



connecticut market watch
FIRST QUARTER 2011



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Pitt

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INTERNATIONAL REALTY

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INTRODUCTION

In the early days of April, as the first signs of spring emerge with warmer weather and lengthier days, it seems long ago that we were in the midst of an exceptionally harsh winter where near record snow falls and sustained sub-zero temperatures kept all but the hardest buyers inside. During January and February, while the economic picture was improving, it was difficult to entice buyers to even look at property. The snow and freezing temperatures clearly delayed the beginning of the traditional spring market in all parts of Connecticut. Buyers were reticent to venture out on ice covered walkways to see property, while sellers were repairing the myriad problems that came along with this year's winter weather. As soon as the bad weather broke, our local real estate markets took off. Activity rebounded strongly in March, and compensated for much of the lost sales activity in January and February. During the first two weeks of April we experienced powerful signs of pent-up demand in all price categories, and are very excited about the momentum we have going into the second quarter of 2011.

Our local housing markets are changing. This spring it seems that buyers and sellers alike understand each other better. While transactions remain more difficult than usual, sellers are clearly more realistic in their pricing and aware of the challenges they may encounter in achieving a successful sale. On the other side buyers, who continue to hold the upper hand in most transactions, have an improved understanding of appropriate values, as there are more closed sales by which to help ascertain value. Enhanced understanding, and acceptance by both buyer and seller, of current real estate conditions is helping to smooth transaction flow.

Value remains the single most important attribute that distinguishes all successful home sales. Today's buyer remains wary of overpaying for a home. This buyer is seeking a turnkey proposition at a great price. He is patient and will wait for the appropriate property to come along. While demand has increased in most home categories, it remains relatively soft versus historical norms. Softer than normal demand, coupled with stringent lending guidelines and conservative appraisals, is helping to maintain home prices at recent levels.

We remain optimistic about 2011 and believe there will be a gradual and continued improvement in home sales as confidence returns to the marketplace. Building on the momentum of 2010, yet without the benefit of the government stimulus package, which provided a homebuyer tax credit on purchases of homes valued up to \$800,000 our forecast for this year is a modest improvement in sales volume versus 2010. Last year the stimulus package provided much needed financial incentives, while the media attention that surrounded this program focused potential buyers on the merits of home ownership and the exceptional values available at that point in time. This year, even without the stimulus support, we anticipate solid market growth based on improving economic and market fundamentals. As the Connecticut housing markets move into greater equilibrium, home prices will continue to stabilize at or near their current levels.

I hope you find our First Quarter 2011 Connecticut Market Watch helpful as you evaluate your own personal real estate holdings and plans for this coming year. At William Pitt Sotheby's International Realty, we are committed to providing the highest level of service and expertise to buyers and sellers alike in all price categories. If we can be of service, please don't hesitate to call.

With best regards,



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SINGLE FAMILY HOME SALES SHOW GRADUAL IMPROVEMENT

Pending sales, property on which contracts have been signed but have not yet closed, is the most accurate gauge of real-time activity, as closings generally lag pending sales by sixty to ninety days. First quarter 2011 pending sales in Fairfield County were sharply higher, climbing 16% versus the first quarter of 2010 and 14% versus the fourth quarter of 2010. This is highly encouraging, as this year's gains come off a strong first quarter market last year. The month of March 2011 was exceptional, with a huge 49% increase in pending sales versus March 2010.

The Shoreline and Litchfield County markets both took a breather in the first quarter this year, posting pending sales declines that mirrored the rest of Connecticut. Without the benefit of the federal government stimulus programs, and further handicapped by bad weather, pending sales on the Shoreline declined 13% versus the first quarter of 2010. However, we now see strong underlying market momentum, with March sales activity improving a substantial 32% from February. Contrary to other Connecticut markets, the first quarter is generally a slow period for Litchfield County, due to it being a notable second home market. This was the case even more so this year, as the brutal weather kept most buyers away from this beautiful vacation area.

