

Market Watch

FIRST QUARTER 2017



William Pitt
Julia B Fee

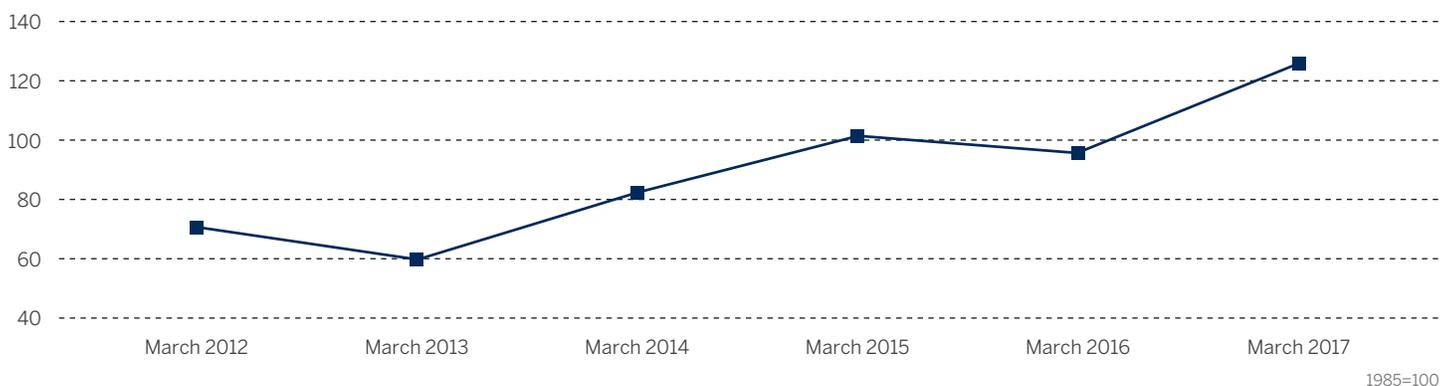
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At the close of 2016, a strong year for real estate in our market areas, we reported that buyers were jumping off the sidelines and into the marketplace in droves as the Federal Reserve's long-awaited rate hike finally took effect. The increase is causing mortgage rates to tick upward, motivating real estate intenders to act before they get much higher. With further increases indeed expected to occur throughout the year, buyers know that the time is now, and across the board our agents are busier than ever. How did this frenzy of activity play out in our individual markets?

We had an excellent first quarter, with most markets posting increases in both sales volume and unit sales compared to the same period last year. Westchester County saw quarter over quarter increases of 13% in dollar volume and 7% in units, with Southern Westchester up by 10% in volume and 4% in units, and Northern Westchester by 22% and 14% in volume and units, respectively. Similarly, sales in Fairfield County were higher county-wide than they were at this time last year, with dollar volume rising quarter over quarter by 7% and unit sales by 9%. Up on the Connecticut Shoreline, comprising New Haven, Middlesex and New London counties, sales were very steady versus the first quarter of 2016, with dollar volume standing 1% higher than this time last year and unit sales 1% lower. In the Berkshires, sales results were very much on par with the exceptionally robust first quarter of last year, with volume 1% above that period and units 10% higher. It should be recalled that the first quarter of 2016 saw enormous gains over the same time the previous year. Lastly, Litchfield County, which usually kicks in during the second quarter with the summer as its prime selling season, exhibited a strong performance this quarter. Significant closings in the high end drove a 29% increase in dollar volume over the first quarter last year, with unit sales demonstrating a 9% increase.

Consumer Confidence





On the Cover • Magnificent and Totally Renovated Stone Tudor • Scarsdale, NY • MLS: 4706479

This growth in the upper end in Litchfield County was the exception rather than the rule this quarter, though we have certainly seen some movement in the luxury sector elsewhere, perhaps most notably in Westchester County. For the most part, the highest price brackets remain relatively quiet, with each area's entry level segment serving as the primary market driver. One constraint we are feeling, however, is a distinct lack of inventory at these most popular price points, in contrast to the oversupply of listings in the higher end. As a result, the many buyers we are seeing in the marketplace have plenty of competition, and several properties are enjoying multiple bids before going into contract. Clearly, there is an opportunity here for sellers, and as the weather improves and the spring market gets underway, we look forward to fresh inventory becoming available and further boosting sales.

The expected new wave of inventory is not the only indication that the positive activity will continue. Most of our markets are reporting increases in properties going into contract compared to this time last year, which has us optimistic on the second quarter. In addition, economic factors such as the first quarter rally on Wall Street, the US unemployment rate falling to a ten-year low in early April, the National Association of Realtors announcement that national home sales in February reached their second highest level since May 2006, and the aforementioned rise in interest rates all together lay a powerful foundation for a healthy real estate market. Perhaps most significant of all, The Conference Board Consumer Confidence Index® recently reported that in March the consumer confidence level increased to an incredible 125.6 (1985=100)—the highest since December 2000. If consumer confidence is traditionally the leading indicator in real estate, then we can confidently state we are well positioned for another great year.

I hope you find this report informative on what's happening in your market, and invite you to contact one of our sales associates if we can help you with any of your own real estate needs.



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Westchester County

1 County-wide, the Westchester marketplace is well ahead of last year in both sales volume and unit sales.

All across Westchester County, buyers are entering the market in droves. This phenomenon is certainly reflected in the sales results for the first quarter, with dollar volume standing 13% higher than the same period of 2016 and unit sales 7% higher county-wide. Both the southern and northern regions performed well, with dollar volume and unit sales in Southern Westchester ahead of the first quarter last year by 10% and 4%, respectively, while Northern Westchester was ahead in volume and units by 22% and 14%, respectively. Under contracts are solidly up compared to this time last year, with properties that are priced well and in good condition, especially new construction, selling very quickly after coming on the market, so the strong closings should only continue in the second quarter. According to Rye brokerage manager Pati Holmes, this year's expected further interest rate increases are driving buyers at virtually every price point to pull the trigger on purchases now while rates are still good.

2 The entry level market is on fire, with buyers facing heavy competition.

The bulk of the sales in most towns is occurring in the entry market, defined in Southern Westchester as below \$1.2 million. In this region, where the median sale price stands at \$642,000, there were over 400 transactions in the ultra-hot under \$1 million segment, with the popular price point rising to about \$1.3 million in some high end towns like Rye. Directly correlating with the fast pace of sales is the reduced inventory in the entry price brackets in both Southern and Northern Westchester, leading to bidding wars and very low days on market among the majority of homes. Unsurprisingly, buyers in the entry sector are dealing with heavy competition, with first timers facing off against both downsizers and contractors, according to Holmes, and the all-cash offer often proving the winner.

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2016	1Q 2017	1Q16 VS 1Q17	1Q AVERAGE
\$0 - \$999,999	828	881	6%	2,842
\$1,000,000 - \$1,999,999	150	156	4%	1,095
\$2,000,000 - \$2,999,999	34	41	21%	387
\$3,000,000 - \$3,999,999	9	14	56%	184
\$4,000,000 - \$4,999,999	1	5	400%	63
\$5,000,000 - \$9,999,999	6	4	-33%	83
\$10,000,000+	0	1	100%	16

3 The higher end is starting to move.

While sales are still not as robust as many sellers would like in the higher price categories, we are seeing more upper-tier activity than we have in recent times. In the Rye City School District, where baby boomers are listing their homes in higher numbers as they seek to either reinvest in smaller properties or relocate to Manhattan or further south, 16 of the 37 properties currently under contract were offered at more than \$2 million, and 8 first quarter sales were for over \$3 million. The Rivertowns have also experienced a more active \$2+ million marketplace; our firm notably represented both sides this quarter in a record \$2,030,000 sale in Hastings-on-Hudson, the town's highest in ten years. Our company also represented the listing in another ten-year record sale this quarter for Pelham Manor for over \$2.5 million. According to Bronxville and Irvington brokerage manager Virginia Doetsch, a number of Bronxville properties over \$3 million, many of which have been on the market for some time, have also begun to go into contract—many close to their asking price.

