

THE
**MARKET
UPDATE**





NATIONAL NEWS

VOLATILITY

- A tendency to change quickly and unpredictably

INFLATION

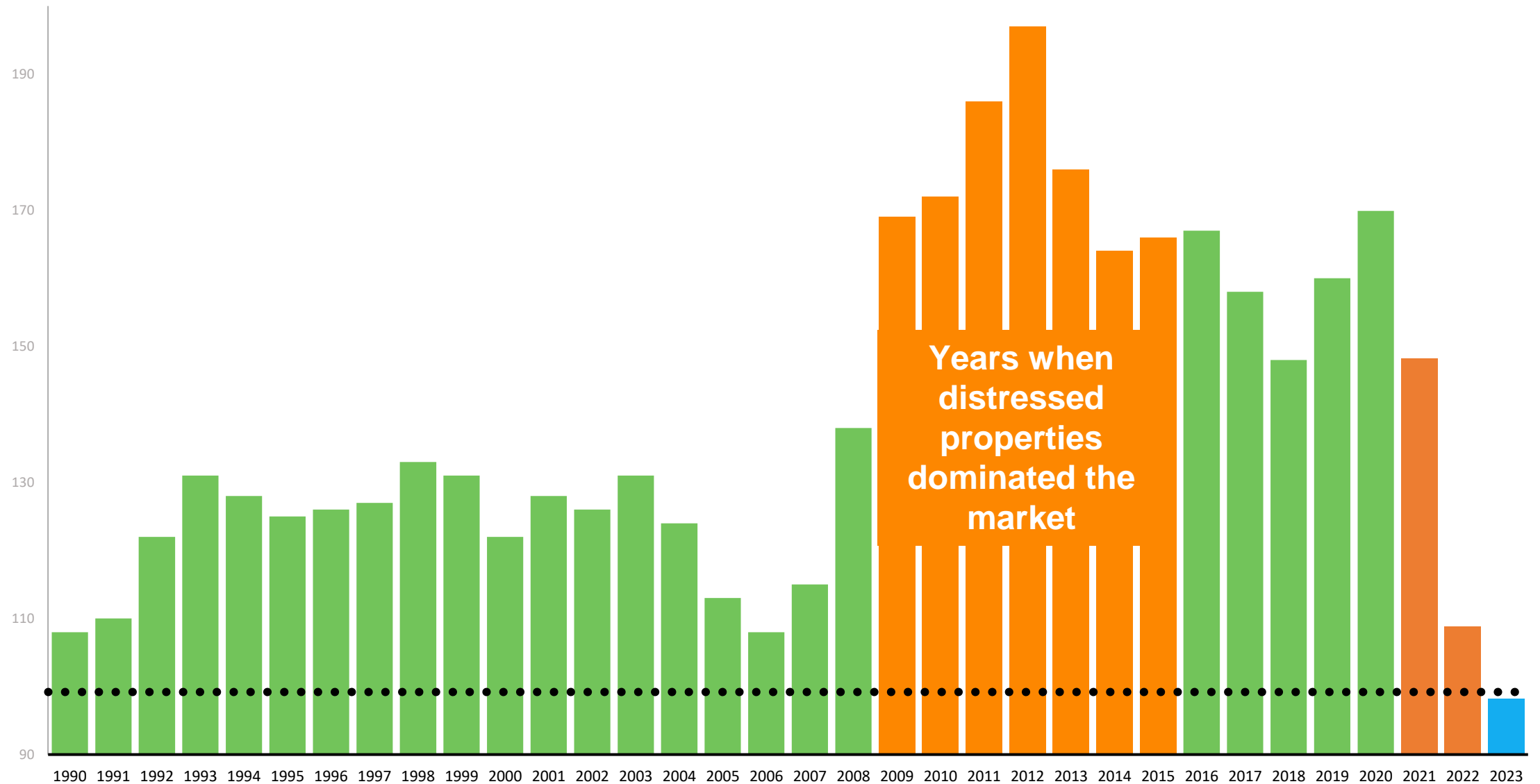
- What is the target?
- 2%

Affordability & Smaller Homes



Affordability at a Historic Low

Housing Affordability Index, 1990–2023



Source: NAR

Builders Are Building Smaller Homes



More than a third (38%) of builders say they built smaller homes in 2023, **and more than a quarter (26%) plan to construct even smaller this year.**



It's related to two factors that are linked. First, we've seen changes in home buyer preferences. Second, housing affordability has worsened in recent years.

- **Rose Quint**, AVP of Survey Research, NAHB

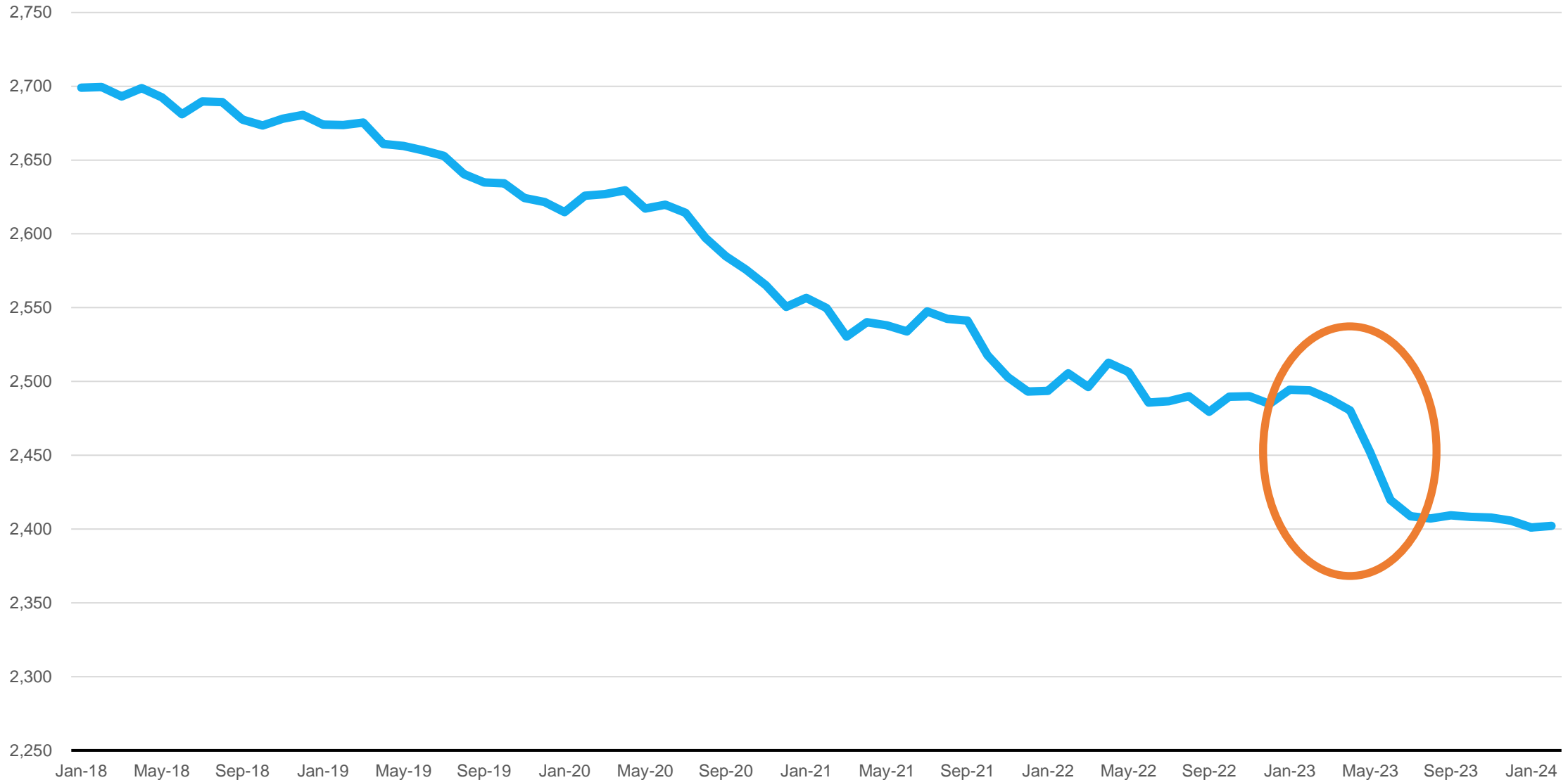


After a brief increase during the post-covid building boom, **home size is trending lower and will likely continue to do so as housing affordability remains constrained.**