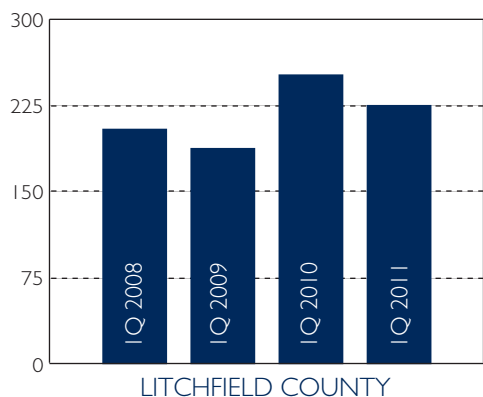
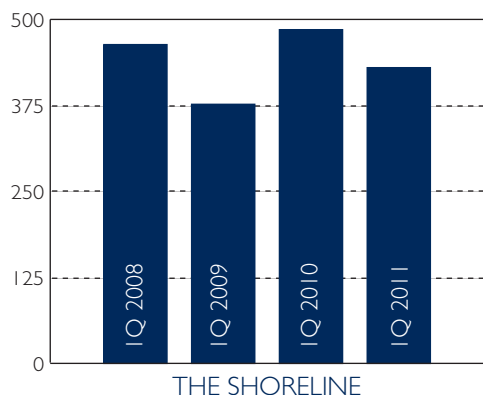
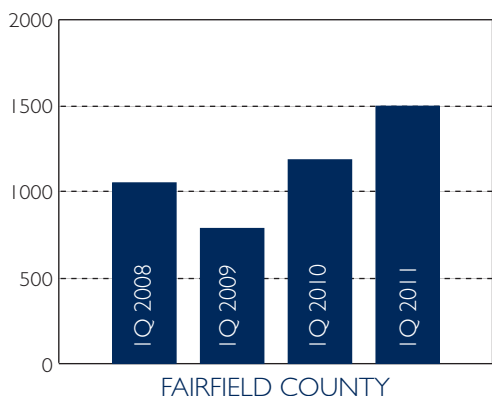
However, as in Fairfield County and along the Shoreline, March sales doubled from the prior month, with volume that again demonstrate underlying market strength.

We attribute much of Fairfield County's market energy to improved buyer confidence. First, the employment outlook, particularly on Wall Street, is substantially better than it has been for the past two years. There is greater job stability and bonuses are higher. Additionally, there is a growing perception that now is the time to buy real estate. Interest rates remain at historic lows, yet buyers are keenly aware that rates will not stay at these low levels if inflation re-emerges. Further, there is real value in the marketplace as home prices are significantly lower than their highs and the selection of desirable properties is good. As the March pending sales suggest, improving buyer confidence is now starting to positively influence the Shoreline and Litchfield County markets.

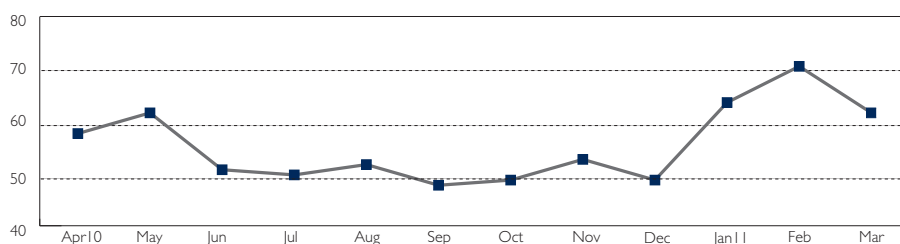
Contrary to pending sales, closed sales declined in many markets during the first quarter of 2011 when compared to the first quarter of 2010. This is primarily due to the government stimulus package skewing market activity in the first half of 2010.

