



VOLUME I ISSUE 2 WINTER 2010-2011

ROUND HILL PARTNERS VIEW

Happy New Year! We hope that 2011 will bring peace and prosperity to all! We would like to start the new year by thanking all of our clients who have supported us and allowed Round Hill Partners to thrive as part of the Greenwich community. This year marks our 18th year in business serving Greenwich and our neighbors. We could not have done it without your support and encouragement, and we at Round Hill Partners will continue to foster that support and encouragement going forward.

As many of you know, we updated and improved our website, www.roundhillpartners.com, in the second half of 2010. Hopefully you will find it much more informative and straightforward in its presentation of the developments and changes in Greenwich real estate. You will see all of our current properties for sale listed there as well as every property on the market throughout Greenwich. We strive to keep our customers and friends informed about all developing trends in the marketplace.

We are pleased to report that for sellers, the market continued to improve in the fourth quarter of 2010 with activity very brisk in December. The average sale price is up at December 31st versus June 30th. Properties are selling at an average of 92% of list price. In addition, sellers have become more pragmatic in their pricing, in most cases realizing that if they bought before 2005, they can still sell out at a profit or at least break even.

For our potential buyers, 2011 looks like an ideal time to shop for a Greenwich home. The perception is that Greenwich prices have bottomed out. In addition, with the inventory on the market at December 31, 2010 at 624 single family homes, though down slightly from the June 30, 2010 number of 733, it still allows buyers to have multiple choices in most neighborhoods and at most price levels throughout Greenwich.

As we stated in our fall newsletter, we are optimistic about the future of Greenwich real estate. This past year was a challenging one but far better than 2009. We are hopeful that we will see even greater improvement in 2011 and that we can entice you to come and see Greenwich for yourselves in this new year.

Renee Graham Gallagher, President and Co-Founder

Joann Erb, Vice President and Co-Founder



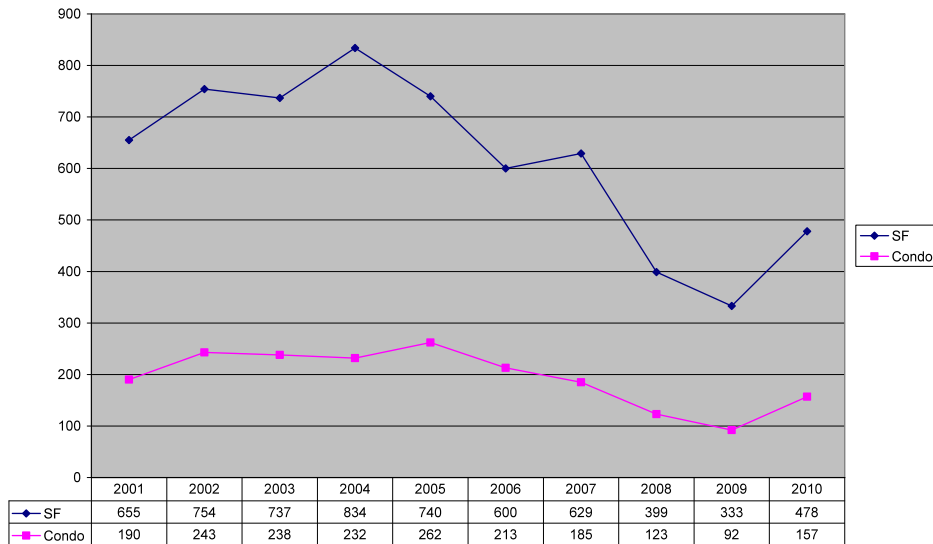
MARKET WATCH

To summarize 2010, it was a far better year than 2009 but still lagged behind the boom markets of 2005 through 2007. The total number of real estate closings for single family homes was 478 in 2010 versus 333 in 2009, or an increase of 43.5%. On a dollar basis, total sales dollars were \$1,199,341,784 in 2010 versus \$888,712,211 in 2009, or an increase of 34.95%. Both trends are in the right direction going into 2011.

