



# The Hartford County Property Report

Analysis of Brokered Residential Real Estate Transactions in Hartford County

First Quarter 2010

## Increasing Activity in the First Quarter

Hartford County's housing markets saw an increase in the number of closings in the first quarter of 2010 versus the first quarter of 2009. This continued the positive momentum from the second half of 2009, but is still well below the sales pace from the early and mid 2000s. Median sales prices were up slightly, while median days on market fell sharply.

### Single-Family Homes

First quarter sales of single-family homes increased 16.4% compared to the year-earlier period. However, the 1,024 total sales for the quarter were still below Q1 2008 levels and the 1,596 average Q1 sales from 2001 — 2007.

The median price for single-family homes in the County increased by 6.4% from \$206,700 to \$220,000. Sales price per square foot, another valuation metric, increased 2.2% during the quarter from \$137/sqft to \$140/sqft. Finally, the median time on market decreased from 59 days to 45 days.

### Condominiums

The condominium market trended in the same general directions as the single-family market. The number of sales was up 13.3% over the first quarter last year, though the total of 315 for the quarter was well below the average of 583 from 2001 through 2007.

The median sales price was flat during the quarter, increasing slightly from \$172,500 to \$173,000, and the median price per square foot fell 2.1% from \$139/sqft to \$136/sqft. Condominiums also experienced a decrease in sales time, with the median days on market falling from 67 to 55 days.

### Trend Towards Faster Deals

The extended Federal Tax Buyer Credit has pulled much of the traditional spring activity forward. Buyers must have a property under contract by the end of April in order to capture the credit, which has motivated them to start looking sooner. Sellers have also gotten an early start by listing their properties in hopes of attracting the credit-seeking buyers. The decrease in days on market is the main result of the credit this quarter, while there will likely be a large spike in closings next quarter.

## About the Data

Data for this analysis comes from the CT Multiple Listing Service (MLS), which is the central database that Hartford County real estate agents use to share information about the properties they are trying to sell. The data is considered reliable, but is not guaranteed.

There are other transactions that fall outside of this data set. They are generally considered "private sales," and include For Sale by Owner (FSBO) transactions and foreclosures, among other situations. It is important to note that many FSBO and foreclosure sales are included in the MLS data.

We feel that information from brokered transactions is the most relevant data to analyze since these are the properties most buyers tour, and most sellers compete with, as they work with their real estate agent.

## About the Authors

Amy and Kyle Bergquist are full time residential real estate agents covering Hartford and the surrounding communities. They help buyers, sellers, and investors with purchases and sales of single-family homes, condominiums, and multi-family properties.

In addition to the Hartford County Property Report, Amy and Kyle also write the Greater Hartford Real Estate Blog and other, more targeted, analytical pieces. All of the publications are focused on sharing observations about local real estate markets based on data analysis and day-to-day experiences in the field.

Both Amy and Kyle are happy to help with your real estate needs, even if that is just to answer a quick question. Please feel free to call or email.



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## Focus on the Tax Credit

The Federal Home Buyer Tax Credit is the main story in the Hartford County real estate markets, and will continue to be for the entire first half of the year. At this point there has not been much talk of extending the credit again, so the baseline assumption is that it will expire and the markets will have to fend for themselves.

The main impact of the credit has been to pull the traditional spring market forward in the year. By establishing an April 30th deadline for buyers to get their home of choice under contract, the government encouraged buyers to start home shopping sooner than normal, and may have also impacted the behavior of sellers.

In the first quarter of 2010, the number of homes sold rose 16% over the first quarter of 2009. However, the real action is in the number of contracts written that will end up closing in the second quarter. The number of homes that went under contract (buyers and sellers agreeing on a price and other terms) during the first quarter jumped 35% over the same period in 2009. Though not as dramatic as the number of contracts, the number of properties listed for sale increased by 19% from Q1 2009 to Q1 2010.

The tax credit may be the dominant story of the quarter, but the favorable mortgage rate environment has also been important in the increase in sales. However, two recent events may cause rates to increase as the year progresses.

First, the bond markets are beginning to worry about the government's overall level of debt, and have started to evaluate the creditworthiness of the country. Mortgage rates are based on the 10 year Treasury Bond rates, so any increases in the government's rate would be passed on to home buyers.

Second, the government has been helping to keep rates low through the purchase of \$1.25 trillion in mortgages securities since the beginning of 2009. The program wrapped up at the end of March, so demand for mortgages as investments will likely decrease. Most lenders sell off the mortgages they write to investors (rather than hold them for 30 years to collect the interest), so they may need to charge home buyers higher interest rates in order to find interested investors.

The summer months are always slower than the spring for real estate. This summer may be especially slow as the market experiences a post-tax-credit hangover and the mortgage environment continues to evolve.

## The Limits of Quarterly Data

While the data clearly shows that buyer activity is higher than last year, it is very difficult to draw meaningful conclusions about changes in home prices. There is simply not enough data in most of the individual towns to feel confident about what it says.