4 Inventory is low where it's needed most, but increases moving up the price ladder.

Inventory is very hard to come by in the most popular price segments, and in several towns, it has decreased overall compared to this time last year, a situation that has allowed many sellers to enjoy multiple offers on their properties in both Southern and Northern Westchester. As both Holmes and Doetsch suggest, the snowy winter may have delayed the arrival of fresh inventory, and we might soon see an influx this spring as sellers in the entry price categories try to take advantage of the strong buyer pool. In the higher end, buyers have significant choice county-wide, especially among properties over \$2.5 million.

5 Manhattan and Brooklyn purchasers are flocking to Westchester.

Fueled by a desire for more space, excellent school options and commutable communities with great amenities, more buyers are coming to Westchester County from the city than we have seen in years, according to both Holmes and Doetsch. Some of the most popular towns include Rye, Mamaroneck, Larchmont, Pelham and Rivertowns such as Irvington.

Southern Westchester Single Family Homes



Northern Westchester Single Family Homes

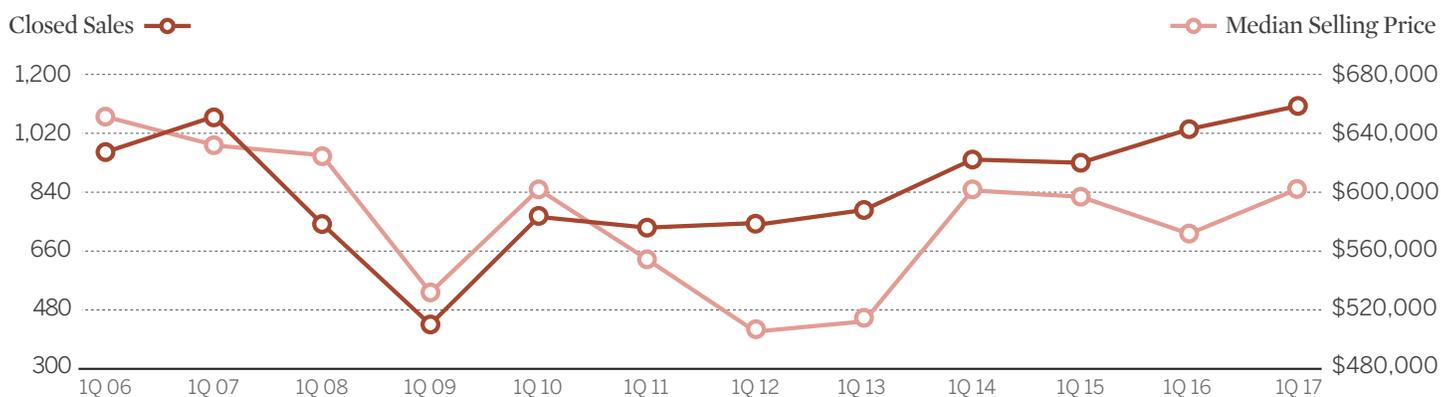


TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q16	1Q17	1Q16 VS 1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17
WESTCHESTER COUNTY	1,024	1,094	7%	13%	\$570,000	\$600,000	5%	\$645,000	\$640,000	-1%
Southern Westchester	741	774	4%	10%	\$615,000	\$642,000	4%	\$614,000	\$675,000	10%
Ardsley	19	18	-5%	21%	\$615,000	\$631,000	3%	\$663,000	\$660,000	0%
Blind Brook	12	21	75%	115%	\$808,000	\$1,045,000	29%	\$799,000	\$890,000	11%
Briarcliff Manor	11	10	-9%	-8%	\$810,000	\$849,000	5%	\$810,000	\$800,000	-1%
Bronxville	9	8	-11%	-32%	\$1,250,000	\$1,471,000	18%	\$2,200,000	\$2,185,000	-1%
Dobbs Ferry	16	18	13%	19%	\$710,000	\$710,000	0%	\$721,000	\$780,000	8%
Eastchester	23	26	13%	26%	\$745,000	\$726,000	-3%	\$716,000	\$744,000	4%
Edgemont	10	11	10%	37%	\$894,000	\$1,350,000	51%	\$1,037,000	\$1,182,000	14%
Elmsford	14	17	21%	27%	\$310,000	\$390,000	26%	\$430,000	\$420,000	-2%
Greenburgh	26	28	8%	33%	\$460,000	\$531,000	15%	\$477,000	\$492,000	3%
Harrison	32	28	-13%	-25%	\$1,335,000	\$1,055,000	-21%	1131000	\$1,220,000	8%
Hartsdale (P.O.)	16	19	19%	25%	\$558,000	\$599,000	7%	\$550,000	\$585,000	6%
Hastings	13	8	-38%	-21%	\$725,000	\$780,000	8%	\$789,000	\$791,000	0%
Irvington	11	13	18%	0%	\$1,300,000	\$976,000	-25%	\$975,000	\$945,000	-3%
Mamaroneck *	52	33	-37%	-19%	\$1,000,000	\$1,335,000	34%	\$1,180,000	\$1,150,000	-3%
Mount Pleasant	21	19	-10%	9%	\$525,000	\$625,000	19%	\$555,000	\$555,000	0%
Mount Vernon	28	43	54%	26%	\$375,000	\$320,000	-15%	\$365,000	\$364,000	0%
New Rochelle	67	60	-10%	-1%	\$610,000	\$650,000	7%	\$645,000	\$650,000	1%
Ossining	37	30	-19%	-5%	\$362,000	\$418,000	15%	\$380,000	\$401,000	6%
Pelham	17	24	41%	58%	\$780,000	\$890,000	14%	\$878,000	\$875,000	0%
Pleasantville	19	12	-37%	-40%	\$612,000	\$611,000	0%	\$615,000	\$665,000	8%
Pocantico Hills	0	2	N/A	N/A	\$0	\$973,000	N/A	\$794,000	\$920,000	16%
Port Chester	20	21	5%	35%	\$409,000	\$480,000	17%	\$470,000	\$469,000	0%
Purchase (P.O.)	5	5	0%	-11%	\$2,200,000	\$1,459,000	-34%	\$1,265,000	\$1,480,000	17%
Rye City	18	28	56%	60%	\$2,200,000	\$1,800,000	-18%	\$1,675,000	\$1,790,000	7%
Rye Neck	6	11	83%	166%	\$1,011,000	\$1,100,000	9%	\$870,000	\$1,125,000	29%
Scarsdale	44	48	9%	20%	\$1,510,000	\$1,778,000	18%	\$1,450,000	\$1,629,000	12%
Tarrytown	17	17	0%	-33%	\$700,000	\$715,000	2%	\$614,000	\$720,000	17%
Tuckahoe	9	8	-11%	-38%	\$1,296,000	\$775,000	-40%	\$788,000	\$680,000	-14%
Valhalla	10	14	40%	3%	\$454,000	\$475,000	5%	\$515,000	\$525,000	2%
White Plains	44	35	-20%	-11%	\$590,000	\$603,000	2%	\$600,000	\$660,000	10%
Yonkers	115	139	21%	27%	\$440,000	\$470,000	7%	\$440,000	\$458,000	4%
CONDOMINIUMS AND COOPERATIVES										
Condominiums	188	164	-13%	-3%	\$365,000	\$377,000	3%	\$378,000	\$385,000	2%
Cooperatives	390	412	6%	3%	\$150,000	\$150,000	0%	\$155,000	\$156,000	1%

*Mamaroneck School District includes Larchmont P.O.

