend destinations such as the Hamptons. The region’s easy two-hour commute from Manhattan as well as its cultural amenities and pastoral setting are hard to resist.

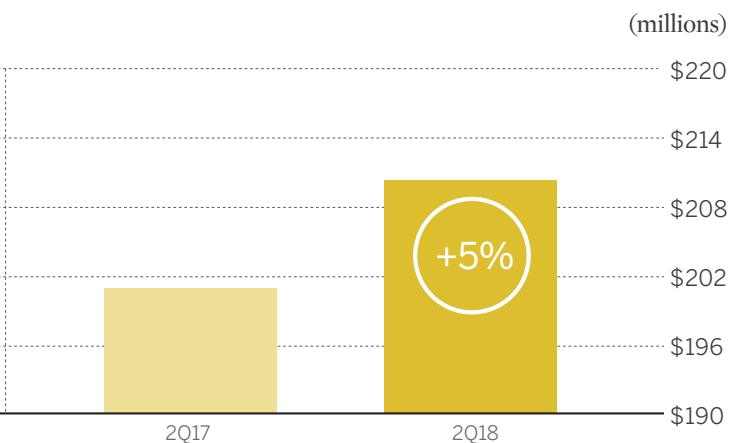
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$399,999	529	536	1%	653
\$400,000 - \$749,999	70	70	0%	299
\$750,000 - \$999,999	16	16	0%	106
\$1,000,000 - \$1,999,999	13	13	0%	123
\$2,000,000 - \$4,999,999	6	8	33%	58
\$5,000,000+	1	1	0%	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
	2Q17	2Q18	2Q17 VS 2Q18	YTD 2017	YTD 2018	2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17	2Q18	2Q17 VS 2Q18	2Q17	2Q18	2Q17 VS 2Q18
SINGLE FAMILY														
LITCHFIELD COUNTY	635	644	1%	1,054	1,071	2%	5%	1%	\$225,000	\$240,000	7%	\$224,900	\$232,700	3%
Barkhamsted	13	11	-15%	20	17	-15%	29%	1%	\$225,000	\$279,900	24%	\$255,000	\$279,000	9%
Bethlehem	6	12	100%	13	22	69%	83%	97%	\$334,425	\$260,250	-22%	\$249,100	\$280,000	12%
Bridgewater	9	6	-33%	11	10	-9%	-32%	-16%	\$420,000	\$540,000	29%	\$420,000	\$518,500	23%
Canaan*	8	15	88%	23	18	-22%	28%	-30%	\$287,500	\$210,000	-27%	\$167,000	\$164,500	-1%
Colebrook	8	3	-63%	10	6	-40%	13%	44%	\$235,000	\$800,000	240%	\$227,000	\$250,000	10%
Cornwall**	9	5	-44%	14	12	-14%	-77%	-41%	\$230,000	\$320,000	39%	\$227,500	\$325,000	43%
Goshen	19	17	-11%	29	28	-3%	-47%	-35%	\$360,000	\$335,000	-7%	\$336,000	\$320,000	-5%
Harwinton	20	17	-15%	30	27	-10%	-17%	-17%	\$230,750	\$224,900	-3%	\$247,500	\$244,500	-1%
Kent, South Kent	6	11	83%	12	19	58%	201%	110%	\$530,000	\$515,000	-3%	\$401,625	\$500,000	24%
Litchfield	33	21	-36%	50	44	-12%	-56%	-43%	\$309,900	\$280,000	-10%	\$300,000	\$281,750	-6%
Morris	9	9	0%	12	13	8%	158%	39%	\$304,900	\$357,500	17%	\$299,950	\$412,500	38%
New Hartford	25	22	-12%	42	33	-21%	-24%	-25%	\$245,000	\$220,500	-10%	\$266,250	\$263,500	-1%
New Milford	83	88	6%	146	148	1%	20%	13%	\$263,000	\$285,000	8%	\$270,000	\$286,500	6%
Norfolk	6	7	17%	7	11	57%	8%	52%	\$499,500	\$257,050	-49%	\$335,000	\$375,000	12%
Plymouth	56	47	-16%	88	80	-9%	-14%	-3%	\$166,250	\$170,000	2%	\$159,900	\$159,250	0%
Roxbury	14	13	-7%	19	20	5%	35%	19%	\$579,500	\$599,000	3%	\$590,000	\$530,500	-10%
Salisbury	13	16	23%	30	28	-7%	-32%	-25%	\$480,000	\$455,000	-5%	\$442,000	\$477,500	8%
Sharon	11	13	18%	21	20	-5%	48%	93%	\$355,000	\$535,000	51%	\$340,000	\$503,750	48%
Thomaston	23	23	0%	42	34	-19%	-4%	-15%	\$193,000	\$185,000	-4%	\$190,000	\$185,000	-3%
Torrington	116	112	-3%	192	206	7%	5%	14%	\$133,250	\$140,450	5%	\$130,000	\$139,000	7%
Warren	1	8	700%	4	11	175%	2550%	407%	\$540,000	\$345,000	-36%	\$357,500	\$320,000	-10%
Washington***	16	20	25%	33	27	-18%	-20%	-55%	\$373,250	\$380,500	2%	\$460,000	\$405,000	-12%
Watertown	64	87	36%	101	135	34%	37%	27%	\$210,000	\$210,000	0%	\$200,000	\$206,000	3%
Winchester	34	33	-3%	55	55	0%	-11%	-4%	\$188,750	\$169,000	-10%	\$159,450	\$167,000	5%
Woodbury	33	28	-15%	50	47	-6%	-20%	-4%	\$340,000	\$349,000	3%	\$315,000	\$363,750	15%
CONDOMINIUMS														
LITCHFIELD COUNTY	106	95	-10%	171	172	1%	-9%	3%	\$119,950	\$122,500	2%	\$110,000	\$112,000	2%

