

## Connecticut Single Family Home Sales: 2008:Q4

### Overview

There were 5,292 sales of single family homes in Connecticut during the 4<sup>th</sup> quarter of 2008, a decrease of 2,176 from the previous quarter, and of 1,415 when compared to the same quarter a year ago. The median sales value also decreased by 14.3 percent, from \$280,000 the previous quarter and also by 14.3 percent seen during the 4<sup>th</sup> quarter in 2007<sup>1</sup>.

### Home Sales for Connecticut: 2008:Q4

Region	Median Sales Price (Thousands)			Percent Change		Number of Sales			Activity Index (4Q Sales per 1,000)	Percent Under \$400,000	Affordability Index (Median HH income 2008)
	2008:Q4	2008:3	2007:Q4	Q-Q	Yr-Yr	2008:Q4	Change				
							From 2008:3	From 2007:Q4			
Connecticut	\$240.0	\$280.0	\$280.0	-14.3%	-14.3%	5,292	-2,179	-1,415	4.3	79%	3.6
Fairfield County	\$435.0	\$571.3	\$545.0	-23.9%	-20.2%	1,034	-792	-530	4.0	44%	5.4
Hartford County	\$215.0	\$248.0	\$235.0	-13.3%	-8.5%	1,484	-541	-213	4.5	87%	3.4
Litchfield County	\$215.5	\$235.0	\$240.0	-8.3%	-10.2%	344	-84	-52	4.5	84%	3.1
Middlesex County	\$262.5	\$280.0	\$300.0	-6.3%	-12.5%	283	-118	-134	4.6	81%	3.5
New Haven County	\$228.0	\$252.0	\$250.0	-9.5%	-8.8%	1,265	-379	-251	4.0	88%	3.8
New London County	\$214.3	\$238.0	\$256.8	-10.0%	-16.6%	469	-132	-120	4.2	89%	3.4
Tolland County	\$230.3	\$235.0	\$255.0	-2.0%	-9.7%	238	-86	-57	4.7	88%	3.1
Windham County	\$180.0	\$190.0	\$215.0	-5.3%	-16.3%	175	-47	-58	4.6	97%	3.3

Source: The Warren Group, CERC calculations. Affordability Index= Current quarter median price in specific geography divided by most recent available median household income in the same geography. Income estimate from CERC DataFinder/AGS  
All data in table are filtered to identify only arms length transactions. (Change from previous tables published by CERC.)

The upside, at least from a statistical perspective, in price declines is that the affordability index improves. This index is based on the median house sales prices in the state, county or town and the median income estimates in the same geography. For Connecticut, the index dropped to 3.6. This was the first time it has been observed below 4.0 since 2007Q2 when CERC first started these reports. As we have pointed out in previous reports, the ability of households to purchase homes however, is likely to have dropped due to the current economic environment and more stringent lending criteria in Connecticut and across the U.S.

<sup>1</sup> All CERC Home Sales Reports for 2008 are based on a revision from methodology used for the CERC reports in 2007. This revision filters out house sales that are not "arms length" transactions. See the first footnote in the 2008:Q1 for a fuller explanation.

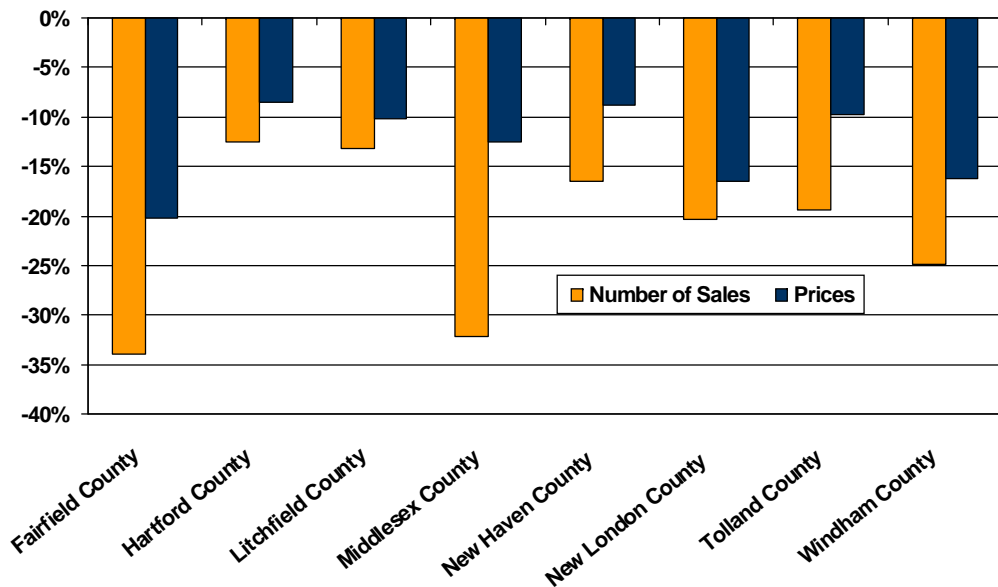
All counties in Connecticut experienced declines in both the number of sales and the median price compared to the previous quarter and from the same quarter in 2007. Because the fourth quarter generally has lower sales volume and median prices, annual same quarter year-to-year comparisons are generally more helpful than analyzing quarter to quarter

