

# Tide Turning for Area Realtors

By KATHRYN BOUGHTON

The economic meltdown in late 2008 brought the overheated real estate market in Northwest Connecticut to a screeching halt. Real estate agents spent anxious months in 2009 as their phones refused to ring, but the dawning of 2010 has brought a more encouraging scenario. This past week saw two major property sales that broke through the usual ceiling for Litchfield County luxury properties, and realtors are reporting strong interest from buyers in most other areas.

“The market is most definitely starting to recover,” said Chris Garrity of Bain Real Estate in Kent and Sharon. “Last year, I turned

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—Ira Goldspiel,  
Sotheby’s realtor

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the year with one sale pending; this year I have 12.”

It is a story repeated by other major agencies in the county. Indeed, two of them, Sotheby’s International Realty, with offices in Salisbury, Kent and Washington, and Klemm Real Estate, which has six offices in Litchfield County, participated in this week’s \$8.5 million sale of a Kent property. Klemm also facilitated the recent sale of the highest priced property ever sold in Roxbury, the estate of television producer and art collector Douglas Cramer, which sold for \$7.5 million.

That Kent property, according to real estate sources not affiliated with Klemm or Sotheby’s, was sold by former Avon products CEO James Preston.

“We have just seen two sales in the \$8 million range,” said Alan DiStasio, regional brokerage manager for Sotheby’s International. “Before 2008, the ceiling for luxury properties was roughly \$6 million. We saw a few

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Above, the team at Sotheby’s International Realty in Washington. Below, Graham, left, and Peter Klemm of Klemm Real Estate. The house behind them sold in six months for \$2.65 million.

Photographs by Walter Kidd



## Realtors in the County See Market Improving

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sales that were higher, but they were anomalies. Now, we are actually seeing, despite the overall reduction of selling prices, some higher end sales that were not attainable in previous years. Whether that will continue to maintain I don't know, but we do see lot more interest in the market. We are working with some high-end buyers right now and it's a matter of them finding value."

The Preston family's property, called Stone Acres, was an exclusive listing with Sotheby's since it became a first-time offer in 2008. It was initially listed for \$13 million, but in the cool light of 2010 the asking price was reduced to \$8,950,000, and it sold for approximately \$8.5 million. Klemm Real Estate in Washington Depot represented the buyers.

Mr. Cramer had asked \$9.3 million for his property. The previous record for a Roxbury property sale was \$4.5 million, although one of the so-called "anomalies" described by Mr. DiStasio sold in Kent in 2008 for more than \$11 million.

The high-end sales prove a truism: motivated sellers must be willing to face market realities even in the stratosphere of luxury sales. "If you are asking a huge extreme you have to work with the market," said Graham Klemm, a principal in the family firm. "If [your property] has been exposed at a certain price for a period of time and has not sold, then it requires a price reduction."

"It's definitely a buyer's market," said Klemm agent Gael Hammer. "Everything is selling at a deep discount. People with deep pockets are coming up and out, but again at a discount. I currently have a listing at over \$2 million. I always thought it should be below \$2 million, but the owner says someone could bring him a lower offer and he would not be insulted. We don't encourage severe bottom fishing, but offers owners would never have dreamed of entertaining two years ago we now welcome."

"If you have a shrewd eye, there are deals to be had," added Ira Goldspiel, a Kent realtor with Sotheby's. "Listings that were in the high 600,000s are now in the 500,000s—with negotiations they could be in the 4's. It's not so much bargains and steals, but good buys. Forget list prices, they haven't caught up with the market. Look at what has sold—every price point is a deal. It is not a boom yet, but it is picking up."

Gary Passineau, an agent with William Raveis Real Estate in New Milford, said he saw a "noticeable spurt" toward the end of January, but that the recent spate of inclement weather has slowed things again. "People are once again interested in the tax incentives the government is offering," he said. "That generates interest in lower-priced homes, but homes above \$500,000 are still struggling in New Milford."

Mr. Passineau said the recent high-priced sales in neighboring towns are probably generated by bonuses given by financial agencies in New York. "But as we speak, our average price for sales is lower than it has been previously," he said. "We don't have a glut of inventory right now, but in New Milford there have been all of 16 sales since Jan. 1 of this year and the highest price was \$470,000. Only three of those were for more than \$400,000 and one that sold in the mid-\$400's was once on the market in the mid-\$600's."

