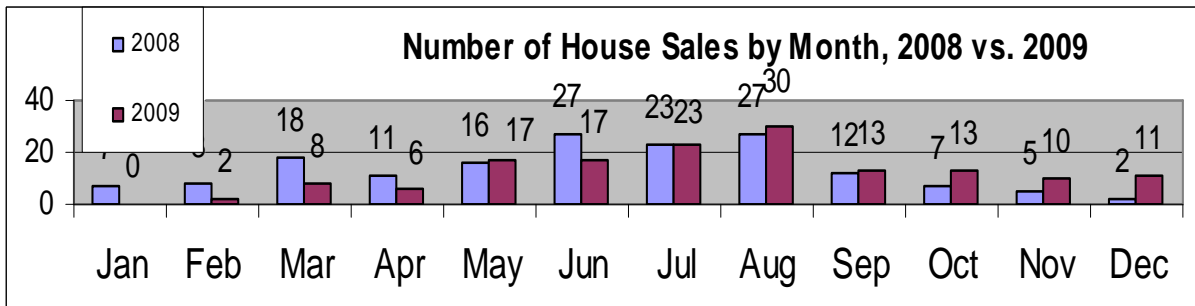


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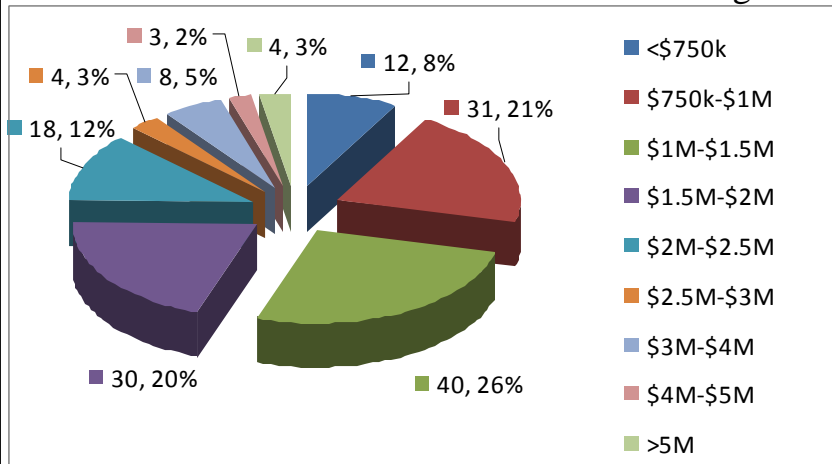
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The Market Report

New Canaan Real Estate: December 1-31, 2009 2009 Year-End Review



2009 Most Active Residential Sold Price Range



Activity dramatically picked up in the second half of 2009. New Canaan had 150 residential closings this year, 100 of which came in the last six months (67 percent). While '08 had more total residential sales (163) the second half of 2008 saw just 75 closings.

Sixty-seven percent of sales in '09 took place between \$750,000 and \$2 million. The over \$4 million price category had just 7 sales.

The Appraiser in a Changing, Challenging Market

We caught up with Jeffrey Jackson, a founder of the appraisal company Mitchell, Maxwell and Jackson, Inc. in Greenwich, who has 25 years of experience as an appraiser in lower Fairfield County. He outlined how the changing market place has effected appraisals and the real estate market.

How has the changing real estate market affected appraisals today?

In the beginning of 2009, everyone thought the market was going to continue to drop at double digits. When you expect the property you are buying to be worth less six months from now than it is today, you pay less for it today. What's happened is the anticipation that the market is going to continue to drop double digits has gone away. That started occurring basically in June [2009]. It does depend on the type of property, but the decline has slowed. So price has kind of bounced a little bit off the bottom, particularly in certain desirable sub markets, where there isn't the inventory to keep prices down.