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SINGLE FAMILY										
WESTCHESTER COUNTY	1,024	1,094	7%	13%	\$570,000	\$600,000	5%	\$645,000	\$640,000	-1%
Northern Westchester	312	355	14%	22%	\$480,000	\$500,000	4%	\$530,000	\$525,000	-1%
Bedford	41	49	20%	44%	\$715,000	\$712,000	0%	\$765,000	\$752,000	-2%
Byram Hills	17	27	59%	73%	\$970,000	\$815,000	-16%	\$997,000	\$1,050,000	5%
Chappaqua	22	29	32%	-5%	\$941,000	\$696,000	-26%	\$905,000	\$880,000	-3%
Croton-Harmon	10	8	-20%	7%	\$418,000	\$726,000	74%	\$555,000	\$565,000	2%
Hendrick Hudson	30	34	13%	13%	\$373,000	\$440,000	18%	\$425,000	\$415,000	-2%
Katonah-Lewisboro	40	44	10%	-3%	\$625,000	\$600,000	-4%	\$603,000	\$600,000	0%
Lakeland	59	66	12%	6%	\$327,000	\$320,000	-2%	\$350,000	\$346,000	-1%
North Salem	13	10	-23%	140%	\$385,000	\$486,500	26%	\$405,000	\$483,000	19%
Peekskill	16	26	63%	84%	\$210,000	\$257,000	22%	\$280,000	\$273,475	-2%
Somers	31	28	-10%	5%	\$420,000	\$513,750	22%	\$493,000	\$527,700	7%
Yorktown	33	34	3%	-11%	\$450,000	\$437,500	-3%	\$439,000	\$440,000	0%
CONDOMINIUMS AND COOPERATIVES										
Condominiums	94	97	3%	10%	\$305,000	\$323,000	6%	\$313,000	\$320,626	2%
Cooperatives	17	33	94%	91%	\$98,000	\$104,000	6%	\$83,000	\$105,000	27%

Single Family Homes 12-Year First Quarter Sales



Fairfield County



36 Hemlock Hill Road • New Canaan, CT • MLS: 99177625

Fairfield County

1 The county experienced healthy sales this quarter, particularly in the entry and mid-market segments.

The upswing that we witnessed across most of our markets at the close of 2016 led straight into a solid introductory quarter to 2017. Fairfield County overall saw a 7% increase in sales volume this quarter compared to the same time last year, and a 9% increase in unit sales. The increase was largely due to a number of properties going into contract at the end of last year, especially in the entry and mid-market price segments. In the southern part of the county, property sales usually fell below the \$2.5 million mark, while moving north to Ridgefield and Redding, most sales were under \$1 million, and under \$750,000 in the Greater Danbury region. It was common for new to market properties in these price brackets to sell at great speed and with multiple bids. The recent rise in interest rates, along with the likelihood of further increases, has spurred many buyers into action as they realize that the end of the low rate era is at hand.

2 Those properties that sold in the luxury segment sold for a discount.

Activity was more sluggish at the higher end of the market—over \$2.5 million in southern areas such as New Canaan, Greenwich, Darien and Westport, over \$1 million in the Ridgefield area, and over \$750,000 in Greater Danbury, encompassing Danbury, Bethel, Brookfield, New Fairfield and Newtown. When sales did occur, the negotiated prices were often well below asking. According to New Canaan brokerage manager William Larkin, consumers are coming into the market having done their research, and they are bringing their own notions of value to a market segment that offers an overabundance of inventory. The downward pressure on pricing at the upper end has been going on for some time and is expected to continue.

3 Inventory is low at the entry level, and high at the high end.

The challenge with the glut of inventory at the higher price points is reflected in this statistic from the Ridgefield and Redding area: 47% of all listings here are priced over \$1 million, yet sales in this range only represent 13% of all activity. Simply put, there are many more listings than buyers, which translates into a buyer's market. Yet the reverse is true in the more entry level price sectors. Here, we have many purchasers interested in buying homes, but fresh inventory is slow to come to the market—and when it does, and is priced correctly, it sells very quickly. We believe more inventory will become available as the weather clears with the arrival of spring.

4 The trend of buyers looking for turnkey, near-town offerings continues.

Above all, buyers desire convenience in their lifestyle. They aren't interested in having to put work into a home, so they want properties presented in great condition, and they'll renegotiate prices when issues are uncovered during inspection, according to Ridgefield brokerage manager Joseph Monaco. Just as important is proximity to amenities: the same property will sell for a premium when it's located in the heart of town as opposed to further out. In-town properties in places like Greenwich and New Canaan are seeing particularly significant demand. The flipside, of course, is that those properties less centrally located currently offer the best value.

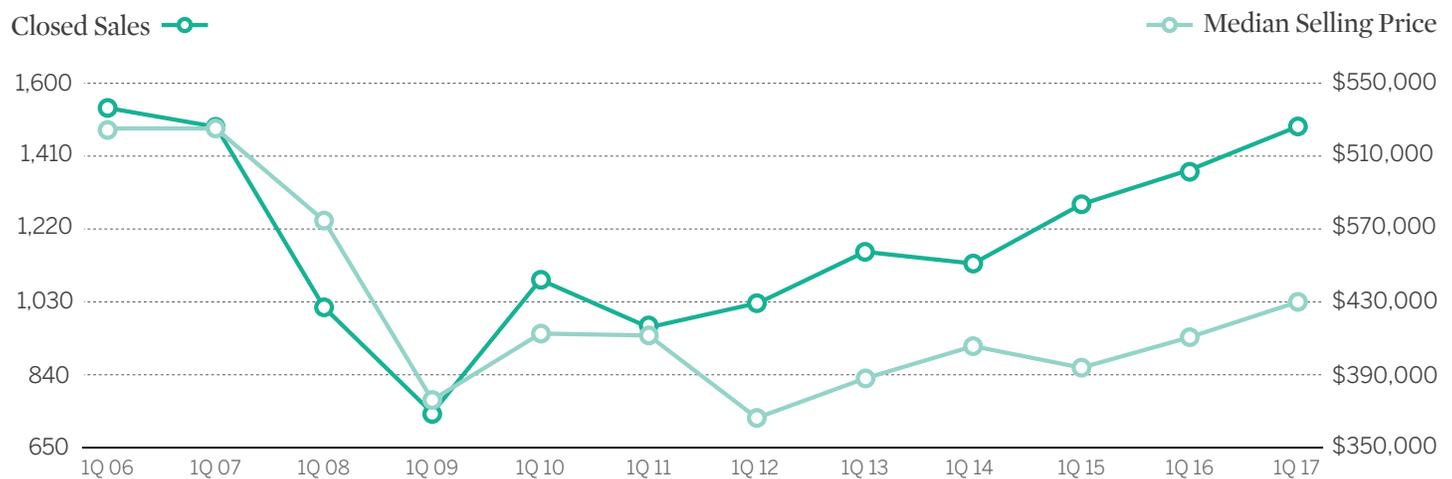
5 Looking ahead, all signs point to a strong year.

According to Larkin, sellers at the higher end have become more realistic about pricing and understand they will only see a fraction of their investment returned. In addition, there are optimistic post-election signs in the financial sector, which drives much of the lower county. According to Monaco, the combination of a very strong first quarter in the more entry segments and the typical trend of the high end seeing an uptick in the second quarter is further indication that 2017 will prove a good sales year.

