

# THE GREENWICH REAL ESTATE JOURNAL

©2010 Shore & Country Properties, Inc. All Rights Reserved

Greenwich, CT

Your Source For Real Estate News

Spring 2010

## THE GREENWICH REAL ESTATE MARKET 2009 - THE UGLY TRUTH

We believe the worst is behind us. During the first few months of 2009, the Greenwich real estate market continued to struggle due to the weakened financial and credit markets that initiated the plummet in housing prices in the fall of 2008. Record setting unemployment, stricter lending practices and the continued reluctance of sellers to lower their asking prices created a market that barely had a pulse. By the end of January 2009 the Greenwich MLS had reported only three properties under contract compared to seven in 2008 and fifteen in 2007.

The long anticipated spring market never quite arrived. As inventory soared to levels not seen since the early 1990s, buyers continued to wait, determined the market had not yet bottomed. Since it began tracking the market, the Case-Shiller Index reported the largest nationwide drop in real estate. Those working as brokers and sales agents in the Greenwich market found themselves trying to manage the expectations of sellers who were faced with sometimes staggering declines in property values and buyers who were dead set on bottom feeding.

Soon, an entirely new lexicon found its way into the Greenwich market. Words such as "short sale" and "foreclosure" were being reintroduced, suddenly becoming part of the everyday language in the Greenwich real estate market. In March of 2009, the attorney for the Connecticut Association of Realtors stood before the members of the Greenwich Association of Realtors and noted that it was the first time during his tenure he was asked to discuss the foreclosure process in Fairfield County. Getting a grasp on how to handle properties that were underwater required educating both agents and their

clients and the process was far from simple.

By June of 2009, reality started to set in and savvy sellers who knew the market would trend lower or who needed to sell took advantage of credit worthy buyers who were able to get financing to purchase a home. These smart sellers understood the current value of their property plus the chance it could sink further and opted to cut their losses.

By the time fall arrived, the Greenwich real estate market seemed to have found a steady heartbeat and we saw a more serious group of buyers enter the market. This renewed interest was fueled by people feeling their jobs were now somewhat secure, the extension of the first time buyer tax credit and financing incentive and a nationwide sense of hope that the recession could be nearing its end. The sellers of Greenwich real estate finally started to understand that even the Greenwich real estate market is affected by the national economy and many realized that their home's value was in free fall. Those who carefully priced their home to reflect its condition and location quickly found that the buyers were there to buy.

Buyers who chose to purchase a home in 2009 wanted to know they were paying market price and buying value. The needle in the haystack, that one buyer who was always there to push prices higher in the past, still may be waiting in the wings for prices to continue to drop to make sure they do not overpay. From what we can tell now, there are plenty of potential buyers either in expensive rentals waiting for the right house at the right price to appear or others who are trying to sell another

property so they can free up the needed capital to purchase their next home.

We may not see the values of 2007 again anytime soon. There is a lot of clean up to do after the hubris of the past ten years. Only time will tell us where the value of Greenwich real estate is headed and when we will find the bottom of this market. We believe that if the bottom of the market is not here yet, that it will be here in the near future. When the bottom is found, we think we will not experience the "V" recovery we have seen in the past but instead an "L" shaped recovery with modest appreciation moving forward into the new decade.

Once all of the negative talk about real estate subsidies and we get back to the fundamentals of why a person wants to live in our town, people will realize there is no place in the world like Greenwich, Connecticut. Our town is by far one of the most beautiful in the country. We are blessed with many lovely enclaves and villages with personality, history and intrigue. Our property taxes are beyond fair given the amenities the town offers including its schools, parks, beaches, social services and shops. This leaves only one question: why wouldn't someone want to live here?

Therefore, we will carry on. And so will your investment in Greenwich real estate. Our town, our people and our locale are still second to none.

(See the chart below "Market at a Glance" for a quick summary of how the Greenwich real estate market fared in 2009 vs 2008.)

