



Economic and Market Watch Report

1st Quarter, 2009



© 2008 Greater Fairfield County CMLS, Inc.
and NATIONAL ASSOCIATION OF REALTORS®

Reproduction, reprinting, or retransmission in any form is prohibited without written permission.

Greater Fairfield County CMLS, Inc.
Economic and Market Watch Report

The Greater Fairfield County CMLS, Inc provides MLS service to over 7,000 real estate professionals in southwestern Connecticut and is committed to providing property-based tools resources and support services to help our member’s serve the public and enhance their success.

Index

Local Report

Fairfield County

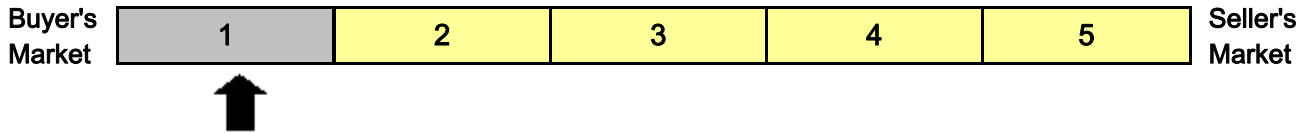
Bethel	1
Bridgeport	1
Brookfield	2
Danbury	2
Darien	2
Easton	2
Fairfield	2
Greenwich	3
Monroe	3
New Canaan	3
New Fairfield	3
Newtown	3
Norwalk	4
Redding	4
Ridgefield	4
Shelton	4
Sherman	4
Stamford	5
Stratford	5
Trumbull	5
Weston	5
Westport	5
Wilton	6

Litchfield County	
Bridgewater	7
Kent	7
New Milford	7
Roxbury	8
Sharon	8
Warren	8
Washington	8
New Haven County	
Ansonia	9
Beacon Falls	9
Derby	9
Milford	10
Oxford	10
Seymour	10
Southbury	10
OTHER	11
Trends	13
Chief Economist's Commentary*	14
Economic Monitor*	16

*Reprinted from Real Estate Outlook: Market Trends and Insights. ©2009 NATIONAL ASSOCIATION OF REALTORS ®. Used with permission. Reproduction, reprinting, or retransmission of this article in any form (electronic media included) is prohibited without permission. For subscription information please call 1-800-874-6500.



Fairfield County, CT



Labor Market :

Employment declined by 17,982 jobs in January and February. The job losses brought about an increase in the average monthly unemployment rate from 5.8% in the fourth quarter to 7.3% for the first two months of the first quarter. Job losses are ticking upwards, creating a drag on buyer confidence and demand in Fairfield County. However, historically low mortgage rates have created a favorable buying environment for those with a job.

Housing Market :

	Q4' 08	Q1' 09	Q2' 09 (Forecast)
Average Price	\$596,300	\$552,400	↔
# Homes on the Market *	14,183	15,291	↑
# Homes Sold **	983	706	↔
# New Homes Built ***	92	29	↑
Avg # of Days on Market	107	115	↑

* Available as of Mar. 31, 2009.

** May not add to total of zip codes.

*** During the first two months of 1st quarter.

Bethel

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06801	\$274,900	-29.26%	19	-5.00%	86	94.8%

Bridgeport

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06602	\$355,000	N/A	1	N/A	55	98.9%



Fairfield County, CT

Bridgeport

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06604	\$187,400	-8.72%	5	-54.55%	104	97.7%
06605	\$159,600	-53.02%	9	80.00%	138	88.5%
06606	\$159,700	-25.41%	53	1.92%	77	93.8%
06607	\$69,500	-55.87%	3	50.00%	154	81.8%
06608	\$95,500	-34.27%	4	-20.00%	46	95.6%
06610	\$132,300	-36.03%	15	50.00%	98	90.3%

Brookfield

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06804	\$357,400	-35.96%	18	-28.00%	108	94.0%

Danbury

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06810	\$246,700	-31.42%	26	-39.53%	135	92.0%
06811	\$418,400	7.20%	29	-3.33%	94	94.6%