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

Farmington Valley



36 Hazen Drive • Avon, CT • MLS: 170093104

Farmington Valley

1 The Farmington Valley experienced positive sales growth in the second quarter

The Farmington Valley region of Hartford County, consisting of Avon, Canton, Farmington, Granby and Simsbury, plus the key additional communities we serve including Burlington, Hartland and West Hartford, experienced significant sales growth in the second quarter, allowing the area to largely catch up to the prior year. In the second quarter of 2018 versus the same period in 2017, unit sales increased by 8% and dollar volume by 9%, bringing sales almost even year to date. For the first half of 2018, unit sales are a slight 2% behind the same time in 2017, and dollar volume is ahead by 1%. As Hartford County regional brokerage manager Alex Ohlandt notes, the market got off to a slow start this year partly due to the extended winter weather, pushing the launch of new inventory to later in the spring. Yet agents in the region are currently reporting a strong uptick in activity, during a time frame that historically would see the market start to quiet down, with new listings arriving and new contracts going out on a regular basis.

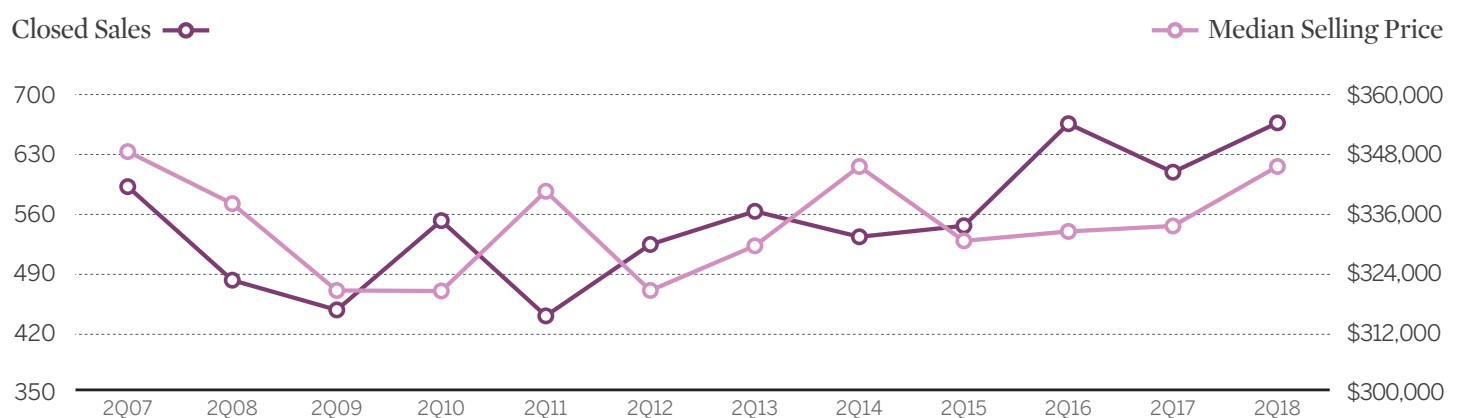
2 Properties must be priced to the market