(Continued, Page 6)

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Source: New Canaan Multiple Listing Service, December 1-31, 2009

December Houses Sold (11)

Street	Selling Price	List Price	%	Acres	Sq Ft	Year	Style	Bdrms	Bths	DOM
31 Beacon Hill Ln	\$2,300,000	\$2,695,000	15%	2.67	5284	1995	Col	5	5	218
327 Frogtown Rd	\$1,900,000	\$2,395,000	21%	2.00	5162	1977	Col	4	3	112
216 Old Norwalk	\$1,240,000	\$1,397,000	11%	1.64	4636	1985	Col	4	4	175
8 Hampton Lane	\$1,100,000	\$1,175,000	6%	0.60	2109	1974	Col	4	3	60
254 South Avenue	\$1,075,000	\$1,100,000	2%	0.44	3294	1982	Col	4	2	153
124 Farm Road	\$804,500	\$875,000	8%	0.47	2238	1964	Col	4	2	444
4 Village Drive	\$848,500	\$857,000	1%	0.35	3892	1958	Col/splt	4	3	284
34 Marshall Ridge Rd	\$810,000	\$849,000	5%	0.20	1643	1929	Col	2	2	64
128 Marshall Ridge Rd	\$805,000	\$819,000	2%	1.12	1841	1948	Cont	3	3	78
238 Old Stamford Rd	\$755,000	\$799,000	6%	0.34	1933	1965	Col	4	2	119
129 Weed Street	\$640,000	\$697,500	8%	1.07	1584	1965	Ranch	3	2	141

December Condos Sold (1)

Street	Selling Price	List Price	%	Sq Ft	Year	Bedrooms	Baths	DOM
205 Main Street	\$800,000	\$825,000	-3%	1952	1969	3	3	200

December Houses Pending (9)

Street	List Price	Acres	Sq Ft	Year	Style	Bedrooms	Baths
945 Oenoke Ridge Rd	\$3,875,000	5.08	4785	1891	Barn	6	5
219 Michigan Road	\$2,995,000	4.40	7371	1973	Colonial	6	7
70 Thrush Lane	\$2,775,000	3.34	4436	1937	Colonial	5	5
380 Michigan Road	\$1,995,000	2.00	4424	1928	Colonial	6	3
1313 Smith Ridge Rd	\$1,749,000	4.19	4629	1967	Cape	5	5
31 Beech Road	\$1,599,000	2.02	5381	1957	Colonial	6	6
82 Woodland Road	\$975,000	1.32	2663	1926	Tudor	4	2
165 Orchard Drive	\$945,000	0.52	2576	1923	Colonial	3	3
6 Leslie Lane	\$649,000	0.19	1434	1947	Cape	3	1

December Condos Pending (2)

Street	List Price	Sq Ft	Year	Style	Bedrooms	Baths
48 Heritage Hill	\$614,900	1946	1972	Townhouse	3	2
34 East Hills Drive	\$279,800	864	1968	Colonial	2	1

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Source: New Canaan Multiple Listing Service, December 1-31, 2009

December Houses Price Changes (11)

Street	ListPrice	Orig. Price	%	Acres	Sq Ft	Year	Style	Bdrms	Baths
264 South Avenue	\$2,949,000	\$3,195,000	-7.7%	0.33	4600	2009	Colonial	4	3
48 Mariomi Road	\$2,525,000	\$2,995,000	-15.7%	1.22	4916	2005	Colonial	5	5
458 White Oak Shade	\$2,395,000	\$2,595,000	-7.7%	1.09	3500	2010	Colonial	4	4
91 Knollwood Lane	\$1,699,000	\$1,695,000	0.2%	4.24	5086	1983	Colonial	4	3
7 Indian Waters Dr.	\$1,600,000	\$2,050,000	-22.0%	2.01	4254	1790	Colonial	5	3
1258 Smith Ridge Rd	\$999,000	\$1,195,000	-16.4%	1.95	2342	1957	Colonial	4	3
276 Park	\$995,000	\$1,100,000	-9.5%	0.38	3100	1856	Colonial	5	3
458 White Oak Shade	\$895,000	\$995,000	-10.1%	1.09	2092	1918	Antique	4	2
49 Village Drive	\$869,000	\$979,000	-11.2%	0.38	2353	1958	Colonial	4	2
11 Garibaldi Lane	\$749,000	\$830,000	-9.8%	0.27	2204	1982	Contemp	4	4
110 Forest Street	\$499,000	\$649,000	-23.1%	0.24	1261	1900	Colonial	3	1

