

CERC Residential Single Family House Sales: 2nd Quarter 2007

Overview

The median sales price for a single family house in Connecticut in the second quarter of 2007 was \$290,000. This was an increase of 8.2 percent from the median sales price for first three months of the year. However, when compared to the second quarter of the previous year, when the median sales price was \$280,000 the increase was only 3.6 percent. An affordability index suggests that household with the middle income out of all households in the state could buy the house that sold for a price in the middle off all the house prices in 4.5 years if they spent their income on nothing else. This affordability index is higher than historical measures but to some extent the increase in this index reflects the development of new financial instruments as well as a decrease in the affordability of housing for families with “average” incomes. This is especially true in Fairfield County where the affordability index was 7.4 due to a median house sales price of \$609,600 and an estimated median household income of nearly \$74,500.

CERC House Sales Report for Connecticut: 2007 Quarter 2

Region	Median Sales Price (Thousands)			Percent Change from previous:		Number of Sales			Activity Index (Sales per 1,000) (Prev 4 Q)	Percent Under \$400,000 (2007 Q2)	Affordability Index (4Q Moving Average)
	2007 Q2	2007 Q1	2006 Q2	Quarter	Year	Count Q2 2007	Change				
							From Q1 2007	From Q2 2006			
Connecticut	\$290	\$268	\$280	8.2%	3.6%	9,759	2,632	-923	10.5	68%	4.5
Fairfield County	\$610	\$530	\$565	15.0%	7.9%	2,571	796	-75	11.3	26%	7.4
Hartford County	\$241	\$230	\$237	4.8%	1.8%	2,416	689	-386	10.8	86%	4.1
Litchfield County	\$267	\$233	\$250	14.6%	6.7%	634	122	-71	9.8	77%	3.8
Middlesex County	\$300	\$275	\$285	9.1%	5.3%	526	146	-28	9.8	75%	4.3
New Haven County	\$260	\$238	\$260	9.2%	0.0%	2,121	503	-193	10.2	80%	4.5
New London County	\$263	\$250	\$255	5.1%	3.0%	832	245	-29	10.3	81%	4.4
Tolland County	\$243	\$245	\$243	-0.6%	-0.1%	398	125	-54	9.6	90%	3.6
Windham County	\$206	\$200	\$217	3.0%	-4.8%	261	6	-87	8.1	96%	4.0

With the exception of New Haven County which had an affordability index just slightly above the State's, the other counties affordability indices and their median house sales prices were below the State's. The variation in house sales prices and in the percents of those sales below \$400,000 is significant among the counties. At \$206,000, Windham County's median house sales price is only 34 percent of the median sales price of a house in the second 3 months of 2007 in Fairfield county and while 96 percent of the houses sold during that time were below \$400,000 in Windham County, only 26 percent were below that value in Fairfield county. However, the high prices do not seem to have had a negative effect on the number of sales in the county. While the number of sales in the state in the second quarter increased from the 7,127 in the previous quarter to 9,759 a 37 percent increase while in Fairfield the increase was 45 percent. There is undoubtedly a seasonal effect to the sales volume data as the change in the state from the sales in quarter 2 a year ago was down 923 or 9 percent and the decline in Fairfield was 3 percent. Another important measure of the volume of sales, the activity index, measures the number of sales relative to the total inventory of houses. The activity index suggests that for the state as a whole about 10 and a half houses out of every 1,000 were sold in the second quarter of 2007. This reflects about 1 percent of the total inventory of single family detached houses for the quarter. Overall for 2006 slightly over 4 percent of the state's total inventory was sold. Among the counties the highest activity index was 11.3 in Fairfield County and lowest at 8.1 in Windham County.

Town Sorts: Recent Prices

Among the towns, the median house sales prices for the second quarter ranged from \$1.96 million in Greenwich to \$129,000 in Sprague. Among the 10 towns with the highest median sales price there is nearly a \$1.2 million dollar difference among the median prices for the quarter resulting in the \$760,000 for the median price in Ridgefield being only 39 percent of the median price in Greenwich while at the bottom end the difference between the median price in Torrington at \$185,000 and the median price in Sprague being \$56,000 (70 percent of the value in Torrington). Roxbury, which is in Litchfield County, is the only town among the top ten not in Fairfield County. Among the bottom ten towns, four are in Windham three are in Hartford counties. One each are in Litchfield, New Haven and New London Counties suggesting a significantly higher diversity among the locations of the towns with the lowest median sales prices than the ten towns with the highest median sales prices.