An important addendum to the optimistic commentary above is that there is great sensitivity to prices in the Farmington Valley. The perception of value is critical among buyers, and considering the number of listings they have to choose from, they consistently ignore those offerings they consider overpriced. Sellers must be conscientious when it comes to pricing, or they risk sitting on the market and having to undergo reductions later. Properties that are priced well, on the other hand, will likely receive many showings and sell, particularly in the popular lower price ranges up to about \$750,000. Every price category is flush with inventory, making it a buyer's market—and it's an excellent time to be a buyer in the market, adds Ohlandt, as prices have reached a point where they can find incredible value.

3 The entry market is steady, but the high end remains challenged

The sub-\$400,000 entry market in the Farmington Valley, where the median price is now up 4% from the second quarter of 2017 to \$345,000, is holding steady, and property sales this quarter from \$400,000 to \$750,000 increased over the same time last year. Above that price point, properties become more difficult to sell, and in the luxury \$1-plus million market, sales are particularly scarce though showings are occurring. Buyers are recognizing the value now available in the high end, according to Ohlandt, but few are making the commitment to purchase.

Single Family Homes 12-Year First Quarter Sales



4 Inventory is plentiful

After a somewhat slower winter, plenty of fresh inventory is now regularly hitting the market, leaving buyers with no lack of options to consider at virtually every price point. Active inventory is showing an increase versus this time last year, giving buyers good reason to stay active in the region throughout the summer.

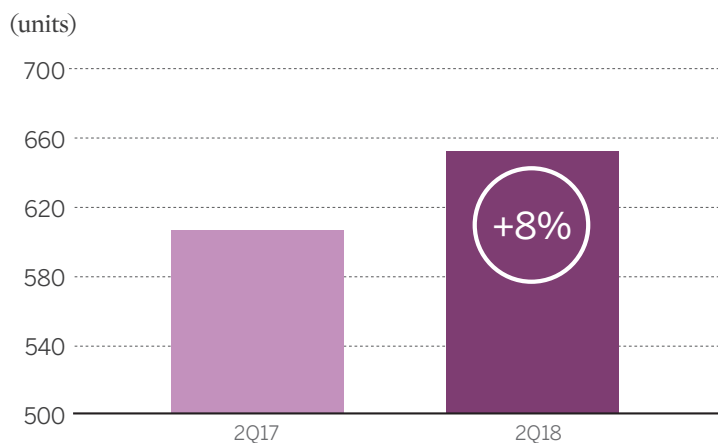
5 Buyers want a sense of community

West Hartford continues to prove one of the more popular destinations among buyers, who seek out this Hartford suburb for its sense of community and thriving downtown. Here, unit sales for the second quarter were about even with the same time last year, though the slower first quarter brings them down for the year. More rural areas like Avon and Simsbury do not move as many units as West Hartford, and the sales there may take a little longer, though these towns did still post increases in unit sales and volume over the second quarter last year.

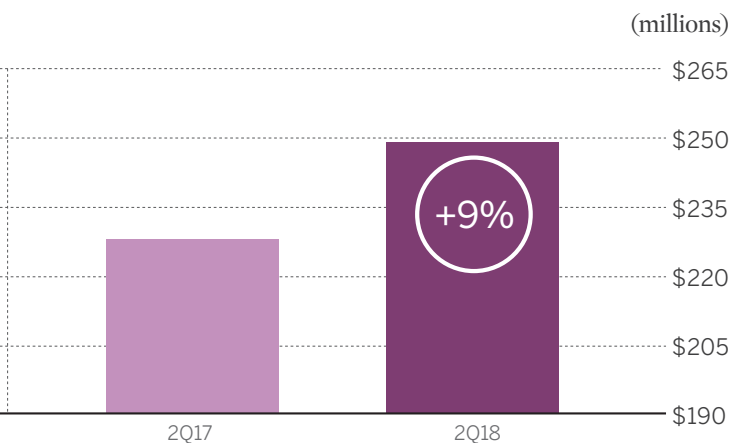
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$399,999	410	403	-2%	612
\$400,000 - \$749,999	170	231	36%	247
\$750,000 - \$999,999	22	14	-36%	51
\$1,000,000 - \$1,999,999	2	4	100%	33
\$2,000,000 +	2	0	-100%	13