December Condos Price Changes (3)

Street	Unit	ListPrice	Orig. Price	%	Sq Ft	Bdrms	Baths	Year
6 Mead	6	\$699,000	\$799,000	-13%	1630	3	2	1964
312 Elm Street	2	\$675,000	\$699,000	-3%	1453	2	2	1973
179 South Ave	12	\$595,000	\$679,000	-12%	1655	3	2	1974

December Houses New Listings (4)

Street	List Price	Acres	Sq Ft	Year	Style	Bedrooms	Baths
57 Summersweet Ln	\$7,950,000	5.13	11125	2004	Col	6	7
181 Benedict Hill Rd	\$1,950,000	4.00	4925	1981	Col	5	5
91 Knollwood Ln	\$1,699,000	4.24	5086	1983	Col	4	3
30 Charles Place	\$1,349,000	0.18	2900	2010	Col	4	3

December Condos New Listings (7)

Street	Unit	List Price	Sq Ft	Year	Bedrooms	Baths
35 Old Stamford Rd	35	\$2,095,000	3400	2006	4	3
33 Mead St	7	\$1,425,000	1975	2001	3	2
242 Park	242	\$719,000	1552	1972	3	2
24 St John Place	3	\$399,000	791	1910	1	1
192 Park St	6	\$356,000	900	1956	2	1
85 Locust Ave	516	\$325,000	743	1995	1	1
196 Park St	8	\$299,000	657	1956	1	1

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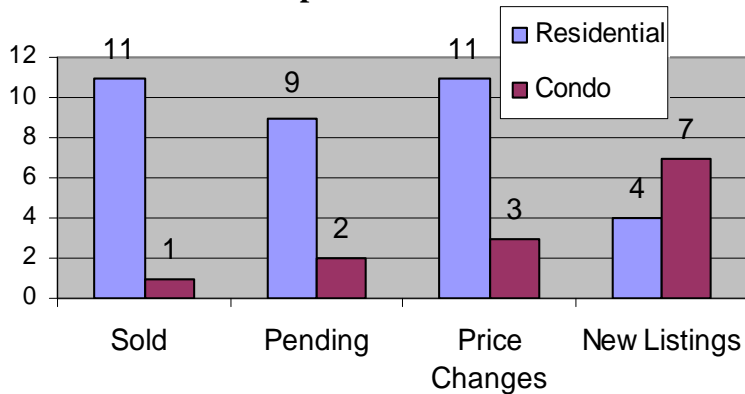
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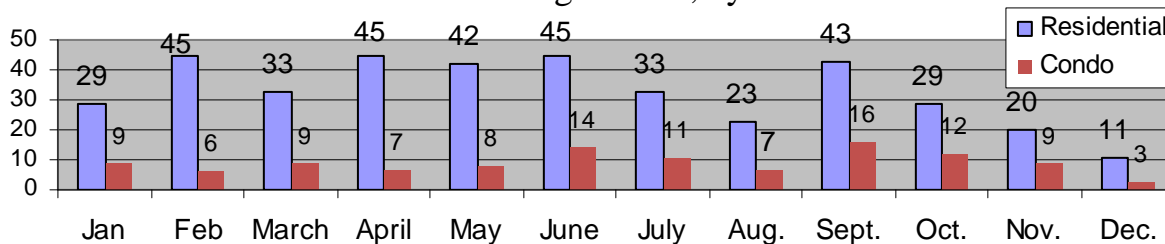
Source: New Canaan Multiple Listing Service, December 1-31, 2009