### GREENWICH REAL ESTATE - MARKET AT A GLANCE

#### Single Family:

	2008	2009	% Change
# of Sales:	460	370	-20%
Sales Volume:	\$1,263,762,302	\$953,752,778	-25%
Average Price:	\$2,747,309	\$2,577,710	-6%
Median Price:	\$1,950,000	\$1,595,000	-18%
# Sold Over \$5MM	53	43	-19%
Most Expensive:	\$30,000,000	\$22,500,000	
Least Expensive:	\$295,000	\$385,000	

#### Condominiums:

	2008	2009	% Change
# of Sales:	133	88	-34%
Sales Volume:	\$123,588,824	\$80,850,373	-35%
Average Price:	\$929,239	\$918,754	-1%
Median Price:	\$740,000	\$700,000	-5%
# Sold Over \$1MM	33	21	-36%
Most Expensive:	\$6,058,000	\$3,800,000	
Least Expensive:	\$280,000	\$172,500	

# THE GREENWICH REAL ESTATE JOURNAL

©2010 Shore & Country Properties, Inc. All Rights Reserved

## 2010 - A Turn Around Year?

How long can buyers and sellers wait? We believe this question will be answered in 2010. The up tick in buyer's interest and contracts signed in late 2009 may predict good news for 2010. There are several factors we believe are contributing to this. First, potential buyers in 2010 finally feel that their jobs are safe and that they can look toward the future not back at the past. Second, rising interest rates may spur many who have been fence sitting, watching and waiting, to move. There is no guarantee that rates will stay at their current, historically low level for a prolonged period which could cause buyers to finally stop looking and start buying. As everyone knows, if mortgage rates rise, a purchaser's monthly mortgage payments increase and their purchasing power diminishes. Third, there is a need for more realistic pricing of homes by the sellers and their listing agents. People buying and selling Greenwich real estate are well educated and well versed in what is going on in our market. For a seller to entice buyers to purchase their home, they must be ready to price their home at a level that reflects the new realities of value. Lastly, at some point, the cost of renting and the desire to try to build equity and take advantage of tax deductions will outweigh the concerns buyers have of overpaying. We saw signs of all this happening in late 2009 and we expect that trend to continue in 2010.

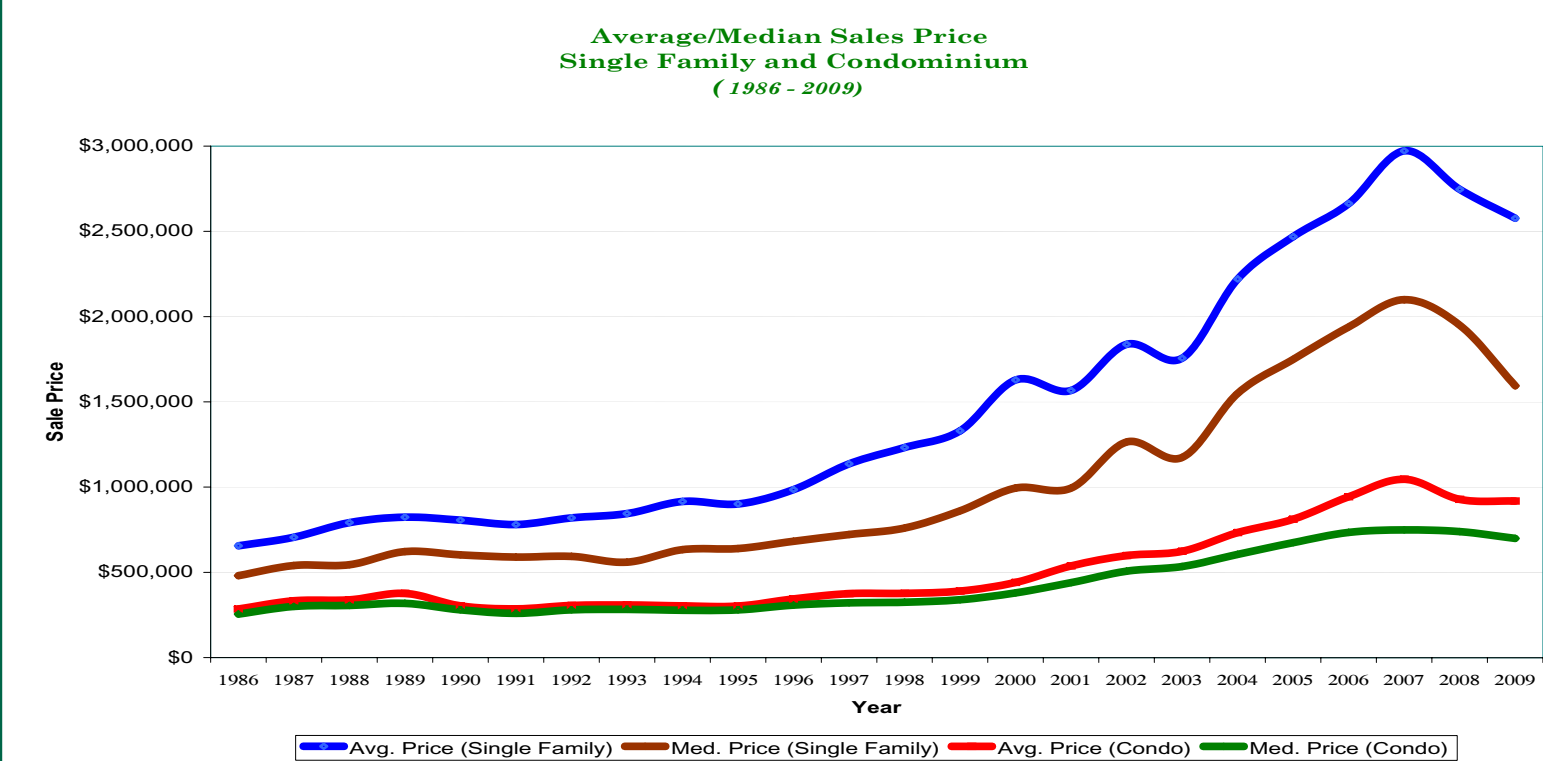
**What does this mean for sellers?** The price you place on your property must reflect its location and condition. Location is still the number one