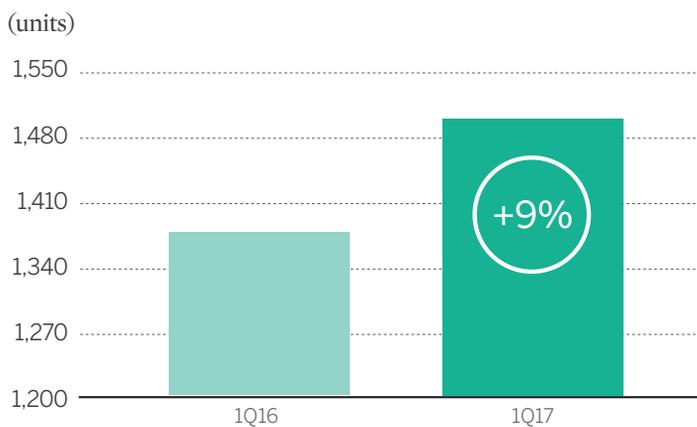
Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2016	1Q 2017	1Q16 VS 1Q17	1Q AVERAGE
\$0 - \$799,999	1,079	1,175	9%	5,084
\$800,000 - \$1,499,999	253	261	3%	1,967
\$1,500,000 - \$1,999,999	59	92	56%	968
\$2,000,000 - \$2,999,999	63	94	49%	800
\$3,000,000 - \$4,999,999	41	28	-32%	494
\$5,000,000 - \$9,999,999	9	7	-22%	265
\$10,000,000+	5	2	-60%	79

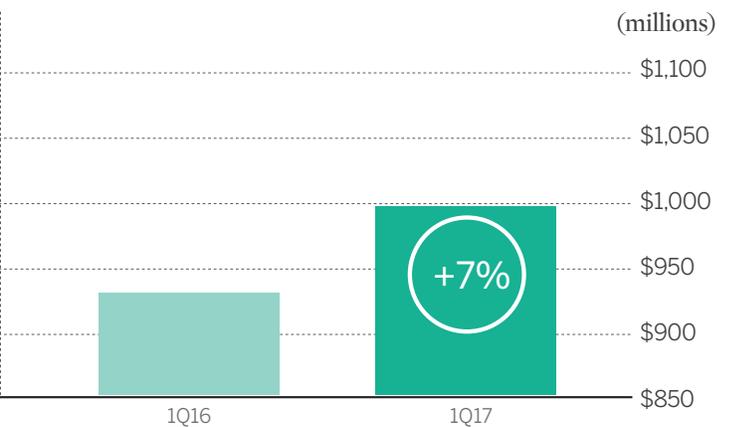
Single Family Homes 12-Year First Quarter Sales



Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q16	1Q17	1Q16 VS 1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17
SINGLE FAMILY										
FAIRFIELD COUNTY	1,373	1,494	9%	7%	\$410,000	\$430,000	5%	\$446,000	\$435,000	-2%
Bethel	33	32	-3%	1%	\$295,000	\$299,000	1%	\$295,000	\$312,000	6%
Brookfield	32	36	13%	22%	\$370,000	\$379,000	2%	\$371,000	\$370,000	0%
Danbury	86	82	-5%	2%	\$258,000	\$280,000	9%	\$269,000	\$275,000	2%
Darien	44	47	7%	-16%	\$1,375,000	\$1,440,000	5%	\$1,425,000	\$1,375,000	-4%
Easton	27	13	-52%	-61%	\$630,000	\$500,000	-21%	\$595,000	\$573,000	-4%
Fairfield	120	119	-1%	6%	\$622,000	\$615,000	-1%	\$590,000	\$599,000	2%
Greenwich	138	168	22%	39%	\$1,185,000	\$1,475,000	24%	\$1,478,000	\$1,500,000	1%
Monroe	28	33	18%	32%	\$312,000	\$374,000	20%	\$334,000	\$369,000	10%
New Canaan	34	46	35%	23%	\$1,538,000	\$1,406,000	-9%	\$1,548,000	\$1,425,000	-8%
New Fairfield	40	36	-10%	-11%	\$321,000	\$379,000	18%	\$330,000	\$329,000	0%
Newtown	72	76	6%	8%	\$358,000	\$366,000	2%	\$367,000	\$380,000	4%
Norwalk	113	126	12%	1%	\$408,000	\$414,000	1%	\$433,000	\$449,000	4%
Oxford*	15	16	7%	-1%	\$315,000	\$307,000	-3%	\$335,000	\$342,000	2%
Redding	23	25	9%	-57%	\$585,000	\$440,000	-25%	\$530,000	\$528,000	0%
Ridgefield	55	61	11%	6%	\$541,000	\$606,000	12%	\$640,000	\$641,000	0%
Rowayton	15	15	0%	-17%	\$900,000	\$915,000	2%	\$1,175,000	\$1,200,000	2%
Shelton	54	71	31%	50%	\$294,000	\$320,000	9%	\$308,000	\$327,000	6%
Sherman	12	15	25%	51%	\$418,000	\$425,000	2%	\$430,000	\$400,000	-7%
Southbury*	26	29	12%	-8%	\$388,000	\$355,000	-9%	\$390,000	\$360,000	-8%
Stamford	143	142	-1%	6%	\$545,000	\$591,000	8%	\$579,000	\$560,000	-3%
Stratford	110	114	4%	9%	\$213,000	\$226,000	6%	\$227,000	\$237,000	4%
Trumbull	72	73	1%	5%	\$370,000	\$360,000	-3%	\$363,000	\$360,000	-1%
Weston	22	24	9%	-7%	\$715,000	\$628,000	-12%	\$850,000	\$792,000	-7%
Westport	62	67	8%	5%	\$1,380,000	\$1,600,000	16%	\$1,340,000	\$1,300,000	-3%
Wilton	26	44	69%	67%	\$861,000	\$735,000	-15%	\$813,000	\$785,000	-3%
CONDOMINIUMS										
FAIRFIELD COUNTY	480	545	14%	18%	\$213,000	\$229,000	8%	\$242,000	\$245,000	1%

*New Haven County

The Shoreline



301 Chaffinch Island Rd • Guilford, CT • MLS: N10207161

1 The overall picture on the Connecticut Shoreline is one of steady sales.

Sales throughout the whole of the Connecticut Shoreline, including New Haven, Middlesex and New London counties, were very similar this quarter to the same time last year. Overall, the region was just 1% ahead in sales volume and 1% behind in unit sales quarter over quarter. New Haven County saw a 3% increase in volume and 3% increase in units this quarter compared to quarter one of 2016, Middlesex County remained flat in volume while increasing 6% in units, and New London County saw a 13% increase in volume and 6% increase in units.

2 The entry price points are powering the marketplace.

The entry level as the primary driver in the marketplace is one factor that hasn't changed. Properties up to the \$400,000s are consistently selling at a brisk pace, but there is movement in the \$500,000 to \$600,000 range as well. Even the \$700,000 range is experiencing some activity, though sales drop off after that. Yet if the closed sales data for the first quarter suggests that the market is very much status quo, there is reason to believe we may see a sharp uptick soon: Essex and Old Lyme brokerage manager Maureen Swarts indicates that "the market is very, very busy. There's a lot of excitement right now." Pending sales in Middlesex and New London Counties are up compared to this time last year, with properties often going into contract after multiple offers. And buyers are out in the market in force according to Swarts—a direct result of the rising interest rates, a powerful motivator to make a move before they get much higher.

3 The luxury market remains quiet.

Throughout 2016, there were signs of renewed interest in the luxury market, from \$800,000 on up. Even the fourth quarter saw promising activity in this segment, but so far it has not continued in a significant way into 2017. For now, according to Guilford and Madison brokerage manager Kathy Mitchell, this sector is staying quiet. The few properties at the top of the market that do sell tend to be those that entice buyers with especially unique design attributes or amenities.

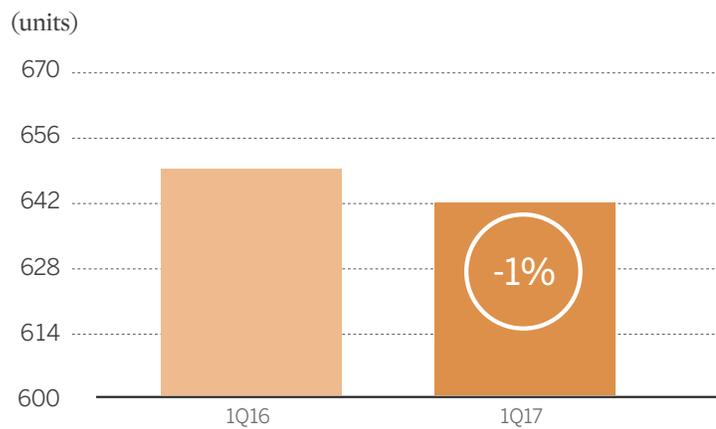
4 The market is waiting for new inventory.

