




BUSINESS

Dow Jones	S&P	Nasdaq
		
13,542.88 -13.65	1,525.10 +2.35	2,578.79 +20.34

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Greenwich homes beat Dow

By Richard Lee
Assistant Business Editor

In two decades, appreciation is 600%

Greenwich real estate agents have a new bullet in their belts when wooing prospective home buyers.

A study commissioned by the Greenwich Association of Realtors, reviewing quarterly selling prices between 1987 and 2006, has shown that those who bought a home during that period were rewarded with a 625 percent return on equity.

That surpasses the performance of the Dow Jones Industrial Average, the Standard & Poor's 500 and the Russell 2000 during the same period, the Realtors association said.

The three stock indices recorded returns

of between 450 percent and slightly more than 500 percent, Ray Kehrhahn, assistant director of the Center for Real Estate & Urban Economic Studies at the University of Connecticut School of Business, told an audience of 200 association members yesterday at the Bendheim Western Greenwich Civic Center.

During the same period of the study, return on equity in Connecticut as a whole was slightly more than 300 percent.

"Everybody knows Greenwich real estate is an excellent investment," said Kehrhahn, who conducted the study. "With the

results of this study, you can talk to people about buying a \$4 million home instead of a \$2 million home."

"Greenwich real estate during bad economic times — the volume goes down, but prices remain stable, unlike the rest of the state, where you have significant price declines," Kehrhahn said.

Answering questions from the audience, Kehrhahn said he did not include stock investment transaction costs or dividends or the effect of taxes and reinvested dividends in his study.

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Despite a nationwide drop in sales and prices, statistics show that sales of single-family homes and condominiums were higher in Greenwich in the first quarter of 2007, compared with the same period in 2006.

In the first three months of 2007, seven houses sold in the \$600,000 to \$700,000 range, compared with two during the same period last year.

There were 27 sales of houses in the \$1 million to \$1.5 million range, compared with 23 last year, and 29 in the \$1.5 million to \$2 million range, compared with 23 in the same period of 2006.

Houses in the \$2 million to \$3 million range and \$4 million to \$5 million range and jumped from 27 to 34 and 11 to 14, respectively.

Sales in other categories remained the same or slumped.

The report should be useful for real estate agents who stress to home buyers the value of Greenwich property, said association President Carolyn

Anderson and president of Anderson Associates Ltd.

"For years, we've told clients that you'll love living here, and this is the best investment you'll ever make," she said, adding that now agents can respond to clients who say, "show me the numbers."

She attributed Greenwich's vibrant real estate market to dedicated agents, strong zoning, proximity to New York City, good schools and competent town government.

Peter Tesei, chairman of the town's Board of Estimate and Taxation, told the audience that he has benefited from being a Greenwich property owner, buying a condominium for \$156,500 and 4½ years later selling it for \$365,000.

The association is fortunate to have the report, Gloria Chin-Besthoff said.

"It's a win-win for buyers and sellers," she said. "I see myself using it as one of my tools."