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2016 real estate market: Highs and lows in sales

By Cynthia Hochswender

The real estate market had unexpected highs and lows, according to area brokers, but it was generally strong. And they all are looking forward to what Graham Klemm of Klemm Real Estate called “a robust 2017.”

“In the build-up to the election there was a lot of anxiety,” he said. “Election years are never great for real estate. But the stock market was strong and interest rates were low in 2016; and the stock market is even stronger and interest rates are still low, so the foundation is very good for a robust 2017.”

Residential sales are the backbone of the local market, but one of the notable sales of 2016 was a commercial property: the Troutbeck inn and conference center in Amenia, which had been on the market for several years. Even though it sold over the summer, the sale price is still not available, partly because of the way Dutchess County records sales and partly because the transaction was, according to reports, a “direct deal” between the buyer and seller.

Many inns change hands in that way, Klemm said, citing the Mayflower Inn in Washington, Conn., as an example.

The new owners of Troutbeck are Anthony Champalimaud and Douglas Horne, whose company is called Troutbeck Holdings. They told *The Millerton News* in November that they plan to renovate the historic inn (formerly a residence) and open it once again as an inn and conference center.

“The Troutbeck sale was great for our community,” commented Pat Best of Best and Cavallaro in Salisbury. “Most people feel it happened because of the Silo Ridge excitement but it’s hard to say. It’s great to have a new generation taking over a wonderful resort like Troutbeck, just like the interesting, vibrant group that bought The White Hart through me in 2014. It bodes well for our general economic health.”

Single-family homes

Best, Klemm and other agents interviewed for this article agreed that, with exceptions, there wasn’t much movement in the highest end of the market in 2016. They also agreed that the market peaked and dipped at unexpected moments.

Tom Metzger of William Pitt Sotheby’s Realty in Lakeville said he was surprised to find that, “the beginning of the year was strong but the spring and summer mar-

kets weren’t good. Things picked up in August, when it’s normally slow. There was no apparent rhyme or reason to it.”

He found that his best-selling area was in the under-\$300,000 range.

“The middle was weak, the \$400,000 to \$900,000 houses. The high end, between \$900,000 and \$1.5 million, was good in the first quarter but slow in the second and third. It showed some life in the last quarter.”

Elyse (Harney) Morris of Elyse Harney Real Estate said that, “year to date, 81 percent of sales in Litchfield County were under \$500,000.”

The human side of that statistic: “We’ve noticed a trend in young families, who were previously renting, purchasing their first homes (both full-time and weekenders). We have also worked with many families who are already in our community in selling their homes and trading up — but staying within the same town or general area. With many people anticipating a rise in interest rates, potential buyers are looking to move forward without hesitation once they find a home that meets their needs.”

All the agencies said they had a very healthy 2016. The Warren Group in Boston, Mass., released a survey this month of real estate sales for the year and said that single-family sales in Connecticut increased by 19.3 percent in November alone. Throughout the year overall, sales were up 9.3 percent.

The Warren Group also reported that sale prices increased in November by 3.9 percent, although they had been low overall in 2016.

Best confirmed that, in the Tri-State region, prices didn’t move much last year.

“Prices overall have not been rising, with a few rare exceptions when a buyer was looking for something specific and fell in love,” she said.

Less inventory

One result of a healthy 2016 market is that, according to the brokers, there aren’t as many houses left to sell.

“A lot of the old inventory was moved, so inventory is down,” Metzger said.

Elyse Morris said that the “limited inventory has been a challenge. This past year we’ve been involved in several bidding wars, at all price points, which is indicative of a percolating market.”

“I feel confident that when spring arrives and we see new in-



PHOTO BY CYNTHIA HOCHSWENDER

Troutbeck inn and conference center in Amenia was on the market for several years before selling in 2016.

ventory hitting the market, many of the buyers who are currently on the fence will quickly react to homes where the perceived value is evident.”

“I feel like a lot of homes that had sat around for a while finally sold when the owners decided to drop the price — the lower price combined with those great interest rates was irresistible,” said Pat Best.

John Harney Jr. of William Pitt Sotheby’s Realty in Lakeville observed that, “It’s still a buyer’s market, in my opinion.”

Finding the right price

Other agents agreed, and also agreed that it is usually a too-high asking price that keeps a property from moving.

“Appropriately pricing a home in today’s market is critical,” Morris said. “The buyers that we see are well-versed in the market, and so much information is available online that they are quickly able to gauge value in respect to listing price.”

“Most sellers ask too much,” Klemm said. “That’s the nature of the seller. They have this logic that someone will come in and negotiate and lower the price.”

Less interest in antiques

He and the other agents interviewed agreed that most buyers these days want a simple, quick process — and that extends to the houses they’re buying.

“Buyers don’t want to work on houses,” Klemm said. “Many of them are coming from New York City and don’t have time to manage a property up here.”

“The market is moving away from antiques and toward newer houses. Antiques can be a headache; people find them charming, but they don’t want to own one.”

For those who do have an appetite for older houses, bargains can be found.

“You can get better value for the dollar on an antique,” Klemm said. “You can get a lot of square

footage and charm for a lower price.”

Brian Ciardi of Elyse Harney Real Estate agreed, saying that, “Anything that’s been updated tastefully sells quickly. The young buyers are generally very sophisticated; they know about food, wine, coffee, and they know what quality finishes are. Old and rustic doesn’t cut it any more.”

Kitchens in particular need to be refreshed if they’re going to sell, he noted.

Most of the new buyers, the agents all agreed, are young (ish) couples and families. Some are attracted here by the private schools, although most of the brokers said that these buyers don’t usually buy a house first and then choose a school.

“People bring their kids up and drop them off at Hotchkiss or the other private schools and discover what a sweet area this is,” Klemm said.

John Harney has also found that newcomers to the area are predominantly “young families, which is just great, they will be assets to our community.”

Some of the buyers first learn about the area as renters, sometimes through short-term programs such as airbnb.com and VRBO.

“We now have landlords willingly entertaining short-term rentals,” Elyse Morris said. “And we often find repeat tenants who eventually buy or seek a long-term lease after only a few weekends in the area. We have also had sellers with unoccupied homes agree to rent for terms as short as two nights. It is wonderful and definitely a beneficial sector of the market for real estate agents.”

Overall the agents interviewed for this article have high hopes for 2017, but they also agreed that only the properties that are priced to sell will move.

“Value transcends everything,” Klemm said.