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
	2Q17	2Q18	2Q17 VS 2Q18	YTD 2017	YTD 2018	2Q17 VS 2Q18	2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17	2Q18	2Q17 VS 2Q18	2Q17	2Q18	2Q17 VS 2Q18
SINGLE FAMILY														
FARMINGTON VALLEY	606	652	8%	985	969	-2%	9%	1%	\$333,000	\$345,000	4%	\$325,000	\$310,000	-5%
Avon	65	83	28%	117	123	5%	31%	12%	\$395,000	\$450,000	14%	\$413,000	\$447,750	8%
Burlington	35	46	31%	61	77	26%	27%	26%	\$390,000	\$340,917	-13%	\$335,000	\$349,950	4%
Canton	42	35	-17%	63	60	-5%	-8%	-3%	\$292,500	\$347,500	19%	\$309,000	\$324,450	5%
Farmington	66	78	18%	107	131	22%	16%	14%	\$349,625	\$398,750	14%	\$370,000	\$372,500	1%
Granby	56	55	-2%	78	85	9%	7%	17%	\$281,450	\$299,900	7%	\$274,950	\$290,000	5%
Hartland	4	3	-25%	8	9	13%	1%	5%	\$229,000	\$372,000	62%	\$245,000	\$292,250	19%
Simsbury	97	108	11%	150	146	-3%	15%	4%	\$330,000	\$332,500	1%	\$321,000	\$334,950	4%
West Hartford	241	244	1%	401	338	-16%	-2%	-16%	\$335,000	\$320,000	-4%	\$308,000	\$310,000	1%
CONDOMINIUMS														
FARMINGTON VALLEY	161	151	-6%	258	250	-3%	0%	1%	\$195,000	\$206,000	6%	\$185,000	\$190,000	3%



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Berkshire County



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1 Berkshire County is down compared to last year, but consistent with two years ago

Berkshire County made up lost ground during the second quarter, with unit sales and dollar volume catching up to the first half of 2017. For the second quarter, unit sales and dollar volume were a small 1% ahead of the same period in 2017, and year to date, unit sales stand 5% lower than the first half of 2017, with dollar volume up again by 1%. Last quarter, we reported that unit sales were down but volume was flat, indicative of an active high end market that went quiet this quarter. The picture does vary by region, with the north, central and south counties each turning in different results. It is important to remember that 2017 was a standout year that witnessed significant surges over the prior quarter to quarter, making that period a challenging one to live up to. We consider it a good sign that our market has now caught up to stand about even with that time, and is outperforming 2016, which was a solid sales year. A look at what's under contract provides even more reason for optimism, as pending sales have risen to match what they were at this time last year, pointing to a healthy third quarter.

2 The north county is outpacing last year

Though Berkshire County as a whole is seeing fewer sales than last year, the north county experienced an increase in unit sales this quarter over the second quarter of 2017 by 27%. Under contracts in the same region are up 43% versus this time last year. Berkshires assistant brokerage manager Tim Donnelly calls out North Adams as a good example of the positive activity in the north county, where cultural offerings like the MASS MoCA are boosting interest among buyers. Year to date sold volume is up in both the north and central counties, and in the central, the number of units sold held steady quarter over quarter, while under contracts are also consistent with last year. Only the south county witnessed significant declines, though as mentioned data for properties under contract is promising, and notably, condo sales are also seeing strong momentum in the south.

3 The \$550,000 to \$750,000 mid-market returned this quarter

The Berkshires' \$550,000 to \$750,000 mid-market, which proved a big story in 2017 with dramatic growth in the segment, returned this spring after a quieter winter. This is the one price category in the overall region that has experienced an increase over 2017 for both the quarter and the year, and it's helped to improve the average and median sale price. Donnelly suggests that some high end buyers are scooping up properties at this price point for the decent value they offer. The uppermost end of the market slowed this quarter after a more productive first quarter, perhaps partly due to an excess of inventory, though Donnelly suspects the buyers for these properties may return as we head into the traditional peak summer and fall selling season. Interestingly, the central county's high end, defined as the \$400,000 to \$600,000 range, is moving more quickly compared to the rest of the county.

