



connecticut market watch
2011 YEAR-END REPORT



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INTRODUCTION

Connecticut housing in 2011 is most aptly described as a bifurcated market with significant variation in individual market performance. Communities, particularly those closer to New York City that are Wall Street-dependent, experienced meaningful gains in both unit and dollar volume this year. We believe this is driven primarily by the Manhattan buyer, who tends to have a young family, and finds compelling benefits to living in Connecticut. On the contrary, communities further removed, with a lower median selling price, saw their sales levels drop off considerably in 2011 without the benefit of any employment stimulus or the support of the 2010 government housing incentive program. Connecticut housing also experienced noteworthy quarterly sales volatility in response to dramatically shifting consumer confidence levels and unusual weather that left its mark on our area several times this year. Overall, Connecticut housing experienced a decline between 4 and 8% in terms of units and volume, yet these numbers do not fully reflect the strength of the market during periods when confidence levels were relatively high. The dramatic shift in consumer sentiment this year had clear market impact. When confidence dropped, there was an almost immediate adverse effect on activity levels, yet when it improved, such as in the April-through-July period as well as late fall, sales activity levels responded accordingly. Home sales picked up significantly in the late fourth quarter, reflected in the strong quarterly pending sales figures, thus providing a solid springboard into the first quarter of 2012. Equally important, sales migrated to the higher price ranges, indicating the discretionary buyer is beginning to step back into the market, and providing a broader sales platform for 2012.

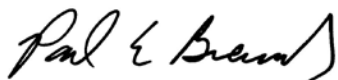
Low interest rates are improving home affordability, yet the very tight lending standards are not fully allowing the benefits of these rates to be felt in the marketplace. In particular, the first-time home buyer is finding it challenging to meet the down payment and underwriting requirements.

As we have said for some time, value remains the driving force in all real estate deals today. Regardless of price point, buyers and sellers alike are more knowledgeable than ever and require transparency in their property transactions. The power of the Internet has given consumers access to vast pools of knowledge that they bring to their real estate transactions. This translates to tough negotiating stances, but is also bringing expectations back into line.

We are optimistic about residential real estate in Connecticut during 2012. In many markets, fourth-quarter pending sales demonstrated improvement versus a year ago, while prices are relatively stable in all but the highest price points. A number of national statistics support our optimism. According to the National Retailers Association, overall holiday retail sales were up 4.5% compared to last year's season per Gallup. The sales of luxury products represented an important component of these sales. Consumer confidence is also at highs for the year, while the employment picture brightens slightly. It is too early to predict how much better 2012 will be than 2011; however, assuming there are no unforeseen financial or diplomatic challenges that could create unease, the strong holiday shopping season kicks 2012 off in a welcome positive direction, and we expect residential real estate sales to continue to improve.

I hope you find our Annual 2011 Market Watch helpful as you evaluate your own personal real estate holdings and plans for 2012. 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,

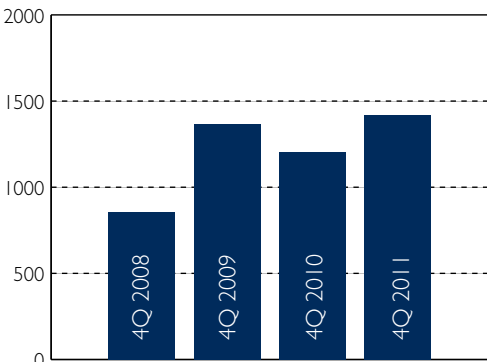


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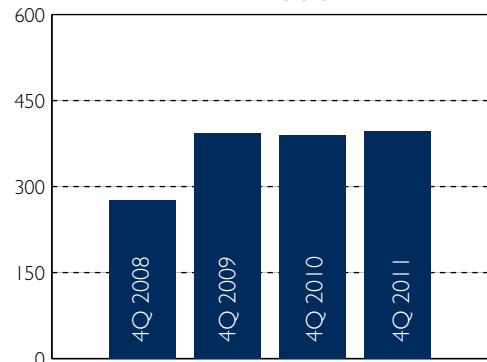
HOME SALES FLUCTUATE WIDELY BY MARKET