Some older inventory has finally sold, and some still needs to come down in price in order to attract buyers, according to Swarts. There is high anticipation for fresh inventory, and according to Mitchell, properties have been slower to come to the market than this time last year. The result is a delay of the traditional spring market period, with the recent cold weather and winter storms a likely contributor. The high end remains over inventoried compared to other segments, with fewer buyers.

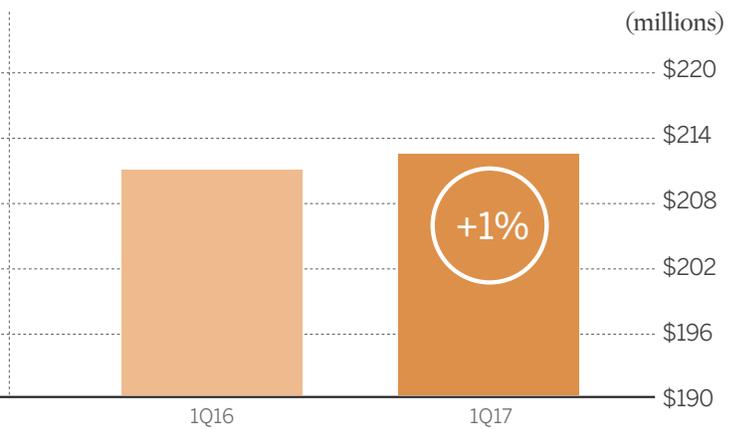
5 Those properties that represent the best value sell the fastest.

Kathy Mitchell relays the story of an entry price level property in Guilford that required significant rehabilitation, but was priced so well and offered so much potential that it sold for well over asking in a single day. Great condition and a convenient location are still important to buyers, but value trumps all, and there are good values to be found all around the Shoreline region. Of course, if a property demonstrates both excellent value and top-notch condition, it can hardly be kept on the market.

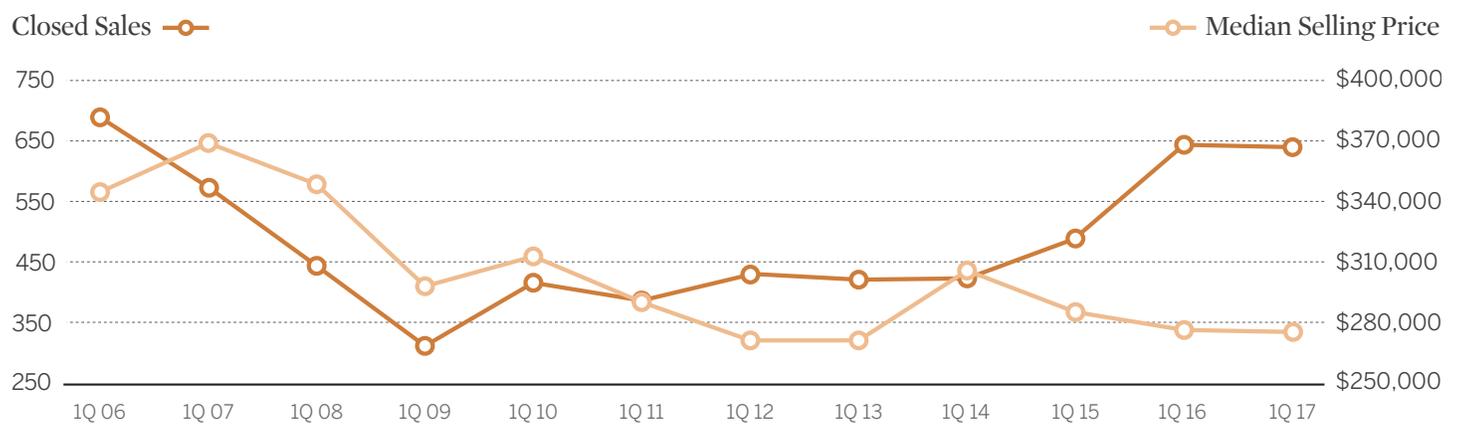
Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



Single Family Homes 12-Year First Quarter Sales



Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2016	1Q 2017	1Q16 VS 1Q17	1Q AVERAGE
\$0 - \$399,999	482	487	1%	1,656
\$400,000 - \$749,999	134	126	-6%	1,047
\$750,000 - \$999,999	18	18	0%	247
\$1,000,000 - \$1,499,999	10	9	-10%	132
\$1,500,000+	3	4	33%	169

TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q16	1Q17	1Q16 VS 1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17
SINGLE FAMILY										
THE SHORELINE	647	643	-1%	1%	\$276,000	\$275,000	0%	\$295,000	\$292,000	-1%
Branford	45	43	-4%	-13%	\$297,500	\$317,500	7%	\$327,500	\$315,000	-4%
Chester	11	6	-45%	-48%	\$275,000	\$303,250	10%	\$294,000	\$268,000	-9%
Clinton	34	36	6%	7%	\$253,000	\$252,500	0%	\$265,000	\$260,000	-2%
Deep River	22	7	-68%	-64%	\$227,000	\$192,000	-15%	\$229,000	\$233,500	2%
East Haddam	29	26	-10%	-5%	\$222,000	\$248,950	12%	\$213,500	\$247,000	16%
East Lyme	44	33	-25%	-28%	\$281,000	\$280,000	0%	\$295,000	\$280,000	-5%
Essex*	18	21	17%	-11%	\$332,000	\$335,000	1%	\$376,000	\$335,000	-11%
Groton	78	78	0%	12%	\$196,000	\$218,000	11%	\$221,000	\$224,000	1%
Guilford	54	43	-20%	-9%	\$305,000	\$340,000	11%	\$352,000	\$362,500	3%
Haddam	29	24	-17%	-11%	\$255,000	\$275,000	8%	\$255,000	\$268,000	5%
Killingworth	18	23	28%	6%	\$304,000	\$295,000	-3%	\$350,000	\$306,500	-12%
Lyme	7	8	14%	29%	\$435,000	\$435,000	0%	\$435,000	\$440,000	1%
Madison	58	55	-5%	1%	\$406,000	\$390,000	-4%	\$401,000	\$400,000	0%
New London	27	35	30%	82%	\$106,500	\$136,000	28%	\$129,000	\$143,000	11%
North Stonington	9	16	78%	65%	\$210,000	\$262,500	25%	\$220,000	\$239,000	9%
Old Lyme	19	31	63%	112%	\$275,000	\$360,000	31%	\$335,000	\$350,000	4%
Old Saybrook	20	29	45%	38%	\$403,000	\$350,000	-13%	\$355,000	\$360,000	1%
Stonington	42	32	-24%	-25%	\$279,000	\$294,000	5%	\$308,000	\$308,000	0%
Waterford	57	59	4%	17%	\$195,000	\$214,000	10%	\$216,000	\$216,000	0%
Westbrook	20	21	5%	-6%	\$286,500	\$282,500	-1%	\$310,000	\$275,000	-11%
NEW HAVEN COUNTY										
Middlebury	5	7	40%	1%	\$465,000	\$320,000	-31%	\$375,000	\$300,000	-20%
Oxford	15	16	7%	-1%	\$315,000	\$307,000	-3%	\$335,000	\$342,000	2%
Southbury	26	29	12%	-6%	\$388,000	\$355,000	-9%	\$390,000	\$360,000	-8%
CONDOMINIUMS										
THE SHORELINE	153	194	27%	36%	\$155,000	\$155,000	0%	\$155,000	\$163,000	5%

*Includes Essex, Ivoryton and Centerbrook

Litchfield County



Litchfield County

1 Litchfield County experienced significant sales volume growth compared to last year.

In our end of year market report, we indicated that pending sales for the fourth quarter of 2016 pointed to a healthy first quarter of 2017, a prediction that played out just as we anticipated: Dollar volume in Litchfield County was ahead of the first quarter last year by 29%. Considering that unit sales increased by a smaller but still noteworthy 9% quarter over quarter, the growth in sales volume can be largely attributed to the high end making a comeback. According to Litchfield County brokerage manager Kristine Newell, having this much sales activity in the early part of the year is a good sign of things to come, and one glance at current pending sales shows a strong pipeline into the next quarter.

