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STATE OF REAL ESTATE

WE EXPLORE TEN AREAS OF THE MARKET—FROM KEY INDICATORS AND **THE HOTTEST NEIGHBORHOODS TO INTERNATIONAL INFLUENCE** AND THE MILLENNIAL EFFECT (YUP, WE SAID IT)

BY CHRIS HODENFIELD

The Greenwich real estate market is like no other. You certainly can't make sense of "average prices" in a town where one house saw its price reduced by \$70 million and another got bumped up by \$10 million. Then there is the matter of the "shadow inventory"—big properties owned by people situated well enough to be able to just sit on them until they feel their stars are in alignment. It also happened that a few very big sales in 2014 occurred, noted one top broker, in hushed privacy, far away from any MLS listing.

What's "average" in Greenwich? Not much. But we can still look at the available numbers and take note of the evolution of houses hitting the market. »

Big, bright and family-friendly, a New England shingle style home by Charles Hilton Architects in Riverside



WHAT'S SELLING

Last year saw a 6 percent decrease in the total number of single-family home sales, notes Shelly Tretter Lynch of Sotheby's International Realty. "It went from 646 in 2013 to 607 last year. Even so, the high-end fared very well." Twenty-six houses priced over \$7.5 million sold last year, a 63 percent improvement over the fifteen sold in this category the year before. Of the biggies sold last year, fifteen closed at more than \$10 million.

After years of post-recession drift, the continued low interest rates combined with improved Wall Street prosperity have brought a sense of stability to the real estate market. In the dark days of 2009, the average time on the market for a house here was 167 days; last year's time was about a month shorter at 134 days. The average price rose to \$2.21 million, but that's just where we were five years ago.

"Things are moving," says Barbara Zaccagnini of Coldwell Banker, "but that doesn't mean that prices are up. Sellers have grown accustomed to the fact that prices aren't going to escalate like they used to."

The rampant house-flipping of the early 2000s is gone for now. "People are buying homes not to say 'How much money can I make off this?' but to live there."

THE BIG BOYS

The biggest Greenwich sale in 2014 actually made news all across the country. The Copper Beech Farm, all fifty-one beachfront acres of it, sold for \$120 million (after first hitting the market for \$190 million) in what Realtor David Ogilvy describes as the most expensive property sold in America.

(Note Trivial Pursuitists: The record was shattered only a few weeks later with the sale of a \$147 million estate in East Hampton, New York. Even that record might be broken this year as Petra Ecclestone, the twenty-three-year-old Formula One heiress, put her Los Angeles home on the market for \$150 million. Petra bought the house three years ago from Candy Spelling for \$85 million.)

The other attention-getting sale in our neighborhood—the \$27.5 million sale of director Ron Howard's house in Conyers Farms—isn't officially on our books, says Coldwell Banker's Tamar Lurie, as the thirty-two acre property is partly in Greenwich but mostly in Armonk.

Other interesting properties on the market include a beachfront mansion once owned by film tycoon Bob Weinstein and another on Indian Harbor Point remodeled by longtime resident Ivana Trump, being offered for \$54 million.

WHAT'S ON THE MARKET NOW

Wonder what your money gets you; what your house would go for? Or just want to look for fun? Here's a peek at some current listings.

\$30 - \$10.5 MILLION



\$29,500,000 BYRAM

YEAR BUILT: 1916 | YEAR RENOVATED: 2012 | BRS: 6
BA: 8 | SQ.FT.: 12,800 | SPECIAL DETAILS: 440 feet of shoreline, pier and deepwater mooring



\$17,199,000 BACKCOUNTRY

YEAR BUILT: 2007 | YEAR RENOVATED: 2011 | BRS: 7
BA: 12 | SQ.FT.: 17,406 | SPECIAL DETAILS: English gardens, pool, spa and tennis court



North of the Merritt, the house that will be referred to as “Mel Gibson’s house,” at least until somebody more famous buys it, is for sale again. The current owners bought the classic Tudor and massive grounds a few years ago for \$24 million, invested in some extensive redesign, and have now put it on the market for \$31.5 million. Tamar Lurie says there are no plans to cut up the seventy-five-acre estate.

