

MARKET INSIGHTS



A look at the current real estate market.
An information source provided by RE/MAX Alliance.



Thanks to growing consumer demand and low mortgage interest rates the inventory levels continue to dominate the news and trends in our real estate market. While many geographical markets have seen a slight increase of inventory, believed to be due more to the normal increase of the summer selling season, levels are still quite a bit below what is considered normal.

A look at the actual numbers show us that inventory is at approximately 4.2 months. This has had the effect of slowing homes sales considerably, which are down nearly 1.8%. Thanks to low interest rates, still less than 5% for most borrowers, high consumer demand continues into the third quarter as strong as we've seen in the first three quarters of this year.

One of the brightest spots in the housing market in this past quarter has been new home sales, which began to move upwards in June for a Year over Year gain of 9.1%.

Whether you're interested in buying or selling a home this year, there's reason to be optimistic. Healthy, positive consumer sentiments are contributing to a buoyant atmosphere about the real estate market and housing in general.

While interest rates are trending slightly higher, that actually is a reflection of an improving economy. Not surprising, as seen in the previous several years of tracking this statistic, single women purchasers, representing 17% is double that of single men which is just 7%. The millennial generation continues to represent the largest group of real estate buyers for the 4th year in a row.

9 out of 10 potential home buyers recognize real estate remains one of the best financial investments, indicating that in the 2017 Q1 Housing Opportunities and Market Experience report published by the National Association of REALTORS (NAR).

Housing starts posted dwindling statistics for March, April and May, but jumped up 8.3% and continued that climb into July. Building Permits issued also jumped 7.4%, a great indication builders are responding to the constantly growing demands of those making the decision to purchase their home.

Fannie Mae's monthly Home Purchase Sentiment Index tells us optimism rules the day in consumer attitude about securing a home mortgage. Lenders indicate they expect credit requirements to ease somewhat, allowing greater numbers of people to qualify to buy a house this year.

In spite of recent price increases, home owners are not responding quite as would be expected, which would do much to ease inventory concerns. The consequence of imbalance between inventory and demand could usher in further sale price increases. The industry is keeping a close eye on these numbers to determine at what price point current owners will finally decide conditions are right to coax them into this market.

In **Adams County** this past July, **434** home owners did wade into the selling waters, with **371** homes selling and closing within an average of **19** days. The median sale price of **\$327,000**, an increase from July 2016 median price of **\$304,900** reflects the rising sale prices, a possible effect of ongoing low inventory.

If you are one of the current flock of home buyers that are experiencing some stress over the lack of choices, or have had your offer to purchase overcome by another bidder on more than one occasion, don't be discouraged.

While the inventory concerns are very real, being prepared to move forward quickly once you do secure that agreement to purchase remains the best way to accomplish your home owning goals this year.

Stat Check

2016	2017
<u>Active</u>	
400	434
<u>Number of Units Sold</u>	
419	371
<u>AVG Days on Market</u>	
12	19
<u>Median Price</u>	
\$304,900	\$327,000