Darien

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06820	\$1,323,700	-25.01%	21	-19.23%	100	90.9%

Easton

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06612	\$479,300	-46.60%	4	-71.43%	207	94.0%



Fairfield County, CT

Fairfield

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06824	\$801,500	-5.43%	40	-36.51%	93	94.0%
06825	\$361,800	-25.46%	21	-43.24%	106	93.4%

Greenwich

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06830	\$2,915,000	51.71%	3	-72.73%	240	88.9%
06831	\$1,510,000	-49.66%	3	-40.00%	94	80.0%

Monroe

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06468	\$423,200	-2.82%	26	-3.70%	109	94.1%

New Canaan

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06840	\$2,144,100	8.98%	10	-58.33%	248	81.0%

New Fairfield

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06812	\$356,500	-21.35%	14	-46.15%	139	94.5%



Fairfield County, CT

Newtown

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06470	\$515,600	-0.90%	28	47.37%	147	93.9%

Norwalk

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06850	\$548,000	2.91%	13	-31.58%	130	92.1%
06851	\$446,700	-13.40%	26	4.00%	112	94.7%
06853	\$1,509,000	-1.33%	8	14.29%	196	78.3%
06854	\$638,400	25.00%	18	125.00%	97	92.3%
06855	\$331,700	-25.91%	3	-25.00%	86	97.4%

Redding

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06896	\$623,100	-9.46%	8	-52.94%	144	95.9%

Ridgefield

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06877	\$965,800	-0.08%	27	-43.75%	123	94.7%

Shelton

Data by Zip Codes

Zip Code	Average Price	Price Change (1 Year)	Total # Homes Sold (Quarter)	% Change in # Homes Sold (1 Year)	Average Days on Market	% of Asking Price (Sold/List Price)
06484	\$345,300	-19.23%	35	-36.36%	112	90.8%

Jobs

Another 2 million job losses appear certain over the next 6 to 9 months and the unemployment rate likely to hit or slightly breach 10 percent before stabilizing and then declining. But by no means will the unemployment rate reach the 25 percent rate seen during the Great Depression. And be mindful that those job cut figures are net changes. Every year, the economy adds about 30 million jobs. If there are 35 million job cuts, then the net is 5 million job reductions. If there are 28 million job cuts, then the net is a positive 2 million. Even during a difficult recession, there are constant turnovers in the labor market with about 30 million new hires. Once the economy gets a jolt from the stimulus, which is expected in the second half of the year, the pace of job cuts will lessen. By 2010, the job market will start to add jobs. Indeed, there is one sector – health care – where jobs are being created.

Despite the negative job market reports, the lower mortgage rates can actually trump the impact of job cuts on home sales. Over 90 percent of the workforce still has jobs and they are in a position to respond to home buying incentives.

Some potential spring storms








As I said, I am cautiously optimistic. There are some potential developments that could postpone a second-half uptick. Do not automatically assume mortgage rates will fall further because of the Federal Reserve pumping out more money. Rates may fall or they may not. There are a lot of forces at work in moving interest rates one way or the other. Second, look for foreclosures to trend higher as close to half of modified loans end up re-defaulting; foreclosure rates will rise despite mortgage modifications plans. The key to housing stabilization is whether or not there are sufficient buyers of foreclosed homes. The good news is that recent data indicate that home sales are picking up on the low-price points and for those homes in foreclosures.

... but also some sunny days

Nationally, housing affordability is the highest it has ever been. NAR's Housing Affordability Index rose 0.9 percentage points in February to a record high of 173.5. That is 36.3 percentage points higher than a year ago. A median-income family, earning \$59,700, could afford a home costing \$285,600 in February with a 20 percent down payment, assuming 25 percent of gross income is devoted to mortgage principal and interest. For potential buyers with a good job, good credit history, and who plan to stay in a home long-term, it is an excellent time to purchase a property. This is especially true for first-time buyers who can qualify for an \$8,000 tax credit this year, have a great selection of homes to choose from, and are in a favorable negotiating position. Yes, we have a ways to go for there to be a meaningful increase in home sales. But recent increases in shopping activity are hopeful indicators that we'll see additional sales gains.