Even focusing exclusively on the eight towns with more than 50 sales during the quarter is inconclusive; changes in median sales prices were all over the board. At the two extremes, Glastonbury saw a 22% increase while Southington saw an 8% decrease. Both of these results can be explained by the changes in the mix of home sales.

The Glastonbury chart on page 5 shows that the town experienced a sharp increase in sales in the \$300k to \$700k price bands, and a decrease in sales in the \$100k to \$300k price bands. This is the opposite of what happened in the full year of 2009 when comparing to 2008. Just like last year's prices did not fall as much as the change in median price suggested, this quarter's gains are not as strong either.

The Southington chart on page 6 shows that their "falling" prices were caused by a huge spike in sales in the \$200k to \$299k price band. The number of closings increased by 26% overall, so the surging interest in Southington real estate has caused the median sales price to fall, which is a counterintuitive result.

All of this data is interesting, and it can be helpful in certain circumstances, but the true value is in its interpretation. Some of the analysis can be done with standard charts, but in many cases you need to know what to look for.

For example, we've been doing a lot of business in West Hartford recently and have seen frenzied activity in the \$200k to \$400k price range. The chart on page 6 shows the increase in sales, but doesn't capture the speed with which properties are selling. In March of 2009, 60 single family homes went under contract in West Hartford, with a median days on market of 46 days. For March of 2010, the number of contracts jumped to 93 and the median days on market fell to 25. There was 50% more activity and over half the properties were on the market for less than 4 weeks.

Each of Hartford County's 29 towns has their own unique real estate markets and nuances. The best way to get a true sense of an individual town is to find an active agent that is familiar with the market and comfortable working with data.

Single Family Home Data													
	Number of Sales			Median Sales Price			Median Price per SqFt			Median Days on Market			Months of Inventory
	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	
Avon	27	26	-3.7%	481,250	437,450	-9.1%	156	167	7.0%	86	60	-30.2%	8.0
Berlin	23	22	-4.3%	257,800	277,250	7.5%	155	152	-2.0%	55	40	-28.2%	5.1
Bloomfield	31	38	22.6%	167,500	195,000	16.4%	113	127	12.4%	54	35	-35.2%	6.1
Bristol	64	77	20.3%	175,500	177,000	0.9%	135	124	-8.2%	89	56	-37.1%	6.3
Burlington	13	20	53.8%	449,900	300,000	-33.3%	150	149	-0.8%	73	71	-3.4%	9.8
Canton	17	19	11.8%	322,350	280,000	-13.1%	147	165	12.2%	65	52	-20.0%	11.6
East Granby	5	6	20.0%	239,900	367,500	53.2%	138	139	0.5%	134	88	-34.7%	8.1
East Hartford	63	71	12.7%	140,000	156,500	11.8%	104	113	8.9%	64	29	-54.7%	5.2
East Windsor	15	13	-13.3%	261,000	167,500	-35.8%	146	126	-13.6%	119	36	-69.7%	12.2
Enfield	67	57	-14.9%	171,000	181,900	6.4%	136	138	1.2%	44	39	-11.4%	6.7
Farmington	24	35	45.8%	315,750	351,750	11.4%	162	167	3.3%	33	60	84.6%	9.4
Glastonbury	45	52	15.6%	289,000	354,050	22.5%	165	172	4.0%	73	46	-37.7%	5.6
Granby	13	17	30.8%	300,000	193,000	-35.7%	148	140	-5.1%	93	85	-8.6%	6.0
Hartford	37	41	10.8%	140,000	134,000	-4.3%	96	112	16.8%	53	31	-41.5%	9.0
Hartland	2	1	-50.0%	165,000	160,000	-3.0%	111	72	-34.8%	48	86	81.1%	5.1
Manchester	68	63	-7.4%	175,000	182,000	4.0%	122	129	5.6%	66	44	-32.8%	5.4
Marlborough	8	9	12.5%	228,250	211,000	-7.6%	158	134	-15.0%	59	37	-36.8%	8.4
New Britain	48	59	22.9%	128,500	127,500	-0.8%	100	104	3.8%	60	29	-51.7%	4.5
Newington	33	27	-18.2%	218,000	225,000	3.2%	148	149	0.9%	38	24	-36.8%	4.0
Plainville	18	27	50.0%	191,000	192,000	0.5%	130	135	4.0%	65	40	-38.5%	5.9
Rocky Hill	10	13	30.0%	233,501	284,000	21.6%	146	173	17.9%	66	66	0.8%	8.3
Simsbury	22	32	45.5%	287,500	348,000	21.0%	144	156	7.9%	71	77	9.2%	6.8
South Windsor	34	33	-2.9%	274,500	260,000	-5.3%	148	146	-1.1%	61	66	9.1%	4.9
Southington	44	57	29.5%	280,000	257,000	-8.2%	149	161	7.9%	52	50	-3.8%	7.6
Suffield	11	22	100.0%	210,000	278,000	32.4%	115	154	33.9%	22	57	159.1%	11.6
West Hartford	63	88	39.7%	280,000	285,000	1.8%	162	160	-1.4%	47	48	1.1%	4.7
Wethersfield	19	43	126.3%	250,000	239,000	-4.4%	158	156	-1.6%	36	43	19.4%	5.8
Windsor	40	42	5.0%	186,250	230,000	23.5%	131	134	2.3%	65	61	-6.2%	5.3
Windsor Locks	16	14	-12.5%	171,000	192,500	12.6%	127	135	6.7%	44	33	-24.1%	6.0
<b>Hartford County</b>	<b>880</b>	<b>1,024</b>	<b>16.4%</b>	<b>206,700</b>	<b>220,000</b>	<b>6.4%</b>	<b>137</b>	<b>140</b>	<b>2.2%</b>	<b>59</b>	<b>45</b>	<b>-24.6%</b>	<b>6.3</b>