Many of you have probably read excerpts of the Case-Shiller Housing Report in late December, 2010. It was negative on the

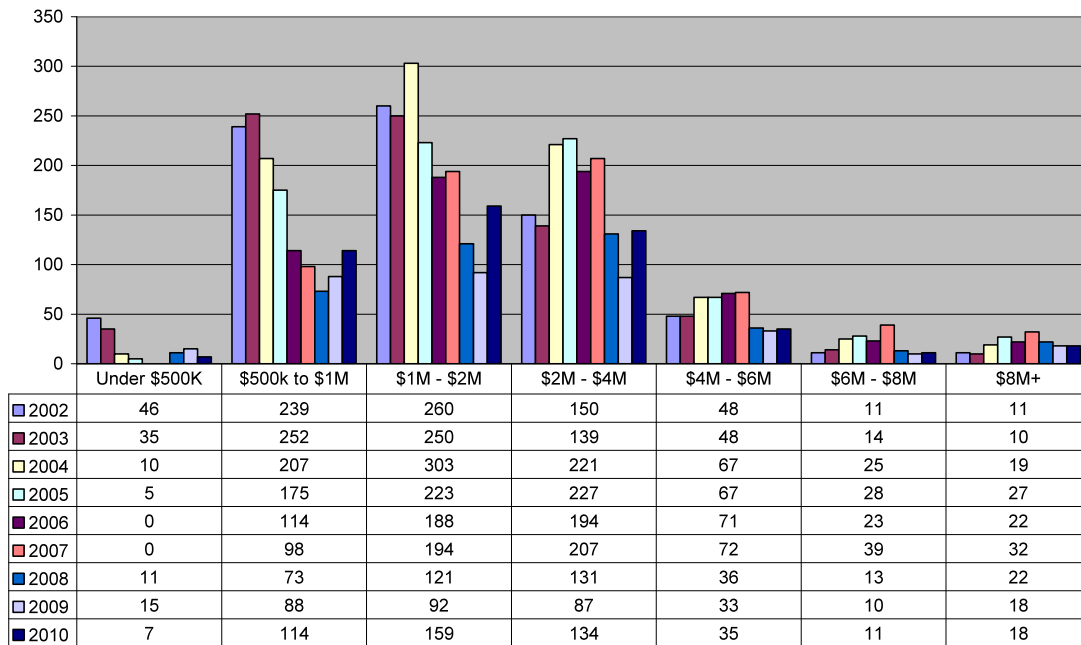
U.S. real estate market suggesting a double dip in real estate prices in 2011, but it was based on information through October 31st of 2010. A number of subsequent articles went on to point out that several metropolitan areas across the country actually saw an increase in prices for the 10 months ending October 31st. These included Washington DC, San Diego, Los Angeles and San Francisco. We believe that Greenwich is experiencing a similar phenomenon and our level of activity and pricing accelerated in November and December of 2010.

CHART I GREENWICH SINGLE FAMILY AND CONDOMINIUM SALES



During much of 2010 the market was driven by opportunists on the buy side and some quiet desperation on the sell side, or as one agent put it, “nervous buyers” and “nervous sellers”. Although there were spurts of activity at the beginning and end of the year, the trend was uneven throughout. This real estate climate existed in 2010 in spite of the fact that we had mortgage rates at all time lows, the stock market basically rallied throughout the year, New York City residential real estate was virtually unscathed by the 2008/2009 meltdown, and the Wall Street bonus was back.