determiner of price. If your home is in good condition, buyers are willing to pay more for it but if the location of your home is a concern, today's buyers will take that into account when making you an offer. With the market down some 25-30% from its high in 2007 you should expect to receive less for your home in 2010. Look around and see what other properties have sold for in 2009 and evaluate how these comparable sales affect your value. This is exactly what an appraiser will do for the potential buyer and the lender who will be financing the purchase of your property. Although you might feel your property has more value, the buyer and lender are only going to pay what they believe is market value at the time of the sale. Some good news, if you are hoping to trade either up or down, this is a good time to take advantage of price declines that are being seen all over the US. While you may not get nearly as much as you had hoped for on the sale, you must keep in mind that you can take advantage of lower prices on the buy side. So don't forget, 2010 is the year of being realistic about the value of your home given its condition and location.

**What does this mean for buyers?** Our best advice is not being afraid to make what you believe is a good market offer no matter what the listing price is. Some incredible values were found in 2009 by buyers who were willing to start a conversation with the seller. We can only wait and see if there are similar purchases made in 2010. 2009 was the year of the proverbial low ball offer. Many went unheard, but reasonable offers with strong financial

backing, and favorable terms, got the seller's attention. One of the differences between Greenwich and other markets is simple. Many sellers in the past have not had to sell. We think in 2010 there will be a lot of owners who will need to sell. Any seller taking the time to put their house on the market obviously wants to sell, but that doesn't mean he has to sell. Therefore, consult your realtor for comparable sales, bid fairly and be sure to have your financial approvals in place. This will ensure that your offer is treated seriously and will open a positive dialogue that will hopefully lead to an accepted offer and ultimately a closing.

Our hope for the 2010 Greenwich real estate market is that it rights itself. Perhaps our market is flat on paper, but in terms of quality of life, our town is thriving. For those who are thinking of buying in Greenwich, we think there might not be a better time. For those thinking about selling, make sure your property is priced to reflect its condition and location. All of us here at Shore & Country Properties have lived in this town for many years, we understand it, we appreciate it, and we love it. So when you are looking for a real professional to advise you concerning your investment in Greenwich real estate, think **Shore & Country Properties** - we provide service from the Shore to the Back Country. Call us today at **203-698-1234** or go to our website **LiveInGreenwich.com**. Let us show you how we can make a difference in your next real estate transaction. We are looking forward to the new decade in Greenwich Real Estate!



Source: Greenwich Multiple Listing Service, Greenwich Record of Real Estate Sales, searchGreenwich.net