2 The high end is making a comeback, and the average sales price is rising as a result.

The recent uptick in sales over \$1 million observed in the latter half of 2016 continued into the first quarter, notably extending into the upper \$2 million-plus tier as well, with six properties closing in this segment versus only two during the first quarter of 2016. In January, our company was responsible for handling a record \$3.4 million sale in Morris, the highest property sale ever recorded on Bantam Lake, the largest natural lake in Connecticut. Washington and Litchfield also saw sales at the very top of the market, and according to Newell, the current under contract data in the upper end suggests the trend will only continue. These sales have had a pronounced effect on the average sales price county-wide, which increased by 19% versus the same time last year. The median selling price rose 6%.

3 Inventory grows ever tighter at every price level.

Last quarter we noted that for the first time in many years, inventory was on the decline, and that trend was also reflected in the first quarter of 2017. Across Litchfield County, current property inventory levels are 12% lower than this point last year, and while the market below \$1 million is especially tight, availability is really shrinking at all price tiers. Buyer demand is outpacing supply, creating the right conditions for well-priced homes to sell very quickly, and for sellers to achieve favorable prices. With interest holding steady in the buyer pool, the market is ready for fresh inventory.

Single Family Homes Closed Sales by Price Point

PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2016	1Q 2017	1Q16 VS 1Q17	1Q AVERAGE
\$0 - \$399,999	304	329	6%	1,396
\$400,000 - \$749,999	28	37	32%	402
\$750,000 - \$999,999	2	8	300%	134
\$1,000,000 - \$1,999,999	9	7	-22%	152
\$2,000,000 - \$4,999,999	2	6	200%	76
\$5,000,000+	N/A	N/A	N/A	16

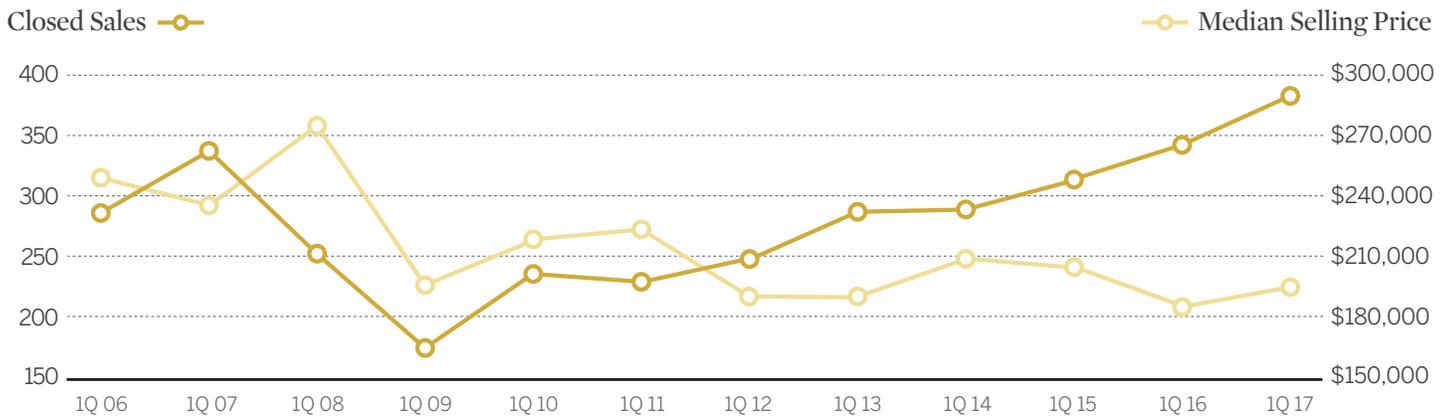
4 Several towns witnessed dramatic surges in sales volume quarter over quarter.

Washington was one of several Litchfield County towns that experienced impressive gains during the first quarter of 2017 versus that of 2016, with high end sales driving volume up an incredible 398%. Other standout towns included Morris, which grew by 122%, and Litchfield and Salisbury, which were up by 115% and 119%, respectively.

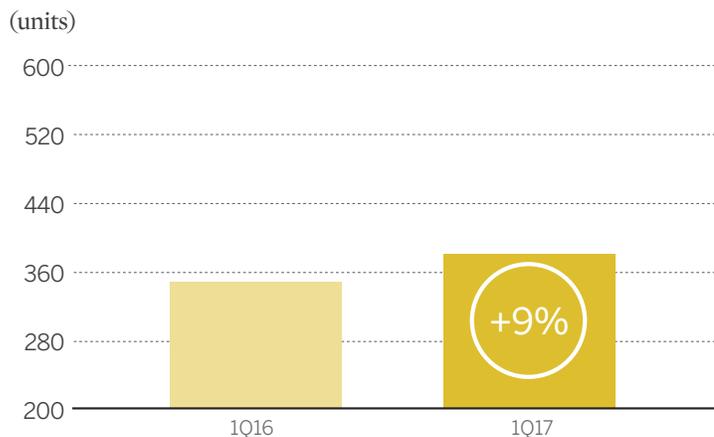
5 New Yorkers are keeping their eye fixed on “The Hills.”

Only two hours away from New York City, the Litchfield Hills remains a prime destination for New Yorkers seeking an escape from the city life, and it continues to draw their attention in greater numbers. With interest rates still low but threatening to rise again soon, many have realized it's an opportune moment to make a purchase, and are selecting the Litchfield Hills for its relaxed lifestyle, special cultural offerings, great value and convenient travel time compared to other resort areas such as the Hamptons. Kristine Newell will continue this year her “Escape to the Hills” print, online and social media marketing campaign introducing more buyers to this unique region.

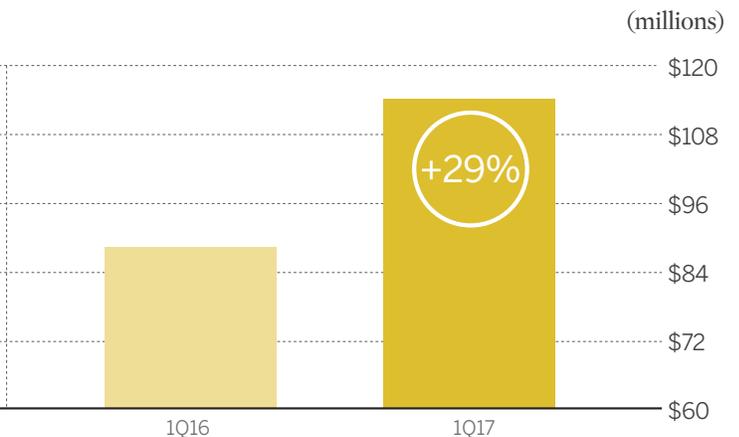
Single Family Homes 12-Year First Quarter Sales



