



# The Hartford County Property Report

Analysis of Brokered Residential Real Estate Transactions in Hartford County

Third Quarter 2010

## Muted Third Quarter Follows Tax Credit

Hartford County residential sales fell significantly in the third quarter of 2010 versus the third quarter of 2009 as buyers took a breather following the June expiration of the Federal Home Buyer Tax Credit. Median prices rose modestly over the year-previous quarter, while another measure of pricing, the median price per square foot, fell a comparable amount. Most noteworthy was the change in the mix of homes that sold as the Tax Credit phased out of the markets.

### Single-Family Homes

Third quarter sales of single-family homes fell 32.5% compared to the year-earlier period. The total number of 1,314 transactions is the lowest tally for a third quarter since the CTMLS began tracking data in 2000.

The median price for single-family homes in the County increased by 4.3% from \$232,000 to \$242,000. Sales price per square foot moved in the opposite direction, falling 2.9% from \$147/sqft to \$143/sqft. Finally, the median time on market increased from 37 days to 47 days.

### Condominiums

Hartford County condominiums once again trended in the same directions as the single-family homes during the quarter. The number of sales was down 39.0% over the third quarter last year, with the 368 total transactions also the lowest on record for the quarter.

The median sales price rose 2.9% during the quarter, from \$170,000 to \$175,000, and the median price per square foot fell from \$137/sqft to \$134/sqft. In contrast to Single-Families, condominiums experienced a decrease in median days on market from 57 to 53 days.

### Changing Sales Mix After Credit Impacts Statistics

The Home Buyer Tax Credit pulled a disproportionate number of lower priced sales into the second quarter of the year versus higher priced sales. As a result of the changing property mix, the median sales price for the County increased at the same time that the median price per square foot suggests that home values were falling.

## 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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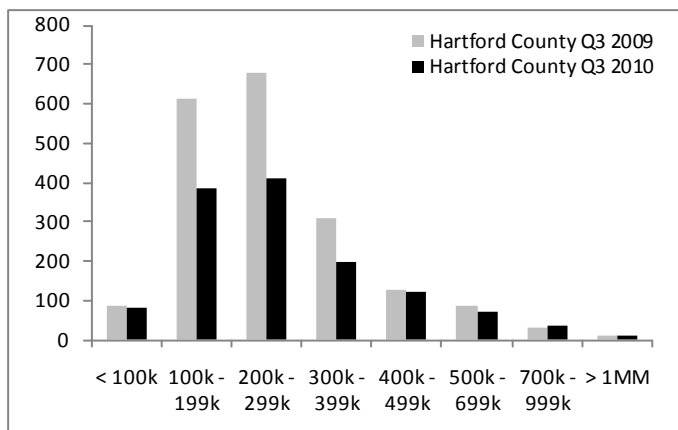
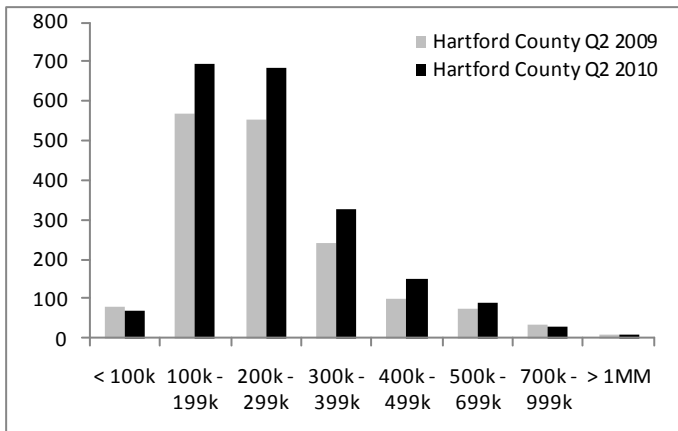
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**Looking Back on the Tax Credit**

Outside incentives distort market activity, and the Federal Home Buyer Tax Credit was no exception. It targeted the lower end of the market, and succeeded in increasing the number of buyers while it was in effect. Not surprisingly, it also decreased the number of buyers in the market shortly after it expired.

With the third quarter sales data in, we can clearly see that the unusually high level of activity during the second quarter was followed by an unusually low level of activity in the third quarter. This is especially true at the lower price points, where \$8,000 (or \$6,500) made a meaningful impact on the purchase economics for buyers. The following two charts show the number of single-family transactions for the County, first from the second quarter report, and then from the third quarter.



There is a clear trend of more sales than the previous year in the second quarter and fewer sales than the previous year in the third quarter. The combination of the two suggests that the Tax Credit did more time shifting of purchases than inspiring new buyers to give home ownership a try.

The third quarter year-over-year comparison is unfortunately not as clean as the second quarter comparison. The Tax Credit went through a number of iterations, and has been extended on two occasions. Last fall, the Tax Credit was scheduled to expire at the end of October. We saw a similar rush to close, and many buyers closed in September, which increased the numbers for the third quarter of last year. Even if we were to adjust last year’s totals down, (which we can’t, though someone else might be able to) we’re confident that the trend would still hold, and the observation remains valid.