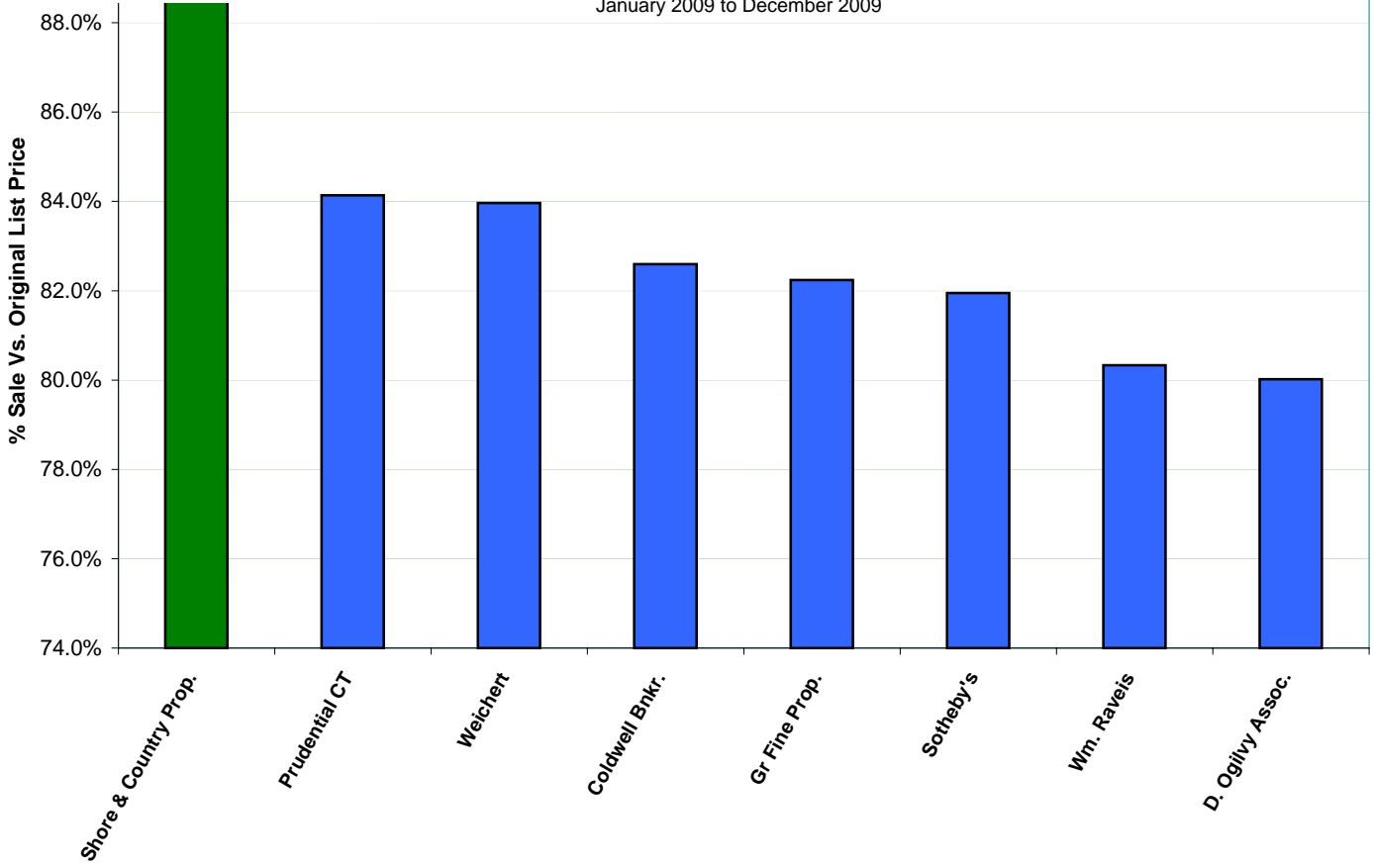
# THE GREENWICH REAL ESTATE JOURNAL

©2010 Shore & Country Properties, Inc. All Rights Reserved

Shore & Country gets its sellers the highest price.