December Recap

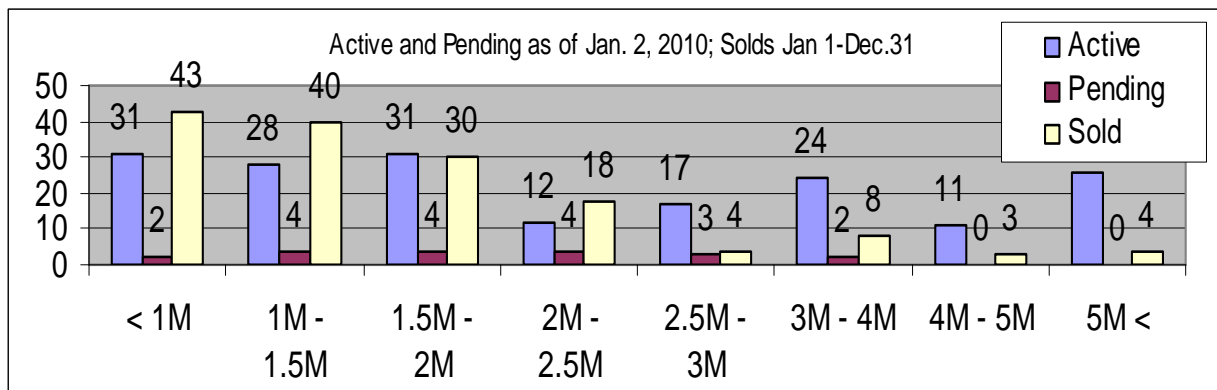


December Recap: Residential closings remained strong with 11 in December '09 as compared to just 2 in December of '08. The 2009 number of residential closings was more in keeping with totals in 2007 (16) and 2006 (17). Pending also remain strong with 9 as compared to just 1 in December of '08. Price changes is one of the key statistics for 2009, with 398 price reductions for the year (see chart below). With inventory between 250 and 290 most of 2009, that averages out to well over 1 price reduction for each property.

2009 Price Change Totals, by Month



2009 Year-End Active, Pending, Sold



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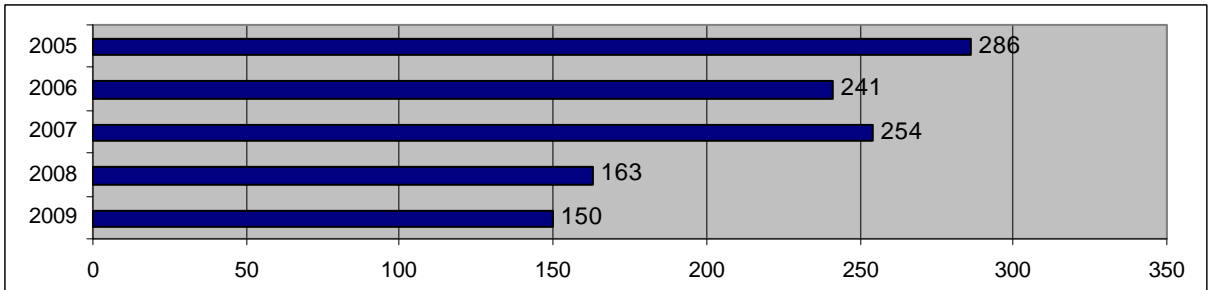


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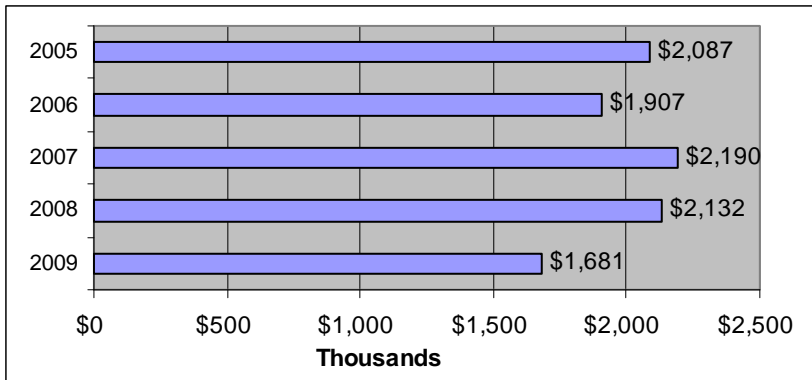
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2005-2009 Year-End Residential Sales Comparisons for New Canaan