Consumer confidence, the way people feel about the economy and their personal financial situation, has certainly been volatile during these past three years. Even as we inch our way out of the downturn, the monthly numbers show an up and down pattern that is reflective of how unsure consumers are. Unfortunately, lack of confidence directly affects spending patterns. After

SINGLE FAMILY HOME PENDING SALES
2008 - 2011 (In Units)



CONSUMER CONFIDENCE INDEX



increases in confidence levels in January and February, the Consumer Confidence Index slipped again in March from 72 in February 2011 to 63 in March. Despite the March fallback in numbers, confidence remains strongly ahead of last year.

Significantly, the 2011 buyer base in Connecticut is broadening to include local trade up and trade down buyers. This segment has been sitting on the sidelines for some time, watching the housing market shake out, and is now re-entering the sales mix. Still, the dominant buyer for Fairfield County remains a combination of both the trade-up/trade-down buyer and the relocation buyer, defined as either the family moving out of Manhattan or the family coming into the area on a job-related move. For the buyer working in Manhattan, the lower Fairfield County communities of Greenwich, Stamford, Darien, New Canaan, Norwalk and Westport have traditionally been the towns of choice and this remains the case, as the combination of proximity to Manhattan and superb schools creates a winning match for buyer needs. As prices have dropped in these towns they have become more accessible to buyers.

The first two weeks of April have been exceptionally strong, building on the excellent March pending sales figures, suggesting that the second quarter of 2011 will show very strong sales levels.

SINGLE FAMILY HOME CLOSED SALES - FAIRFIELD COUNTY

	Closed Sales IQ 2011	Closed Sales IQ 2010	Closed Sales IQ 2009	Closed Sales IQ 2008	YOY Change IQ11 vs. IQ10	YOY Change IQ11 vs. IQ08
Fairfield County	1,007	1,141	734	1,079	-12%	-7%
Bethel	21	19	19	20	11%	5%
Brookfield	18	22	18	25	-18%	-28%
Danbury	60	68	57	75	-12%	-20%
Darien	28	38	21	38	-26%	-26%
Easton	12	14	4	15	-14%	-20%
Fairfield	87	112	65	106	-22%	-18%
Greenwich	94	93	26	97	1%	-3%
Monroe	24	20	26	27	20%	-11%
New Canaan	37	27	10	33	37%	12%
New Fairfield	28	29	14	26	-3%	8%
Newtown	34	51	40	45	-33%	-24%
Norwalk	88	96	68	65	-8%	35%
Oxford*	16	17	15	19	-6%	-16%
Redding	16	10	8	17	60%	-6%
Ridgefield	43	36	28	47	19%	-9%
Rowayton	9	3	8	7	200%	29%
Shelton	50	51	35	55	-2%	-9%
Sherman	4	10	3	6	-60%	-33%
Southbury*	22	21	11	29	5%	-24%
Stamford	91	101	60	80	-10%	14%
Stratford	64	86	68	101	-26%	-37%
Trumbull	36	58	37	51	-38%	-29%
Weston	25	26	9	16	-4%	56%
Westport	53	56	28	47	-5%	13%
Wilton	34	22	14	26	55%	31%

*New Haven County

SINGLE FAMILY HOME CLOSED SALES - THE SHORELINE

	Closed Sales IQ 2011	Closed Sales IQ 2010	Closed Sales IQ 2009	Closed Sales IQ 2008	YOY Change IQ11 vs. IQ10	YOY Change IQ11 vs. IQ08
The Shoreline	325	348	261	373	-7%	-13%
Branford	21	24	19	31	-13%	-32%
Chester	5	3	5	7	67%	-29%
Clinton	25	24	17	22	4%	14%
Deep River	5	12	4	8	-58%	-38%
East Lyme	13	14	11	12	-7%	8%
Essex*	11	9	4	13	22%	-15%
Groton	22	24	13	20	-8%	10%
Guilford	40	37	34	34	8%	18%
Killingworth	6	5	8	19	20%	-68%
Lyme, Old Lyme	20	19	10	16	5%	25%
Madison	31	47	33	34	-34%	-9%
New London	18	19	24	21	-5%	-14%
Old Saybrook	26	20	17	28	30%	-7%
Stonington	10	12	14	11	-17%	-9%
Waterford	18	23	21	24	-22%	-25%
Westbrook	11	7	5	12	57%	-8%