LOOKING YOUR BEST

The seller who has not been in a real estate transaction in the last five years will have to get accustomed to the biggest growth area in the business: Staging and photographing your humble domicile. In years past, the staging treatment might have been the well-meaning friend who went around your house, tearing the lacrosse-team photos off the refrigerator and encouraging you to rethink the living room. Now you need a *team*. You need high-res photos taken by an architectural photographer who will certainly have had a stylist prepare your house with a thorough aesthetic overhaul.

Prepare to be humbled. But it’s critical for a house sale now. Any curious customer will have scoped out photos of your home on the Realtor’s website on his phone at least twice before even thinking of walking across your doorway. And the real estate companies that maintain those helpful sites can count the hits. They know what’s being seriously considered and what’s getting blown off. »

Home staging is a key component for Milton Development when showcasing their homes.



\$13,500,000 CONYERS FARM

YEAR BUILT: 1989 | YEAR RENOVATED: 2002 | BRS: 7
BA: 10 | SQ.FT.: 12,189 | SPECIAL DETAILS: Paneled library, 40’x28’ great room



\$11,975,000 CONYERS FARM

YEAR BUILT: 1987 | YEAR RENOVATED: 2014 | BRS: 7
BA: 10 | SQ.FT.: 12,988 | SPECIAL DETAILS: Ice arena, private observatory, manicured gardens



\$11,450,000 BACKCOUNTRY

YEAR BUILT: 2005 | YEAR RENOVATED: N/A | BRS: 6
BA: 9 | SQ.FT.: 13,930 | SPECIAL DETAILS: Courtyards, pergolas, built-in barbecues



\$10,500,000 BACKCOUNTRY

YEAR BUILT: 2002 | YEAR RENOVATED: N/A | BRS: 6
BA: 12 | SQ.FT.: 16,460 | SPECIAL DETAILS: Porches, balconies, loggia, home theater, billards

\$9.5 - \$8.5 MILLION



\$9,500,000 MID-COUNTRY

YEAR BUILT: 2000 | YEAR RENOVATED: 2014 | BRS: 6
 BA: 10 | SQ.FT.: 9,120 | SPECIAL DETAILS: Pool with waterfall, spa, pergola and large terraces



\$9,475,000 MID-COUNTRY

YEAR BUILT: 1997 | YEAR RENOVATED: 2003 | BRS: 7
 BA: 10 | SQ.FT.: 12,812 | SPECIAL DETAIL: 3,000-square-foot blue stone terrace



\$8,700,000 MID-COUNTRY

YEAR BUILT: 2009 | YEAR RENOVATED: N/A | BRS: 6
 BA: 9 | SQ.FT.: 11,160 | SPECIAL DETAILS: Master suite with two fireplaces and sun terrace



\$8,650,000 KHAKUM WOOD

YEAR BUILT: 1992 | YEAR RENOVATED: 2006 | BRS: 6
 BA: 9 | SQ.FT.: 8,535 | SPECIAL DETAILS: English manor with seven fireplaces

“Staging companies,” says Tamar Lurie, “were prevalent in the rest of the country, especially California, for the past ten years, but didn’t really arrive in Greenwich till the last year or so. It does make quite a bit of difference. It’s not directed at the owner’s needs, but at a sale.”

Beckie Hanley, senior vice president of William Raveis, notes how mobile technology has changed the game, and it’s not just using social media to get the buzz going on a house. “One of my brokers, Joy Metalios, hired a production company to create a lifestyle video of one of her new properties [14 Redcoat Lane in Greenwich]. It allowed the buyer to ‘wander through’ the house and gives the audience a tour in less than four minutes.”

Today’s buyers, phone in hand, will be looking for more of that.

NEW URBANIZATION

There is a condo for sale just a few steps north of the intersection of Greenwich Avenue and Putnam. The two-floor, 2,800-square-foot property being offered by Douglas Elliman Real Estate has enough going for it to command a price of \$4.5 million. It has great views, sure, but what it really has is *location*. Young buyers today like being close to town.

All of Fairfield County is enjoying what might be called a New Urbanization. It has been spurred by the Millennials and other new people who pour in from the city and feel most comfortable being near the action, close to the train, and surrounded by lots of restaurant choices.

The old-fashioned neighborhood vibe of Old Greenwich is a huge draw for buyers.