Coming off a relatively strong 2010, when residential real estate was heavily supported by the government tax incentives, 2011 single-family home sales in Connecticut retreated slightly, but there were wide fluctuations in individual market performance as well as quarterly sales activity. The unusually severe weather we experienced in both the winter and the fall, coupled with the European debt crisis and our own domestic political issues, created significant unease among the buying public and, at times, influenced potential buyers to sit back and wait for the dust to settle and the outlook to become clearer. As these uncontrollable events took shape, they represented excellent buying opportunities for consumers, as sellers worked harder to sell their properties. We can clearly see the impact of the financial and political issues on the monthly consumer confidence levels this year and their almost immediate impact on pending home sales. Most recently, on December 27, 2011, as confidence levels demonstrated a rebound, Lynn Franco, Director of The Conference Board Consumer Research Center, said, "After two months of considerable gains, the Consumer Confidence Index is now back to levels seen last spring (April 2011, 66.0). Consumers' assessment of current business and labor market conditions improved again. Looking ahead, consumers are more optimistic that business conditions, employment prospects, and their financial situations will continue to get better. While consumers are ending the year in a somewhat more upbeat mood, it is too soon to tell if this is a rebound from earlier declines or a sustainable shift in attitudes." Her words mirror our outlook for 2012 real estate. The fundamentals of an improving economy, low interest rates and pent-up demand are in place for a year of continued market revitalization. But since housing is confidence-driven, the recovery remains fragile due to macro factors outside of our control.

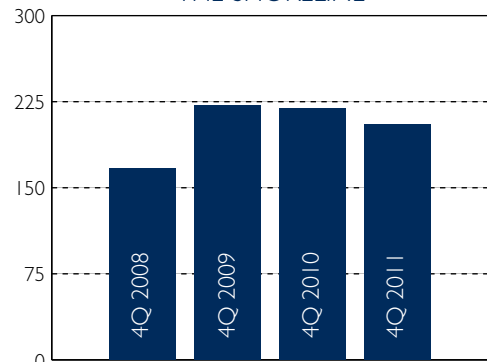
SINGLE-FAMILY HOME PENDING SALES
2008 - 2011 (In Units)



FAIRFIELD COUNTY



THE SHORELINE

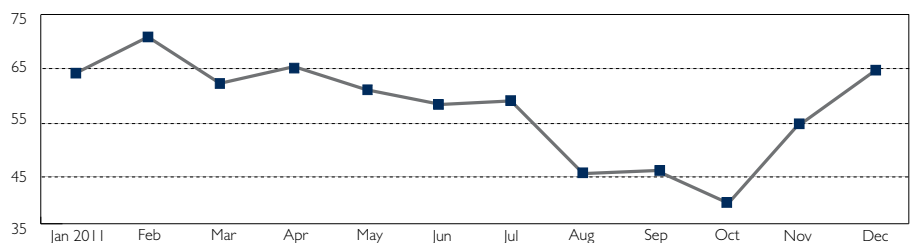


LITCHFIELD COUNTY

Pending sales, property on which contracts have been signed but have not closed, provide the most accurate gauge of real-time activity, as closings generally lag pending sales by sixty to ninety days. In line with fourth-quarter 2010 buying patterns, pending sales in the fourth quarter of 2011 were up 14% in Fairfield County, down 7% in Litchfield County and stable in the Shoreline, while unit closed sales for the year declined by 7% in Fairfield County, 4% in Litchfield County and 11% in the Shoreline area. Dollar volume sales generally tracked with unit sales, except in Litchfield County where weakness in the upper end segment mitigated the positive year-end closed sales numbers.

Fairfield County is well poised for 2012, due to the strong 2011 year-end performance. December pending sales were 38% higher than December 2010 and 30% higher than December 2009. The overall fourth-quarter 2011 pending sales increased 14% versus a year ago. While closed sales for the year declined by 7% versus 2010, they remained well ahead of both 2009 and 2008. Relative to other parts of Connecticut, lower Fairfield County, which also dipped the lowest, post financial crisis, is experiencing a quicker return to normalcy than are other parts of Connecticut. This is to be expected because of the area's reliance on Wall Street. As the financial markets and employment are strengthening, the direct beneficiaries of this are communities which are commutable to New York City. The Shoreline, which did not experience as deep a dive as did Fairfield County

CONSUMER CONFIDENCE INDEX



in 2009 due to its broader economic base, has improved at a slower pace. While pending sales in May and June were stronger than 2010, the remainder of the year was somewhat lackluster, with closed sales declining 11% from a year ago. In hindsight the 2010 government housing incentives provided strong stimulus to housing along the Connecticut Shoreline, which propelled sales to levels that were not sustainable in 2011. In 2011, the slower than normal summer months' pending sales negatively impacted the fourth-quarter closed sales figures. But again, as confidence improves, we expect to see home sales along the Shoreline improve. Essex, Lyme and Old Saybrook were notable exceptions to the lackluster 2011 market performance. These waterfront communities draw from a broad base of buyers - people looking for primary residences and second homes. Home sales benefited from having this broader buyer base.