*Includes Essex, Ivoryton, and Centerbrook

SINGLE FAMILY HOME CLOSED SALES - LITCHFIELD COUNTY

	Closed Sales IQ 2011	Closed Sales IQ 2010	Closed Sales IQ 2009	Closed Sales IQ 2008	YOY Change IQ11 vs. IQ10	YOY Change IQ11 vs. IQ08
Litchfield County	189	190	141	199	-1%	-5%
Bantam	0	0	1	1	0%	0%
Barkhamsted	7	2	6	7	250%	0%
Bethlehem	5	4	3	5	25%	0%
Bridgewater	2	0	1	1	0%	100%
Canaan	2	0	0	1	0%	100%
Colebrook	1	3	4	2	-67%	-50%
Cornwall*	2	0	1	2	0%	0%
Falls Village	1	3	0	2	-67%	-50%
Goshen	13	6	3	10	117%	30%
Harwinton	7	8	6	2	-13%	250%
Kent, South Kent	4	4	3	6	0%	-33%
Lakeville	8	5	6	6	60%	33%
Litchfield, Milton	10	14	9	12	-29%	-17%
Morris	4	4	2	3	0%	33%
New Milford	11	14	6	12	-21%	-8%
Norfolk	3	4	0	2	-25%	50%
Roxbury	4	6	2	8	-33%	-50%
Sharon	1	8	2	7	-88%	-86%
Warren	3	4	1	0	-25%	0%
Washington & New Preston**	8	6	2	5	33%	60%
Woodbury	9	12	6	16	-25%	-44%

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

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Connecticut Market Watch
FIRST QUARTER 2011

PRICES, PRICES, PRICES

After more than four years of steep declines, prices for most properties in Connecticut appear to have stabilized at a new lower level. The increased demand during the past six months has helped to reduce inventory levels in many price categories, helping to ease the extreme price pressure that was being felt in the marketplace. As supply and demand move into greater equilibrium, prices are continuing to steady. The improved transaction flow has also enhanced buyer and seller confidence regarding appropriate market valuations, simply because there are now comparable properties by which to ascertain true market value. From late 2008 through 2009, homes were so thinly traded that it was very challenging to accurately gauge pricing, exacerbating buyer and seller unease.

While every community and price category has its own nuances, in Fairfield County overall the median sold price of a single family home has stabilized in the range of \$451,000. In the Shoreline communities, where the recovery has been slower, prices are also beginning to stabilize at a median sold level of \$310,000. In Litchfield County, the same holds true and the median sold price has now settled at \$242,000. In general, from the market high to today prices have declined between 15% and 30%, depending on the price bracket and community. For some of the most expensive properties, the pricing decline has been even larger. There is no question that price is the critical variable in the sale of a home. A home must be priced properly to create interest and

