

- **Forget Nemo—It's all about "Finding Value"**
- **It may have felt worse, but Greenwich held its own**
- **Transactions for the year flat and pricing down 4%**
- **Activity varied significantly by price point**

Activity Flat, Prices Down

Despite a year of head winds from new tax laws, higher mortgage rates, a volatile stock market and political scene, Greenwich's residential market held its own in 2018.

Fourth-quarter transaction volume was a respectable 184 units, a 5% increase over a year ago, and indicating solid demand

for housing in Greenwich. Pricing remained under pressure with the average price per transaction declining 18% to \$1.97m from \$2.4m the prior quarter. (4Q18 was skewed by 4 large closings totaling \$79 million in 2Q17.) Year-over-year the average sale price of \$2.062m was down a modest 4% vs 2017. Although difficult to quantify, there has been a noticeable uptick in [savvy New Yorkers crossing over the border](#) to take advantage of the lower property taxes and the market reset. Buyers are searching for value.....and finding it.

Closing Activity—Single Family & Condo/Co-op

	Fourth Quarter 2018			Year To Date		
	2018	2017	% Chg	2018	2017	% Chg
# Closed	184	176	↑ 5%	774	772	— 0%
Total Value (\$M)	\$362.14	\$423.00	↓ -14%	\$1,596.2	\$1,659.6	↓ -4%
Avg Price (\$M)	\$1.97	\$2.40	↓ -18%	\$2.062	\$2.150	↓ -4%

Source: GMLS.

\$2-3M Segment Was Sweet Spot in 2018

- The bright spot for the year was the \$2-3.0 million segment, posting a 13% increase in activity, a 16% rise in dollars traded and a 2% gain in price per transaction. Even these numbers indicate pricing was under pressure.
- The biggest segment, \$2 million & Under (representing 34% of total dollars traded) remained stable in both activity and pricing.
- The \$5-7.99M segment posted a 28% decline in transactions.
- There were 10 closings of \$10 million-plus this year, up from 8 closings a year, but lower total dollars traded.

Forget Nemo, It's Finding Value

If you were a Seller in 2018, it required a lot of patience as many buyers sat on the sidelines digesting the impact of the new tax law and rising mortgage rates. The buyers that did step up tended to hold firm on pricing resulting in some tough negotiations.

The good news looking ahead is that the Fed appears to be tempering rate increases in 2019. Mortgage rates have declined in the last two months from a peak of near 5% in November 2018 which was a level not seen since April 2010.

Because buyers have been sitting on the sidelines, we believe there is some pent up demand. We've seen an uptick in showing activity in late December and January, typically a very quiet time of the year. This bodes well for the spring market, but don't bring out the mariachis quite yet. We expect pricing to remain under pressure in 2019 as the new spring inventory will provide buyers with increased options. Buyers who can move quickly (i.e., financing in place, all cash offers) will be in the strongest position to find great value.

Activity By Price Point

(\$ in millions)

Full Year 2018	Closed Sales	Total Value	Avg Price
Up to \$2.0 M	507	\$549.1	\$1.083
\$2+ to \$3.0 M	118	\$295.9	2.508
\$3+ to \$5.0M	100	\$377.5	3.775
\$5+\$7.99M	34	\$203.2	5.976
\$8.0 to \$9.99M	5	\$43.6	8.716
\$10.0+ M	10	\$127.0	12.703
Total	774	\$1,596.2	\$2.062

Full Year 2017

Up to \$2.0 M	511	551.0	1.078
\$2+ to \$3.0 M	104	254.8	2.450
\$3+ to \$5.0M	98	374.4	3.820
\$5+\$7.99M	47	291.5	6.202
\$8.0 to \$9.99M	5	45.0	9.000
\$10.0+ M	8	146.8	18.350
Total	773	\$1,663.5	\$2.152

Source: GMLS

At the end of 2018, there were 562 active listings compared to 541 a year ago. This number typically increases to the 700-800 level in the second and third quarters. The real question will be demand and what will get Buyers off the sidelines. Finding value is key.