In 2011, Litchfield County has been the steadiest of the markets we are discussing. Coming off a very good 2010, closed units declined by a small 4%; however, weakness in the high end resulted in dollar volumes declining by 14% versus 2011. It is the second-home market which generally constitutes the upper end of Litchfield County sales, and this year it was quite weak. The Manhattan weekender is a large segment of this buying group and they either were not in the second-home market at all or were evaluating other areas, also close to New York City, where prices have fallen considerably. Therefore, the typical Litchfield County second home buyer simply has more choices. The second-home market is an important one to Litchfield County, and we believe the intrinsic allure of this area coupled with improving market conditions bode well for 2012.

SINGLE-FAMILY HOME CLOSED & PENDING SALES - FAIRFIELD COUNTY

	Pending Sales			Closed Unit Sales				Closed Sales YOY Change			Closed Dollar Volume	DOM*
	4Q11	4Q10	4Q11 vs. 4Q10	2011	2010	2009	2008	11 vs. 10	11 vs. 09	11 vs. 08	2011 vs. 2010	2011
Fairfield County	1,361	1,192	14%	5,257	5,661	4,880	4,957	-7%	8%	6%	-8%	115
Bethel	28	28	0%	87	117	125	116	-26%	-30%	-25%	-25%	123
Brookfield	26	30	-13%	113	151	125	163	-25%	-10%	-31%	-32%	136
Danbury	92	83	11%	311	335	329	334	-7%	-5%	-7%	-9%	118
Darien	39	45	-13%	227	248	182	187	-8%	25%	21%	-9%	129
Easton	16	15	7%	53	79	54	62	-33%	-2%	-15%	-27%	122
Fairfield	124	119	4%	528	608	466	521	-13%	13%	1%	-12%	113
Greenwich	111	138	-20%	524	482	333	398	9%	57%	32%	5%	114
Monroe	39	26	50%	141	131	156	136	8%	-10%	4%	-2%	119
New Canaan	30	38	-21%	214	210	150	189	2%	43%	13%	13%	142
New Fairfield	34	32	6%	123	136	108	112	-10%	14%	10%	-16%	123
Newtown	68	49	39%	251	243	212	228	3%	18%	10%	-5%	117
Norwalk	125	110	14%	444	508	443	417	-13%	0%	6%	-12%	120
Oxford**	20	16	25%	84	71	78	92	18%	8%	-9%	6%	92
Redding	24	19	26%	80	77	70	76	4%	14%	5%	-8%	129
Ridgefield	48	66	-27%	239	272	222	239	-12%	8%	0%	-14%	119
Rowayton	12	15	-20%	50	53	52	48	-6%	-4%	4%	-20%	140
Shelton	84	60	40%	234	276	221	252	-15%	6%	-7%	-22%	98
Sherman	18	8	125%	34	37	41	29	-8%	-17%	17%	-22%	149
Southbury**	20	24	-17%	124	140	120	129	-11%	3%	-4%	-19%	98
Stamford	127	113	12%	532	540	490	465	-1%	9%	14%	-7%	109
Stratford	129	95	36%	392	392	418	404	0%	-6%	-3%	-8%	111
Trumbull	83	51	63%	263	276	276	285	-5%	-5%	-8%	-9%	98
Weston	32	33	-3%	107	122	92	116	-12%	16%	-8%	-22%	123
Westport	70	69	1%	348	355	250	271	-2%	39%	28%	-9%	108
Wilton	44	38	16%	177	166	136	164	7%	30%	8%	17%	120

*DOM: Days on Market **New Haven County

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SINGLE-FAMILY HOME CLOSED & PENDING SALES - THE SHORELINE

	Pending Sales			Closed Unit Sales				Closed Sales YOY Change			Closed Dollar Volume	DOM*
	4Q11	4Q10	4Q11 vs. 4Q10	2011	2010	2009	2008	11 vs. 10	11 vs. 09	11 vs. 08	2011 vs. 2010	2011
The Shoreline	392	391	0%	1,725	1,933	1,823	1,814	-11%	-5%	-5%	-11%	115
Branford	28	30	-7%	136	147	139	151	-7%	-2%	-10%	7%	121
Chester	4	4	0%	29	28	37	26	4%	-22%	12%	-13%	112
Clinton	31	23	35%	108	116	116	125	-7%	-7%	-14%	-15%	127
Deep River	7	3	133%	38	42	29	33	-10%	31%	15%	-13%	96
East Lyme	9	16	-44%	56	78	72	61	-28%	-22%	-8%	-27%	110
Essex**	16	13	23%	67	64	61	53	5%	10%	26%	11%	138
Groton	18	22	-18%	93	103	90	89	-10%	3%	4%	-16%	99
Guilford	39	55	-29%	168	208	186	206	-19%	-10%	-18%	-18%	108
Killingworth	13	8	63%	47	46	46	58	2%	2%	-19%	11%	124
Lyme, Old Lyme	29	26	12%	111	99	108	101	12%	3%	10%	30%	180
Madison	36	43	-16%	181	215	181	168	-16%	0%	8%	-15%	113
New London	39	24	63%	109	118	154	119	-8%	-29%	-8%	-16%	112
Old Saybrook	28	27	4%	141	122	106	107	16%	33%	32%	42%	94
Stonington	13	11	18%	48	62	53	47	-23%	-9%	2%	-39%	124
Waterford	33	17	94%	124	131	134	135	-5%	-7%	-8%	-13%	93
Westbrook	12	13	-8%	56	63	60	70	-11%	-7%	-20%	-21%	118