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Greenwich Avenue has always offered this, notes Rob Johnson of Halstead Property, “but now with the development of the Avenue, and all the new retail, it’s becomes more of a destination.”

The town-centric tastes of the Millennials has helped spur the development of new housing, for instance, around Milbank Avenue and across the street from the Delamar Hotel.

Even with all that, says Johnson, “there’s not enough product to satisfy demand.” It’s lovely to have all these young couples coming off the train with the intention of a cash purchase of \$1 to \$3 million, but where is the inventory?

Roberto Vannucchi of Douglas Elliman echoes the thoughts of many brokers who just wish there were more houses coming to market. “Although we saw a slight decrease in the number of homes sold in Greenwich,” says Vannucchi, “this does not indicate a lack of demand, but rather a shortage of quality inventory, particularly in the lower price ranges.”

HOT HOODS

The shifting fortunes in the Riverside and Old Greenwich neighborhoods have brought a little drama to the local scene. Riverside started moving up a few years ago and seemed to enjoy some of the residual business prosperity of nearby Stamford. Now it’s a heavily sought-after location, despite the occasional appearance of superstorms.

“Post Sandy, we saw Old Greenwich go down and Riverside go up,” says Alison Leigh, top seller in that area for Douglas Elliman. “Old Greenwich was tremendously hit.” After the flood damage, buyers swooped in to scoop up some bargains. But with recovery at last, Old Greenwich has that now-familiar problem—not enough inventory. “Buyers don’t like to *not* have choices,” Alison continues. “If they say they have \$2.5 million to buy a house there, and you’ve only got one or two choices, they don’t like that. Often it’s the comparisons that lead people to make a choice for a house.”

The two neighborhoods have not only been targeted by the Stamford banking crowd, they are also favored by Westchester people looking to shed that county’s daunting property taxes in favor of a toehold in the well-run, fiscally solid town of Greenwich. Plus there is the matter of these districts being real neighborhoods. »

An in-town location offers close proximity to the action—shops, restaurants and the train.



\$8,250,000 MEAD POINT

YEAR BUILT: 2003 | YEAR RENOVATED: N/A | BRS: 6
BA: 9 | SQ.FT.: 7,874 | SPECIAL DETAILS: Media room, golf simulator and solarium



\$8,250,000 BACKCOUNTRY

YEAR BUILT: 1995 | YEAR RENOVATED: N/A | BRS: 6
BA: 7 | SQ.FT.: 8,359 | SPECIAL DETAILS: Traditional estate with a horse barn, Gunite pool and playhouse



“If you’re near the coast and riding your bike to town,” explains Alison, “and walking around, getting to places without the car, it makes people feel like it’s ‘where I grew up.’ When they’re not able to raise their kids where they actually did grow up, that familiar feeling is really appealing to families.”

Interest in green technology is on the rise, but some buyers are reluctant to make the initial investment.

DESIGN FOR LIVING

Design tastes evolve gradually, of course, but one movement has clearly gained a lot of traction. Classic exteriors are still popular, but inside? Wide-open spaciousness is the new ideal. “It’s all open floor plans now,” says Brenda Maher of Berkshire Hathaway, “versus the small, traditional rooms of the past. Large great rooms, open-kitchen family rooms, big study areas for the kids.”

The desire for sheer, ostentatious size seems to be diminishing, according to many brokers.

On the other hand, the drive for renewable, or “green,” home-energy programs seems to be something always up for discussion but doesn’t always get acted on. “Green is rising in popularity,” says Vannucchi, “but we haven’t seen a corresponding price premium.”

Here is the conundrum. Millennial buyers are the most interested in solar, geothermal and other planet-saving technologies, but

\$8 - \$6 MILLION



\$7,950,000 BACKCOUNTRY

YEAR BUILT: 2013 | YEAR RENOVATED: N/A | BRS: 6
BA: 9 | SQ.FT.: 13,787 | SPECIAL DETAILS: Smart house technology, cherry paneled library



\$7,850,000 MID-COUNTRY

YEAR BUILT: 2008 | YEAR RENOVATED: N/A | BRS: 5
BA: 9 | SQ.FT.: 13,000 | SPECIAL DETAIL: French chateau with heated 4/8 car garage