- National Association of Home Builders

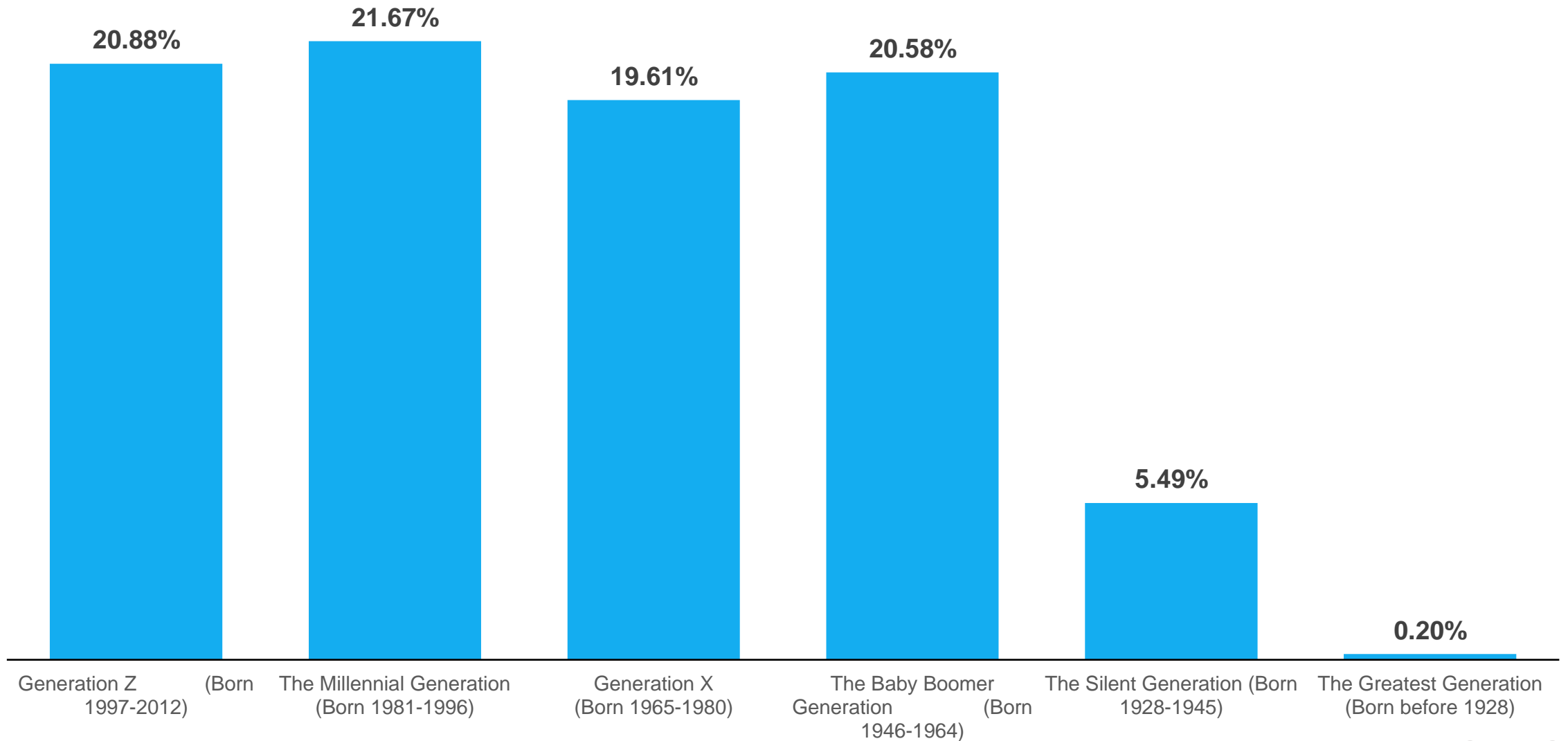
Newly Built Homes Are Getting Smaller

Average Size Today of 2,402 Square Feet Is Down 10.3% Since 2018



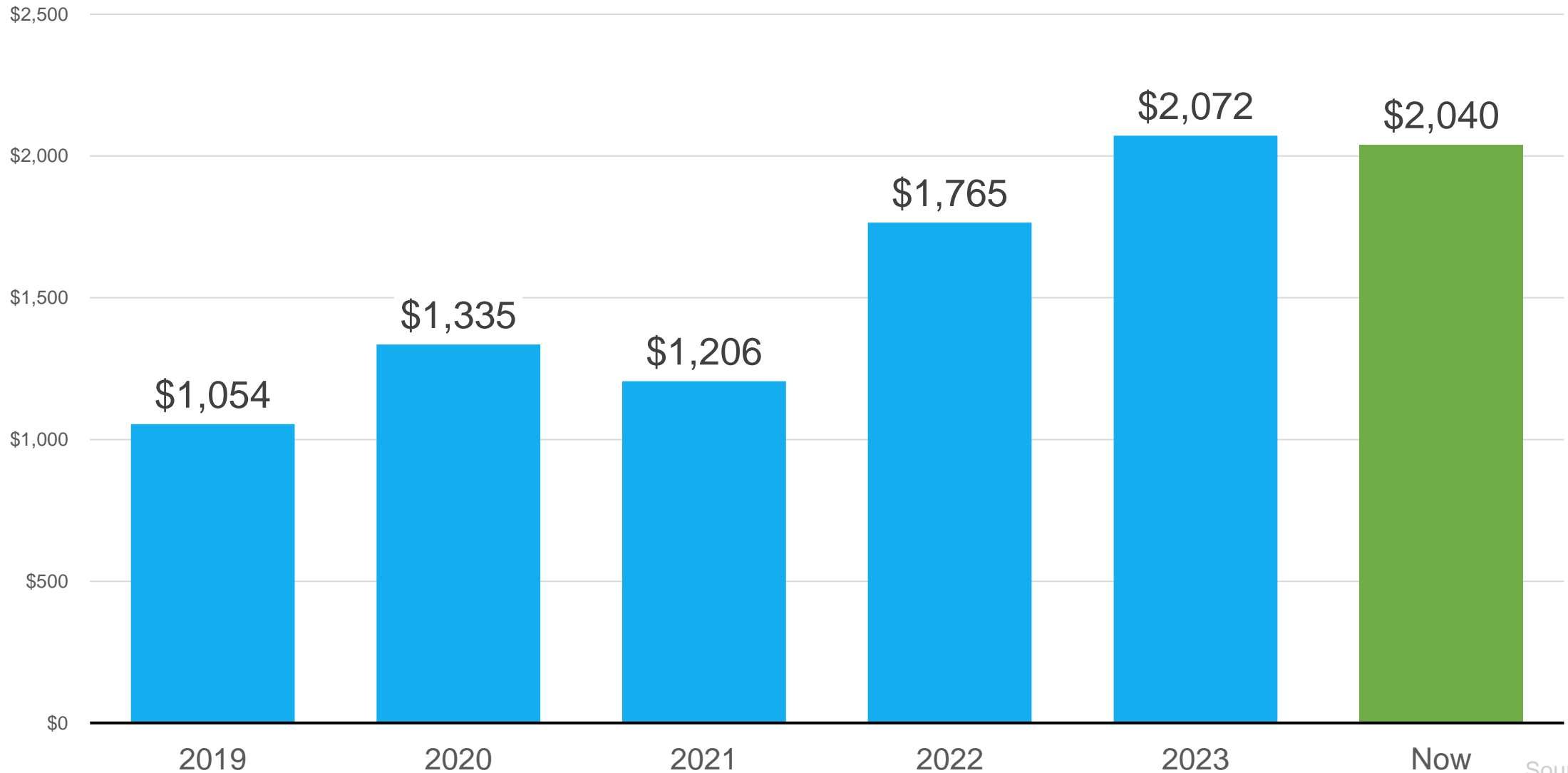
United States Population Distribution

In 2022, by Generation

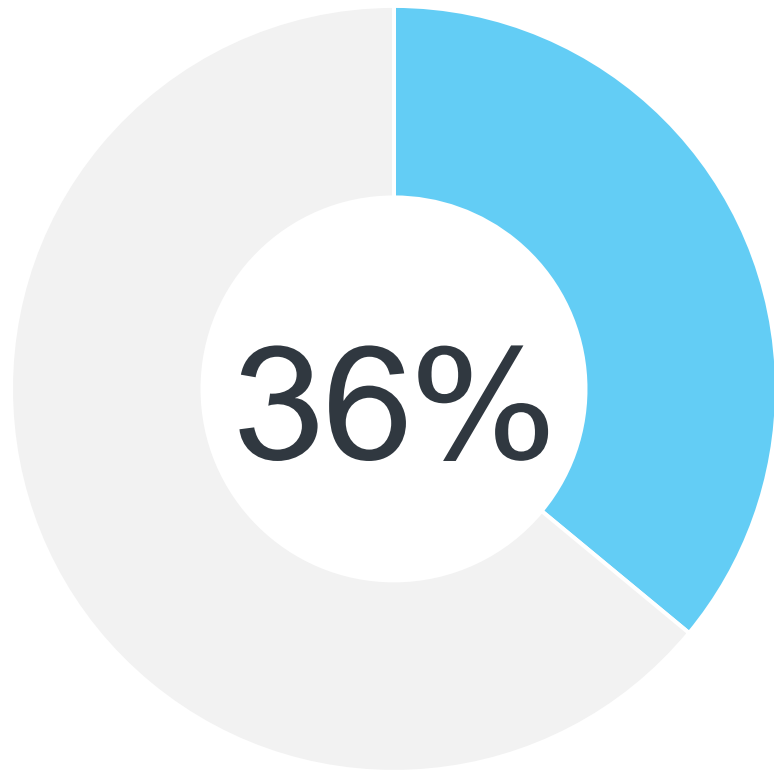


Annual Monthly Payment

Principal and Interest

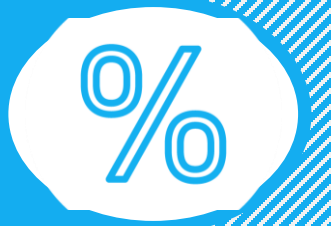


Some Gen Z-ers Expect To Receive a Cash Gift



More than one-third (36%) of Gen Z-ers and millennials who plan to buy a home soon expect to receive a cash gift from family to help fund their down payment.