*DOM: Days on Market **Includes Essex, Ivoryton, and Centerbrook

SINGLE-FAMILY HOME CLOSED & PENDING SALES - LITCHFIELD COUNTY

	Pending Sales			Closed Unit Sales				Closed Sales YOY Change			Closed Dollar Volume	DOM*
	4Q11	4Q10	4Q11 vs. 4Q10	2011	2010	2009	2008	11 vs. 10	11 vs. 09	11 vs. 08	2011 vs. 2010	2011
Litchfield County	203	219	-7%	943	985	939	934	-4%	0%	1%	-14%	133
Bantam	0	1	N/A	2	4	4	2	-50%	-50%	0%	-85%	52
Barkhamsted	4	8	-50%	18	19	35	31	-5%	-49%	-42%	2%	55
Bethlehem	1	8	-88%	21	25	18	22	-16%	17%	-4%	-33%	106
Bridgewater	2	1	100%	6	5	6	4	20%	0%	50%	12%	172
Canaan	0	1	N/A	4	11	3	4	-64%	33%	0%	-70%	240
Colebrook	1	4	-75%	9	17	14	10	-47%	-36%	-10%	-46%	177
Cornwall**	6	4	50%	14	11	12	13	27%	17%	8%	73%	164
Falls Village	0	0	0%	4	9	2	6	-56%	100%	-33%	-54%	192
Goshen	9	9	0%	50	37	36	39	35%	39%	28%	94%	203
Harwinton	9	8	13%	41	45	34	31	-9%	21%	32%	2%	74
Kent, South Kent	5	3	67%	26	22	20	24	18%	30%	8%	-48%	165
Lakeville, Salisbury	11	7	57%	42	36	35	39	17%	20%	8%	-16%	197
Litchfield, Milton	7	12	-42%	44	53	52	51	-17%	-15%	-14%	-10%	210
Morris	4	5	-20%	19	20	9	8	-5%	111%	138%	-4%	172
New Milford	17	14	21%	80	70	53	43	14%	51%	86%	2%	113
Norfolk	2	5	-60%	11	12	10	16	-8%	10%	-31%	-55%	165
Roxbury	3	4	-25%	15	21	10	21	-29%	50%	-29%	-28%	204
Sharon	5	5	0%	22	39	17	19	-44%	29%	16%	-61%	203
Warren	4	4	0%	13	17	10	5	-24%	30%	160%	-10%	194
Washington & New Preston***	3	9	-67%	25	28	20	23	-11%	25%	9%	-18%	136
Woodbury	13	13	0%	40	70	63	70	-43%	-37%	-43%	-45%	147

*DOM: Days on Market **Includes Cornwall, West Cornwall, and Cornwall Bridge ***Includes Washington, Washington Depot, and New Preston

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PRICES REMAIN STEADY IN LOWER RANGES

Median selling prices continued to hover around newly established lower levels throughout 2011. During the fourth quarter 2011, the 12-month median sales price declined by a slight 3% in Fairfield County to \$438,000. Among the Shoreline communities, the median selling price was down by 2% to \$309,000, and in Litchfield County there was a negligible 1% decline to \$237,000. We believe the median sales prices declines are primarily a reflection of the mix of homes sold, rather than further price erosion. For example, in Fairfield County, homes valued under \$800,000 represented 83% of sales for the fourth quarter 2011, an increase of 5% versus the same period in 2010. Furthermore, after relative strength during the previous three quarters of the year, there was significant weakness in the \$5,000,000-plus segment in the fall. The relative strength of the lower end and weakness in the high end resulted in the median selling price being pulled down slightly.