He said that in 2009 there were only six January sales in New Milford, as compared to 11 this year. "So it has increased, but at lower prices," he said. "And you are comparing to a time when things had just come to a halt, a time frame that was as bad as we have ever seen."

Mr. Garrity said that not every house that sells below its original asking price can be seen as a loss for the owner. He said the loss can be written off and that the owners should also consider the tax benefits they realized while living in the house. Even with the reduced sale price they will have benefited more than they would have renting for virtually the same price as their mortgage payments.

"One Cornwall house was priced at \$525,000—they paid \$515,000 nine years ago. In

some situations, people have lost 30 percent of the value in their homes, but it's really about perspective," he said. "The ones I feel for are those people who don't have money and who are upside-down on their mortgage—that's tough."

The realtors remarked that foreclosures have hit all parts of the market, but, of course, have struck most intensely at the lower end where people have fewer resources to withstand economic setbacks. Mr. Hammer remembers one property, listed at \$4.3 million, that eventually was sold for around \$2 million. "Those things have happened," he said, "but it's not like in a suburban situation where things were overbuilt."

"The high-end is kind of insular, but it has happened," added Mr. DiStasio. "Some relatively high-end properties have ended up as short sales. No price point is immune to that problem, but it is more prevalent up to the \$500,000

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—Graham Klemm, Klemm Real Estate

range."

Recognizing the pain for those who lose their homes, Mr. Garrity still acknowledged the benefits of foreclosed properties for people looking to buy. "People who own places [that are foreclosed] might feel stolen from," he said, "but there are properties that can be obtained for under market value. One tends to think of foreclosure, which might be a deal if [the buyer] is a carpenter



A home in Washington on 11 acres listed by Sotheby's International Realty at \$2,999,900.

Walter Kidd

and can trade with friends to fix it up."

Mr. Goldspiel offered a specific example of this kind of sweat equity. "I know one contractor who sold a spec house for \$895,000, which was close to [the] asking [price], but then he needed a place to live and he took advantage of a foreclosure on Bald Road for \$250,000. If a foreclosed house is priced at \$250,000, you can probably get it for under \$220,000."

"Things tend to sell for their value," cautioned Mr. Garrity. "Sometimes you find someone who is eager to move, so it comes down to what people can get at the time. But, in general, right now there is an opportunity to purchase something in real estate that can have added value to you fairly quickly."

The market is stirring, and Mr. Garrity urges those who can move toward home ownership to do it quickly. "In all these towns there is a large discrepancy between the housing stock for local people and employment," he said. "The opportunity for jobs has not grown, but the value of homes has definitely decreased. Therefore, there are deals for people now, but if the real estate market cycles up again—

as it has after every previous recession—those who haven't acted will see the opportunity margin spread out again."

"I have been here for seven years, and after the second year properties became untouchable for the average family," agreed Mr. Goldspiel. "Things were selling at 20 to 30 percent more than they were worth—now the puff is gone. This is absolutely the year to buy, because I think the market has bottomed out."

Mr. Hammer said would-be buyers often think they will find a huge inventory of quality homes to choose from. "There is a lot of stuff on the market, but if you are looking for real quality, it's tough."

Graham Klemm says that interest among buyers is not even across the board. "Segments have improved, but the majority is still relatively quiet. We've done a good job of highlighting the extreme upper end properties that don't require a mortgage because people are moving assets from one category to another, and sales up to \$600,000 have been good. But for some reason, it has been harder to market between \$1 [million] and \$1.5 [million]."

Litchfield County is still a relative bargain compared to the other areas where this

[upper end] crowd would gravitate," he added. "Beyond that, I don't know the exact reasons why sales have picked up, and in the end I don't care. You can't generalize—the reasons are very personal behind every transaction."