What's the Latest on Mortgage Rates?



WHAT WE KNOW:

- If mortgage rates are higher, demand slows and inventory grows
- If mortgage rates drop, homes are more affordable, inventory drops, transactions rise and prices rise



Every month brings a new set of inflation and labor data that can influence the direction of mortgage rates. **Ongoing inflation deceleration, a slowing economy and even geopolitical uncertainty can contribute to lower mortgage rates.** On the other hand, data that signals upside risk to inflation may result in higher rates.

- **Odetta Kushi**, Deputy Chief Economist, First American

MORTGAGE RATES ARE INFLUENCED BY:

- Inflation rate
- Pace of job creation
- Is the economy growing or shrinking
- Federal Reserve's monetary policy and is set by the Federal Open Market Committee

The Latest Fed Decision

May 1, 2024



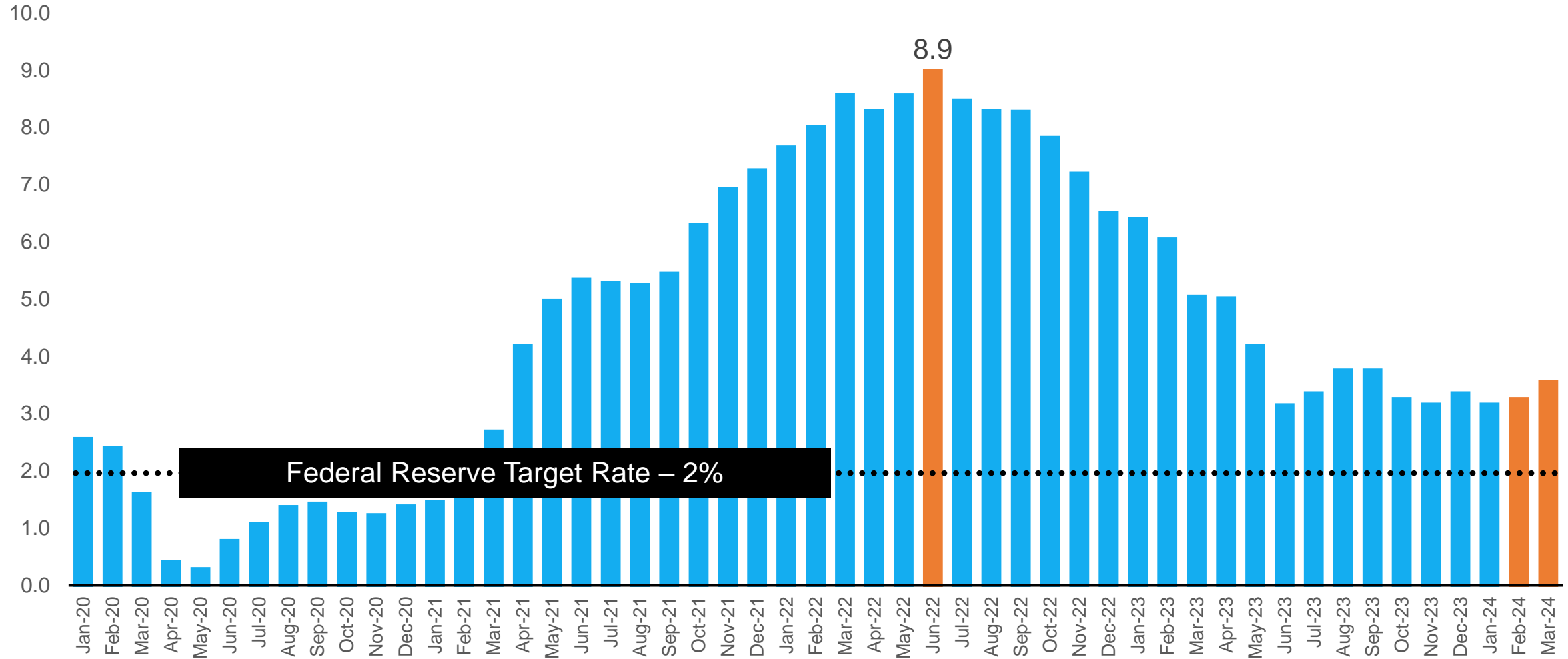
The committee decided to **maintain** the target range for the federal funds rate at 5 ¼ to 5 ½ percent

THE COMMITTEE CONSIDERS:

- Labor market conditions
- Inflation pressures
- Inflation expectations
- Financial developments
- International developments

Inflation Continues To Exceed Target Rate

Consumer Price Index: All Urban Consumers
(Percent Change Year-Over-Year, Seasonally Adjusted)





The FOMC did not change the federal funds target at its May meeting, as incoming data regarding the strength of the economy and stubbornly high inflation have resulted in a shift in the timing of a first rate cut. We expect mortgage rates to drop later this year, but not as far or as fast as we previously had predicted.

- **Mike Fratantoni**, Chief Economist, Mortgage Bankers Association

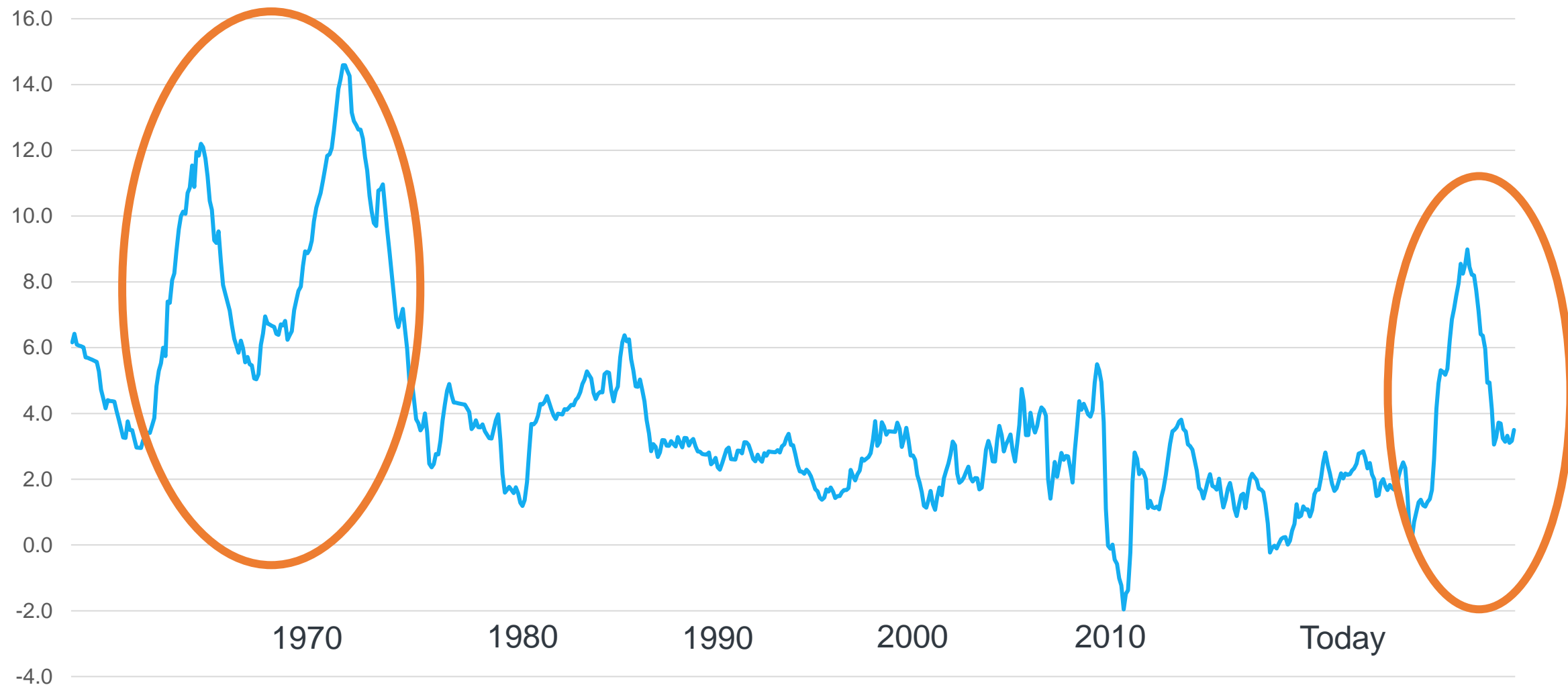


Reducing policy restraint too soon or too much could result in a reversal of progress we have seen in inflation and ultimately require even tighter policy to get inflation back to two percent.