4 Active inventory stands at record lows but is picking up

The trend of low inventory in the Berkshires continued this quarter as the region encountered a delay in its peak listing season. Total active inventory now stands at record lows, and new to market listings are also down versus this time last year, though the north county did observe a slight increase of 6%. The traditional time frame for new listings is March through May, says Donnelly, and though we reported last quarter that a flurry of new listings hit toward the end of the quarter, the real surge in inventory is only just starting now. Sellers waited later than usual, but now that the market is finally becoming flush with new options for buyers, we are hopeful that activity will pick up.

5 The Berkshires market is very price driven

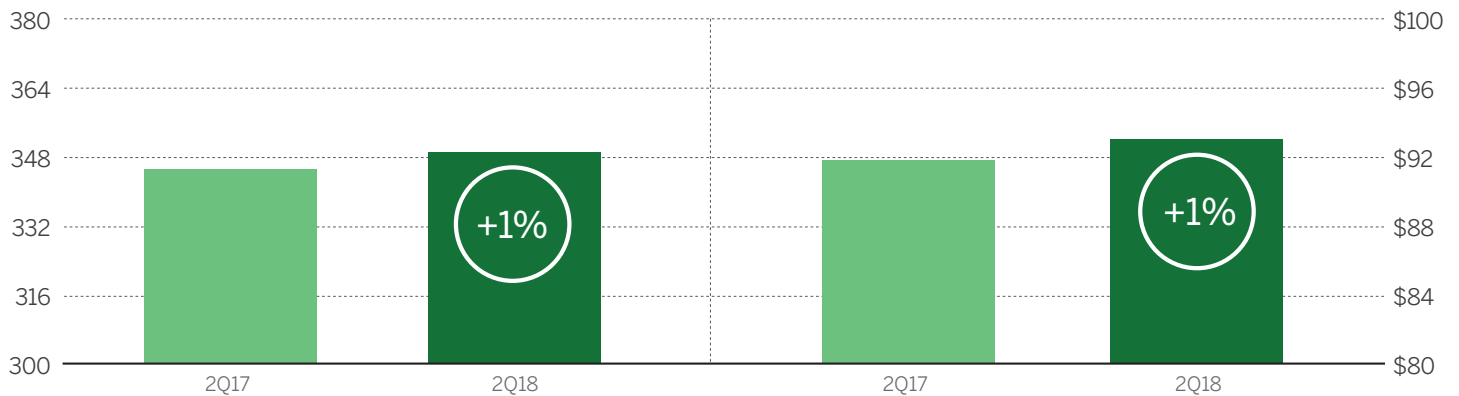
Sellers are still typically realizing sale prices of around 90% of their list price, making the Berkshires a price-driven marketplace. With the market being a competitive place, those sellers who price appropriately are much more likely to sell. Those who don't are more likely to see their properties sit, only to sell after they reduce the price to, or even below, the recommended starting point.

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	2Q 2017	2Q 2018	2Q17 VS 2Q18	2Q AVERAGE
\$0 - \$399,999	296	296	0%	909
\$400,000 - \$749,999	37	44	19%	299
\$750,000 - \$999,999	6	6	0%	112
\$1,000,000 - \$1,499,999	4	3	-25%	77
\$1,500,000+	4	2	-50%	74

