

How's the market? Funny you should ask ... | Home & Living

Cindy Caskey

Here's a QUESTION I get asked almost every day: "How's the market?"

No matter how busy one gets with day-to-day business as a real estate professional, a Realtor recognizes where the housing community is economically and where it is going.

Having many different price points to consider, as well as varied types of properties, requires analysis. Breaking it down by city and even neighborhood is important, too, because knowledge is key when serving clients. Awareness of listing price versus sales price, number of listings available and under contract, days on the market and more also is crucial.

Nationally and locally, the number of homes for sale has remained low. Meanwhile, job growth has lowered unemployment to a record low, meaning there is more consumer confidence to purchase. This, paired with rates that are still reasonably low, means the housing market is in prime shape for buyers or sellers.

But the market changes not just from year to year but month to month, and national housing statistics don't necessarily reflect what is happening in Hampton Roads.

Fortunately, to date, our area is sure and steady, with home prices increasing gradually. You cannot compare our market to Seattle, for example, where there are 40 offers on any given property. (In that Northwest locale, there are even lotteries for which you must be chosen as one of 20 to even submit an offer.)

Our 2018 local real estate projections show the interest rate remaining low; it is predicted to go up slightly but remain low enough for purchasing comfort and qualifying. In 2016, an increase to 3.80, and then to 4.25, was predicted and became reality.

Since lending overhaul has ironed out and no-document loans are a thing of the past, loans are flowing while reducing the risk of another bubble by requiring borrowers to be better informed and qualified. This equates to a strong homeownership market where mortgages are being paid.

If you have not bought or sold in some time, you will notice that more information is required as you go through the loan process. But it is to your benefit. You, as the consumer, are more protected. You will get a consumer disclosure several days before closing so that you as a buyer aren't sitting at a closing table and looking at a rate that you were not promised. The flip side is to watch your credit to be able to make it happen at all.

Although the Hampton Roads market has been improving steadily since 2011, the total number of active-inventory homes available in 2017 was 7,000 versus 10,000 in 2016. February's total of 1,753 is lower than the previous month's total supply of available

inventory of 2,142, a decrease of 18 percent. Absorption rates (how many months of inventory are available) are still over three months and, in some cities, up to over five months. Therefore, being over three months and under six months means it is neither a buyer's nor a seller's market.

What this does say is that we have a shortage of inventory.

Baby boomers are not moving, and investors are not selling. Yes, houses are selling, rates are good, and the economy and consumer confidence are strong. All that's missing are for-sale signs in the yards to move first-time homebuyers in and previous first-timers out to bigger homes, which they need because their families are growing.

Does this make it a seller's market? No ... and mostly no. A three-day snapshot of new listings in three of the seven cities shows 150 new listings and 76 pendings. That means that more than half of the number of homes listed went under contract in the same three-day period. That is limited to a certain area, so consider that seven cities are in Hampton Roads when selling, pricing and looking to purchase.

With the right price point, \$200,000 to \$300,000 to spend, or specific prime locations and overall condition, multiple offers are happening. Rates are still relatively low, and buyers are basically waiting for sellers to put their home on the market. But are they going to pay too much for it? No.

If you are a seller, price your home as close as possible to fair market value. A good majority of sellers price their home too high and then make cuts to attract buyers. Have a pre-listing inspection, get it buttoned up, declutter, stage, paint, carpet, landscape and have your crawlspace inspected so you know what is going on under there. (You should never want a buyer to tell you what is going on with your home.) Seize the day now for an early spring listing to beat the competition.

If you are a buyer, be "ready to write" with a pre-approval letter and a relationship with your loan officer and Realtor. They are a team. Sellers expect the pre-approval letter to come with the offer, and if there are multiple offers you won't be considered if you don't have one. Nothing could be more frustrating than losing an offer because you were not prepared.

Bottom line, whichever way you look at it, buying or selling in 2018, you can't go wrong with a dream, a plan and a good Realtor.

Cindy Caskey, CRS, ABR, SRES, SFR, MRP, e-PRO, is a Realtor with Berkshire Hathaway HomeServices Towne Realty in Virginia Beach and a member of the Hampton Roads Realtors Association. Realtors are real estate agents who adhere to a strict code of ethics and work to protect and preserve private property rights; learn more at www.isyouragentone.com. For more on HRRRA, go to www.hrrra.com. Contact Caskey at cindy@cindycaskey.com or 757-642-1001.

Cindy Caskey, CRS, ABR, SRES, SFR, MRP, e-PRO, is a Realtor with Berkshire Hathaway HomeServices Towne Realty in Virginia Beach and a member of the Hampton Roads Realtors Association. Realtors are real estate agents who adhere to a strict code of ethics and work to protect and preserve private property rights; learn

more at www.isyouragentone.com. For more on HRRRA, go to www.hrrra.com. Contact Caskey at cindy@cindycaskey.com or 757-642-1001.