- **Jerome Powell**, Chairman, Federal Reserve

CPI History Pausing Rate Cuts

Core Price Index Challenges in the Late 1970s Informing Decisions Today



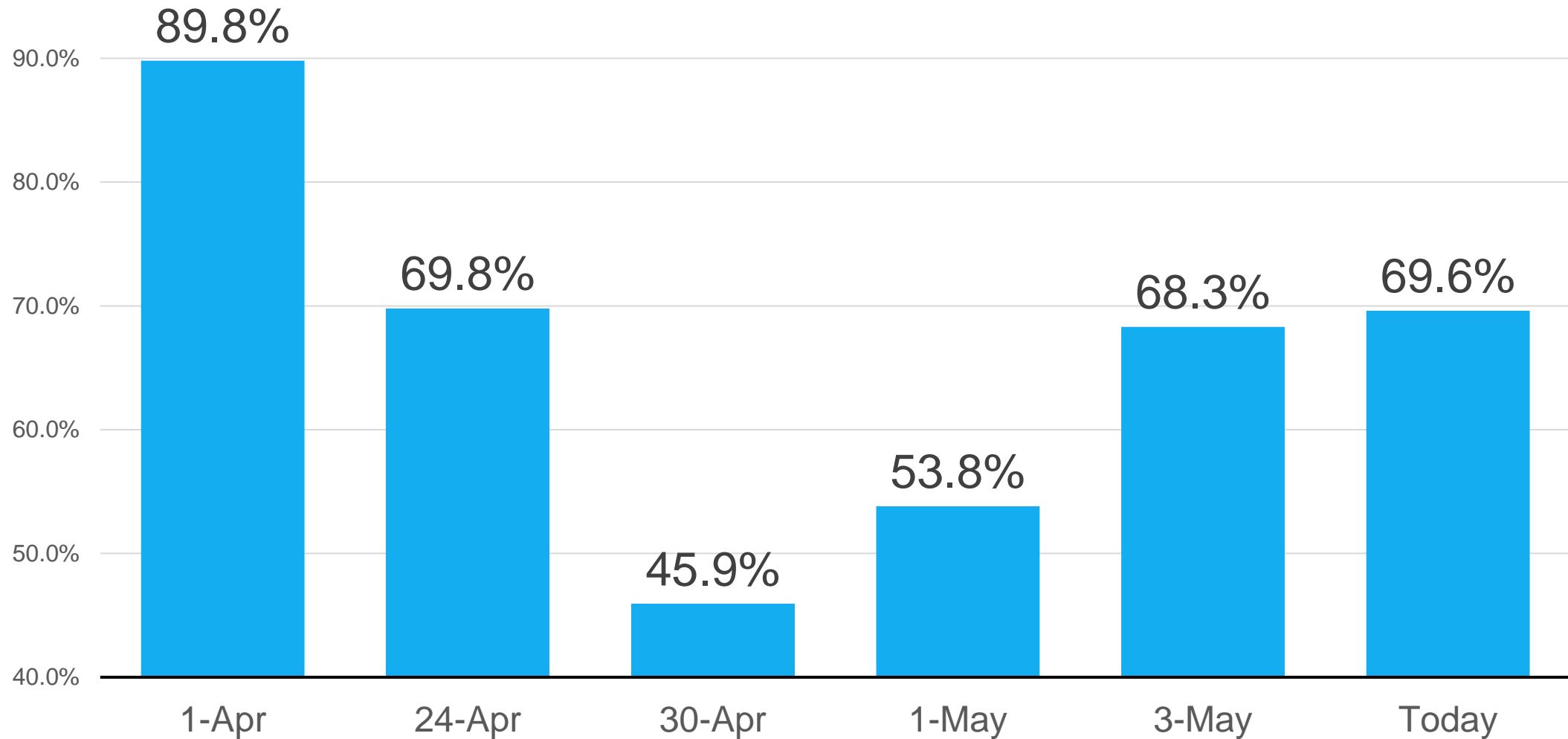


My personal forecast is that we will begin to see further progress on inflation this year. I don't know that it will be sufficient; I don't know that it won't. I think we're going to have to let the data lead us on that.

- **Jerome Powell**, Chairman, Federal Reserve

Odds of a September Cut Are Changing

Probability the Fed Will Cut the Fed Funds Rate at the September Meeting





I think it's unlikely that the next policy rate move will be a hike.

- **Jerome Powell**, Chairman, Federal Reserve

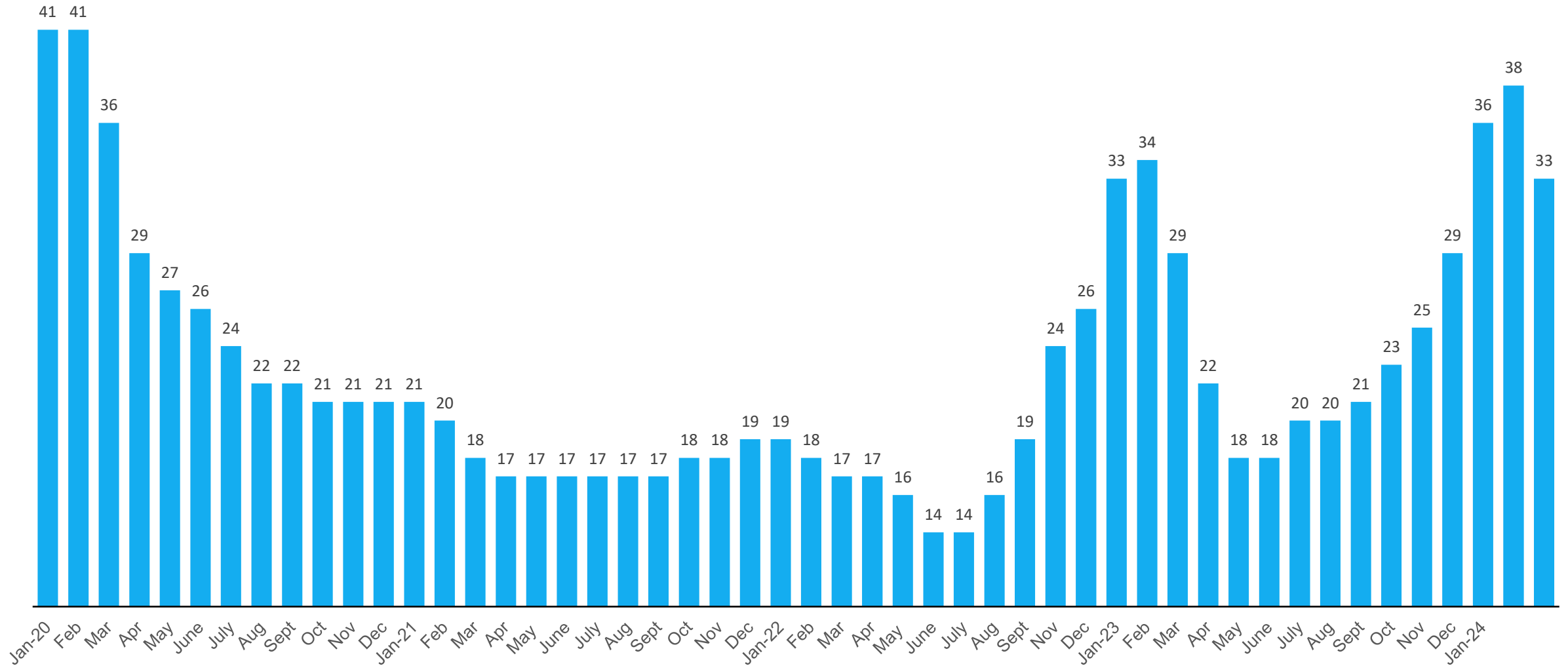
2024 Mortgage Rate Projections

April 2024

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2024 Q2	6.70%	6.70%	7.10%	6.83%
2024 Q3	6.60%	6.60%	6.70%	6.63%
2024 Q4	6.40%	6.40%	6.50%	6.43%
2025 Q1	6.20%	6.30%	6.30%	6.27%
2025 Q2	6.10%	6.20%	6.20%	6.17%