It is important to note that at this stage of our housing recovery, median prices are not fully reflective of the actual pricing dynamics in a market. In a normal market cycle, the mix of homes sold remains relatively stable; therefore, the median price is a good gauge of pricing appreciation or depreciation. But in a recovering market such as ours, where the sales mix can vary from quarter to quarter, the median selling price can be more a reflection of type of home being sold than price change. Regardless of the median price figures, we know from our in-market experience that pricing pressure remains, and value continues to be the driver in a successful sale. Buyers remain cautious and are clearly more methodical in their approach to home buying than in the past. In addition, the more widespread access to data has improved the transparency of transactions

SINGLE-FAMILY HOME PRICE CHANGE - FAIRFIELD COUNTY 2011 - 2008

	Median Sales Price				YOY Change		
	2011*	2010*	2009*	2008*	2011 vs. 2010	2011 vs. 2009	2011 vs. 2008
Fairfield County	\$438,000	\$452,000	\$419,000	\$487,000	-3%	5%	-10%
Bethel	318,000	309,000	308,000	366,000	3%	3%	-13%
Brookfield	342,000	398,000	381,000	411,000	-14%	-10%	-17%
Danbury	253,000	274,000	293,000	332,000	-8%	-14%	-24%
Darien	1,379,000	1,339,000	1,132,000	1,314,000	3%	22%	5%
Easton	632,000	585,000	567,000	776,000	8%	11%	-19%
Fairfield	530,000	515,000	546,000	601,000	3%	-3%	-12%
Greenwich	1,655,000	1,741,500	1,690,000	2,000,000	-5%	-2%	-17%
Monroe	372,000	412,000	390,000	434,000	-10%	-5%	-14%
New Canaan	1,600,000	1,463,000	1,355,000	1,705,000	9%	18%	-6%
New Fairfield	312,000	337,000	336,000	388,000	-7%	-7%	-20%
Newtown	374,000	422,000	438,000	437,000	-11%	-15%	-14%
Norwalk	414,000	427,000	442,000	504,000	-3%	-6%	-18%
Oxford**	321,000	362,000	358,000	401,000	-11%	-10%	-20%
Redding	563,000	633,000	553,000	631,000	-11%	2%	-11%
Ridgefield	640,000	698,000	647,000	729,000	-8%	-1%	-12%
Rowayton	1,109,000	1,163,000	951,000	1,299,000	-5%	17%	-15%
Shelton	300,000	318,000	320,000	378,000	-6%	-6%	-21%
Sherman	344,000	395,000	488,000	557,000	-13%	-30%	-38%
Southbury**	364,000	392,000	399,000	462,000	-7%	-9%	-21%
Stamford	534,000	585,000	567,000	639,000	-9%	-6%	-16%
Stratford	221,000	242,000	248,000	265,000	-9%	-11%	-17%
Trumbull	352,000	383,000	377,000	414,000	-9%	-7%	-15%
Weston	737,000	877,000	848,000	966,000	-16%	-13%	-24%
Westport	1,080,000	1,111,000	1,167,000	1,328,000	-2%	-7%	-19%
Wilton	816,000	781,000	758,000	872,000	4%	8%	-6%

*Median sales price represents rolling twelve-month data. **New Haven County

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and enhanced the consumer's ability to gauge value for himself. The importance of effectively making the value proposition when selling one's home cannot be overstated.

In reviewing those properties that have changed hands, it is clear that one important trend is here to stay. Buyers are seeking homes that are in excellent move-in condition with updated amenities. Value, in the buyer's eye, is reflective of three factors - price, condition and location. In other words, the buyer wants it all.

Inventory levels for 2011 have averaged a 2% decline from 2010 in each of the four quarters of this year and 4% from 2009. The continued reduction in the number of homes for sale, together with improving demand, will be a further aid to steadying prices in 2012 and will help bring our market into greater equilibrium.

DIRECT WATERFRONT - MADISON, CT - MLS: M9130034



SINGLE-FAMILY HOME PRICE CHANGE - THE SHORELINE 2011 - 2008

	Median Sales Price				YOY Change		
	2011*	2010*	2009*	2008*	2011 vs. 2010	2011 vs. 2009	2011 vs. 2008
The Shoreline	\$309,000	\$315,000	\$312,000	\$345,000	-2%	-1%	-10%
Branford	338,000	289,000	330,000	336,000	17%	2%	1%
Chester	264,000	294,000	316,000	350,000	-10%	-16%	-25%
Clinton	246,000	266,000	284,000	297,000	-8%	-13%	-17%
Deep River	269,000	276,000	244,000	307,000	-3%	10%	-12%
East Lyme	352,000	353,000	334,000	470,000	0%	5%	-25%
Essex**	373,000	355,000	411,000	501,000	5%	-9%	-26%
Groton	130,000	147,000	177,000	193,000	-12%	-27%	-33%
Guilford	403,000	383,000	388,000	425,000	5%	4%	-5%
Killingworth	337,000	294,000	372,000	413,000	15%	-9%	-18%
Lyme, Old Lyme	395,000	386,000	419,000	412,000	2%	-6%	-4%
Madison	416,000	427,000	467,000	454,000	-3%	-11%	-8%
New London	143,000	163,000	158,000	179,000	-12%	-9%	-20%
Old Saybrook	366,000	311,000	328,000	384,000	18%	12%	-5%
Stonington	274,000	373,000	404,000	386,000	-27%	-32%	-29%
Waterford	223,000	243,000	248,000	269,000	-8%	-10%	-17%
Westbrook	282,000	348,000	361,000	370,000	-19%	-22%	-24%

