

MARKET INSIGHTS



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



Can you believe we are moving into the Spring sales season already? Recent real estate data gives every indication that demand for homes to purchase remains high. How high? Sales of new single-family homes are at the highest levels they've been in the previous seven months!

Continued low mortgage interest rates have motivated interested buyers who are seeking to take advantage of these conditions, particularly as hints of rate rises hover on the horizon.

Meanwhile, tight inventory dictates that if you are a buyer searching for your perfect nesting place this season, odds will favor you increasingly based on how prepared you are to move very quickly once you spot the one that suits your fancy.

Tight inventory is also the culprit behind the elevated home prices we're seeing. That's also why the new build home inventory has become such an important player in this marketplace. The National Association of Home Builders, during its regular survey of local builders, says that optimism is high. As new home construction produces more choices for buyers and more competition among sellers it should also help balance the market.

Those homes that are available are selling rather quickly. In the **Mountain Suburbs**, **62** homes sold and closed within just 50 days on the market this past March. March also saw median home prices that rose from **\$420,000** in 2016 to **\$514,500**. Available homes for sale sat at **158**, a decrease from the **173** available for sale this same time period last year.

Prolonged constricted inventory levels are fueling frustration for some buyers and making a purchase harder than it ought to be in

such a favorable marketplace. Hesitant homeowners, fearing they won't find a suitable move up home, need a bit of prodding to take the leap into a sale. Once they do though, we should see brisk activity that'll carry right through to the fall.

Although this year's real estate market may not look as buyer friendly as it has in recent years, this demand level is the highest it's been since the Great Recession, according to the National Association of REALTORS' chief economist, Lawrence Yun. Yun says Americans are feeling more confident about their financial status due to better job prospects and recent stock market gains. That, of course, is positive news. But the flip side of increasing buyer demand is more competition for available homes at a time when for-sale inventory is lower than normal in many markets. "Buyer traffic is easily outpacing seller traffic in several metro areas and is why homes are selling at a much faster rate than a year ago," Yun says. "Most notably in the West, it's not uncommon to see a home come off the market within a month."

Doug Duncan, Fannie Mae's chief economist, agrees that housing should continue to grow. "We expect housing expansion to continue, albeit at a more moderate pace than last year given continued pressure on affordability," Duncan said.

Expect demand to grow and swell the buyer ranks thanks to first-time home buyers coming back into the housing market. With upticks in employment and the job market in general, to quote Steve Danyliw, Chairman of the DMAR Market Trends Committee:

"The spring selling season in our housing market experienced some of its own March Madness. Homebuyers and sellers will be happy by the healthy increase in activity."

Stat Check

2016	2017
<u>Active</u>	
173	158
<u>Number of Units Sold</u>	
68	62
<u>AVG Days on Market</u>	
56	50
<u>Median Price</u>	
\$420,000	\$514,500