\$7,150,000 MID-COUNTRY

YEAR BUILT: 2005 | YEAR RENOVATED: 2006 | BRS: 6
BA: 8 | SQ.FT.: 8,277 | SPECIAL DETAILS: Southern-style Colonial, broad verandas



\$6,400,000 RIVERSIDE

YEAR BUILT: 1893 | YEAR RENOVATED: 2014 | BRS: 6
BA: 6 | SQ.FT.: 6,079 | SPECIAL DETAIL: Historic home with modern amenities

as every single person in real estate knows, young homeowners in Fairfield County have zero interest in doing renovations. Buying a careworn house that needs some fixing up? That's not happening anymore. Says Tamar Lurie, "I would say most—90 percent—of buyers don't want to do the work of renovating. They do like the idea of buying something old that has been done." Thus, the switch to renewables becomes like any other renovation—something the previous owners should have done.

Another home design that has risen in demand is the first-floor master bedroom. "It's because baby boomers want to stay in the area," notes Brenda Maher, "and don't want to climb the stairs." There is also a growing need for what is gently referred to as the in-law room. Multi-generational homes are swiftly gaining in popularity. "Any new construction with a first-floor master has a waiting list," says Brenda.

COMMON MISTAKES

Innocent lambs that we are, we buyers and sellers do have a way of traipsing into the market with our blinders on. The brokers know our foibles all too well. For sellers of houses, Brenda believes one of the bigger mistakes is holding a house off the market. "The amount of activity on Super Bowl Sunday was phenomenal. None of my agents could keep up with the traffic. So taking your house off the market for the holidays is a big mistake because that's when serious buyers are out there. Don't wait for spring when the tulips are out to come on to market.

"The biggest mistake buyers make," she adds, "is having their wish list and not compromising, and then losing out on several properties because they just keep thinking something else might come on the market that's going to have everything on their wish list. And there are always some compromises. It's the very rare situation where you get exactly what you're looking for. They'll tell Realtors, 'Don't show me X-type of property. Only show me a Colonial.' And the most perfect rambling ranch in Connecticut comes on the market and it's, 'No, I don't want to see it.'" In brief, keep an open mind in the search for habitation.

THE IMPORT MARKET

So who has been snapping up those lovely backcountry houses sitting on grand pieces of land? Speaking off the record, some brokers indicate that the new international arrivals often have a yen for the security of those woodsy properties.

Up the line in Darien and Westport, brokers pay close attention to Wall Street. In Greenwich, you also pay attention to the international page. Anytime a nation suffers an economic setback, Greenwich real estate gains another customer. »

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— BRENDA MAHER, BERKSHIRE HATHAWAY



\$6,400,000 MID-COUNTRY
 YEAR BUILT: 1937 | YEAR RENOVATED: 1975 | BRS: 5
 BA: 6 | SQ.FT.: 5,743 | SPECIAL DETAILS: Tennis court, pool, pool house and stone bonfire pit



\$5,975,000 IN-TOWN
 YEAR BUILT: 2005 | YEAR RENOVATED: 2012 | BRS: 5
 BA: 7 | SQ.FT.: 7,288 | SPECIAL DETAILS: Views of Greenwich Harbor, infinity pool

\$5 - \$3.5 MILLION



\$4,750,000 SHERWOOD FARMS

YEAR BUILT: 2006 | YEAR RENOVATED: N/A | BRS: 5
BA: 6 | SQ.FT.: 7,218 | SPECIAL DETAILS: Circular floor plan for entertaining and casual living



\$4,295,000 BELLE HAVEN

YEAR BUILT: 2007 | YEAR RENOVATED: N/A | BRS: 5
BA: 7 | SQ.FT.: 4,486 | SPECIAL DETAILS: Wrap-around porch and gazebo, elevator