SINGLE FAMILY HOME PRICE CHANGE - FAIRFIELD COUNTY 2011 - 2009

	Median Sales Price IQ 2011	Median Sales Price IQ 2010	Median Sales Price IQ 2009	YOY Change IQ11 vs. IQ10	YOY Change IQ11 vs. IQ09
Fairfield County	\$451,000	\$427,000	\$462,000	6%	-2%
Bethel	400,000	316,000	344,000	27%	16%
Brookfield	389,000	400,000	389,000	-3%	0%
Danbury	272,000	282,000	324,000	-4%	-16%
Darien	1,319,000	1,212,000	1,241,000	9%	6%
Easton	598,000	607,000	664,000	-1%	-10%
Fairfield	506,000	555,000	580,000	-9%	-13%
Greenwich	1,825,000	1,600,000	2,000,000	14%	-9%
Monroe	404,000	399,000	430,000	1%	-6%
New Canaan	1,482,500	1,387,500	1,705,000	7%	-13%
New Fairfield	350,000	320,000	378,000	9%	-7%
Newtown	405,000	416,000	454,000	-3%	-11%
Norwalk	435,000	426,000	489,000	2%	-11%
Oxford*	359,000	357,000	379,000	1%	-5%
Redding	596,000	594,000	591,000	0%	1%
Ridgefield	693,000	651,000	704,000	6%	-2%
Rowayton	1,342,000	826,000	1,208,000	62%	11%
Shelton	302,000	327,000	355,000	-8%	-15%
Sherman	375,000	456,000	586,000	-18%	-36%
Southbury*	379,000	387,000	452,000	-2%	-16%
Stamford	585,000	565,000	611,000	4%	-4%
Stratford	240,000	246,000	260,000	-2%	-8%
Trumbull	373,000	382,000	404,000	-2%	-8%
Weston	864,000	836,000	929,000	3%	-7%
Westport	1,145,000	1,083,000	1,312,000	6%	-13%
Wilton	774,000	784,000	810,000	-1%	-4%

*New Haven County

**Median sales price represents rolling twelve-month data.

assure showings. Consumers have access to a number of tools to help them evaluate the value of a home and they are using this knowledge to their advantage. From the online sites which track values to williampitt.com and Realtor.com, which provide access to all properties on the market, the consumer today is highly educated. He or she also has a wide choice in homes as inventory levels, while declining, remain elevated versus historic norms. If a price cannot be agreed upon, a buyer is quick to move on to the next property to see if a deal can be struck.

RIVERFRONT ESTATE - OLD SAYBROOK, CT - MLS: M9115246



SINGLE FAMILY HOME PRICE CHANGE - THE SHORELINE 2011 - 2009

	Median Sales Price 1Q 2011	Median Sales Price 1Q 2010	Median Sales Price 1Q 2009	YOY Change 1Q11 vs. 1Q10	YOY Change 1Q11 vs. 1Q09
The Shoreline	\$310,000	\$316,000	\$335,000	-2%	-7%
Branford	313,000	308,000	353,000	2%	-11%
Chester	298,000	291,000	352,000	2%	-15%
Clinton	254,000	280,000	292,000	-9%	-13%
Deep River	286,000	256,000	268,000	12%	7%
East Lyme	344,000	353,000	409,000	-3%	-16%
Essex*	356,000	423,000	469,000	-16%	-24%
Groton	137,000	176,000	186,000	-22%	-26%
Guilford	388,000	374,000	405,000	4%	-4%
Killingworth	305,000	334,000	418,000	-9%	-27%
Lyme, Old Lyme	392,000	408,000	454,000	-4%	-14%
Madison	412,000	435,000	482,000	-5%	-15%
New London	165,000	153,000	170,000	8%	-3%
Old Saybrook	320,000	333,000	352,000	-4%	-9%
Stonington	338,000	390,000	378,000	-13%	-11%
Waterford	224,000	259,000	260,000	-14%	-14%
Westbrook	317,000	377,000	356,000	-16%	-11%