fluctuations. The graphic below shows the year over year change in quarterly sales and prices.

Fairfield and Middlesex Counties both had decreases in the number of sales by more than 30 percent from 2007Q4 and Fairfield County had the largest decline in the median sales price, down slightly more than 20 percent from \$571,300 to \$435,000. The smallest decrease in both median price and sales volume was in Hartford County

which saw prices drop to \$215,000 from \$248,000 for a 13.3 percent drop while sales volume only fell by 12.5 percent. The distribution of sales in 2008Q4 relative to the stock of single family housing suggests a weak housing market in Fairfield County, since it accounted for only 19.5 percent (share of total stock?) of all sales in the state but has 24.3 percent of the state's total housing Stock. The housing market in Hartford County, on the other hand, was fairly robust with 28.0 percent of the total sales based on only 25.4 percent of the state's total stock. This observation may reflect the ability for households in the Fairfield region to hold onto their

Change in number of sales and median prices by County  
2007:Q4 to 2008:Q4

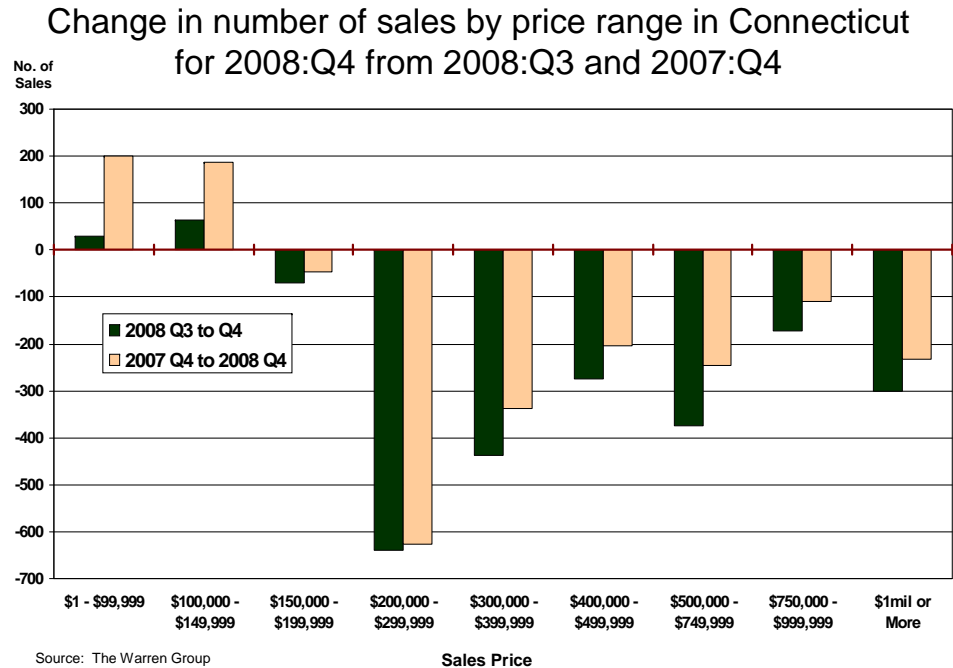


Source: The Warren Group

properties for a longer time or avoid foreclosures while the lower net wealth available to households in the Hartford area may have created a more active market. Whether this will result in pent-up demand or a slower recovery in Fairfield County is not clear at this point.

The decrease in single family home sales during 2008:Q4 when compared to the previous quarter and the same quarter the previous year were primarily in the \$200,000 to \$400,000 price ranges, the range that, most likely, has the largest number of houses in the state.

Increases in the number of sales occurred in the price ranges below \$150,000. The increase in sales volume in this price range is likely to reflect, in part, the selling of properties by banks clearing foreclosures from their books. In the CERC home sales report for the 3<sup>rd</sup> quarter 2008 sales volume in all price ranges showed slight quarter to quarter increases, suggesting that the housing market had stabilized and started to recover. The latest quarterly data, however, clearly indicate that the market resumed its downward trend during 2008Q4.