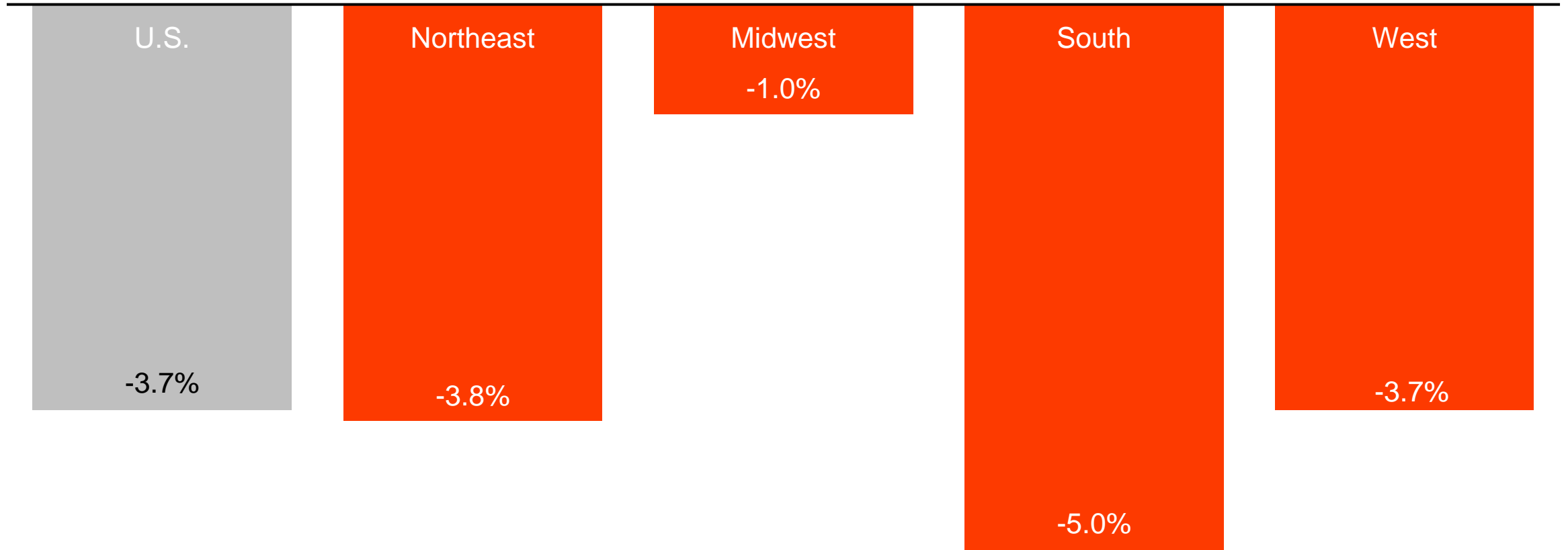
Average Days on the Market

March 2024



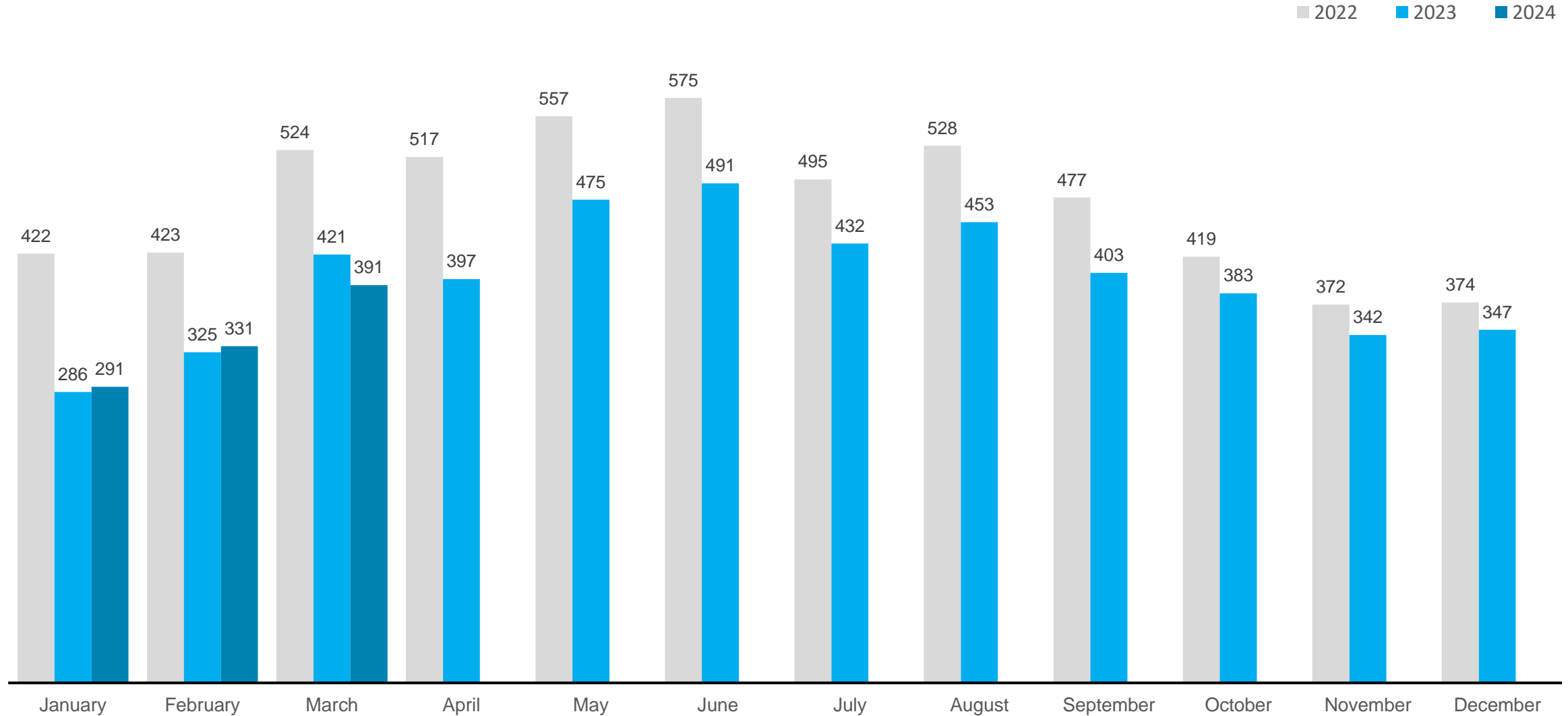
Existing Home Sales

Year-Over-Year, by Region



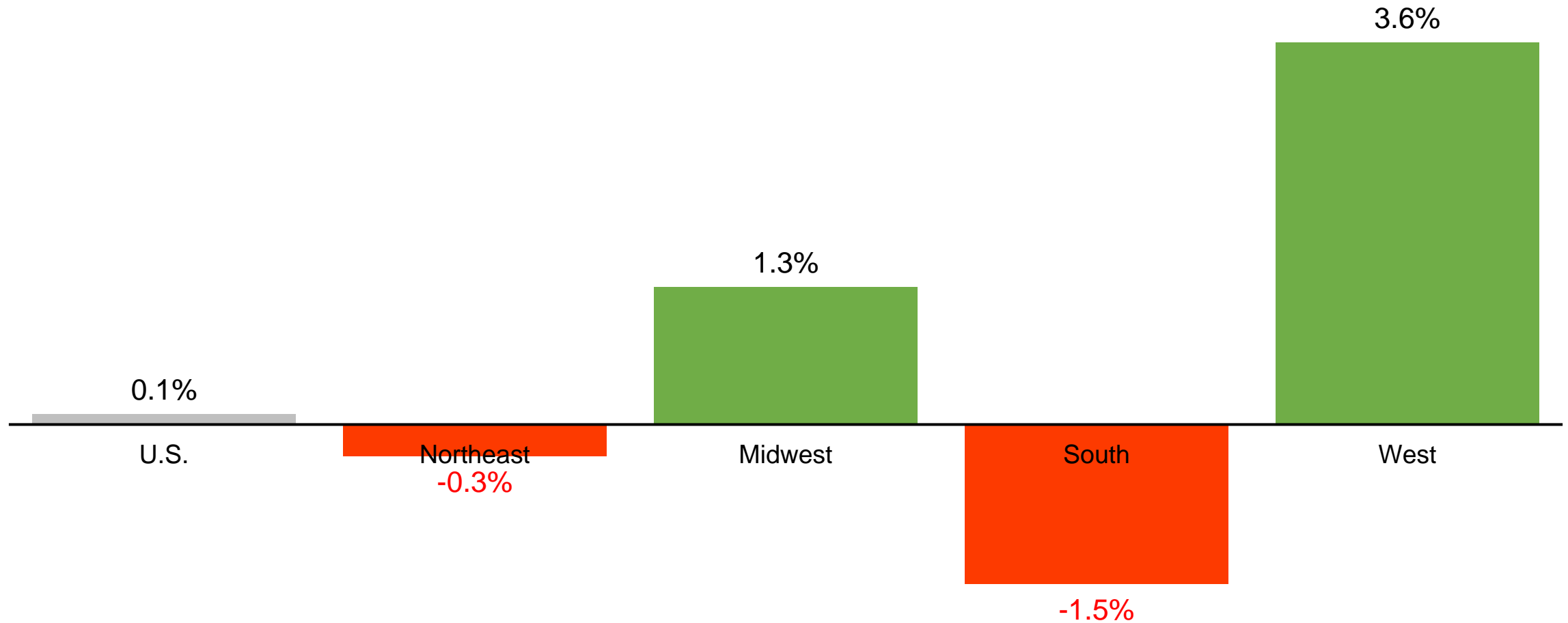
Total Home Sales

In Thousands