Single Family Homes Closed Sales



Single Family Homes Closed Dollar Volume



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q16	1Q17	1Q16 VS 1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17
SINGLE FAMILY										
LITCHFIELD COUNTY	348	380	9%	29%	\$185,000	\$197,000	6%	\$203,000	\$215,000	6%
Barkhamsted	5	7	40%	103%	\$237,000	\$325,000	37%	\$218,000	\$258,000	18%
Bethlehem	7	6	-14%	2%	\$165,000	\$170,250	3%	\$250,000	\$247,850	-1%
Bridgewater	2	2	0%	0%	\$566,000	\$565,000	0%	\$627,000	\$488,150	-22%
Canaan*	5	13	160%	303%	\$230,000	\$160,000	-30%	\$141,000	\$140,000	-1%
Colebrook	2	1	-50%	-11%	\$119,000	\$212,000	78%	\$215,000	\$216,000	0%
Cornwall**	5	5	0%	-17%	\$295,000	\$220,000	-25%	\$258,000	\$280,000	9%
Goshen	12	9	-25%	-33%	\$224,500	\$285,000	27%	\$315,000	\$320,000	2%
Harwinton	17	10	-41%	-43%	\$250,000	\$244,950	-2%	\$235,000	\$251,250	7%
Kent, South Kent	11	6	-45%	-17%	\$375,000	\$279,350	-26%	\$346,000	\$385,000	11%
Litchfield	15	17	13%	115%	\$235,000	\$237,000	1%	\$285,000	\$300,000	5%
Morris	4	3	-25%	122%	\$167,500	\$510,000	204%	\$238,000	\$305,000	28%
New Hartford	9	16	78%	78%	\$230,000	\$261,250	14%	\$243,000	\$268,400	10%
New Milford	24	30	25%	47%	\$229,000	\$266,750	16%	\$269,000	\$295,000	10%
Norfolk	7	1	-86%	-91%	\$196,500	\$175,000	-11%	\$233,000	\$166,000	-29%
Plymouth	20	32	60%	71%	\$143,500	\$148,700	4%	\$154,000	\$157,000	2%
Roxbury	3	6	100%	5%	\$631,000	\$670,000	6%	\$585,000	\$518,000	-11%
Salisbury	7	17	143%	119%	\$215,000	\$405,000	88%	\$550,000	\$425,000	-23%
Sharon	11	10	-9%	-27%	\$305,000	\$355,000	16%	\$279,000	\$336,500	21%
Thomaston	9	19	111%	66%	\$205,000	\$181,950	-11%	\$186,000	\$183,750	-1%
Torrington	71	75	6%	18%	\$115,000	\$125,000	9%	\$124,000	\$129,000	4%
Warren	8	3	-63%	-57%	\$262,847	\$357,500	36%	\$268,000	\$357,500	33%
Washington***	5	17	240%	398%	\$420,000	\$460,000	10%	\$439,000	\$475,000	8%
Watertown	40	37	-8%	4%	\$188,350	\$200,000	6%	\$190,000	\$194,750	3%
Winchester	26	20	-23%	-9%	\$128,250	\$124,000	-3%	\$134,000	\$155,000	16%
Woodbury	21	17	-19%	-33%	\$297,500	\$285,000	-4%	\$306,000	\$315,000	3%
CONDOMINIUMS										
LITCHFIELD COUNTY	46	52	13%	16%	\$101,000	\$86,325	-15%	\$102,500	\$99,500	-3%

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

Berkshire County



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Berkshire County

1 Unit sales this quarter were on par with last year's very robust first quarter, with sales volume declining slightly.

Last year at this time, Berkshire County was far ahead of the prior year in both dollar volume and unit sales. The increases were so staggering that we consider it no small feat for the region to have achieved this quarter similar results to the same period of 2016. With units county-wide increasing by 10% quarter over quarter, sold volume held steady with a 1% increase, indicating that more properties are transacting at lower price points versus the first quarter of 2016, and the median price did indeed decline by 3%. These figures were largely consistent with small variations in the south, north and central parts of Berkshire County. Broken out by region, the Southern Berkshires saw a 16% increase in volume and 7% increase in units, the Central Berkshires saw a 4% decrease in volume and 10% increase in units, and the Northern Berkshires saw a 13% decrease in volume and 23% increase in units. As a whole, the Berkshires continues to prove a price driven market, with properties typically achieving 90%+ of their list price.

2 The entry level remains the primary market driver in the Berkshires.

The most popular price point in the Berkshires has been the under \$550,000 segment, and that aspect did not change this quarter. With unit sales up in this category and volume comparatively down, the median price in this segment has dropped a little this year. At the same time, the over \$550,000 sector was challenged this quarter, despite vigorous sales activity between \$550,000 and \$750,000 at the close of 2016. The consistently slower \$1 million and over segment also posted lower closing numbers than the first quarter of 2016.

3 Increases in properties under contract point to a robust second quarter.

Compared to the same period last year, the number of properties under contract has risen, with both the northern and southern counties showing a 19% increase. Some of these carried over from the end of 2016, but the heightened deposits suggest that the second quarter should be a particularly strong one. The under contract figures combined with the imminent spring season, traditionally a time when more inventory hits the market and buyers become more active, has us feeling exceptionally optimistic as we look ahead.

4 With inventory still on the decline, there is great opportunity for sellers.

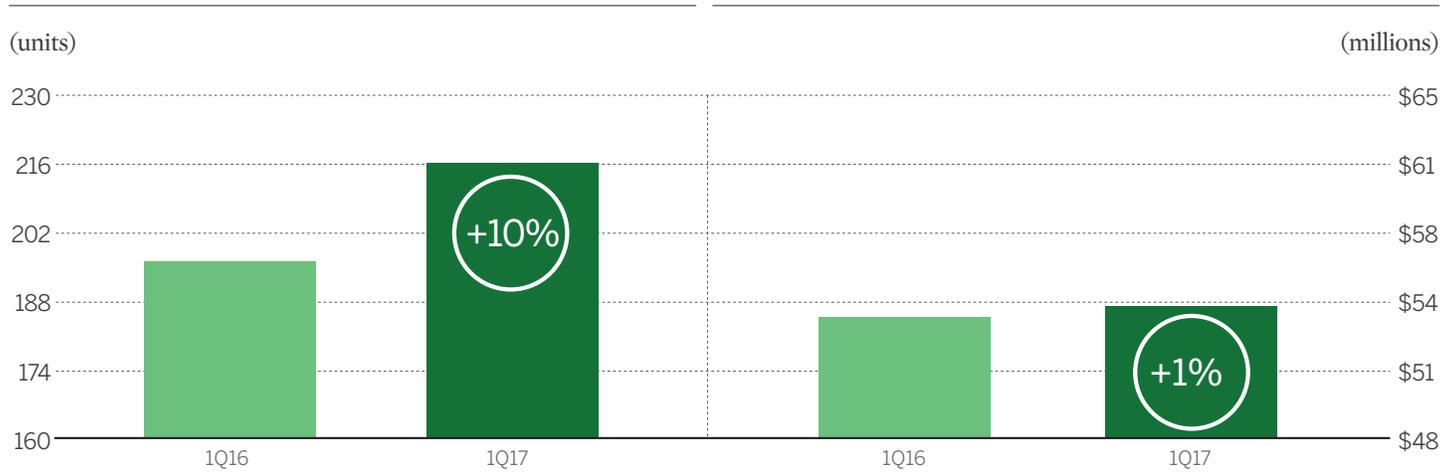
Total active inventory is down 20% county-wide quarter over quarter, and has been trending downward since the second quarter of 2016. This situation has created an opportune time for sellers to list their homes and take advantage of the competitive buyer environment, particularly since we are on the cusp of spring and the traditional market season for this beautiful region.