**A Changing Mix of Sales**

Another impact of the Tax Credit has been a change in the mix of sales between the third quarter of 2009 and the third quarter of 2010. The charts show that purchases below \$399k were much more likely to be accelerated. As a result, the median single-family home price in the third quarter rose over 4% despite an anecdotally weak market. We believe that the change in median price is overstated and would have likely fallen without the Tax Credit distorting the sales mix.

Most individual towns in the County follow the same trend as the County overall — a larger drop-off in sales in the lower price bands than in the higher price bands. However, there are towns with active real estate markets in which the number of sales at the upper end actually increased over the previous year, with Farmington (page 4) being the best example. Burlington (page 4) and Canton (page 4) exhibited the trend to an even higher degree, but the relatively few number of total sales diminishes the impact on the County numbers overall.

Wethersfield saw the largest decrease in single-family sales between the third quarter of this year and the third quarter of last year. The table on page 3 shows that the town went from 86 sales in Q3 2009 to only 29 sales in Q3 of 2010, a decrease of 66%. The chart on page 6 shows that there was a very significant decrease in activity in each of the price bands below \$400k, which makes up the majority of the town’s housing stock.

**Farewell to the Tax Credit**

Despite the fanfare that surrounded the Federal Home Buyer Tax Credit, there seems to be little support for resurrecting it despite a continued weak housing market. Even a spokesperson for the National Association of REALTORS® has gone on the record saying that the credit served its purpose, but today’s problems are more about jobs and consumer confidence than the housing markets.

Single Family Home Data													
	Number of Sales			Median Sales Price			Median Price per SqFt			Median Days on Market			Months of Inventory
	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	
Avon	59	37	-37.3%	400,000	508,000	27.0%	163	153	-6.1%	44	63	43.2%	10.5
Berlin	45	30	-33.3%	254,900	251,200	-1.5%	168	161	-4.2%	38	83	117.1%	7.6
Bloomfield	60	33	-45.0%	191,000	215,000	12.6%	120	114	-4.5%	53	116	118.9%	10.8
Bristol	152	114	-25.0%	190,500	177,950	-6.6%	134	125	-6.7%	40	54	33.8%	8.3
Burlington	24	31	29.2%	242,900	360,000	48.2%	146	143	-2.3%	68	49	-27.4%	10.6
Canton	19	27	42.1%	291,000	403,000	38.5%	160	138	-14.1%	89	58	-34.8%	11.4
East Granby	18	14	-22.2%	250,000	239,500	-4.2%	145	141	-2.7%	47	87	87.1%	6.8
East Hartford	113	72	-36.3%	163,000	147,750	-9.4%	122	115	-5.3%	26	41	57.7%	7.5
East Windsor	21	13	-38.1%	270,000	173,000	-35.9%	143	134	-6.7%	61	78	27.9%	15.6
Enfield	102	63	-38.2%	189,000	185,000	-2.1%	141	134	-4.9%	23	48	113.3%	8.1
Farmington	59	53	-10.2%	375,000	430,000	14.7%	171	185	8.0%	45	55	22.2%	10.3
Glastonbury	108	81	-25.0%	357,500	380,000	6.3%	166	163	-1.5%	38	43	14.7%	6.6
Granby	35	13	-62.9%	330,000	295,000	-10.6%	147	138	-6.1%	50	68	36.0%	11.3
Hartford	54	44	-18.5%	121,500	124,000	2.1%	103	93	-9.6%	31	56	82.0%	7.2
Hartland	6	4	-33.3%	216,650	191,000	-11.8%	129	120	-7.3%	10	76	694.7%	4.7
Manchester	128	70	-45.3%	196,000	189,950	-3.1%	138	122	-11.7%	24	42	72.9%	7.6
Marlborough	25	15	-40.0%	303,000	260,000	-14.2%	145	148	2.2%	34	53	55.9%	10.7
New Britain	98	52	-46.9%	141,000	129,450	-8.2%	108	106	-1.5%	36	46	28.2%	7.1
Newington	86	54	-37.2%	225,750	233,625	3.5%	153	148	-3.2%	37	27	-26.0%	5.1
Plainville	36	33	-8.3%	185,750	226,500	21.9%	152	153	0.8%	30	49	66.1%	6.8
Rocky Hill	28	18	-35.7%	277,750	270,750	-2.5%	178	161	-9.4%	39	40	1.3%	11.2
Simsbury	74	59	-20.3%	320,500	340,000	6.1%	163	156	-4.6%	50	38	-23.2%	6.6
South Windsor	59	32	-45.8%	291,000	274,000	-5.8%	151	151	0.1%	20	31	55.0%	6.5
Southington	102	83	-18.6%	275,000	280,000	1.8%	160	154	-4.1%	40	44	11.4%	8.6
Suffield	43	26	-39.5%	284,000	309,750	9.1%	151	135	-10.2%	45	81	78.9%	13.6
West Hartford	200	137	-31.5%	292,250	292,500	0.1%	166	169	1.6%	38	46	22.7%	4.6
Wethersfield	86	29	-66.3%	231,000	248,700	7.7%	160	161	0.6%	48	75	56.3%	7.9
Windsor	71	51	-28.2%	228,000	214,000	-6.1%	128	127	-0.7%	32	23	-28.1%	7.8
Windsor Locks	35	26	-25.7%	220,000	204,500	-7.0%	141	146	3.9%	31	59	88.7%	5.4
<b>Hartford County</b>	<b>1,946</b>	<b>1,314</b>	<b>-32.5%</b>	<b>232,000</b>	<b>242,000</b>	<b>4.3%</b>	<b>147</b>	<b>143</b>	<b>-2.9%</b>	<b>37</b>	<b>47</b>	<b>27.0%</b>	<b>7.8</b>

