

The Market? No Wallflower



Above, a restored antique home in Bridgewater that was listed at \$895,000 by Klemm Real Estate and sold this year.

2010 in Litchfield County Defies the National Storyline

Text by JOHN TORSIELLO

Buoyed by the emergence of a burgeoning class of 30-something young professionals from Manhattan buying second homes for the first time, the Litchfield County, Conn., real estate market displayed a renewed sense of vibrancy during the middle to latter part of 2010, with most realtors optimistic about the market in 2011.

"Where the average customer looking for a second home in Litchfield County 15 years ago was perhaps a 65-year-old couple, we're now seeing 35-year-olds buying a second home for the first time," said Graham Klemm of Klemm Real Estate, based in Washington, Conn. "These individuals are looking to maintain a second home for a longer term and allow their kids to enjoy the property and some day inherit it."

"A lot of young people from Manhattan and elsewhere in New York City are fed up with the Hamptons and other places people have traditionally bought second homes," Mr. Klemm added. "Litchfield County is real and grounded. They are making this a lifestyle choice where the entire family can enjoy themselves in a relaxed atmosphere."

Pat Best of Best & Cavallaro Real Estate in Salisbury, Conn., concurred with Mr. Klemm's assessment.

"We are talking about \$300,000 to \$800,000 starter weekend



Above, the magnificent Rye House at Avalon Farms in Litchfield is listed by Stacey Matthews of William Raveis Real Estate.

homes that are available and are awesome buys in some instances. I would say out of the 10 closings that we are currently handling, seven are for individuals from Manhattan looking to use the home as a weekend retreat."

Alan DiStasio, a realtor for Litchfield Hills Sotheby's International Realty, said, "Weekenders don't necessarily need a one-to-three-million-dollar home, and we have seen some growth in the mid-range, properties selling at good value around a half-million dollars."

Offered Elyse Harney of Elyse Harney Real Estate in Salisbury, Conn., "We have always had that, young families getting out of New York City and coming here to enjoy a second home and the feeling of freedom and security that they don't have in the city. Whoever in the family loves to play golf, bike, ride horses, enjoy the arts, they can find all of those things here, and it is a wonderful gift to give to your children."

Robinson Leech of Robinson Leech Real Estate in Salisbury, Conn., said, "We have had dozens of closings on properties between \$400,000 and \$800,000. There are a lot of very nice homes in that range that many people wouldn't have been able to touch several years ago. You can find a house for a half-million dollars that has a value of \$800,000."

A perusal of real estate listings in Litchfield County support the theory that there are some magnificent opportunities for new era weekenders. Best & Cavallaro Real Estate listed a 1775 Center Chimney Colonial in Sharon that has three baths, three bedrooms, and a renovated kitchen on 2.2 acres for \$645,000. Klemm Real Estate listed a home with stunning views in Falls Village for \$675,000, and what is known as South Hill Farm in Southbury for a relatively modest \$569,000.

In the big-picture view, Litchfield County real estate sales rebounded nicely from the morass they had sunk into during late 2009 and early 2010. Fueled by a perfect storm of sorts—historically low mortgage rates, an almost 30 percent average reduction from original asking prices, and desirable properties—realtors reported sales increases in 2010, as well as considerable interest from would-be buyers.

"I really believe that the crash of 2008 took a while to settle

in here because we had properties under contract that continued to sell for a time," observed Ms. Best. "We didn't feel the effects of the downturn really until the end of 2009 and beginning of 2010. Now, we're seeing more sales but not necessarily higher prices just yet."

"The first two-thirds of this year were very slow and there are still some people who don't believe the market has hit bottom," Mr. Leech said. "But we have seen more activity in last 30 to 60 days [early fall] than we did the prior year. Since Aug. 1, we had six properties put under agreement, either closing or closed, and there is a steady inquiry business from new potential buyers."

Mr. DiStasio was even more upbeat about the end of 2010 and 2011. "Generally speaking, this year was excellent and not far off being equal to the best year we ever had, which was in 2007," he said, crediting the increase in sales to a more



Above, an estate called Deerfield that was listed at \$1.725 million by Klemm Real Estate and sold this year.



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realistic approach that both buyers and sellers are taking.

"Buyers know they aren't going to be able to come in and low ball and steal a property, and sellers realize to be successful they have to be realistic with their pricing and flexible," Mr. DiStasio said. "The asking prices of 2007 won't work. We have found that when buyers and sellers negotiate in good faith deals get done."