Condominium Data													
	Number of Sales			Median Sales Price			Median Price per SqFt			Median Days on Market			Months of Inventory
	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	Q1 2009	Q1 2010	Change	
Avon	8	13	62.5%	238,000	200,000	-16.0%	141	150	6.8%	102	61	-39.9%	6.4
Berlin	8	7	-12.5%	193,500	287,345	48.5%	164	164	-0.1%	62	108	74.2%	13.5
Bloomfield	4	6	50.0%	287,500	230,255	-19.9%	128	99	-22.2%	111	25	-77.8%	11.5
Bristol	20	16	-20.0%	130,600	130,500	-0.1%	122	123	1.2%	49	125	154.1%	9.0
Burlington	1	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Canton	1	2	100.0%	136,500	152,500	11.7%	114	144	26.3%	16	95	493.8%	5.4
East Granby	4	1	-75.0%	113,250	167,000	47.5%	116	140	20.5%	58	16	-72.2%	6.4
East Hartford	10	7	-30.0%	133,450	135,000	1.2%	123	121	-1.6%	49	18	-63.3%	9.1
East Windsor	10	7	-30.0%	166,250	180,000	8.3%	139	119	-14.4%	47	34	-26.9%	12.0
Enfield	10	12	20.0%	168,500	175,500	4.2%	119	134	12.5%	71	70	-1.4%	6.4
Farmington	25	21	-16.0%	215,000	202,000	-6.0%	148	164	10.5%	38	33	-13.2%	5.1
Glastonbury	19	19	0.0%	200,000	181,000	-9.5%	158	162	2.9%	36	57	58.3%	5.4
Granby	5	1	-80.0%	248,000	154,000	-37.9%	146	151	3.2%	60	90	50.0%	5.5
Hartford	11	16	45.5%	35,000	109,500	212.9%	54	116	117.4%	85	15	-82.9%	15.3
Hartland	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Manchester	14	22	57.1%	165,250	143,900	-12.9%	128	105	-18.3%	76	57	-25.7%	5.5
Marlborough	2	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6.0
New Britain	8	13	62.5%	138,500	133,000	-4.0%	88	97	9.9%	100	94	-6.0%	8.3
Newington	26	19	-26.9%	158,850	182,500	14.9%	129	145	12.9%	69	51	-26.1%	4.6
Plainville	4	9	125.0%	143,500	138,000	-3.8%	140	123	-12.6%	50	61	22.0%	4.8
Rocky Hill	13	16	23.1%	153,500	195,250	27.2%	149	156	4.4%	104	49	-52.9%	5.5
Simsbury	8	15	87.5%	193,000	161,500	-16.3%	147	120	-18.2%	62	74	19.4%	9.7
South Windsor	9	21	133.3%	242,500	146,000	-39.8%	166	138	-16.7%	72	47	-34.7%	5.9
Southington	12	18	50.0%	182,650	209,950	14.9%	128	147	14.9%	59	64	8.5%	8.3
Suffield	9	7	-22.2%	172,000	181,900	5.8%	134	118	-12.3%	65	31	-52.3%	12.0
West Hartford	16	23	43.8%	199,250	190,000	-4.6%	153	168	9.9%	69	74	7.2%	11.5
Wethersfield	6	4	-33.3%	185,500	140,000	-24.5%	149	125	-15.8%	138	45	-67.8%	8.8
Windsor	10	16	60.0%	204,013	180,000	-11.8%	145	136	-6.3%	117	59	-50.0%	10.0
Windsor Locks	5	4	-20.0%	197,000	149,500	-24.1%	145	125	-13.4%	93	70	-24.7%	5.1
<b>Hartford County</b>	<b>278</b>	<b>315</b>	<b>13.3%</b>	<b>172,750</b>	<b>173,000</b>	<b>0.1%</b>	<b>139</b>	<b>136</b>	<b>-2.1%</b>	<b>67</b>	<b>55</b>	<b>-17.3%</b>	<b>7.7</b>