*Median sales price represents rolling twelve-month data. **Includes Essex, Ivoryton, and Centerbrook

SINGLE-FAMILY HOME PRICE CHANGE - LITCHFIELD COUNTY 2011 - 2008

	Median Sales Price				YOY Change		
	2011*	2010*	2009*	2008*	2011 vs. 2010	2011 vs. 2009	2011 vs. 2008
Litchfield County	\$237,000	\$239,000	\$234,000	\$271,000	-1%	1%	-13%
Bantam	105,000	309,000	211,000	318,000	-66%	-50%	-67%
Barkhamsted	235,000	274,000	260,000	285,000	-14%	-10%	-18%
Bethlehem	246,000	295,000	296,000	298,000	-17%	-17%	-17%
Bridgewater	573,000	526,000	471,000	367,000	9%	22%	56%
Canaan	145,000	189,000	131,000	304,000	-23%	11%	-52%
Colebrook	192,000	189,000	291,000	252,000	2%	-34%	-24%
Cornwall**	541,000	433,000	316,000	503,000	25%	71%	8%
Falls Village	211,000	297,000	254,000	509,000	-29%	-17%	-59%
Goshen	332,000	275,000	393,000	360,000	21%	-16%	-8%
Harwinton	210,000	215,000	224,000	240,000	-2%	-6%	-13%
Kent, South Kent	332,000	605,000	541,000	519,000	-45%	-37%	-36%
Lakeville, Salisbury	444,000	585,000	434,000	537,000	-24%	-2%	-17%
Litchfield, Milton	336,000	275,000	316,000	322,000	22%	6%	4%
New Milford	264,000	303,000	260,000	514,000	-13%	2%	-49%
Morris	268,000	277,000	259,000	306,000	-3%	3%	-12%
Norfolk	331,000	582,000	405,000	330,000	-43%	-18%	0%
Roxbury	654,000	873,000	608,000	606,000	-25%	8%	8%
Sharon	397,000	515,000	328,000	532,000	-23%	21%	-25%
Warren	518,000	403,000	295,000	423,000	29%	76%	22%
Washington Depot & New Preston***	536,000	599,000	443,000	786,000	-11%	21%	-32%
Woodbury	363,000	359,000	390,000	425,000	1%	-7%	-15%

*Median sales price represents rolling twelve-month data. **Includes Cornwall, West Cornwall, and Cornwall Bridge ***Includes Washington, Washington Depot, and New Preston

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connecticut market watch
2011 YEAR-END REPORT

SALES UNLOCK IN THE HIGHER PRICE RANGES

Significant to 2011 is the encouraging improvement in sales activity in the higher price ranges. Contrary to the slight unit sales declines in the general housing market, our more expensive homes demonstrated continued revitalization, as luxury buyers who initially re-entered the housing market in late 2010, remained active through the summer of 2011. In Fairfield County, homes priced \$2,000,000 and above showed the greatest improvement, while along the Shoreline and in Litchfield County it was homes listed between \$1,000,000 and \$1,400,000. The improved employment and compensation picture for financial services was clearly the driver of this activity which was concentrated in the first three quarters of the year. By the fourth quarter, pending sales declined substantially as potential buyers reacted to the uncertain global financial picture and moved to the sidelines until the last six weeks or so of the year when market activity again picked up. The importance of broadening sales activity cannot be overstated as a lynchpin to market recovery. Because real estate always has two sides - buyers and sellers - and most sellers trade into another property, the unlocking of the higher price ranges greatly improves deal flow in all segments.

Ultra-luxury properties, those priced at \$5,000,000 and above, were significantly stronger in 2011, driven primarily by gains in Greenwich. In Fairfield County, sales of homes priced \$5,000,000 and above increased by 13% versus 2010, yet remain well off their 2007 highs. If one removes Greenwich from the sales mix, these ultra-luxury homes experienced a 3% decline in sales. While sales have clearly improved from their lows, the market remains thinly traded. As reference, in 2007 there were 103 homes sold priced \$5,000,000 and above in Greenwich, while in 2011 the number was half at 52. Greenwich has traditionally had a strong upper-end market, but is particularly advantaged at this point in time because of the diversity of its buyer pool which includes significant international representation and entrepreneurs.