Offered Stacey Mathews of The Mathews Group/William Raveis Real Estate, "The market definitely rebounded in 2010. It's been my best year ever so far. There is still a lot of inventory, so I don't think pricing will pick up dramatically anytime soon, and buyers are still finicky. But we certainly seem to have established the bottom. There has been a surprising amount of activity in the very high end with sales in Washington, Roxbury and Kent. The very rich seem to be doing just fine and see real estate as a great investment at these price levels. I expect that if the stock market holds up the rest of the year, we will see another large flurry of activity at bonus time (December and January)."

At the high end, the county saw some impressive sales during the first half of 2010, although the very high end of the market seemed to cool down in the second half of the year. The sale of an \$8.5 million property in Kent and a \$7.5 million sale of a home in Roxbury ranked among the top sales in the county's history. The Roxbury sale was the largest ever for that town. There were also several sales in the \$2.5 million to \$4.5 million range in 2010.

"We did just sell a house in Sharon, across from the Sharon Country Club, that is a beautiful property," said Ms. Best. "It's a lovely turn-of-the-century Victorian with a pool, elegant view and 6,000 square feet of living space. It sold for \$1.7 million. But it originally listed for \$2.7 million. We have some really unique properties in the county, and lakefront property is always going to sell. My gut feeling is that we have hit rock bottom with pricing and we will see many more sales in 2011."

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Said Mr. Klemm, "It was nice to get a couple of large sales under our belts, and they sometimes can stimulate movement at other price levels. They can set the stage for the future. We are pretty optimistic about the new year because our sales in 2010 are more than double what they were last year. I would say the bottom is definitely behind us and average sales prices are going up."

There were certainly a plethora of stunning higher end properties on the market at the end of 2010, such as a sprawling, five-bedroom, seven-bath home in Roxbury listed by Litchfield Hills Sotheby's for \$5.4 million, and the magnificently designed Red Jacket Farm in Washington, listed by Klemm for around \$7 million. Indeed, the county features dozens of one-of-kind properties in the \$1.5 million and up range.

Indications of some upward movement in asking/sale prices, along with continuing historic lows in mortgage rates, a willingness of many sellers to move their homes and a strong demand among buyers may bode well for the Litchfield County real estate market in 2011.

"We keep talking about how bad the economy and deficits are, but on the other hand there has never been a better time to buy," said Ms. Harney. "There is a huge inventory of properties, prices have come way down and we are dealing with much more reasonable sellers. This is also a very, very favorable lending time and money is available for mortgages."

Increases in sales, say realtors, may also be spurred by more motivated buyers, who believe that prices have bottomed out and by not jumping into the market now they may be left behind and face higher prices down the road.

"The movement I see in the market is coming from professionals, people who have secure jobs," said Michael Carusillo, a realtor in Goshen. "We've seen prices drop as much as 33 percent from asking in some instances, and I don't think they will fall much farther. Another factor is that we have a special county, and people will always want to live here."



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Mr. Klemm agrees, saying, "We are a conservative market in terms of value and that always bodes well for the future. People move here for reasons beyond pricing."

Forecasting the future is always a risky proposition, but realtors say 2011 can be a good year for Litchfield County real estate.

"It's always a matter of confidence," said Mr. DiStasio. "For me, 2011 all boils down to unemployment and I mean at all ends of the market. If companies are doing well and making money, they are hiring people and that has a positive effect on the market. If the economy is growing and Wall Street is doing as well as Main Street that affects all price levels."

"I know there are people out there looking at properties in the \$3 million to \$6 million range," Ms. Best said. "And I have seen that land is becoming a hot item, something in the 100-to-200-acre range. People want to have it in their portfolios. Land is not something you can sell in a year but you can hold onto it for five years or more, sell and turn a profit. But like they say, they aren't making any more of it and we have very few large parcels of land for sale in Litchfield County."

Offered Ms. Harney, "We just had the sale of a lovely home in Cornwall and there are very nice weekend/country homes and lake properties on the market. In some instances, we have had bidding situations on property and that is a healthy sign."

Mr. Leech saw a bit of a "shaky" market as 2011 approached.

"I would say buyers are still somewhat jittery about the stock market and economy," he said. Their expenses are way up and they are holding onto their bonuses for spending cash. Without a guarantee of employment and not knowing if those bonuses will continue to come, they may be reluctant to move on a second home here."

"Money is certainly available, and there always is a segment of the population for whom price is no object," Mr. Leech added. "But our current market situation likely will continue through 2011 and may even reach into 2012 because there is still



Stacey Matthews of William Raveis Real Estate is listing the Bridgewater, Conn., house of writers William and Susan Kinsolving.

turmoil out there in the economy and the political scene."

However the new year shakes out, there was no mistaking the positive signs displayed by the Litchfield County market in 2010. But that doesn't mean realtors won't be keeping their fingers crossed, hoping that the perfect storm mentioned above doesn't turn around and start to blow against them.



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