Town	Med Price 2nd Q 2007 (\$1000)	Relative to State Median	Rank
Top 10			
Greenwich	\$1,958	6.8	1
New Canaan	\$1,465	5.1	2
Westport	\$1,450	5.0	3
Darien	\$1,295	4.5	4
Weston	\$936	3.2	5
Wilton	\$913	3.1	6
Roxbury	\$893	3.1	7
Redding	\$830	2.9	8
Easton	\$761	2.6	9
Ridgefield	\$760	2.6	10
Lowest 10			
Torrington	\$185	0.6	158
Killingly	\$185	0.6	159
East Hartford	\$183	0.6	160
Thompson	\$175	0.6	161
Windham	\$173	0.6	162
New Britain	\$169	0.6	163
Hartford	\$168	0.6	164
Pomfret	\$156	0.5	165
Waterbury	\$153	0.5	166
Sprague	\$129	0.4	167

Town Sorts: Change in Prices

The changes in the median prices from the previous quarter (quarter 1 2007) and the same quarter (Second) in 2006, also indicates some diversity among the towns. And for those towns that show up in both sets changes in the rankings. Even though both tables have the most recent quarter as a reference point, only three towns in the top ten. Among the bottom ten six show up in both the change from the previous quarter table and change from the same quarter a year ago.

Town	Quarterly Change in Med. Price	Rank
Top 10		
Warren	72%	1
Roxbury	64%	2
Salem	53%	3
Harwinton	45%	4
Kent	41%	5
North Stonington	41%	6
East Granby	34%	7
Southbury	33%	8
Stonington	31%	9
Preston	31%	10
Lowest 10		
Avon	-20%	148
Sherman	-21%	149
Salisbury	-22%	150
Sharon	-23%	151
Marlborough	-27%	152
Bethlehem	-28%	153
Hebron	-31%	154
Pomfret	-37%	155
Cornwall	-41%	156
Sprague	-51%	157

Town	Yearly Change in Med. Price	Rank
Top 10		
Washington	56%	1
Hampton	51%	2
Morris	48%	3
Hartland	41%	4
East Granby	36%	5
Thomaston	30%	6
Redding	28%	7
Warren	27%	8
Roxbury	23%	9
Killingworth	23%	10
Lowest 10		
Thompson	-20%	155
Newtown	-22%	156
Sprague	-24%	157
Marlborough	-25%	158
Canterbury	-26%	159
Bethlehem	-26%	160
Sherman	-28%	161
Canaan	-30%	162
Sharon	-34%	163
Pomfret	-52%	164

Town Index: Affordability

Town	Afford Indx Moving Average (4Q)	Rank
Top 10		
Greenwich	15.12	1
Stamford	9.79	2
New Canaan	9.78	3
Westport	8.88	4
Salisbury	8.07	5
Norwalk	7.79	6
Roxbury	7.03	7
Darien	6.98	8
Washington	6.72	9
Cornwall	6.44	10
Lowest 10		
Tolland	3.02	160
Andover	3.02	161
Hampton	2.99	162
Coventry	2.94	163
Scotland	2.85	164
Bozrah	2.69	165
Eastford	2.66	166
Hartland	2.65	167
Franklin	1.62	168
Union	0.85	169

The town of Greenwich had the least affordable median house prices over the previous four quarters when compared to the town’s estimated median household income. The affordability index of 15.12 suggests that it would take slightly more than 15 years of 2006 income values for a household earning the median income in the town to pay off a the cost of a house. Again of the top 10 towns, six of them are in Fairfield County with the other four being in Litchfield, Fairfield’s northern neighbor. Among the towns with the most affordable house prices given the income levels four are in Tolland, three in Windham two in New London and one in Hartford County. More than any other measure the affordability index splits the state into an expensive western section and a more affordable eastern section.

Town Sort: Activity Index

Town	Activity Index	Rank
Top 10		
Darien	20.4	1
Weston	19.4	2
Westport	18.7	3
New Canaan	16.7	4
Bridgewater	16.5	5
Ledyard	16.4	6
Simsbury	15.5	7
Fairfield	15.1	8
Burlington	15.1	9
Barkhamsted	15.1	10
Lowest 10		
Preston	5.2	160
Canterbury	5.2	161
Hebron	5.1	162
Middlefield	4.9	163
Colebrook	4.5	164
Pomfret	4.0	165
Sprague	3.9	166
Voluntown	3.7	167
Eastford	3.1	168
Norfolk	2.5	169

Out of the ten towns with the activity indices, 5 of them are in Fairfield County and two more are in Litchfield County. Two also are in Hartford County. The town of Ledyard in New London County has faced significant housing pressures due to the creation of 20,000 jobs at the two Indian Casinos in the area. Darien’s activity index of 20.4 suggests that, if house sales in the town were to continue, 8 percent of the town’s total housing stock would be sold in a year. This pace seems unlikely and in fact over the previous year only 5 percent of the total stock was sold. The towns with the lowest activity indices tend to be fairly rural towns with small inventories and apparently even relatively smaller house sales rates.