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Greenwich's Luxury Housing Market is Fraying

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In 2015, Ronald Stuart listed the five-bedroom waterfront home he built on Pilot Rock Lane in Greenwich, Conn., for \$14.5 million. PHOTO: HOULIHAN LAWRENCE

By

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Affluent home buyers in Greenwich, Conn., can choose between an old château overlooking a 100-foot long sea wall on Long Island Sound for \$25.5 million or a 2007 estate with peaked roofs, a spa and an indoor basketball court for “only” \$16.2 million.

Or, numerous other sprawling properties priced north of \$10 million.

While home sales are surging across the U.S., they remain sluggish among the most expensive homes in fashionable Greenwich and across Fairfield County.

There were only five sales for \$10 million or more in 2015 and 2016, the slowest pace in this category since at least 2008, and less than half the average, according to brokerage Houlihan Lawrence. In all, there are 38 properties listed for \$10 million in and around Greenwich, meaning it would take at least seven years to sell them all at the current pace.

Although brokers say showings have picked up this spring, some worry that among the most affluent buyers a suburban mansion in Connecticut is losing ground to a trophy Manhattan apartment.

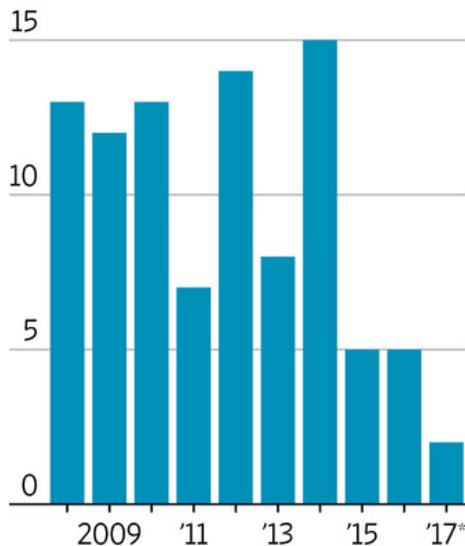
At play, also is the rising state income tax burden on the very wealthy that makes Connecticut less of a tax haven than it used to be compared with New York, brokers said. Connecticut raised its top tax rate twice in the last decade, in 2011 and 2015, to the current 6.99%.

“For the longest time we were definitely benefiting from very low state taxes,” said Tamar Lurie, an agent at Coldwell Banker Real Estate in Greenwich. “We are inching higher and of course it impacts buyers.”

Luxury Laggards

Sales of Greenwich, Conn., homes listed for \$10 million and up have slumped in recent years, while median home prices have been flat.

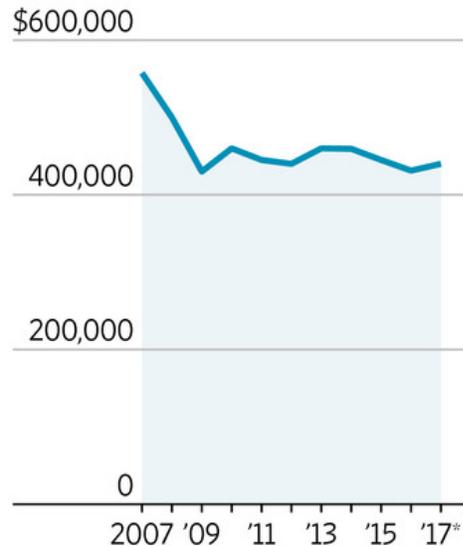
**Sales of Greater
Greenwich-area homes listed
\$10 million or more**



*Year to date

Sources: Houlihan Lawrence; Halstead Property

**Median sale prices in Fairfield
County, Conn.**



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Ms. Lurie is listing the \$25.5 million waterfront mansion owned by Bob Weinstein, the former co-chairman of Miramax Films. The gated property has 440 feet of shoreline, a beach, and 12,788 square feet of renovated space, including six bedrooms and nine fireplaces. It was on the market for \$32 million in 2013, according to the Coldwell Banker listing, and the price was cut three times, including earlier this month. The house had been rented out part of the time, Ms. Lurie noted.

Connecticut's highest income-tax rate is below New York's for top earners. Ms. Lurie said that while taxes are a consideration for anyone who purchases real estate, buyers come to places such as Greenwich for other reasons as well.

“The main motivation is young successful families that are looking to have more than 3,000 square feet, the maximum they would get in Manhattan,” she said. “They come to Greenwich with beautiful big homes, a lot of land around, the best schools and so many activities for kids.”



207 Byram Shore Road PHOTO: DAN MILSTEIN

At the same time, sales have been sizzling at lower price points in nearby neighborhoods. Across Fairfield County, sales surged last year to the highest level in at least a decade, according to figures from Halstead Property, though prices haven't recovered from housing-boom levels. The median price of \$440,000 so far in 2017, remained 21% below the 2007 figure.

Jonathan Miller, an appraiser and president of Miller Samuel Inc. who lives in Fairfield County, said the area boomed before the 2008 financial crisis, a time when many people in financial services sought out sprawling suburban estates.

“The joke was that if you went to a cocktail party in a high-end housing market in these areas, everyone's business card would [say] hedge-fund manager or real-estate developer,” he said.

Today, many sellers have priced their properties too high, based on rising prices in the Manhattan market, Mr. Miller said, at a time when tastes were changing.

“The high-end city property owner is generally staying in the city and we are not seeing the flight to the suburbs at the upper end of the market,” he noted.

A few miles across town from Mr. Weinstein’s home, Ronald Stuart in 2015 listed the five-bedroom waterfront home he built on Pilot Rock Lane for \$14.5 million. It has 7,247 square feet of space overlooking a beach, with a putting green and membership in a homeowner’s association that maintains a private marina. Its crowning feature is an edgeless swimming pool facing Long Island Sound, where swimmers seem to be floating out to sea.



Ronald Stuart’s waterfront home in Greenwich, Conn., features an edgeless swimming pool facing Long Island Sound. PHOTO: HOULIHAN LAWRENCE

The house was put up for sale after several years of rising prices as the market bounced back from the post-2008 slowdown, Mr. Stuart said. But then the recovery stalled, and he cut the price three times, to \$12.45 million.

Mr. Stuart's broker, John Bates of Houlihan Lawrence, said showings of the Stuart home and other high-end properties have picked up. The large inventory has allowed buyers to be choosy, and to bid up properties in move-in condition "because they don't want do the work."

During five showings of the Stuart home in the past few weeks, Mr. Bates said, no one complained or mentioned taxes or maintenance fees.

"Our timing was not great," Mr. Stuart said. "It is no secret that this is not going to be in everybody's price range. You have to take it in stride."