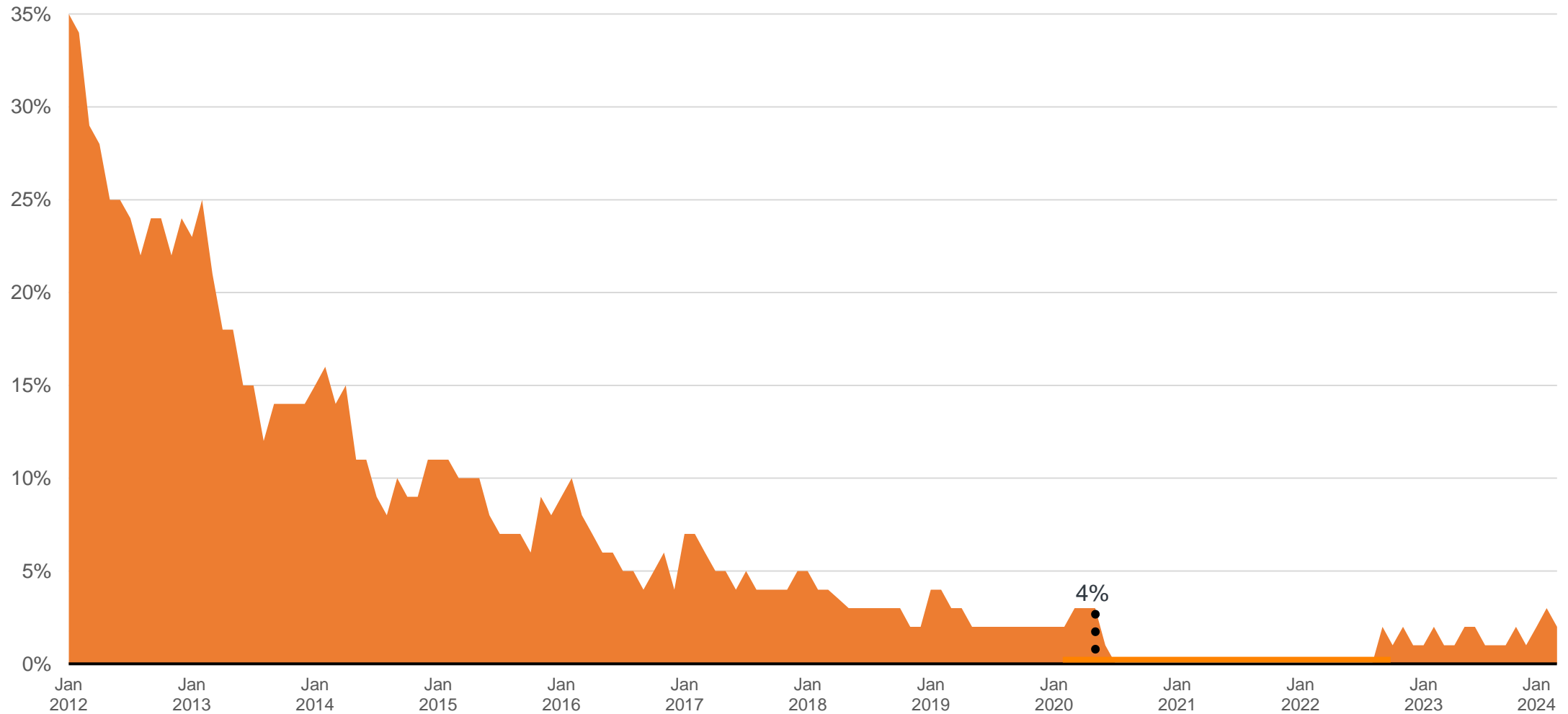
Pending Home Sales

Year-Over-Year by Region



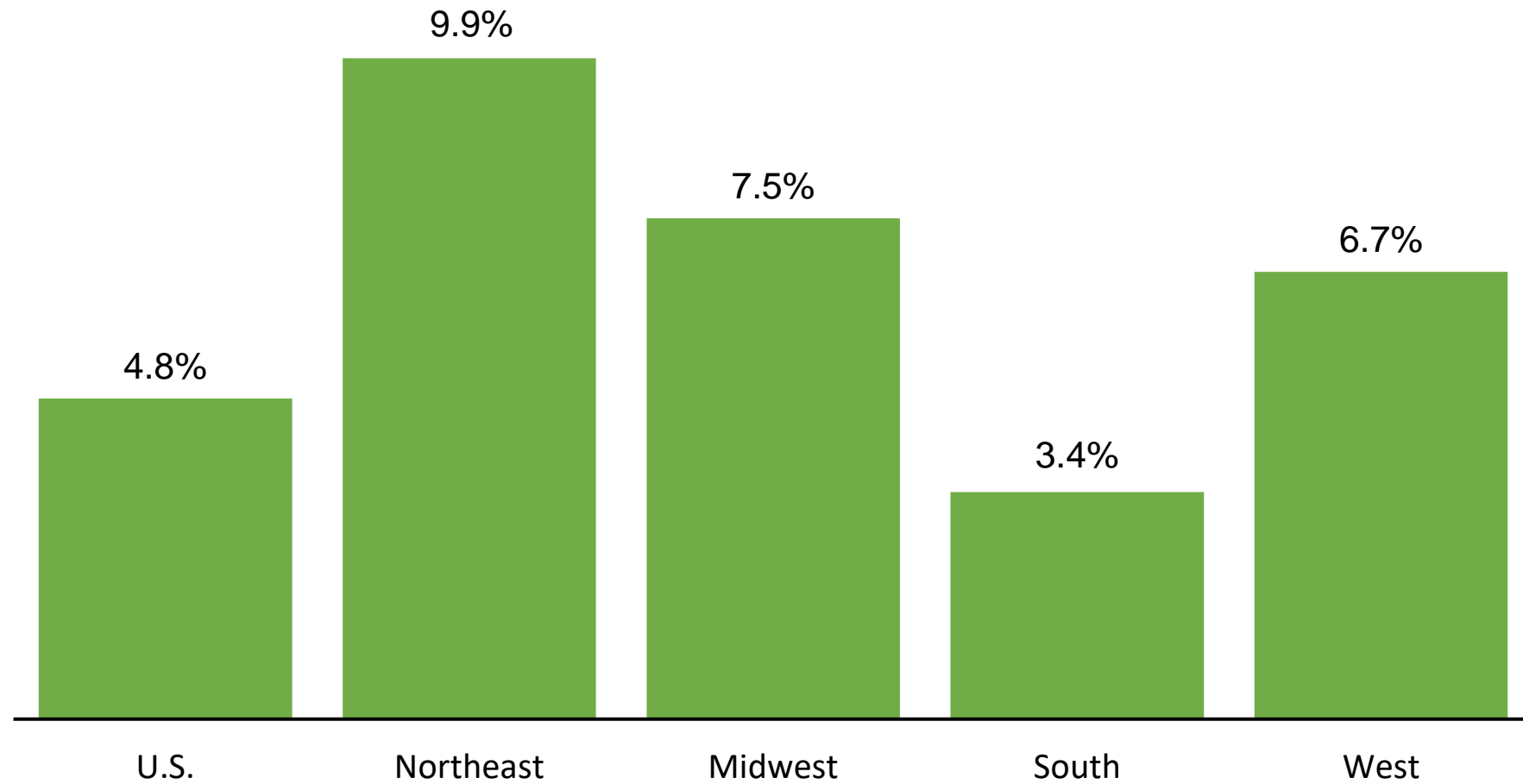
Percentage of Distressed Property Sales

Distressed Sales (Foreclosures and Short Sales) Represented 2% of sales in February.