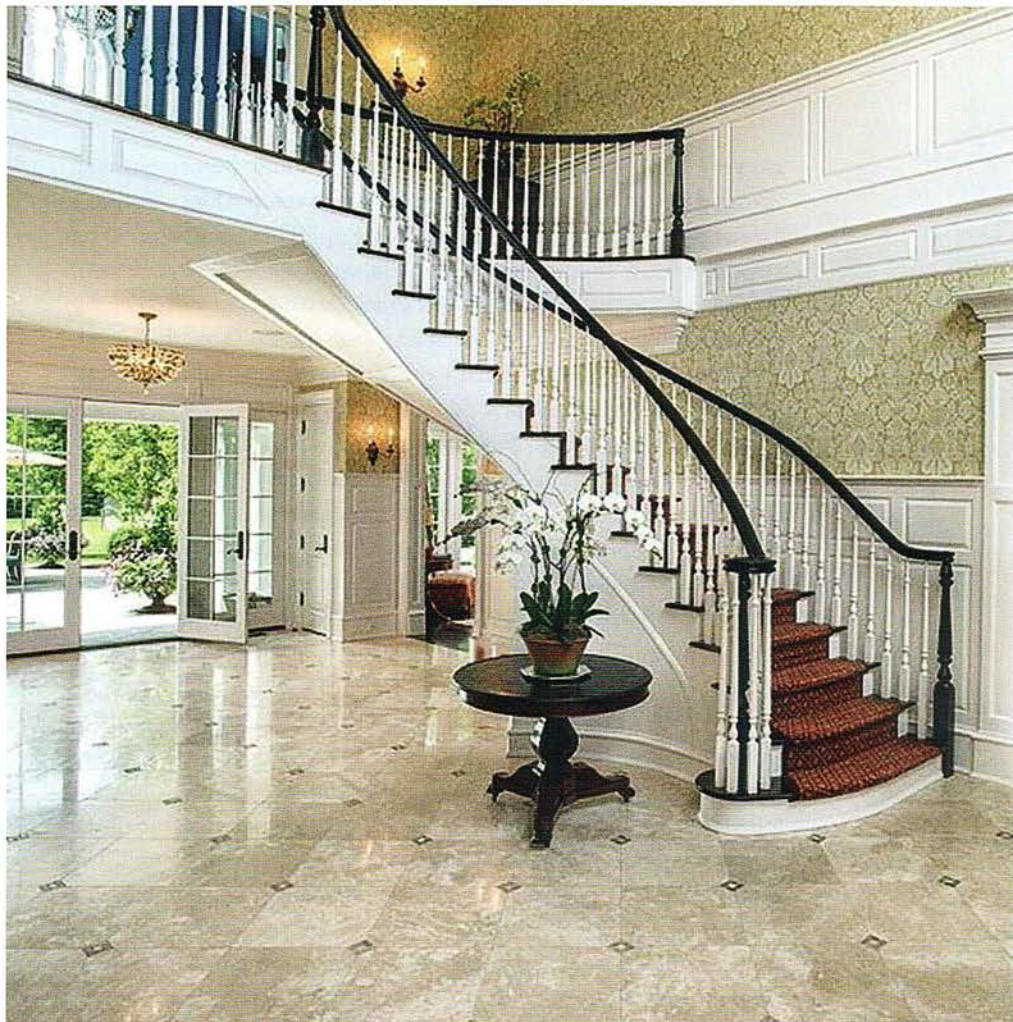
\$4,250,000 BACKCOUNTRY

YEAR BUILT: 1992 | YEAR RENOVATED: N/A | BRS: 6
BA: 7 | SQ.FT.: 9,004 | SPECIAL DETAIL: Five level and landscaped acres with pool and spa



\$3,995,000 BACKCOUNTRY

YEAR BUILT: 1997 | YEAR RENOVATED: 2007 | BRS: 5
BA: 6 | SQ.FT.: 7,585 | SPECIAL DETAIL: Badu jet indoor pool with onyx mosaic floor



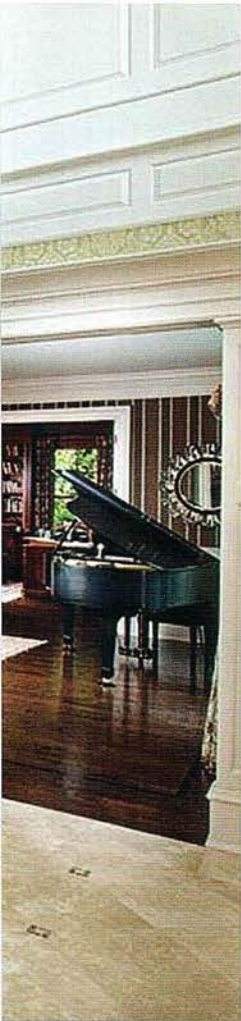
The grandeur of Greenwich homes continues to be a draw to the international buyer.