Total Number of Residential Sales



Residential Average Sale Price

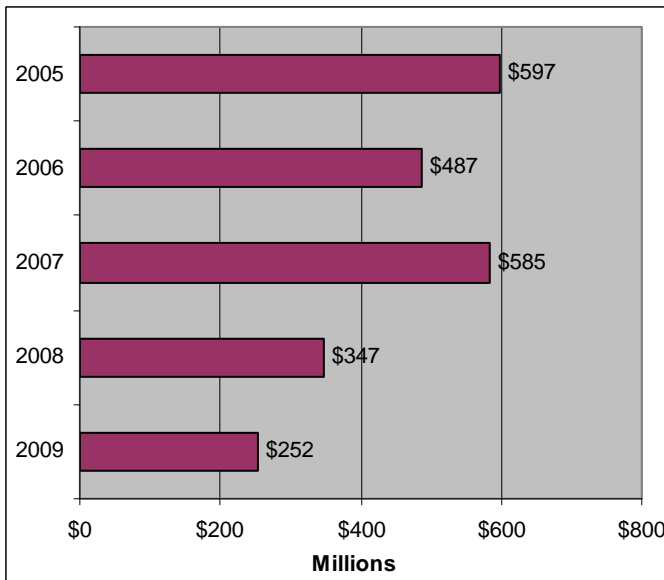


The total number of residential sales has dropped from 286 in 2005 to 150 in 2009.

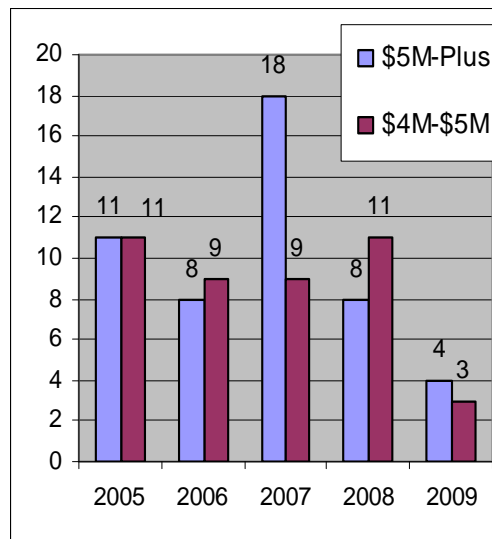
The average sale price was at a high in 2007 and at its lowest in 2009 (left). Sales dollar volume was dramatically reduced in 2009 (bottom left).

New Canaan's high end market (below) has been very quiet. Across the country the high-end market, whatever the price point for that region, is experiencing the same relatively diminished number of sales.

Residential Sales Dollar Volume



Residential High End Sales Totals (Over \$4M)



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The Appraiser in a Changing, Challenging Market (Continued from page 1)

How are foreclosures and short sales affecting appraisals?

At a certain point there can be enough short sales and foreclosures in the market that everyone has to price in line with that. We've found in New Canaan and Greenwich that there have not been enough to affect the market, generally. When the foreclosure numbers are about ten percent of the available inventory in a particular price category, it starts to effect values.

How has the home valuation code of conduct (HVCC), created in May of 2009, affected the appraisal of homes?

The HVCC has changed the way everybody conducts business today. No longer does the loan officer at the bank pick the appraiser. More and more appraisals now go through an appraisal management company (AMC) for assignment. What many appraisal management companies do to reduce costs is to assign the appraisal to someone out of the area. It's possible that the appraiser could be from New Haven or Hartford. In the more complex markets, and the ones that have private MLS's (Multiple Listing Services) like New Canaan, Greenwich and Darien, people who purchase and refinance can be subjected to appraisals by those not as familiar with the local markets.

What's also affecting things is that banks are being very conservative with the appraisal numbers. They are looking for the appraiser to consider the lowest sale comparables. This can make it difficult for homeowners to get refinancing.

Is it affecting purchases as well?

Yes, in the same way. You get low appraisals on purchase transactions, too. That's effecting transactions because banks are saying, erroneously at times, you are going to pay too much for that and we aren't going to finance it.

Do you have any advice for people considering an appraisal for a possible refinance or purchase?