*Includes Essex, Ivoryton, and Centerbrook

**Median sales price represents rolling twelve-month data.

SINGLE FAMILY HOME PRICE CHANGE - LITCHFIELD COUNTY 2011 - 2009

	Median Sales Price 1Q 2011	Median Sales Price 1Q 2010	Median Sales Price 1Q 2009	YOY Change 1Q11 vs. 1Q10	YOY Change 1Q11 vs. 1Q09
Litchfield County	\$242,000	\$236,000	\$246,000	3%	-2%
Bantam	309,000	202,000	335,000	53%	-8%
Barkhamsted	249,000	273,000	266,000	-9%	-6%
Bethlehem	286,000	290,000	267,000	-1%	7%
Bridgewater	501,000	449,000	430,000	12%	17%
Canaan	198,000	131,000	306,000	51%	-35%
Colebrook	200,000	267,000	214,000	-25%	-7%
Cornwall*	543,000	351,000	434,000	55%	25%
Falls Village	268,000	259,000	616,000	3%	-56%
Goshen	279,000	378,000	347,000	-26%	-20%
Harwinton	213,000	214,000	234,000	0%	-9%
Kent, South Kent	519,000	438,000	621,000	18%	-16%
Lakeville	516,000	501,000	495,000	3%	4%
Litchfield, Milton	335,000	266,000	330,000	26%	2%
New Milford	266,000	285,000	275,000	-7%	-3%
Morris	310,000	264,000	511,000	17%	-39%
Norfolk	613,000	398,000	384,000	54%	60%
Roxbury	753,000	680,000	648,000	11%	16%
Sharon	339,000	465,000	505,000	-27%	-33%
Warren	470,000	349,000	382,000	35%	23%
Washington Depot & New Preston**	545,000	621,000	515,000	-12%	6%
Woodbury	361,000	354,000	443,000	2%	-19%

*Includes Cornwall, West Cornwall, and Cornwall Bridge

**Includes Washington, Washington Depot, and New Preston

***Median sales price represents rolling twelve-month data.

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Connecticut Market Watch
FIRST QUARTER 2011

SALES ACTIVITY BROADENS

The most significant news of the first quarter is that the price point has expanded for sales activity. As is the case on a national level, the Connecticut housing recovery has been driven from the bottom up. In late 2010 and continuing into the first quarter of 2011, sales began to strengthen in the higher price ranges. The buyer for this property category is often a trade up buyer, the group that until now has been sitting on the sidelines waiting for the market to shake out. This buyer has been silent for almost three years in the face of declining prices, feeling time was on his side and trying to time the bottom of the market. It is exciting and encouraging to see the mid-level buyer begin to step back into the market, and indicates that buyers are both more confident and seeing meaningful value.

In Fairfield County, we are seeing substantial growth in the upper price ranges, up to \$5,000,000. As a segment, sales of homes valued between \$1,500,000 and \$5,000,000 increased 29% in the first quarter of 2011 versus the same period last year. The same holds true for the Shoreline, where the definition of upper end is slightly different. In this market, sales of homes priced \$1,000,000 and above are up 20% this quarter. Litchfield County has not yet experienced this resurgence, but we would expect this market to follow trend as the spring market in the Hills moves into high gear.

The top end of the luxury segment, homes priced over \$5,000,000, is slower to recover. Greenwich is the only Connecticut town that has shown any meaningful activity in this upper range, closing thirteen ultra-luxury homes in the first quarter of 2011. While this represents improvement versus last year, volume remains weak relative to normal market activity. Each home that has traded to-date in 2011 has represented a one of a kind opportunity for its buyers. Luxury home inventory levels are beginning to decline in Fairfield County, down 7% since this time last year, due primarily to increased buyer activity. Conversely, in both Litchfield County as well as on the Shoreline, inventory levels for luxury homes have almost doubled since this time last year. We attribute this influx of inventory to the perception among sellers that market conditions are improving.