## Town Summary

Between 2008:Q3 and 2008:Q4 the median sales price increased in 38 of 169 towns (22 percent) a decrease of eight fewer towns compared to 2008:Q2. When compared to the median price observed a year ago, 31 towns had a year-over-year increase. The number of sales increased in 22 towns between the 2008Q3 and 2008Q4 and in

Count of towns and percent of all towns in region with increased median home sales price and number of sales, 2008:Q4

Region	2008:Q3 to 2008:Q4				2007:Q4 to 2008:Q4			
	Price Increase		Volume Increase		Price Increase		Volume Increase	
	#	%	#	%	#	%	#	%
Connecticut	38	22%	22	13%	31	18%	34	20%
Fairfield County	4	17%	1	4%	2	9%	2	9%
Hartford County	6	21%	3	10%	5	17%	7	24%
Litchfield County	5	19%	4	15%	7	27%	9	35%
Middlesex County	6	40%	2	13%	5	33%	2	13%
New Haven County	4	15%	3	11%	3	11%	6	22%
New London County	5	24%	4	19%	3	14%	4	19%
Tolland County	6	46%	3	23%	4	31%	3	23%
Windham County	2	13%	2	13%	2	13%	1	7%

Source: The Warren Group

34 towns between the fourth quarter in 2007 and 2008. Tolland, with 13 towns in the county, had increased prices in six and increased sales in three resulting in it being the county with the highest percent of towns with increased sales or median sales prices between 2008Q3 and 2008Q4. Of the 23 towns in Fairfield County, only Sherman had an increase (from 3 to 4) in the number of sales from 2008Q3. Fairfield County also had only 2 towns with increases in sales (Bethel and Brookfield) or increases in median prices (Darien and Redding) when compared to 2007Q4. It is interesting to note that is the other county in Connecticut that competed with Fairfield for the lowest share of towns with increases was Windham County. Windham County had only two towns with increases in their median prices and was the county with the lowest percent of towns with increases from 2008Q3 to 2008Q4. As usual the town by town changes reflect the variability within the state that is often missed in the more aggregate statistics but in general suggest a relatively weak market across the entire state that is affecting all income and wealth levels.

**Town Ranks: Median Sales Price**

As has been the case in all but one quarter since 2007Q2 Greenwich topped the list of towns in Connecticut with the highest median prices. The exception was 2008Q2 when Warren topped the list with a total of three sales for the quarter. Median prices in Greenwich fell by six percent between 2008Q3 and 2008Q4 after falling by 12% the previous quarter. Median prices in Greenwich have fallen by 14 percent in the past year (2007Q4 to 2008Q4). Darien, always among the top five, came in for the first time with the second highest median price for all towns in the state. The towns of Darien, Easton, Greenwich, New Canaan, Weston, Westport and Wilton have all been among the ten towns in the state with the highest median home sales prices since 2007Q2 when CERC started analyzing quarterly sales data. The town of Ridgefield is missing from this list of 10 for the first time while the town of Essex with nine sales and a median sales price of \$624,000 is on this list for the first time with the eighth highest median price among all 169 towns in the state.

Town	Med Price 2008:Q4 (\$1,000)	Relative to State Median	Rank
Most expensive			
Greenwich	\$1,537.5	6.41	1
Darien	\$1,415.0	5.90	2
Westport	\$1,162.0	4.84	3
Roxbury	\$975.0	4.06	4
New Canaan	\$950.0	3.96	5
Weston	\$757.5	3.16	6
Wilton	\$734.0	3.06	7
Redding	\$645.0	2.69	8
Essex	\$624.0	2.60	9
Easton	\$601.0	2.50	10
Least expensive			
Windham	\$160.0	0.67	149
Thomaston	\$159.7	0.61	150
Winchester	\$159.0	0.66	151
Putnam	\$158.5	0.66	152
Bridgeport	\$158.0	0.66	153
Plainfield	\$155.3	0.65	154
New Britain	\$150.0	0.63	155
Hartford	\$143.0	0.60	156
Waterbury	\$130.5	0.54	157
Voluntown	\$106.5	0.44	158

Source: The Warren Group  
 Note: Towns with no data are not ranked

Except for the town of Essex, the ten towns with the highest median sales prices have been in that list at least one other time since 2007Q2. Roxbury has been in this list only one other quarter while the town of Redding has been in the list five other times. . Warren’s breaking into this list and showing up at the top replacing Greenwich is a result of a unique convergence of statistics. There were only three home sales in Warren during 2008:Q3, with two being above the median price of \$2.6 million, and the third one selling for between \$200,000 and \$299,999.