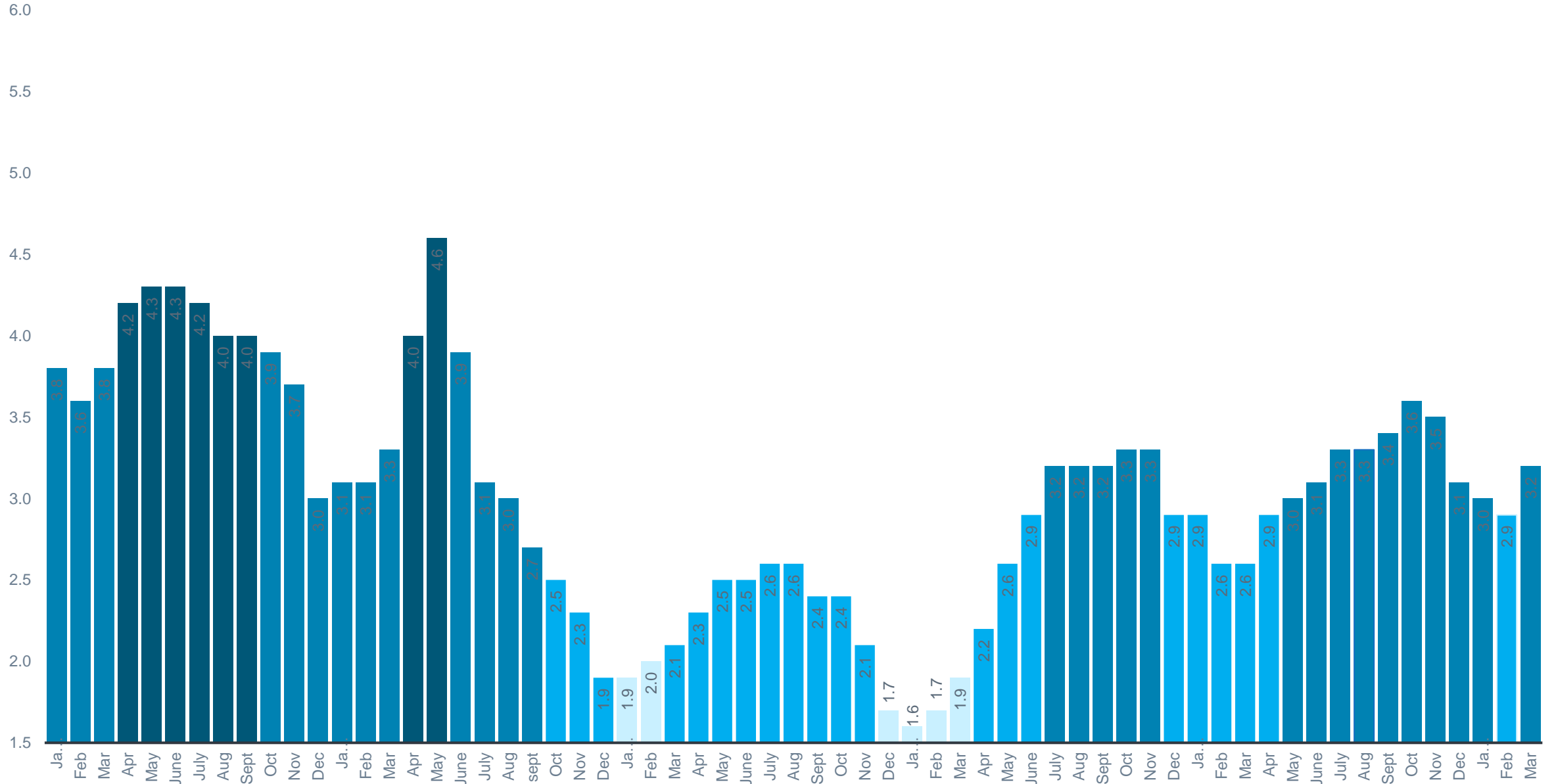
Sales Price of Existing Homes

Year-Over-Year, by Region



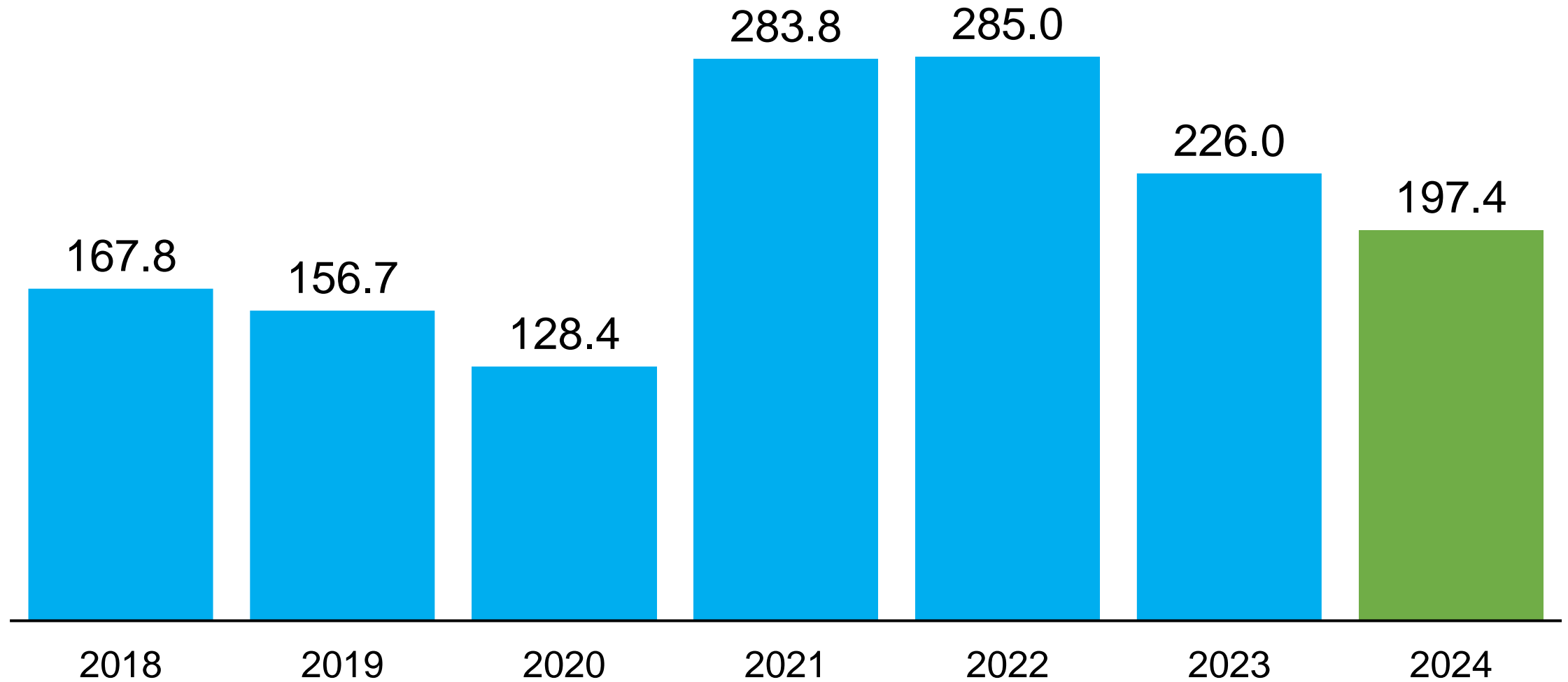
Months Inventory of Homes for Sale

Since 2019



Showing Index Still Remain Above Pre-pandemic Levels

Showing Index over Last 7 Marchs



LOCAL NEWS

Fairfield and New Haven Counties | Year-to-Date, Year-Over-Year Real Estate Sales in CT
 52 Housing Markets in 32 Towns | 01/01/2024-04/30/2024

		Median Sales Price			# Units Sold		
		2023	2024	Change	2023	2024	Change
Ansonia	SF	\$278,000	\$375,000	34.9%	39	25	-35.9%
Bethel	SF	\$465,000	\$452,500	-2.7%	35	30	-14.3%
	CN	\$410,000	\$400,000	-2.4%	21	12	-42.9%
Bridgeport	SF	\$315,000	\$370,000	17.5%	163	123	-24.5%
	CN	\$158,000	\$184,550	16.8%	110	76	-30.9%
	MU	\$382,000	\$450,000	17.8%	80	90	12.5%
Brookfield	SF	\$465,000	\$660,000	41.9%	34	39	14.7%
	CN	\$386,250	\$375,000	-2.9%	16	15	-6.3%
Cheshire	SF	\$447,500	\$490,500	9.6%	62	50	-19.4%
Danbury	SF	\$440,000	\$455,000	3.4%	90	73	-18.9%
	CN	\$345,000	\$315,000	-8.7%	91	83	-8.8%
Darien	SF	\$1,735,000	\$1,545,000	-11.0%	51	32	-37.3%
Derby	SF	\$275,000	\$330,000	20.0%	25	17	-32.0%
Easton	SF	\$798,000	\$895,900	12.3%	25	21	-16.0%
Fairfield	SF	\$751,000	\$820,500	9.3%	154	134	-13.0%
	CN	\$539,500	\$729,000	35.1%	30	21	-30.0%
Greenwich	SF	\$2,350,500	\$2,225,000	-5.3%	62	65	4.8%
Hamden	SF	\$310,000	\$330,000	6.5%	159	139	-12.6%
	CN	\$160,000	\$190,000	18.8%	51	35	-31.4%
Milford	SF	\$430,500	\$470,000	9.2%	128	97	-24.2%
	CN	\$268,000	\$325,000	21.3%	46	36	-21.7%
Monroe	SF	\$570,000	\$575,000	0.9%	28	41	46.4%
	CN	\$320,000	\$358,000	11.9%	10	16	60.0%
New Canaan	SF	\$1,730,000	\$2,186,000	26.4%	49	46	-6.1%

