

10/19/09

Lincoln County Sales

There is light at the end of the tunnel for homeowners and buyers. Economic indicators suggest we have made incremental improvements in home sales and new home construction. The Commerce Department on Tuesday reported that September housing starts inched up 0.5 percent from the previous month but remained more than 28 percent below year-earlier levels. The results were below the 2 percent gain that economists had projected. Permits for new home construction, meanwhile, slipped more than 1 percent from August and were about 29 percent below the level of September 2008.

Our local Lincoln County Multiple Listing Service shows 2nd Quarter sales were 143% above 1st Quarter and 3rd Quarter sales were 131% above 2nd Quarter. Pretty significant increases for our County considering we are now in the beginning stages of a protracted recovery that will continue for some time. One bright spot on the horizon is that months-of-inventory has been reduced by half since the beginning of 2009.

Short sales and foreclosures continue on the rise and distort current market values. Until they are absorbed in our market, price and competition will remain fierce. Those Sellers putting their properties on the market need to be aggressive in both pricing and marketing. The days of inflating the asking price to leave a cushion for negotiation are gone. Your best offense is still a good defense. Setting your list price at current market value will get buyers attention and traffic through your doors. Listing and pricing property is part art and science requiring the time, effort and energy of your Realtor. Priced correctly, you have a significant advantage over other properties that languish on the market. No amount of marketing is going to make up for an overpriced property.

We often hear the anxiety and frustration of homeowners whose property have not sold while prices continue to fluctuate. The good news is that we are seeing a positive increase in sales. Buyers are coming to the coast in numbers not seen for a long time, ready, willing and able to buy. They recognize the opportunity of current interest rates and realistic home values. Priced right, your property will get their attention and dramatically improve your chances of a sale.

Keep in mind that appraisals are more critical to a successful closing than ever before. On every appraisal, the appraiser must check one of three boxes regarding local market conditions. The options are: "market is appreciating," "market remains stable" or "market is declining." Given the nationwide decline in home values, appraisers are most likely to cite "market is declining." An appraisal that falls short of your accepted offer creates some difficult issues. The buyer typically has four options: making a larger down payment, asking the seller to lower the price, finding another lender or withdrawing from the deal.

Meet with your Realtor and define a specific strategy and be open to the discussion when it comes to price. None of us like the fact our home prices have fallen but we can provide you with the qualitative and quantitative data you need to make the right decision to enter into the market. Position your property to be one of those that gets sold. Remove the anxiety and frustration that comes with sitting and languishing on the market. Call me anytime to discuss your needs and strategy
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