Since 2007Q2 eight towns have broken into the top ten list once and as noted above Roxbury has been in the list twice. All the other 9 towns are all in Fairfield County and all have been in the list at least five times of the seven times, suggesting a relatively stable group of towns that could consistently be identified by their high home sale prices.

Median Home Prices for the Top 10 Towns for each Quarter Since 2007:Q2 (in thousands)

Town	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Bridgewater						\$703.75	
Canaan			\$642.00				
Cornwall					\$805.00		
Darien	\$1,295.00	\$1,422.50	\$1,100.00	\$1,225.00	\$1,487.50	\$1,055.00	\$1,415.00
Easton	\$761.00	\$674.50	\$710.00	\$912.50	\$725.00	\$685.00	\$601.00
Greenwich	\$1,957.50	\$1,975.00	\$1,780.00	\$1,785.00	\$1,862.50	\$1,637.50	\$1,537.50
New Canaan	\$1,465.00	\$1,725.00	\$1,677.50	\$1,600.00	\$1,645.00	\$1,597.50	\$950.00
Redding	\$829.50	\$705.00		\$665.00	\$636.25		\$645.00
Ridgefield	\$760.00	\$794.40	\$800.00	\$835.00	\$661.50	\$690.00	
Roxbury	\$892.50						\$975.00
Salisbury			\$667.50				
Warren						\$2,635.00	
Washington				\$640.00			
Weston	\$936.25	\$962.50	\$790.00	\$870.00	\$945.00	\$970.00	\$757.50
Westport	\$1,450.00	\$1,285.00	\$1,273.00	\$1,230.00	\$1,118.00	\$1,355.00	\$1,162.00
Wilton	\$912.83	\$881.00	\$890.00	\$907.50	\$1,017.75	\$850.00	\$734.00
Stamford		\$703.80					
Essex							\$624.00

Source: The Warren Group

Among the ten towns with the lowest median price for 2008Q4 there is more variability in the towns included in this group, although Hartford, New Britain and Waterbury have always been in the list. East Hartford, Sprague, Torrington, Winchester and Windham have appeared four or more quarters. Torrington, however, may be trending away from this list as it has not appeared since 2008Q1. Bridgeport and Voluntown appeared on the list for the first time this quarter.

Median Home Prices for the Most Affordable 10 Towns for each Quarter Since 2007:Q2 (1,000s)

Town	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Chaplin		\$175.00					
Cornwall			\$50.00				
East Hartford	\$182.90	\$185.00		\$170.50		\$170.00	
Eastford					\$164.50		
Hampton					\$132.50		
Hartford	\$168.00	\$168.00	\$158.99	\$156.00	\$161.50	\$159.95	\$143.00
Hartland						\$165.00	
Harwinton					\$177.00		
Killingly	\$184.50						
New Britain	\$168.50	\$163.00	\$159.50	\$147.71	\$149.90	\$150.00	\$150.00
New Haven				\$170.00			
New London					\$167.00	\$170.00	
Norfolk		\$172.50		\$168.00			
North Canaan			\$100.00				
Plainfield		\$179.00				\$166.00	\$155.25
Plainville				\$170.45			
Pomfret	\$156.40						
Preston						\$154.30	
Putnam						\$166.45	\$158.45
Sprague	\$128.73		\$53.00	\$141.00	\$175.00		
Thomaston			\$170.00				\$159.65
Thompson	\$175.00		\$171.11				
Torrington	\$185.00	\$181.00	\$168.00	\$176.00			
Waterbury	\$153.00	\$156.00	\$144.90	\$142.50	\$135.95	\$149.25	\$130.45
Winchester		\$171.50		\$175.00	\$178.70		\$159.00
Windham	\$172.95	\$180.00	\$172.00		\$165.00	\$164.50	\$160.00
Bridgeport							\$158.00
Voluntown							\$106.50

Source: The Warren Group

**Town Ranks: Change in Prices**

Kent in Litchfield county had the largest percentage increase in median home sales prices when compared to both the previous quarter and the previous year.