		Median Sales Price			# Units Sold		
		2023	2024	Change	2023	2024	Change
New Haven	SF	\$275,000	\$300,000	9.1%	74	65	-12.2%
	CN	\$188,250	\$235,000	24.8%	54	39	-27.8%
	MU	\$326,500	\$377,500	15.6%	63	90	42.9%
Newtown	SF	\$546,000	\$615,000	12.6%	79	69	-12.7%
	CN	\$422,500	\$475,000	12.4%	6	7	16.7%
Norwalk	SF	\$610,000	\$695,063	13.9%	133	136	2.3%
Orange	SF	\$525,000	\$559,000	6.5%	29	23	-20.7%
Oxford	SF	\$426,500	\$540,000	26.6%	20	25	25.0%
	CN	\$559,929	\$570,000	1.8%	11	11	0.0%
Redding	SF	\$743,000	\$805,000	8.3%	23	33	43.5%
Ridgefield	SF	\$1,037,500	\$971,000	-6.4%	62	46	-25.8%
	CN	\$395,000	\$355,000	-10.1%	15	13	-13.3%
Shelton	SF	\$487,500	\$525,000	7.7%	79	73	-7.6%
	CN	\$400,000	\$406,000	1.5%	36	40	11.1%
Southbury	SF	\$585,000	\$530,000	-9.4%	32	38	18.8%
Stamford	SF	\$795,000	\$827,500	4.1%	133	129	-3.0%
	CN	\$332,500	\$384,750	15.7%	180	158	-12.2%
Stratford	SF	\$372,500	\$430,000	15.4%	128	120	-6.3%
	CN	\$300,000	\$259,000	-13.7%	65	46	-29.2%
Trumbull	SF	\$517,000	\$612,500	18.5%	82	80	-2.4%
	CN	\$631,000	\$477,450	-24.3%	19	10	-47.4%
West Haven	SF	\$285,000	\$341,500	19.8%	103	78	-24.3%
	CN	\$166,250	\$205,500	23.6%	24	16	-33.3%
	MU	\$347,500	\$420,000	20.9%	30	13	-56.7%
Weston	SF	\$1,200,000	\$1,200,000	0.0%	40	27	-32.5%
Westport	SF	\$1,825,000	\$1,985,500	8.8%	69	75	8.7%
Wilton	SF	\$935,000	\$1,081,022	15.6%	39	61	56.4%
Woodbridge	SF	\$600,000	\$610,108	1.7%	21	24	14.3%

Summary by Real Estate Market

	Median Sales Price			# Units Sold		
	Up	Down	Unchanged	Up	Down	Unchanged
SF	26	5	1	10	22	0
CN	11	6	0	3	13	1
MU	3	0	0	2	1	0

Hartford, Middlesex and Tolland Counties | Year-to-Date, Year-Over-Year Real Estate Sales in CT
 38 Housing Markets in 14 Towns | 01/01/2024-04/30/2024

		Median Sales Price			# Units Sold		
		2023	2024	Change	2023	2024	Change
Berlin	SF	\$350,000	\$400,000	14.3%	41	47	14.6%
	CN	\$295,000	\$377,500	28.0%	11	8	-27.3%
	MU	\$309,900	\$278,725	0.0%	1	1	0.0%
Bristol	SF	\$271,000	\$310,000	14.4%	136	128	-5.9%
	CN	\$175,000	\$195,000	11.4%	41	47	14.6%
	MU	\$250,000	\$310,000	24.0%	25	23	-8.0%
Coventry	SF	\$290,000	\$302,450	4.3%	38	32	-15.8%
	CN	\$425,000	\$240,000	-43.5%	3	3	0.0%
East Hartford	SF	\$243,750	\$275,000	12.8%	122	97	-20.5%
	CN	\$170,000	\$165,500	-2.6%	16	15	-6.3%
	MU	\$290,000	\$335,000	15.5%	18	15	-16.7%
Glastonbury	SF	\$434,900	\$525,000	20.7%	77	72	-6.5%
	CN	\$275,000	\$310,000	12.7%	25	33	32.0%
	MU	\$425,000	\$390,000	0.0%	1	3	0.0%
Hebron	SF	\$429,000	\$365,000	-14.9%	19	23	21.1%
	CN	\$310,000	\$0	-100.0%	2	0	-100.0%
Manchester	SF	\$275,500	\$305,000	10.7%	108	116	7.4%
	CN	\$174,500	\$200,000	14.6%	27	31	14.8%
	MU	\$285,000	\$385,000	35.1%	17	15	-11.8%

		Median Sales Price			# Units Sold		
		2023	2024	Change	2023	2024	Change
Middletown	SF	\$305,500	\$354,000	15.9%	86	86	0.0%
	CN	\$165,000	\$203,500	23.3%	35	38	8.6%
	MU	\$299,000	\$330,000	10.4%	15	11	-26.7%
New Britain	SF	\$232,000	\$265,000	14.2%	101	87	-13.9%
	CN	\$146,500	\$160,450	9.5%	20	16	-20.0%
	MU	\$300,000	\$347,500	15.8%	52	60	15.4%
Newington	SF	\$305,750	\$348,500	14.0%	54	74	37.0%
	CN	\$216,000	\$235,000	8.8%	35	43	22.9%
Portland	SF	\$285,000	\$335,500	17.7%	14	24	71.4%
	CN	\$262,500	\$250,000	-4.8%	4	6	50.0%
South Windsor	SF	\$335,500	\$400,000	19.2%	50	57	14.0%
	CN	\$248,117	\$267,500	7.8%	26	32	23.1%
	MU	\$380,000	\$0	0.0%	1	0	0.0%
Southington	SF	\$350,000	\$406,500	16.1%	93	74	-20.4%
	CN	\$246,000	\$285,000	15.9%	26	29	11.5%
	MU	\$380,000	\$410,000	7.9%	5	8	60.0%
Vernon	SF	\$260,000	\$293,000	12.7%	47	51	8.5%
	CN	\$137,500	\$192,500	40.0%	17	32	88.2%
	MU	\$240,000	\$280,500	16.9%	7	8	14.3%

Summary by Real Estate Market

	Median Sales Price				# Units Sold		
	Up	Down	Unchanged		Up	Down	Unchanged
SF	13	1	0		7	6	1
CN	10	4	0		9	4	1
MU	7	0	3		3	4	3

Data Compiled from SmartMLS as of 04/30/2024

TOWN STATS

Single Family

Transactions in 46 towns

17 Up

28 Down

1 Unchanged

TOWN STATS

Single Family

Median Sales Price in 46 towns

39 Up

6 Down

1 Unchanged

Local Market Update – April 2024

A Research Tool Provided by SmartMLS

	Fairfield County			New Haven County			Hartford County		
SINGLE FAMILY	January 1 - April 30			January 1 - April 30			January 1 - April 30		
Key Metrics	Thru 4-2023	Thru 4-2024	% Change	Thru 4-2023	Thru 4-2024	% Change	Thru 4-2023	Thru 4-2024	% Change
New Listings	2,418	2,548	↑5.4%	2,053	2,049	↓0.2%	2,091	2,071	↓1.0%
Pending Sales	1,870	1,833	↓2.0%	1,795	1,604	↓10.6%	1,851	1,775	↓4.1%
Closed Sales	1,596	1,503	↓5.8%	1,640	1,410	↓14.0%	1,650	1,575	↓4.5%
Median Sales Price	\$600,000	\$685,000	↑14.2%	\$315,500	\$370,000	↑17.3%	\$310,000	\$345,000	↑11.3%
Percent of List Price Received	100.8%	102.20%	↑1.4%	99.9%	101.3%	1.40%	102.4%	104.6%	↑2.1%

	Fairfield County			New Haven County			Hartford County		
TOWNHOUSE/CONDO	January 1 - April 30			January 1 - April 30			January 1 - April 30		
Key Metrics	Thru 4-2023	Thru 4-2024	% Change	Thru 4-2023	Thru 4-2024	% Change	Thru 4-2023	Thru 4-2024	% Change
New Listings	954	814	↓14.4%	742	701	↓5.5%	578	684	↑18.3%
Pending Sales	831	710	↓14.6%	648	603	↓6.9%	548	637	↑16.2%
Closed Sales	765	637	↓16.7%	566	504	↓11.0%	505	564	↓11.7%
Median Sales Price	\$339,000	\$360,000	↑6.2%	\$211,000	\$252,450	↑19.6%	\$220,000	\$250,000	↑13.6%
Percent of List Price Received	100.6%	100.80%	↑0.2%	101.0%	101.2%	↑0.2%	103.8%	104.50%	↑0.7%

***You don't have to be great to start,
but you have to start to be great.***

Joe Sabah

SUCCESS IS A JOURNEY,
NOT A DESTINATION