CLOSED SALES BY PRICE POINT

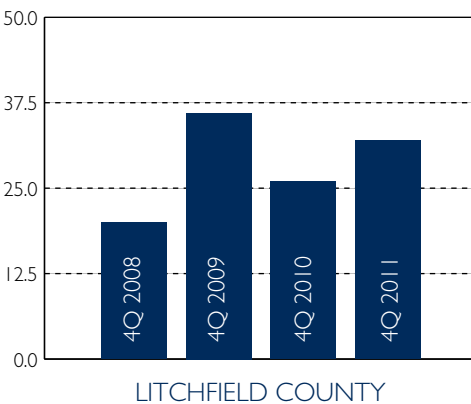
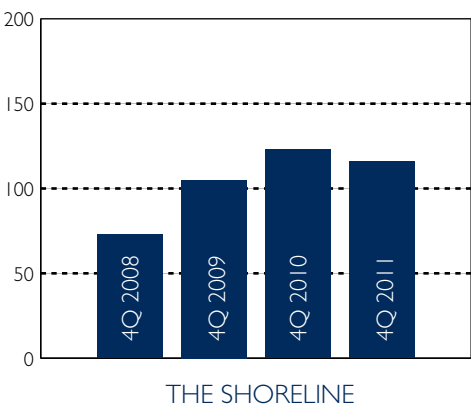
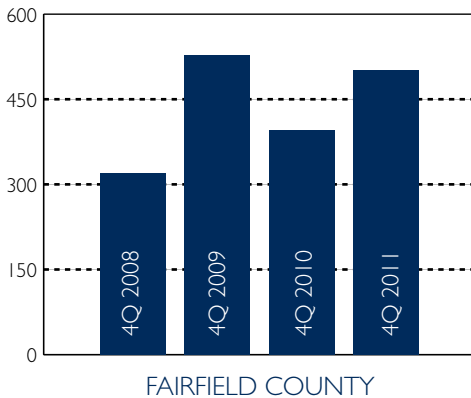
FAIRFIELD COUNTY		Pending Sales 4Q11	Pending Sales 4Q10	YOY Change 4Q11 vs. 4Q10	Closed Sales 2011	Closed Sales 2010	YOY Change 2011 vs. 2010	Percent of 2011 Sales
	\$0 - \$799k	1,135	922	23%	3,957	4,274	-7%	75%
	\$800k - \$1.49M	143	173	-17%	788	881	-11%	15%
	\$1.5M - \$1.9M	43	51	-16%	206	230	-10%	4%
	\$2.0M - \$2.9M	26	29	-10%	153	136	13%	3%
	\$3.0M - \$4.9M	10	18	-44%	82	77	6%	2%
	\$5.0M +	4	4	0%	71	63	13%	1%
	TOTAL	1,361	1,197	14%	5,257	5,661	-7%	

THE SHORELINE		Pending Sales 4Q11	Pending Sales 4Q10	YOY Change 4Q11 vs. 4Q10	Closed Sales 2011	Closed Sales 2010	YOY Change 2011 vs. 2010	Percent of 2011 Sales
	\$0 - \$399k	283	272	4%	1,173	1,297	-10%	68%
	\$400k - \$749k	82	88	-7%	411	494	-17%	24%
	\$750k - \$999k	16	10	60%	74	78	-5%	4%
	\$1.0M - \$1.4M	6	9	-33%	40	33	21%	2%
	\$1.5M +	5	12	-58%	27	31	-13%	2%
	TOTAL	392	391	0%	1,725	1,933	-11%	

LITCHFIELD COUNTY		Pending Sales 4Q11	Pending Sales 4Q10	YOY Change 4Q11 vs. 4Q10	Closed Sales 2011	Closed Sales 2010	YOY Change 2011 vs. 2010	Percent of 2011 Sales
	\$0 - \$499k	178	185	-4%	827	834	-1%	88%
	\$500k - \$999k	18	26	-31%	77	99	-22%	8%
	\$1.0M - \$1.4M	5	5	0%	26	26	0%	3%
	\$1.5M +	2	3	-33%	13	26	-50%	1%
TOTAL	203	219	-7%	943	985	-4%		

CONDOMINIUM SALES WERE UNEVEN IN 2011

CONDOMINIUM PENDING SALES
2008 - 2011 (In Units)