CLOSED SALES BY PRICE POINT

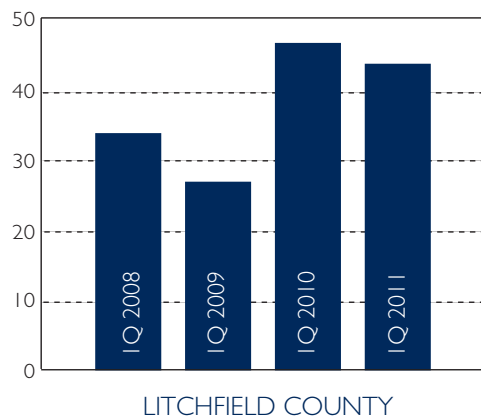
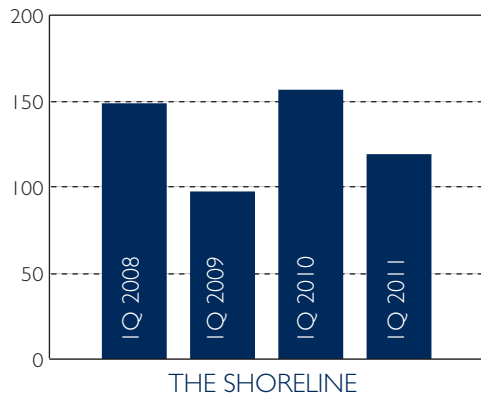
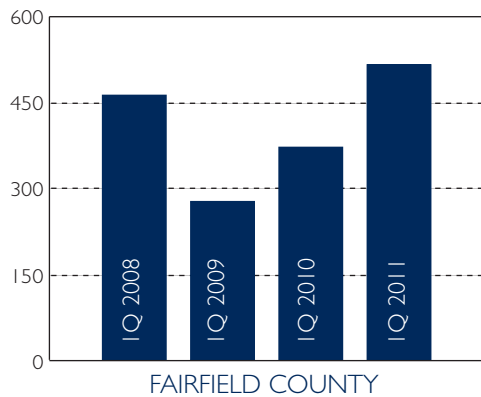
	Closed Sales IQ 2011	Closed Sales IQ 2010	YOY Change IQ11 vs. IQ10	Percent of IQ 2011 Sales	Percent of IQ 2010 Sales	
FAIRFIELD COUNTY	\$0 - \$799k	735	855	-14%	73%	75%
	\$800k - \$1.49M	141	181	-22%	14%	16%
	\$1.5M - \$1.9M	38	33	15%	4%	3%
	\$2.0M - \$2.9M	42	31	35%	4%	3%
	\$3.0M - \$4.9M	36	26	38%	4%	2%
	\$5.0M +	15	15	0%	1%	1%
	TOTAL	1007	1141	-12%		

	Closed Sales IQ 2011	Closed Sales IQ 2010	YOY Change IQ11 vs. IQ10	Percent of IQ 2011 Sales	Percent of IQ 2010 Sales	
THE SHORELINE	\$0 - \$399k	228	225	1%	70%	65%
	\$400k - \$749k	77	91	-15%	24%	26%
	\$750k - \$999k	8	22	-14%	2%	6%
	\$1.0M - \$1.4M	5	4	25%	2%	1%
	\$1.5M +	7	6	17%	2%	2%
	TOTAL	325	348	-7%		

	Closed Sales IQ 2011	Closed Sales IQ 2010	YOY Change IQ11 vs. IQ10	Percent of IQ 2011 Sales	Percent of IQ 2010 Sales	
LITCHFIELD COUNTY	\$0 - \$399k	144	142	1%	76%	75%
	\$400k - \$749k	30	26	15%	16%	14%
	\$750k - \$999k	6	5	20%	3%	3%
	\$1.0M - \$1.4M	6	8	-25%	3%	4%
	\$1.5M +	3	9	-67%	2%	4%
	TOTAL	189	190	-1%		

CONDOMINIUMS PRESENT A MIXED PICTURE

CONDOMINIUM PENDING SALES
2008 - 2011 (In Units)



The demand for condominiums in all of our Connecticut markets appears to be picking up after a protracted period of market stagnation. After a slowdown in the third and fourth quarters of last year subsequent to the expiration of the tax incentives, pending sales activity re-invigorated in the first quarter of 2011. In Fairfield County in particular, pending condominium sales in the first quarter of 2011 improved 31% versus the first quarter of 2010. As with the single family home market, March was an exceptionally strong month for pending sales activity, with results 77% higher than in the prior month and 62% higher than during March 2010. The turnaround in sales activity is due, we believe, to pent-up demand as well as buyers that are seeing real value. As the single family home market picks up, the trade down buyer can step into the condominium market. Also, the improving economic picture is allowing first time buyers to purchase.