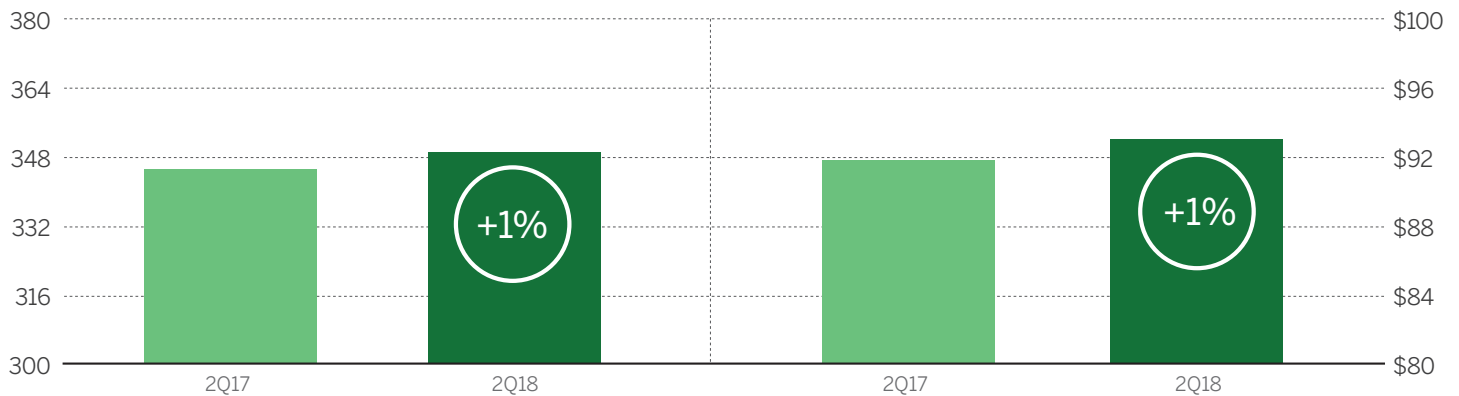
Single Family Homes Closed Sales

(units)

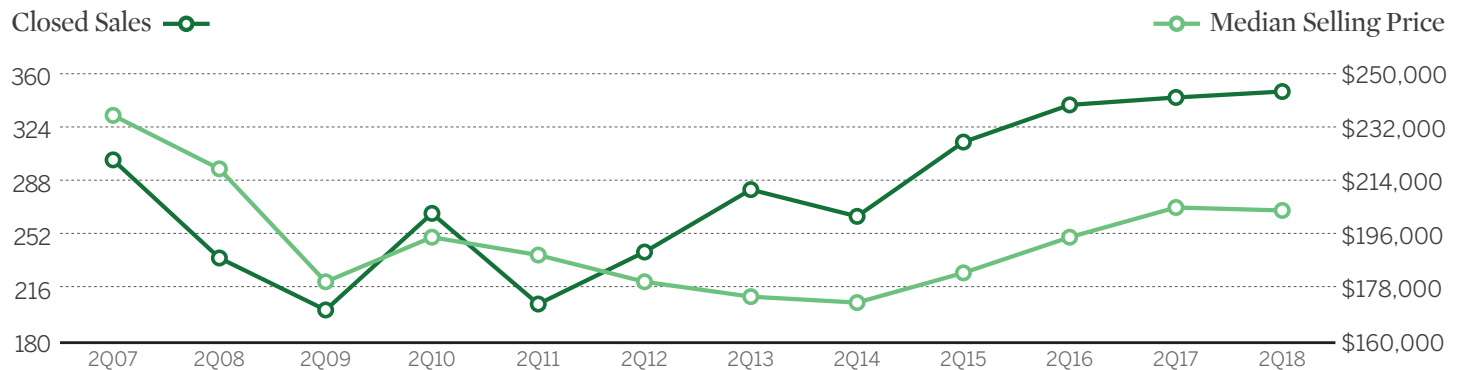


Single Family Homes Closed Dollar Volume

(millions)