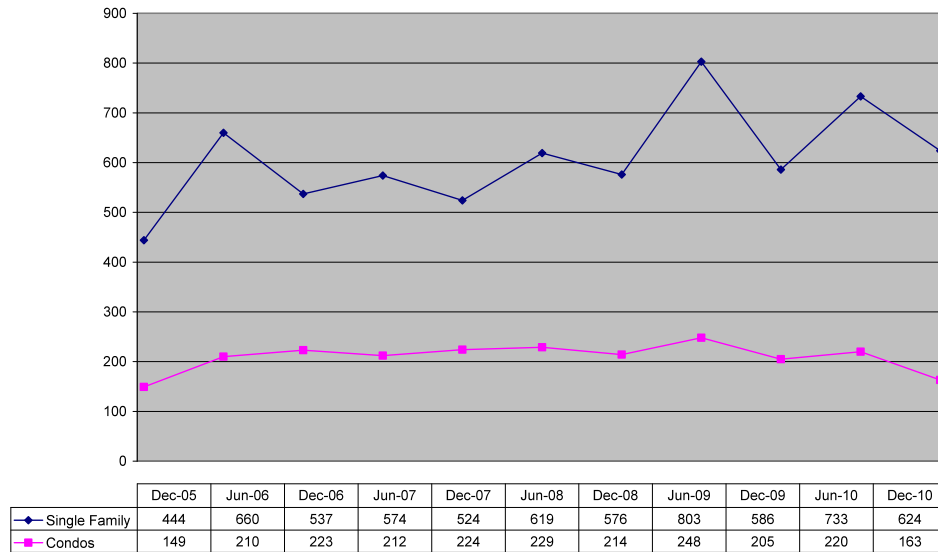
CHART II GREENWICH HOME SALES BY PRICE RANGE 2002-2010



It is always helpful to evaluate the market by looking at sales in various price ranges. Single family home sales in the \$1 million to \$2 million category lead the pack with a total of 159 sales in 2010. The second best sector was homes between \$2 million and \$4 million with a total of 134 sales. The sweet spot in the Greenwich market is still between \$1 million and \$4 million but there is a very active market in the \$500,000 to \$1 million category as well. And, we were pleased to see that the upper ranges, \$6 million to \$8 million and properties above \$8 million held steady at 11 and 18 sales, respectively. Included in this newsletter is a *Selection of Sold Properties 2010*. We wanted to show you that there is a wide cross-section of properties and a broad range of prices in our town. We hope that this will encourage you to come visit!

CHART III

GREENWICH PROPERTIES ON THE MARKET AS OF DECEMBER 31, 2010



It is interesting to note that the inventory of condominiums since June of 2006 has remained remarkably constant at around 200-230 units whereas single family homes have gyrated considerably. As you would expect, sellers typically put their homes on the market in the spring, thus the inventory levels in June of each year shown exceed the December levels. That trend is even more pronounced in 2009 and 2010. This inventory level is very good for buyers, who have a broader selection of homes to choose from in every Greenwich neighborhood.



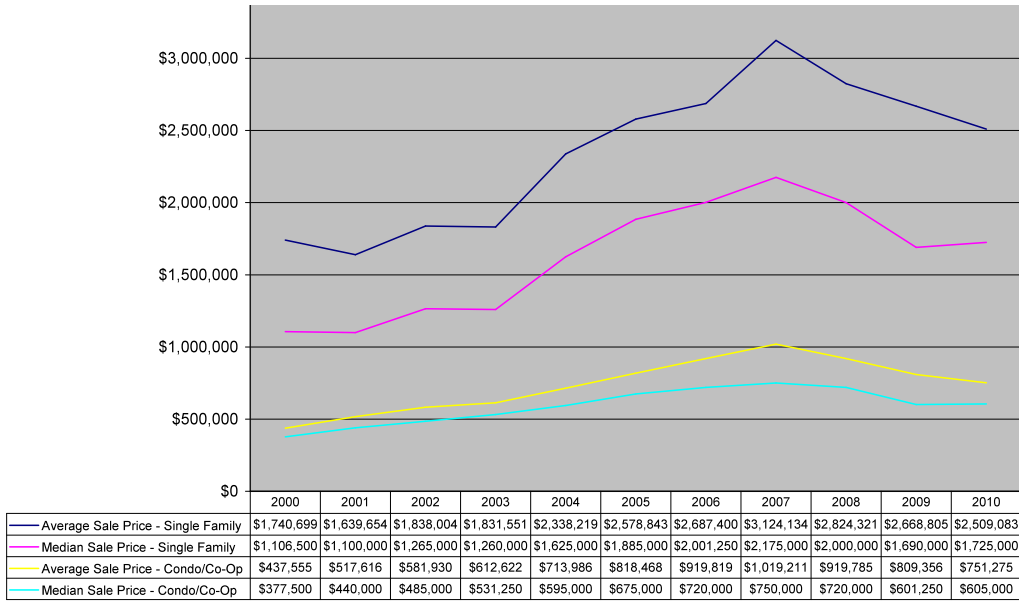
TOWN REASSESSMENT

Greenwich went through an updated assessment in 2010 that highlighted several interesting developments. The average decrease in residential properties was 13%, but Old Greenwich saw an increase in their assessed values whereas the rest of our town neighborhoods saw decreases. No one enjoys paying more in real estate taxes but assessed value does come into play on resale and for the Old Greenwich seller this has to be positive news.

STORIES IN YOUR HOME

Centuries ago in Scotland, children were known to be enamored with the stories depicted in the ornate stained glass of castles and other important properties. The stories began at the bottom level and progressed at each landing. The children often ran from floor to floor to reach the next segment of the story. It is this activity that inspired the “levels” of homes to be referred to as “stories”.

CHART IV GREENWICH HOME PRICES AS OF DECEMBER 31, 2010



Source of real estate statistics: Greenwich Multiple Listing Service as of January 4, 2011

WHAT WE SEE FOR 2011 AND BEYOND

Given the above as to why the real estate market should have improved in 2010 and yet did so very modestly, why do we see 2011 as a better market for Greenwich real estate? Several factors are at play in our market that simply do not exist elsewhere in the New York Metropolitan area.