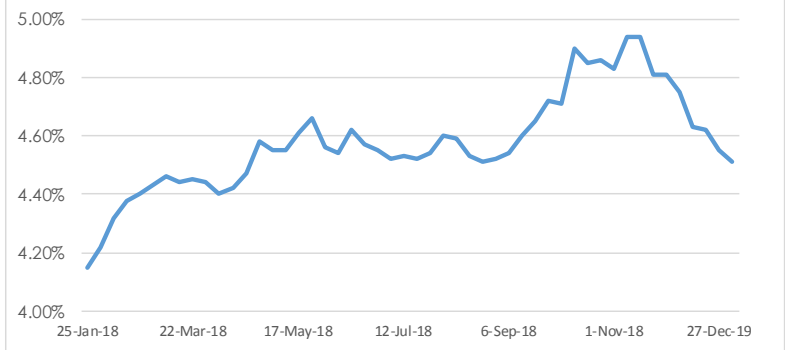
What is Value?

Value is defined by different metrics by buyers, sellers, agents and appraisers. Discount from initial asking price is one we hear all the time. We also hear buyers and sellers quoting assessed value or assessment ratios.

One technique is price per square foot which is a good starting point, but in Greenwich, if the data is not cleaned properly among all the comparables, buyers/sellers will end up with inaccurate data and thus, conclusions. Determining a true substitution property will be based on the enriched data and take into account the quality of construction, age, layout, location, zoning, amenities and property nuances.

Basing offers or listing price on just one method can be unreliable. Properties trade within a range of reasonableness. Finding value is a collaborative effort ultimately between the buyer and the seller. Understanding each side's priority (timing, price, accommodations, etc) is important. It's worth noting again, buyers who are willing to execute quickly will likely be in the strongest position.

30-Year U.S. Mortgage Rate



Source: YCharts.

The Chart Toppers

Date	Address	Sold PR\$	Original PR\$	Price		Sqft	Acres	Yr Built	Bed	FB/	HB	FP
				Discout	DOM							
12/21/2018	110 Clapboard Ridge	17,500,000	29,500,000	-41%	846	NA	5.34	2011	6	7	6	7
5/30/2018	207 Byram Shore	17,000,000	32,000,000	-47%	1728	12,788	3.28	1916	6	6	2	9
2/7/2018	51 Glen Avon	14,500,000	15,900,000	-9%	15	8,916	1.52	2009	5	8	1	5
1/3/2018	11 French	12,075,000	13,145,000	-8%	406	10,500	2.00	2017	7	6	3	6
6/26/2018	17 Woodside	11,500,000	11,500,000	0%	0	10,533	2.40	1928	8	10	3	7
6/1/2018	10 Pilot Rock	11,250,000	13,750,000	-18%	680	7,247	1.00	2008	5	5	3	5
1/18/2018	11 Skyridge	11,100,000	13,500,000	-18%	130	11,229	4.99	2000	7	8	3	8
5/15/2018	2 Deerpark Meadow	11,100,000	12,900,000	-14%	43	11,115	2.02	2008	8	10	3	7
12/18/2018	11 Mayfair	10,500,000	14,900,000	-30%	133	11,927	13.07	1930	7	9	2	6
7/18/2018	65 Upper Cross	10,500,000	10,500,000	0%	0	21,344	21.90	1997	9	8	3	7

Source: GMLS

- There were zero sales above \$20 million in 2018 versus 4 in 2017.
- 11 Mayfair was listed in April 2016 for \$22 million
- 11 Skyridge had sold in 2012 for \$13.9M.
- 65 Upper Cross was marketed for \$16M but posted on MLS as direct transaction.
- 11 French Rd sold with an extra lot listed at \$3.95m, so it's total asking price was \$13.145M

For additional information or complimentary Market Valuation on your property, please contact:

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