Mr. DiStasio said there is no part of Litchfield County that is doing better than others when it comes to high-end sales. "Even within states there are micro-markets," he said. "Real estate is, and always has been, local. It depends on where the inventory itself is located. Certainly there are towns where people have come to expect houses will retain value, but it is more about the right property and finding value in that property. Ultimately, if a buyer finds a really wonderful home in one of the prime towns, it could sway his or her feeling of where they want to be. [In 2007], Washington was considered where the high-end properties were, but all the high-price sales were in Salisbury."

Even with all the remaining uncertainty, the realtors are

optimistic. "I've been in this business for 25 years and I have seen a lot of logs go down the river," said Mr. Hammer. "The market is not the way it was five years ago, but it is a lot better than it was last year. Last year there were no phone calls or inquiries off the Internet. It was deader than the proverbial doornail. But this year is very active. I am not sitting waiting for the phone to ring."

"I do feel in my heart the economy is showing some strong signs," Mr. DiStasio said. "But are we there yet? No. I don't think we will ever see 2007 again. That was a great year in terms of the volume of sales and selling prices. But we are seeing the beginnings of a recovery. There is a lot going on in the wings right now. The banking industry is doing fine. We are reliant on these types of buyers and I do see a level of comfort among them. I think a lot of this has to do with people at the higher end knowing the market is not going to go down much more. They understand they will miss an opportunity."

## Boat Slips Registration

NEW MILFORD—New Milford Parks and Recreation director Dan Calhoun said he expects that all 83 boat slips at Lynn Deming Park will be taken within a week of the registration session that will be held early next month.

The fee for a slip is \$1,150 for the season, and the registration is open only to New Milford residents.

The registration session will be held March 6 from 8 to 10 a.m. at the Parks and Recreation building at 47 Bridge St.

"The price is the best one available in the area," Mr. Calhoun said.

The Parks and Recreation director said the fees would be placed in the municipal general fund, where they would be used for security at Lynn Deming Park.

Mr. Calhoun said the boat slip area has security 24 hours a day from Memorial Day to Labor Day and part-time security from Labor Day until Columbus Day.

"The people have spent a lot of money on their boats, and we don't want any vandalism," he said.

Mr. Calhoun said the funds also would be used for patrols on the beach.

On a separate topic, he said that the Public Works Department is reviewing bids for recreation renovations approved last September by the Town Council.

The legislative body voted for a \$183,000 supplemental appropriation through money from the Waste Management Account, which as of last fall still had \$5.84 million, according to Mayor Patricia Murphy.

The money will pay for \$104,200 in renovations for the two tennis courts and \$40,000 for the basketball court at Young's Field and \$38,000 for the Emmanuel Williamson basketball court in the Gaylordsville section of town.

Mr. Calhoun said construction should start this spring and be completed during the summer.

—Scott Benjamin

## New Hartford Trust's Gift

By DAN IVERS

NEW HARTFORD—Alfred Sabolcik's dying wish was to never have the farm he lived on all his life turn into just another housing development. Now, thanks to family members and the New Hartford Land Trust, it looks as though that wish just might come true.

Last week, a property transfer gave the land trust ownership of the 95-acre property on Sabolcik Road, which trust members voted to accept shortly thereafter. They are now in the process of working toward opening the land will remain open space for the foreseeable future.

"He was very, very attached to

his land, and wanted more than anything to preserve it," said trust President Madeline McClave during the organization's annual meeting last Sunday.

Mr. Sabolcik was born on the dairy farm near the Burlington border in 1928, and worked for his father, George, until the 1960s. After the death of his parents, he continued to live on the property, although its operation as a dairy had long since ceased.

He never married or had children, and his three brothers all passed away prior to his death on May 10 of last year. The estate was overseen by his sister, Patricia Sabolcik, who informed

the land trust that he had left the gift to the organization.

"We really weren't sure that it had happened until after he died," said Ms. McClave.

Now that the transfer has been approved by the town's probate court, the land trust will soon launch a fund-raising campaign to pay the remainder of a mortgage on the property, as well as clean up, restore, insure and manage it. Applications for federal grant money that could help with the beautification and management efforts have also been filed, Ms. McClave said.

"This is a thrilling project. It's a big deal for us," she said.

It is hoped that the property can eventually be approved for public access, as it includes several walking trails among its woodlands and streams that feed into the Nepaug River.

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