Condominium Data													
	Number of Sales			Median Sales Price			Median Price per SqFt			Median Days on Market			Months of Inventory
	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	Q3 2009	Q3 2010	Change	
Avon	23	19	-17.4%	237,500	214,000	-9.9%	140	137	-1.7%	88	46	-47.7%	9.3
Berlin	11	18	63.6%	269,929	223,950	-17.0%	164	181	10.2%	227	36	-84.1%	8.1
Bloomfield	8	15	87.5%	261,250	280,000	7.2%	110	132	19.7%	69	38	-44.5%	6.3
Bristol	42	24	-42.9%	126,750	123,150	-2.8%	121	117	-2.9%	67	48	-28.4%	9.9
Burlington	0	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6.0
Canton	10	3	-70.0%	218,500	155,000	-29.1%	128	130	1.5%	104	107	3.4%	8.6
East Granby	7	3	-57.1%	130,000	162,000	24.6%	123	113	-8.1%	43	25	-41.9%	15.0
East Hartford	19	7	-63.2%	113,000	103,774	-8.2%	128	95	-25.6%	91	72	-20.9%	15.1
East Windsor	18	5	-72.2%	210,000	172,500	-17.9%	150	131	-12.6%	76	19	-75.0%	13.4
Enfield	16	14	-12.5%	149,950	139,500	-7.0%	125	115	-8.1%	40	73	81.3%	9.4
Farmington	42	21	-50.0%	205,000	248,500	21.2%	146	156	7.3%	45	60	34.8%	6.9
Glastonbury	30	22	-26.7%	192,500	191,000	-0.8%	154	155	0.5%	58	55	-4.3%	10.1
Granby	5	4	-20.0%	270,000	196,500	-27.2%	153	129	-15.3%	97	16	-84.0%	11.0
Hartford	18	22	22.2%	93,450	72,000	-23.0%	95	72	-24.2%	70	71	2.2%	13.3
Hartland	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Manchester	46	16	-65.2%	140,000	147,500	5.4%	124	118	-4.7%	46	52	13.0%	6.2
Marlborough	1	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
New Britain	24	6	-75.0%	119,500	51,500	-56.9%	102	78	-23.7%	53	94	78.1%	12.2
Newington	42	28	-33.3%	173,250	166,500	-3.9%	139	125	-10.3%	49	59	20.6%	4.4
Plainville	16	7	-56.3%	160,000	143,000	-10.6%	132	134	0.9%	39	26	-32.5%	8.3
Rocky Hill	32	21	-34.4%	163,500	178,000	8.9%	142	136	-3.9%	45	68	51.1%	6.0
Simsbury	20	11	-45.0%	171,000	169,900	-0.6%	144	136	-5.4%	100	46	-53.8%	8.2
South Windsor	44	24	-45.5%	176,750	148,750	-15.8%	146	136	-6.9%	38	52	36.8%	4.3
Southington	42	23	-45.2%	187,950	213,000	13.3%	140	142	1.4%	71	55	-22.5%	8.0
Suffield	9	6	-33.3%	173,900	153,950	-11.5%	124	114	-8.0%	46	77	67.4%	6.6
West Hartford	29	24	-17.2%	219,900	217,500	-1.1%	155	163	5.5%	55	65	18.2%	7.4
Wethersfield	11	4	-63.6%	174,000	112,500	-35.3%	139	123	-11.5%	62	28	-55.6%	11.2
Windsor	21	12	-42.9%	193,000	222,250	15.2%	138	147	6.2%	73	84	15.1%	11.6
Windsor Locks	17	8	-52.9%	185,000	143,750	-22.3%	132	134	1.5%	45	80	76.7%	10.9
<b>Hartford County</b>	<b>603</b>	<b>368</b>	<b>-39.0%</b>	<b>170,000</b>	<b>175,000</b>	<b>2.9%</b>	<b>137</b>	<b>134</b>	<b>-2.2%</b>	<b>57</b>	<b>53</b>	<b>-7.0%</b>	<b>8.4</b>