Sharon and Canaan, also in Litchfield County, had the largest price decreases between 2008Q3 and 2007Q4 respectively. Because absolute changes and

percentage changes in prices can be very volatile in towns with relatively few sales, the accompanying chart includes the sales volume and as often is the case the towns that stand out in price changes have

relatively few sales. Kent and Sharon both had four sales in 2008Q4 and 12 in 2008Q3, while Canaan had four sales in 2008Q4 and only three sales in 2007Q4. Towns in this table such as Darien, New Hartford, Old Lyme, and Granby with around 25 or more sales in a given quarter should be considered. Darien for instance has an increase in median price over the previous quarter and same quarter a year ago but a large reduction in number of sales.while New Hartford also has a large decrease in the number of sales but a significant drop in the median price. Home owners who can and are waiting for the market to improve could explain New Hartford but the increase in the median price with fewer sales in Darien suggests a relatively unique selection process.

Town	Price Q - Q	Rank	Count of Sales		Town	Price Yr - Yr	Rank	Count 2007:Q4
			Current Quarter	Previous Quarter				
Largest price increase			Largest price increase					
Kent	96%	1	4	12	Kent	115%	1	7
Roxbury	70%	2	5	4	North Canaan	47%	2	4
Norfolk	68%	3	8	6	Sprague	36%	3	3
Pomfret	48%	4	4	8	Old Lyme	32%	4	27
Hartland	42%	5	3	4	Granby	29%	5	31
Preston	36%	6	7	8	Norfolk	28%	6	11
Essex	36%	7	9	11	Chester	25%	7	5
Darien	34%	8	27	71	Durham	22%	8	22
Harwinton	31%	9	10	8	Sterling	22%	9	10
Beacon Falls	28%	9	6	4	Darien	20%	10	49
Largest price decrease			Largest price decrease					
Colebrook	-33%	148	5	5	Andover	-40%	147	8
Southbury	-33%	149	10	8	Preston	-41%	148	7
New Hartford	-36%	150	27	71	Voluntown	-42%	149	8
East Haddam	-37%	151	9	11	Salisbury	-42%	150	6
New Canaan	-41%	152	7	8	New Canaan	-43%	151	56
Goshen	-42%	153	3	4	Haddam	-45%	152	30
Canaan	-42%	154	4	8	Middlefield	-46%	153	9
Washington	-44%	155	8	6	Sharon	-53%	154	7
Voluntown	-51%	156	5	4	Washington	-66%	155	8
Sharon	-62%	157	4	12	Canaan	-72%	156	3

Source: The Warren Group  
 Note: Towns with no data are not ranked

**Town Ranks: Affordability Index and Activity Index**

Town	Affordability Index (2008:Q3)	Rank
Top 10		
Greenwich	12.02	1
Kent	8.57	2
Roxbury	8.44	3
Stamford	8.05	4
Darien	7.60	5
Westport	7.39	6
Essex	7.35	7
Salisbury	6.19	8
Norwalk	6.18	9
Old Lyme	6.07	10
Lowest 10		
Hebron	2.51	149
Canterbury	2.49	150
Killingworth	2.49	151
Colebrook	2.46	152
Washington	2.37	153
Thomaston	2.36	154
Haddam	2.34	155
Andover	2.00	156
New Hartford	1.95	157
Voluntown	1.50	158

Source: The Warren Group

Note: Towns with no data are not ranked

While home prices in Greenwich are more affordable than ever, it would still take 12 years of income for a family earning the median income in the town to buy a median priced home. In 2008Q4 five of the ten least affordable towns are in Fairfield County. Connecticut’s other western county, Litchfield, accounted for three more in the least affordable set but also four towns among the most affordable set of ten. This affordability index can only serve as a general proxy for housing affordability as it does not take into account current mortgage rates or the availability of various financial instruments such as balloon or ARM

Town	Activity	Rank
Highest Activity		
Burlington	8.0	1
Weston	7.9	2
Darien	7.6	3
Norfolk	7.6	4
Westport	7.5	5
East Granby	7.3	6
Simsbury	7.0	7
West Hartford	6.9	8
Coventry	6.9	9
New Canaan	6.8	10
Least Activity		
Danbury	2.7	160
Union	2.7	161
Hampton	2.7	162
Woodbury	2.4	163
Stamford	2.3	164
Morris	2.2	165
East Windsor	1.8	166
Bridgeport	1.8	167
New Haven	1.7	168
Hartford	1.2	169

Source: The Warren Group

Note: Towns with no data are not ranked

mortgages, or increases in down payment requirements. It is also critical to note that it does not reference either starter house prices or entry level wage rates.

The towns that are relatively high on the activity index appear to be relatively tightly grouped geographically in either lower Fairfield County around Darien and Weston or in central Hartford County around the West Hartford and Simsbury area. Many of the major cities in Connecticut including Hartford, New Haven, Bridgeport, Stamford, and Danbury all appear among the ten least active in the state this quarter.