First, to define the market: we are a town of primary residences, not secondary homes or resort homes. People with growing families need an attractive place to live which has good services, good schools and good amenities. Greenwich is in the top tier in each of these categories.

Second, Greenwich real estate taxes are the envy of the Metropolitan area. No one compares, not New York City, Westchester County, Long Island, nor the rest of Fairfield County. All pay higher taxes and those taxes are not going to decline with state and local governments strapped for funds.

Third, there is a growing confidence in the overall economy in this area (just look at Christmas sales for starters). Buyers and sellers are far from happy, but they do feel better about the state of the U.S. economy.

Fourth, mortgage rates, although up slightly should continue to be quite attractive for 2011.

Fifth, buyers out there are less nervous today than they were three to six months ago in part because they believe that Greenwich real estate has bottomed out and in part because they have reined in their expectations typically to a smaller, more affordable house.

Lastly, we lived through 2008 and 2009 and they were not good times for Greenwich real estate, but our perception is that many potential buyers have had their lifestyles on hold for two or more years and at some point they will decide that they want to get on with their lives. As it pertains to residential real estate and Greenwich in particular, we believe that the buyers will come in 2011 and the sellers, having recognized the new reality of real estate prices, will be ready to list their properties at reasonable prices which will result in a win-win for both parties.

Beyond 2011, we believe that our sophisticated buyers will or already have differentiated Greenwich real estate from other Metropolitan real estate neighborhoods. Just as we have seen an influx of foreign buyers over that last five years (buyers who in many cases look at Greenwich real estate as a secure place to invest their capital), so also will our new buyers appreciate the fact that the current deficit spending by our government could well lead to meaningful inflationary pressures (as happened in the 1970s) and one of the best hedges to protect capital is to invest in top-quality real estate assets, and that defines Greenwich!

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HIGH TAXES, UNEMPLOYMENT AND CRUISING ON THE QE2

November and December were eventful first because the Fed decided to go ahead with their latest Quantitative Easing (QE2) which will pump \$600 billion into purchasing Treasuries to keep interest rates low and, hopefully, stimulate the economy. Second, the President and Congress got together and agreed to keep tax rates where they are for the next two years. Both developments deserve a further look.

To borrow a quote from Dr. Al Wajnilower: “Future job growth in the U.S. depends primarily on increases in the production of goods and services made for use here at home. (Export growth helps, but since virtually all countries are competing hard to increase exports, we should not expect sizable net employment gains from foreign trade.)

Unfortunately the quintessential home-oriented industry—residential and related construction—is deeply depressed.”

He goes on to add: “Systemic financial problems will continue to weigh heavily on the economy. Federal Reserve supervisory and monetary policies are at cross-purposes. While monetary policy is trying to encourage business-friendly lending, regulators are pressing banks to strengthen capital positions by avoiding risky loans. Meanwhile, near-zero short rates encourage banks to reap safe and easy profits through secured short-term loans to speculators, fomenting mini-bubbles and mini-bursts in asset markets. The conflict would be mitigated if the Fed charged banks fees on their excess reserves (“negative interest”), rather than perversely rewarding them for keeping idle balances by paying them interest. There are, however, no signs of such action.”



THE REAL DEAL

We are in the Greenwich market with our clients every day. We foster great relationships with our buyers and sellers so that we often know what they want before they do themselves. Part of this approach is based on our philosophy, “We give you our time to help save your time.” Looking for the right home can be a daunting task for even the most sophisticated buyer and “packaging” your home to sell can be equally challenging. We pride ourselves in being able to handle both sides of a transaction successfully with the least intrusion on your busy schedules. In addition, Round Hill Partners is on the technology forefront in everything that we do. Besides the recent update to our website, www.roundhillpartners.com, we are always looking for ways to streamline and improve the flow of information to our customers. While we take full advantage of new technology, we will never allow it to replace personal relationships between our brokers and their clients. As one of our brokers said recently, she would “rather hold a hand than hold a mouse.” We agree. We are a hands-on firm and always will be.



SELECTION OF SOLD PROPERTIES 2010

Greenwich has something for everyone. Regardless of your price range, it is possible to make Greenwich your home, send your children to our top-rated schools and enjoy all the amenities our cosmopolitan waterfront community has to offer.



List \$13,500,000 Close \$11,450,000



List \$7,600,000 Close \$6,970,000



List \$4,350,000 Close \$4,250,000



List \$3,995,000 Close \$3,532,800



List \$1,550,000 Close \$1,385,000



List \$679,000 Close \$665,000

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