Single Family Homes Closed Sales by Price Point

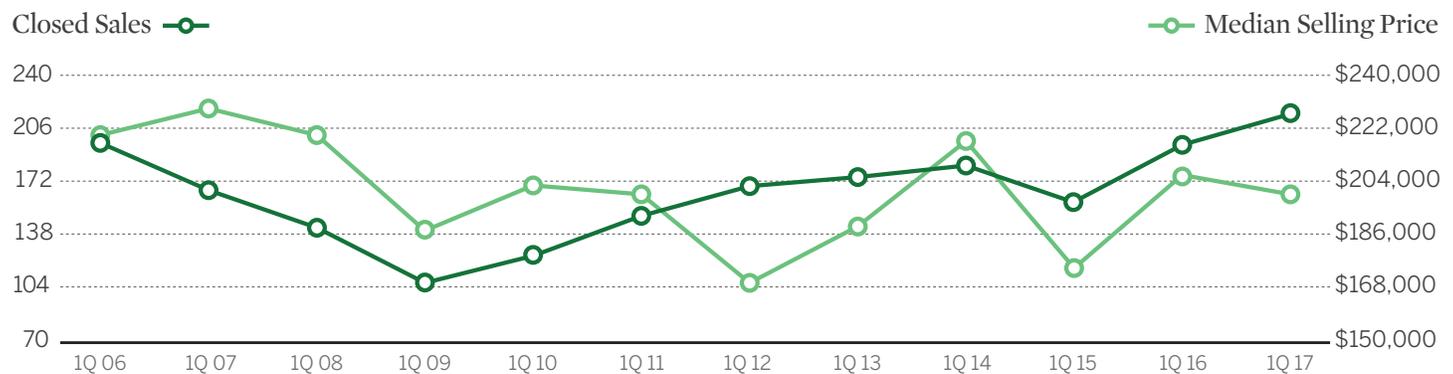
PRICE POINT	CLOSED SALES	CLOSED SALES	% CHANGE	INVENTORY
	1Q 2016	1Q 2017	1Q16 VS 1Q17	1Q AVERAGE
\$0 - \$399,999	162	190	17%	758
\$400,000 - \$749,999	30	23	-23%	235
\$750,000 - \$999,999	3	1	-67%	84
\$1,000,000 - \$1,499,999	4	0	-100%	55
\$1,500,000+	1	2	100%	76

Single Family Homes Closed Sales

Single Family Homes Closed Dollar Volume



Single Family Homes 12-Year First Quarter Sales



TOWNS	QUARTERLY UNIT SALES			QUARTERLY DOLLAR VOLUME	QUARTERLY MEDIAN SELLING PRICE			TWELVE MONTH MEDIAN SELLING PRICE		
			% CHANGE	% CHANGE			% CHANGE			% CHANGE
	1Q16	1Q17	1Q16 VS 1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17	1Q16	1Q17	1Q16 VS 1Q17
SINGLE FAMILY										
BERKSHIRE COUNTY	196	216	10%	1%	\$206,000	\$200,000	-3%	\$205,000	\$205,000	0%
Adams	9	18	100%	137%	\$130,000	\$126,000	-3%	\$128,000	\$130,000	2%
Alford	2	1	-50%	-65%	\$825,000	\$575,000	-30%	\$550,000	\$575,000	5%
Becket	13	11	-15%	-27%	\$290,000	\$268,000	-8%	\$215,000	\$230,000	7%
Cheshire	4	3	-25%	-50%	\$168,000	\$105,000	-38%	\$185,000	\$190,000	3%
Clarksburg	4	2	-50%	-40%	\$91,000	\$135,000	48%	\$140,000	\$134,000	-4%
Dalton	10	8	-20%	-8%	\$144,000	\$195,000	35%	\$165,000	\$182,000	10%
Egremont	4	5	25%	24%	\$268,000	\$212,000	-21%	\$315,000	\$450,000	43%
Florida	1	0	-100%	N/A	\$215,000	\$0	-100%	\$122,000	\$97,000	-20%
Gt. Barrington	17	10	-41%	-43%	\$307,000	\$290,000	-6%	\$300,000	\$304,000	1%
Hancock	0	1	N/A	N/A	\$0	\$170,000	N/A	\$240,000	\$184,000	-23%
Hinsdale	3	3	0%	-24%	\$140,000	\$160,000	14%	\$180,000	\$225,000	25%
Lanesborough	5	6	20%	88%	\$170,000	\$175,000	3%	\$172,000	\$171,000	-1%
Lee	6	7	17%	62%	\$223,000	\$265,000	19%	\$212,000	\$215,000	1%
Lenox	2	13	550%	616%	\$344,000	\$379,000	10%	\$385,000	\$345,000	-10%
Monterey	4	4	0%	12%	\$447,000	\$558,000	25%	\$397,000	\$475,000	20%
Mt. Washington	1	0	-100%	N/A	\$68,000	\$0	-100%	\$193,000	\$390,000	102%
New Ashford	0	0	N/A	N/A	\$0	\$0	N/A	\$180,000	\$0	-100%
New Marlborough	7	4	-43%	-67%	\$280,000	\$180,000	-36%	\$357,000	\$248,000	-31%
Otis	1	4	300%	232%	\$210,000	\$154,000	-27%	\$312,000	\$220,000	-29%
Peru	2	1	-50%	-67%	\$237,000	\$157,000	-34%	\$180,000	\$180,000	0%
Pittsfield	60	75	25%	8%	\$155,000	\$165,000	6%	\$154,000	\$166,000	8%
Richmond	5	5	N/A	6%	\$273,000	\$305,000	12%	\$330,000	\$285,000	-14%
Sandisfield	4	2	-50%	-71%	\$405,000	\$254,000	-37%	\$255,000	\$265,000	4%
Savoy	1	0	-100%	N/A	\$328,000	\$0	-100%	\$136,000	\$75,000	-45%
Sheffield	8	12	50%	227%	\$149,000	\$300,000	101%	\$254,000	\$275,000	8%
Stockbridge	7	6	-14%	-73%	\$403,000	\$244,000	-39%	\$400,000	\$325,000	-19%
Tyringham	2	0	-100%	N/A	\$273,000	\$0	-100%	\$405,000	\$270,000	-33%
Washington	1	0	-100%	N/A	\$267,000	\$0	-100%	\$220,000	\$214,000	-3%
West Stockbridge	3	7	133%	181%	\$450,000	\$380,000	-16%	\$328,000	\$406,000	24%
Williamstown	7	7	0%	-47%	\$303,000	\$187,000	-38%	\$294,000	\$234,000	-20%
Windsor	3	1	-67%	-76%	\$290,000	\$190,000	-34%	\$214,000	\$190,000	-11%
CONDOMINIUMS										
BERKSHIRE COUNTY	10	16	60%	57%	\$194,000	\$207,000	7%	\$184,000	\$174,000	-5%

Where We Are Headed



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All one has to do is read the news to know we are currently experiencing a real estate climate not seen in several years. The Consumer Confidence Index is off the charts, rising from 113.7 (1985=100) at the end of the last quarter of 2016 to 125.6, its highest level in nearly 17 years, at the end of the first quarter of 2017. The stock market has surged in recent months, and unemployment has dropped to its lowest level since 2007. The National Association of Realtors just reported that national February home sales jumped 5.5 percent ahead of January, the largest increase in nearly a year and the second largest since May 2006. And finally, recent mortgage rate increases resulting from the Federal Reserve's two interest rate hikes in December and March—with two more projected to come this year—have created a sense of urgency among buyers to make a purchase before rates can continue to climb. All of these elements come together to form the underpinnings of a real estate market poised for excellent growth in 2017.

Our market areas are in a key position to reap the rewards of the positive economic outlook. The locations we service will always benefit from their close proximity to New York City, along with the sought-after suburban lifestyle and desirable local offerings they provide. These include fabulous cultural amenities, beautiful natural surroundings, a community-oriented atmosphere and top-rated public school systems.

It was an exciting start to the year, and we are optimistic about what the future will bring. 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, CMLS, CT-MLS, NCMLS, DARMLS, Greenwich MLS, BCBOR. While information is believed true, no guarantee is made for accuracy.