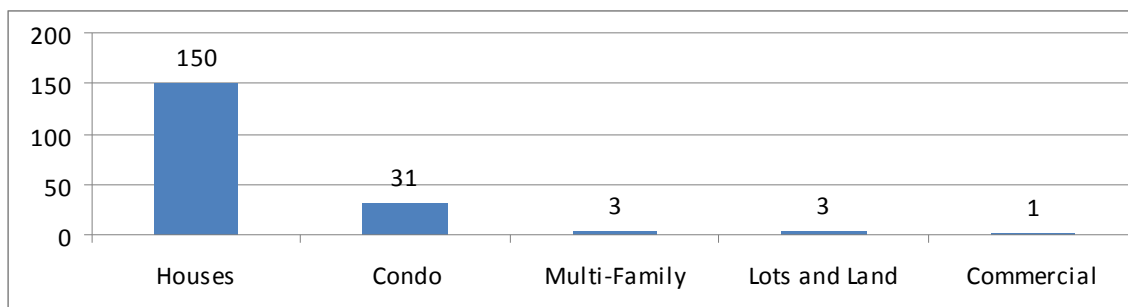
Consider that it might be necessary to have some extra cash if you are a buyer today. If the appraisal comes in low, you would want to be able to cover the gap. And know that should the appraisal come in low, the appraiser might be wrong in his assessment. However, there is not a lot you can do about it, because once a bank picks a number they rarely change their mind.

Another thing I recommend, on a purchase transaction, is to make sure your broker gets all of the offers in writing. There is no better comp in the world than what another person is willing to pay for the same property. If you have two people bidding for a property you want to make sure that gets recorded. If I can get a copy of a second offer, I will cite it in my appraisal, so that when the underwriter has someone else go out and look at this property, who comes back and says it's worth less, I can say, 'Hey, Look, here's the second person who was willing to pay a similar amount for the same property.' A backup offer is the best comparable in the world. Just make sure you have it in writing.

Is that legal?

The mortgage broker and the homeowner can't talk to the appraiser and try and influence an appraiser's opinion. However, realtors are allowed to give appraisers relevant information, and the fact is your realtor in most cases has more information than the appraiser does, particularly today.

2009 New Canaan Property Sales, by Property Type



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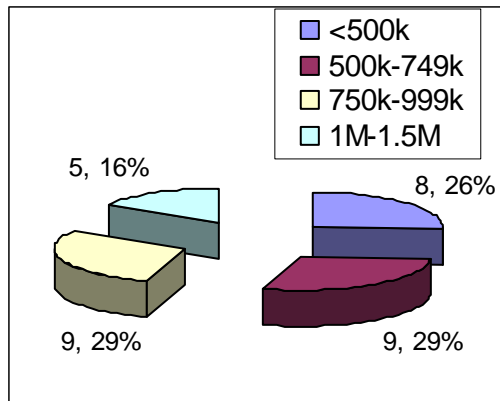
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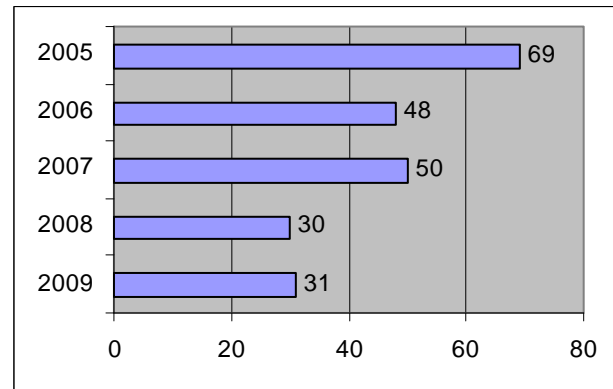
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2009 New Canaan Condos Sales

2009 Condo Sales, by Price



Condo Sales Totals, 2005-2009



Mortgage Matters: Closing Costs

Many of you I am sure have gotten to the closing table and have seen fees that never were disclosed or were higher than what the "Good Faith Estimate" initially stated. The reason for this is that it was exactly what it says—an estimate.