## % Sale Vs. Original List Price - Single Family

(Firms with 10 or more Listings)  
January 2009 to December 2009

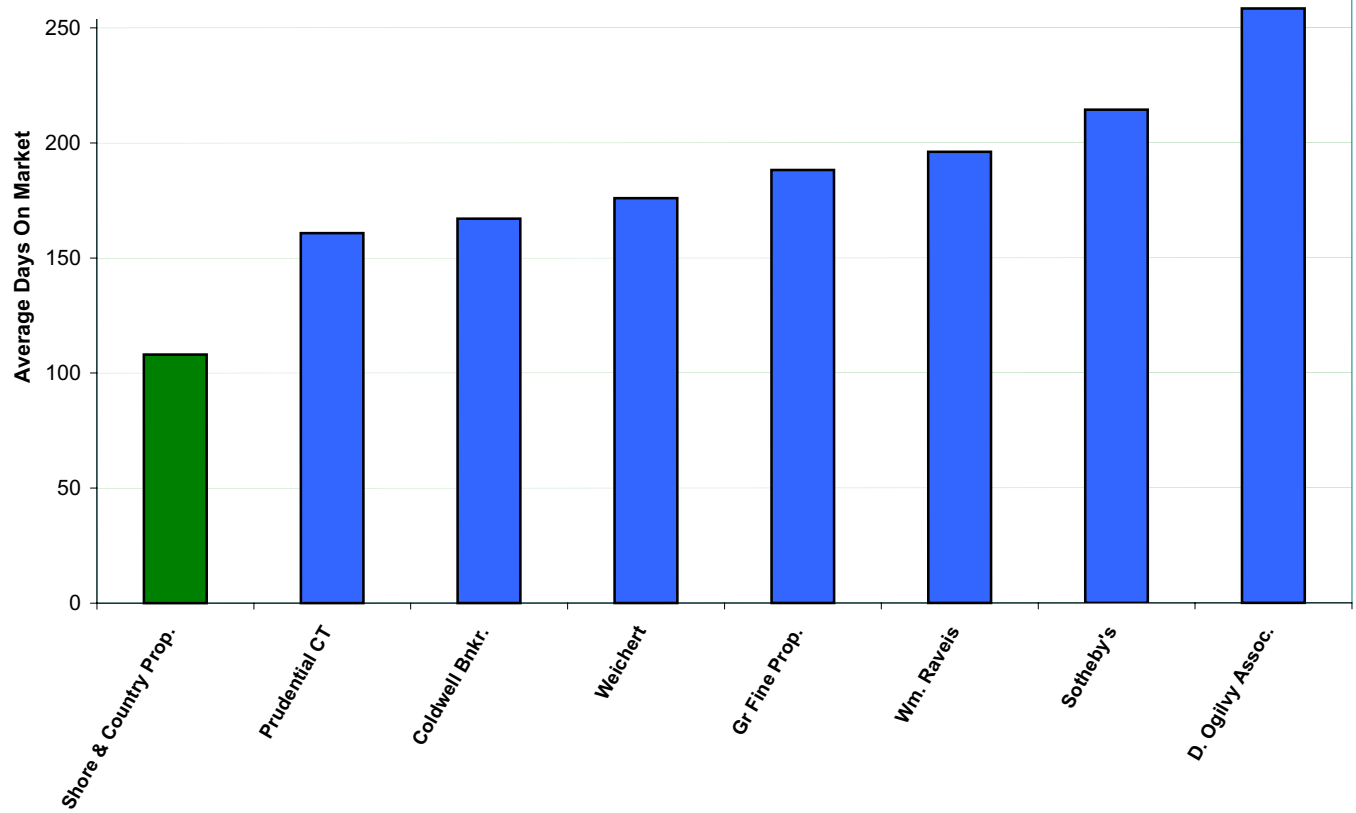


Source: Greenwich Multiple Listing Service

Shore & Country listings sell the fastest.

## Average Number of Days On Market - Single Family

(Firms with 10 or more Listings)  
January 2009 to December 2009



Source: Greenwich Multiple Listing Service

# SHORE & COUNTRY

PROPERTIES



## NEWS YOU CAN USE

The purpose of this newsletter is to give you "News You Can Use" about the Greenwich real estate market. As you know, Shore & Country Properties is the most respected Real Estate Company in Greenwich. Shore & Country Properties is known as Greenwich's Information Real Estate Professionals - this can best be seen by the company's premier web site at [www.LiveInGreenwich.com](http://www.LiveInGreenwich.com). No other real estate site on the internet offers you a more comprehensive overview of Greenwich, Connecticut. Check us out on the web or call us today at (203) 698-1234 so we can advise you about your real estate investments.

[www.LiveInGreenwich.com](http://www.LiveInGreenwich.com)

Go to our web site for complete information about Our Town, the Greenwich Real Estate Market and to learn more about Shore & Country Properties and our Agents.

## SHORE & COUNTRY

### THE PARTNERS



Russell Pruner



Nancy Healy



Joan Eband



Ken Yorke

### OUR AGENTS



Terry Baxendale



Susan Bisanzo



Pat Cea



Bill DeLuca



Alison Eiges



Doug Fainelli



Bill Fossum



Missie Heagney



Andy Healy



Steve Healy



Rick Loh



Carlton MacLean



JoAnn McCarthy



Jennifer O'Brien



Larry Peters



Marge Robben



Susan van der Griend



Anne Waldron



Frann Ward



Amy Whitlaw



Brooke Widen

(203) 698-1234  
LiveInGreenwich.com



17 WILMOT LANE  
RIVERSIDE, CT  
*across from the Riverside train station*