The Connecticut condominium market demonstrated the same quarterly volatility as the single-family home market during 2011. After a slow start to 2011, condominium activity picked up sharply in the second and third quarters. Third-quarter closed sales improved by 15% in Fairfield County, 19% in the Shoreline and an exceptional 50% in Litchfield County. But by August this momentum could not be sustained. Buyers, reacting to the barriers presented by uncertainty in the international financial markets as well as the storms and their associated damage, stepped back to the sidelines and adopted a wait-and-see attitude. The continued weakness of the Connecticut condominium market can be attributed to a host of reasons including the bottlenecks still in place due to the slower than normal single-family home market that prevents people wanting to trade down from doing so, the smaller than normal delta between single-family home prices and condominiums allowing some buyers to jump over condominiums in favor of a single-family home, the continued financing challenges which particularly affect one of the key condo/co-op buyer segments - first-time home buyers - and the general economic uncertainty that at times makes it easier for this group to keep renting than buying.

The effects consumer confidence has on real estate were never more apparent than in 2011, when the monthly confidence numbers directly correlated to pending sales. By November, when confidence levels returned to their April levels, we saw a corresponding increase in pending sales. In fact, the strength of the last two months in Fairfield County resulted in a 27% improvement in pending condominium sales, providing a strong platform for a solid start to 2012. Despite the ups and downs in condominium activity, the year ended down a slight 2% in closed unit sales volume in Fairfield County and 3% in Litchfield County. The decline was larger in the Shoreline area, about 6% relative to 2010. While Fairfield County condominium sales are now above the 2009 lows, the same does not hold true for either the Shoreline or Litchfield County which continue to register annual condominium sales activity below 2009 levels.

As the condominium recovery has been much slower than the single-family home market, we continue to experience downward pricing pressure. The mix of condominium sales has remained generally steady, so the median selling price for this segment of the market represents a fairly accurate picture of what is happening with prices. During the fourth quarter of 2011, many markets

experienced double-digit price declines as demand did not keep pace with supply, and sellers simply wanted to move on. The median selling price declined to \$220,000 in Fairfield County, a 14% decline versus a year ago. In the Shoreline the decline was 12%, and in Litchfield County it was 4%. As we look toward 2012, we expect the condominium market to function similarly to the single-family home market. The continued reduction in inventory levels is a net positive for improving market equilibrium.

CONDOMINIUM CLOSED SALES AND MEDIAN SALES PRICES

	Closed Sales			Closed Sales YOY Change		Median Sales Price*			Inventory Level Change	Days on Market
	2011	2010	2009	2011 vs. 2010	2011 vs. 2009	2011	2010	2011 vs. 2010		
Fairfield County	1704	1741	1666	-2%	2%	\$220,000	\$256,000	-14%	-12%	132
The Shoreline	502	535	522	-6%	-4%	\$150,000	\$170,000	-12%	-8%	130
Litchfield County	142	146	160	-3%	-11%	\$120,000	\$125,000	-4%	-11%	133

*Median sales price represents rolling twelve-month data.



RARE WATERFRONT FRAZIER PETERS HOME - WESTPORT, CT - MLS: 98514119

WHERE WE ARE HEADED

We are optimistic about 2012, expecting our local real estate markets to continue to gradually re-invigorate, continuing many of the same patterns as 2011. The improving employment picture in metro New York and financial services-related industries, coupled with the positive national economic data that is being released, is helping to improve consumer confidence and is expected to positively impact our local Connecticut housing markets. But we are also cognizant that continued global political and economic unease could potentially moderate the constructive effects of the encouraging local employment direction and low interest rates.

The broader buyer base that emerged in 2011 will continue to bring improved activity levels to all segments of the market. As sales increase in the upper price points, it provides much-needed support for more moderately priced properties as some sellers trade down. Luxury level activity also provides a measure of confidence to the buying population at large.

We expect homes to remain exceptionally affordable with historically low mortgage rates and favorable selling prices. Buyers will continue to demand value, so pricing will remain a critical variable in the sale of a property. We anticipate buyers remaining exceedingly selective in their home search. For sellers, this means it is critical to ensure that properties are well-maintained, defects are repaired and homes are presented in their best light when offered for sale. With the supply of homes still larger than the number of buyers, consumers are passing over any properties that do not meet their exacting criteria or are not priced accordingly.

Banks will, we believe, continue to operate conservatively when evaluating loans. Our experience suggests it is important for consumers looking for a mortgage to work with professionals who offer a wide array of products and lending institutions. It is very clear in today's environment that each bank evaluates loans and appraises properties differently, depending on its internal protocols.

As we move into 2012, we are enthusiastic about the opportunities that exist for buyers and sellers alike. We have a real estate market that is stable and has the fundamentals in place for positive growth. There will clearly be broad variations in performance by town as the market continues to recover, but on an overall basis, we are confident the re-invigoration will continue in 2012.

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: *Italianate Courtyard used with permission.