Adding to the town's attractiveness to foreign buyers is the very nature of its being a startlingly diverse international community. "The man from Argentina is going to know another man from Argentina here," says Rob Johnson, a London native. "And it makes an easier transition for the foreign buyer here. You know your kid won't be the only one in the class. The chances are good you'll meet some like-minded souls down the road."

Then there is the Manhattan/Brooklyn crowd who can't deal with Gotham's insane prices anymore, not to mention worries about the taxes. A year ago, many brokers predicted a "DeBlasio Effect"—an imagined exodus from New York caused by the new mayor's policies and tax suggestions. After a year, believes Johnson, it's starting to happen. "I just talked with two young couples who said they didn't want to spend one more penny in New York. 'We're coming out next week and we're going to rent for a year.' It's clear that Greenwich is the best defensive market in the New York region."

BANKING ON IT

"Most predictions I've read show that interest rates will remain relatively stable in 2015," says Roberto Vannucchi. "Some expect a slight increase, some expect a slight decrease, but either way, many



\$3,895,000 OLD GREENWICH
 YEAR BUILT: 1890 | YEAR RENOVATED: 2005 | BRS: 5
 BA: 6 | SQ.FT.: 5,130 | SPECIAL DETAIL: Restored
 Victorian on an oversized lot



\$3,350,000 OLD GREENWICH
 YEAR BUILT: 1898 | YEAR RENOVATED: 1987 | BRS: 5
 BA: 5 | SQ.FT.: 3,080 | SPECIAL DETAIL: Dramatic
 staircase to all four levels

ANYTIME A NATION SUFFERS AN
 ECONOMIC SETBACK,
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 ANOTHER CUSTOMER.

purchases in Greenwich are all-cash transactions, so we don't expect interest rates to have a major effect on our market."

Indeed, many a Greenwich deal requires no more banking assistance than the check signed in the lawyer's office. Still, jumbo loans are on hand for lesser mortals. The income restrictions put in place after the mortgage calamities of 2008 are still with us, of course, but banks appear to be loosening their purse strings.

In the first months of 2015, banking activity seemed to be running higher than a year previous, but as Michael Daversa, president of Atlantic Residential Mortgage, points out, it's hard to compare anything to the state we were in last year.

"The storms last year wouldn't let up!" he laughs. "It was one after the other. In early 2014, you couldn't leave the house. Things didn't really get started till May and June."

Last year's jumbo rates of 4-plus percent was nice, but now that it has dropped to around 3.6 percent, business is percolating. "Rates were not expected to fall so it caught many by surprise and has started a flurry of transactions in recent weeks. The rate reduction has increased the requests for thirty-year-fixed mortgages as applicants try to lock up low rates for the long term." If you can lock in at this absurdly low rate, why take a chance on an adjustable-rate loan?

Are the new loan restrictions still too onerous? Daversa doesn't think so. "Most borrowers still feel that lending guidelines have been tight and are getting tighter but, in reality, credit standards and guidelines are loosening. The lending attitude at most banks has shifted in the past several years and banks are truly looking to lend money these days."

BACK TO THE FUTURE?

Not every community can say this, of course, but the sale of all those \$10-million houses can do a lot to boost confidence in the broader market. Such is the opinion of David Haffenreffer of Houlihan Lawrence. "The continued low interest rate environment, cheaper gas and respectable returns on Wall Street are all contributing," he says, to a healthy local market. "It appears interest rates will remain low for the first half of the year, which will keep financing costs down and buyers confident about purchasing homes."

It is also to be hoped that warfare in the Washington, D.C., combat zone will also be in abeyance, i.e., no government shutdowns to throw a wrench into Wall Street psyches.

"Historically, Wall Street has always had a major effect on the Greenwich market," says Vannucchi, "and the combination of a strong economic and employment picture along with rising consumer confidence make us very optimistic for the coming year. We also keep a watchful eye on the global market. According to *The Wealth Report*, published by [Douglas Elliman's] international partner, Knight Frank, New York City is set to remain amongst the world's two most important cities for at least the next ten years. As our area remains very popular amongst the international buyer, we expect to see continued interest from overseas." **G**

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