The Shoreline is experiencing a very different condominium market than is Fairfield County. In the Shoreline communities condominium sales continue to be soft with supply outpacing demand. In fact, this is the fourth consecutive quarter of year-over-year sales declines since the bump in the first quarter of 2010. Currently, pending sales are down 26% versus the comparable period one year ago. Last year, in lockstep with the single family home market, condominiums and co-operatives benefitted from the government housing stimulus programs during the first two quarters. However, once the credits expired these higher volume levels could not be sustained.

Litchfield County condominium pending sales turned the corner in the first quarter of 2011. While pending sales are 11% lower than in the first quarter of 2011, they are 61% better than last quarter and well above the last three year average. Closed sales are down by 4%. The median sold price declined 11% from one year ago, which may also be having a positive influence on buyer activity. While the condominium market in Litchfield County is certainly not robust, it can be accurately characterized as in transition.

In conjunction with soft sales, prices for condominiums remain under pressure. In Fairfield County the median sales price improved by 1%, due to more expensive properties entering the sales mix. In both the Shoreline and Litchfield County prices fell between 8% and 11%.

It is encouraging to see that inventory levels are falling because it will help to bring the condominium market back into equilibrium. We anticipate inventory levels to continue revert to manageable levels as demand improves and only serious sellers remain in the marketplace.

CONDOMINIUM CLOSED SALES AND MEDIAN SALES PRICE

	Closed Sales 1Q 2011	Closed Sales 1Q 2010	YOY Change 1Q11 vs. 1Q10	Median Sales Price 1Q 2011	Median Sales Price 1Q 2010	YOY Change 1Q11 vs. 1Q10	Inventory Level Change
Fairfield County	317	335	-5%	\$254,000	\$252,000	1%	-14%
The Shoreline	98	100	-2%	\$162,000	\$176,000	-8%	-11%
Litchfield County	25	26	-4%	\$117,000	\$132,000	-11%	-14%

*Median sales price represents rolling twelve-month data.



WEXFORD HALL - NEW CANAAN, CT - MLS: 133729

WHERE WE ARE HEADED

The economic indicators are all positive, signaling a healthier economy. The unemployment numbers for the State of Connecticut still stand at 9% but many people in our communities work in fields related to Wall Street, where the employment picture is much brighter than this. Consumer sentiment is trending upward. Interest rates and home prices are low. Now that the harsh winter is behind us, sales are picking up rapidly. We are optimistic and believe all signals point to positive momentum for 2011, building on the gains of last year.

Today, both single family homes and condominiums represent tremendous value and a more confident buying population recognizes this. The re-entry of the local buyer who is, by definition, someone who does not have to make a purchase, but rather wants to make a purchase, signals a positive shift in buyer sentiment that cannot be underestimated. For the move-up buyer, we do generally see this consumer making a meaningful upward move when buying a property. This will strengthen our higher price points. In addition, as the trade-down buyer sells his large home he often selects a condominium or co-operative in the same market as a means of keeping a foothold in the community. So, as our more expensive homes sell, we anticipate seeing some positive spin onto the condominium and co-operative market. Whether trading up or down, the local buyer moving within his community will be an important factor in the continuing housing recovery.

Ultimately, confidence is the critical factor that will define market direction and the speed of the housing recovery. We fully anticipate that the generally improving economy and employment picture will continue to impact the Fairfield County, Shoreline and Litchfield County housing market positively during this coming year.

Information Sources: Case-Schiller reports, Various MLS services, National Association of Realtors, Connecticut Economic Digest, local mortgage brokers, Realty Trac., CMLS, CT-MLS, NCMLS, DARMLS. While information is believed true, no guaranty is made for accuracy. Cover art: *Downs Farm used with permission.