Happy Spring!

This table reflects data available through April of 2009.

Monthly Indicator	Recent Statistics	Likely Direction Over the Next Six Months	Forecast
<p>Existing Home Sales rose 5.1% in February to a seasonally adjusted annual rate of 4.72 million units. First-time buyers accounted for half of all home sales during the month. Despite the rise in resales, total housing inventory at the end of February rose 5.2% to 3.80 million existing homes available for sale – a 9.7-month supply at the current sales pace. The national median existing-home price was \$165,400 in February, down 15.5% from a year ago.</p>	Feb 09 4,720 Jan 09 4,490 Feb 08 4,950		First-time buyer tax credit will stimulate the lower-priced homes first
<p>New Home Sales increased in February to 337,000 seasonally adjusted annualized units – 4.7% above the level of sales in January but 41.1% below that in February of 2008. The inventory of new homes available for sale declined to a 12.2 months supply at the current sales pace. Still, the supply of new homes is up more than 25% from a year ago.</p>	Feb 09 337 Jan 09 332 Feb 08 572		Few new homes being built so there will be few new home sales
<p>Housing Starts rose 22.2% in February to a seasonally adjusted annual rate of 583,000 units. The increase follows the historic low of 477,000 units in January. Most of the increase came from multifamily units. Building permits – generally a reliable indicator of future starts – also increased 3.0% in February to a seasonally adjusted annual rate of 547,000, but are down from 981,000 in February 2008.</p>	Feb 09 583 Jan 09 447 Feb 08 1,107		Down over the next 6 months, before rising steadily
<p>Housing Affordability continues to improve. NAR's Housing Affordability Index (HAI) rose to 173.5 in February – the highest level since the index was created in 1971. Declining home prices coupled with lower mortgage rates helped push up the index reading. While affordability has risen, there are still a sizeable number of people shut out from the marketplace because of stringent underwriting standards.</p>	Feb 09 173.5 Jan 09 172.6 Feb 08 137.2		All-time high affordability conditions for those who can get approved and lock in low mortgage rates
<p>Mortgage Rates also declined in March. The average 30-year fixed rate for the month was 5.0% – down from 5.13% in February. The Federal Reserve's program of purchasing mortgage-backed securities is helping drive mortgage rates down, thus making homebuying more affordable for those households who qualify for a loan.</p>	Mar 09 5.00% Feb 09 5.13% Mar 08 5.97%		50-year low mortgage rates in 2009
<p>Employment The economy continued to bleed jobs in March, as a net 663,000 jobs were shed and the number of jobs lost in February and January were revised higher. The national unemployment rate increased to 8.5% – its highest level in 25 years. There were some bright spots: the Education and Health Care sectors have added 450,000 payrolls in the past 12 months.</p>	Mar 09 663 Feb 09 651 12-month total: -4,795		The pace of job losses will slow in the second half, but it is still a net job loss
<p>Economic Growth The economy contracted by 6.3% from the third to the fourth quarter of 2008. This is the final estimate of GDP growth based on more complete data. For comparison, GDP growth in the third quarter of last year was -5.0%. Federal government spending rose, but not enough to offset declines in consumer spending (personal consumption expenditures), spending on equipment and software and residential fixed investment all of which contributed to the negative growth number.</p>	2008:IV -6.3% 2008:III -0.5% 2007:IV -0.2%		The economy output recovers before the job market

Notes: All rate are seasonally adjusted. New home sales, existing home sales, and housing starts are shown in thousands. Employment growth is shown as month-to-month change in thousands. Inflation is shown as the month-to-month change in the Consumer Price Index. Sources: NAR, Bureau of the Census, Bureau of Labor Statistics, Freddie Mac, and the Mortgage Bankers Association