However with the zero tolerance laws which go into affect at the start of 2010, that will all change. The new "GFE" (Good Faith Estimate) will allow borrowers to get real numbers well upfront. Charges must fall into mainly two parts: 1) the origination fees or points and 2) the bank fees, including title fees, attorney fees, appraisal fees etc.

All attorney fees vary. It's now important to notify your mortgage broker in advance on who will be your lawyer.

The Good Faith Estimate is now three pages. There is a section on page three for the borrower who can now shop and compare fees and points with four different lenders. This will definitely weed out the bad lenders who would quote low fees but always end up higher than what was quoted.

This still is an estimate, but now mortgage costs can not move by more than 10% at closing.

Happy New Year!!

Mike Brown, Vice President, GuardHill Financial Corp.

Cell: 203-858-3769 email: mbrown@guardhill.com

Interest Rates (Note: Interest Rates Have Not Changed Since Last Month)

	Up to 417K	Up to 708K	Up to 1M	Up to 1.5	Up to 3M	Up to 4M	Up to 5M
10/1 ARM	4.875	4.875	4.875	4.875	4.875		4.875
7/1 ARM	4.500	4.500	4.500	4.500	4.500		
5/1 ARM	4.125	4.125	4.125	4.125	4.125		
30 yr fixed	4.5	4.875	5.500	5.875	5.875	5.875	

Rates provided by Mike Brown, GuardHill Financial Corp of New Canaan
Rates subject to change, and loan-to-value ration requirement varies, depending on credit score

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Staging Your Home in Winter

While there are challenges to staging a home in the winter, including inclement weather and shorter daylight hours, it also represents an opportunity. For instance, there are typically fewer homes on the market during the winter months, therefore the competition is minimized.

Among the steps to take to enhance your home's appeal at this time is to let in as much light as possible to all the rooms, and keep the house warm when it is being shown to encourage prospective buyers to linger.

And don't forget to clear the steps and walkways of snow for easy access.

Barbara

Notable 2009 Books by New Canaan Authors

For years New Canaan has been home to a talented and productive group of writers, and no one has surmised why better than New Canaan author Peter Prescott in an essay on the town's literary merits for the New Canaan Library. Prescott wrote:

"My guess is that New Canaan provides what authors want: a certain amount of space and quiet (there are no commercial highways bisecting our town), easy access to the big city – which most writers need – and a community so sure of itself that one's neighbors don't intrude or interfere."

Here's a list of 2009 books published by New Canaan authors surely worth a look.

Learn, Earn and Return: My Life as a Computer Pioneer, an autobiography by Harlan Anderson.

Pirates Latitudes: A Novel, by Michael Crichton. Published posthumously by one of the best-loved authors of all time.

Stephen Roach on the Next Asia: Opportunities and Challenges for a New Globalization, by Stephen S. Roach

Bombs and Lambs, a novel by Margaret Monkman.

The Million Dollar Throw, by Mike Lupica. Heart-warming sports story featuring eighth grade quarterback.

Earth on our Hands: A GCA Flower Show Celebrating 100 years, by the New Canaan Garden Club.

Social Lives, a novel by Wendy Walker.

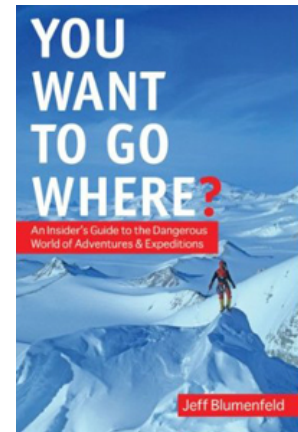
I Don't Buy Green Bananas: Center Stage With Cancer, by Joanie Butman.

You Want To Go Where? How to Get Someone to Pay for the Trip of Your Dreams, by Jeff Blumenfeld.

Chicken Soup For the Soul: Power Moms. 101 Stories Celebrating the Power of Choice For Stay-at-Home Moms, by Wendy Walker and Mark Victor Hansen.

Why Him? Why Her? Finding Real Love by Understanding Your Personality Type, by Helen Fisher.

Start With the Answer: and Other Wisdom for Aspiring Leaders, by Bob Seelert.



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