Single Family Homes 12-Year First Quarter Sales



TOWNS	QUARTERLY UNIT SALES			YTD UNIT SALES			QUARTERLY DOLLAR VOLUME	YTD DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
	2Q17	2Q18	% CHANGE	YTD 2017	YTD 2018	% CHANGE	% CHANGE	% CHANGE	2Q17	2Q18	% CHANGE	2Q17	2Q18	% CHANGE
			2Q17 VS 2Q18			2Q17 VS 2Q18	YTD 17 VS YTD 18	2Q17 VS 2Q18			2Q17 VS 2Q18			
SINGLE FAMILY														
BERKSHIRE COUNTY	345	349	1%	580	550	-5%	1%	1%	\$205,000	\$204,000	0%	\$195,000	\$201,000	3%
Adams	13	18	38%	31	30	-3%	35%	5%	\$155,000	\$153,000	-1%	\$130,000	\$130,000	0%
Alford	1	2	100%	3	3	0%	103%	2%	\$555,000	\$565,000	2%	\$567,000	\$650,000	15%
Becket	14	11	-21%	25	21	-16%	-23%	-14%	\$239,000	\$160,000	-33%	\$218,000	\$185,000	-15%
Cheshire	8	2	-75%	11	8	-27%	-82%	-32%	\$222,000	\$174,000	-22%	\$189,000	\$200,000	6%
Clarksburg	3	2	-33%	5	5	0%	30%	28%	\$145,000	\$262,000	81%	\$120,000	\$133,000	11%
Dalton	20	16	-20%	28	26	-7%	-12%	6%	\$191,000	\$169,000	-12%	\$182,000	\$186,000	2%
Egremont	7	8	14%	13	13	0%	-22%	10%	\$325,000	\$463,000	42%	\$513,000	\$470,000	-8%
Florida	1	0	-100%	1	1	0%	N/A	-7%	\$120,000	\$0	-100%	\$109,000	\$171,000	57%
Gt. Barrington	20	23	15%	30	35	17%	13%	34%	\$368,000	\$354,000	-4%	\$310,000	\$339,000	9%
Hancock	4	1	-75%	5	3	-40%	-67%	-20%	\$323,000	\$450,000	39%	\$225,000	\$280,000	24%
Hinsdale	4	7	75%	8	11	38%	74%	49%	\$207,000	\$185,000	-11%	\$199,000	\$218,000	10%
Lanesborough	10	14	40%	16	20	25%	49%	40%	\$215,000	\$212,000	-1%	\$175,000	\$200,000	14%
Lee	16	10	-38%	23	19	-17%	-42%	-26%	\$245,000	\$218,000	-11%	\$217,000	\$226,000	4%
Lenox	17	5	-71%	30	6	-80%	-72%	-78%	\$315,000	\$280,000	-11%	\$350,000	\$357,000	2%
Monterey	5	4	-20%	9	9	0%	5%	2%	\$395,000	\$544,000	38%	\$498,000	\$439,000	-12%
Mt. Washington	1	0	-100%	1	1	0%	N/A	378%	\$115,000	\$0	-100%	\$275,000	\$868,000	216%
New Ashford	0	0	N/A	0	1	N/A	N/A	N/A	\$0	\$0	N/A	\$0	\$340,000	N/A
New Marlborough	6	6	0%	10	13	30%	48%	99%	\$384,000	\$547,000	42%	\$253,000	\$345,000	36%
North Adams	27	34	26%	42	47	12%	72%	60%	\$113,000	\$146,000	29%	\$113,000	\$140,000	24%
Otis	12	9	-25%	17	12	-29%	67%	47%	\$242,000	\$360,000	49%	\$210,000	\$335,000	60%
Peru	0	5	N/A	1	7	600%	N/A	785%	\$0	\$207,000	N/A	\$180,000	\$206,000	14%
Pittsfield	97	117	21%	172	170	-1%	24%	0%	\$155,000	\$163,000	5%	\$166,000	\$163,000	-2%
Richmond	5	3	-40%	10	9	-10%	6%	52%	\$330,000	\$535,000	62%	\$305,000	\$450,000	48%
Sandisfield	5	5	0%	7	9	29%	2%	16%	\$285,000	\$260,000	-9%	\$265,000	\$219,000	-17%
Savoy	2	3	50%	2	4	100%	124%	189%	\$144,000	\$200,000	39%	\$83,000	\$127,000	53%
Sheffield	20	7	-65%	32	16	-50%	-40%	-38%	\$275,000	\$232,000	-16%	\$275,000	\$295,000	7%
Stockbridge	5	8	60%	11	16	45%	-31%	27%	\$475,000	\$279,000	-41%	\$325,000	\$355,000	9%
Tyringham	2	2	0%	2	2	0%	-65%	-65%	\$1,200,000	\$409,000	-66%	\$299,000	\$535,000	79%
Washington	0	3	N/A	0	3	N/A	N/A	N/A	\$0	\$385,000	N/A	\$234,000	\$266,000	14%
West Stockbridge	6	5	-17%	13	6	-54%	11%	-49%	\$425,000	\$680,000	60%	\$435,000	\$410,000	-6%
Williamstown	13	18	38%	20	23	15%	59%	44%	\$259,000	\$310,000	20%	\$240,000	\$319,000	33%
Windsor	1	1	0%	2	1	-50%	77%	11%	\$324,000	\$575,000	77%	\$235,000	\$198,000	-16%
CONDOMINIUMS														
BERKSHIRE COUNTY	37	32	-14%	54	56	4%	19%	81%	\$228,000	\$256,000	12%	\$174,000	\$230,000	32%

Where We Are Headed



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

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

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

We at William Pitt and Julia B. Fee Sotheby's International Realty hope you find the insights provided in this report to be of value, and we always welcome the opportunity to serve you.

Information Sources: Case-Schiller reports, Various MLS services, National Association of Realtors, Connecticut Economic Digest, local mortgage brokers, Realty Trac., HGMLS, SmartMLS, BCBOR. While information is believed true, no guarantee is made for accuracy.