

MARKET INSIGHTS



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



We may be looking at the sales and housing information from February, but those crocuses poking their heads up in many fields around the **Mountain Suburbs** indicate spring is not far away!

A recent survey conducted by Princeton Survey Research Associates says 59 million people are considering buying a home this year. That's roughly one in four adults. Demand for housing remains high, evidenced by **37** of the **133** homes available for sale sold and closed in February.

This same survey shows that the strongest demand is being made by parents with young children. Understandable that they would want to move quickly on a purchase, leading to an average of just **70** Days On Market. Competition is a great motivator, and slim inventory is sparking tough competitions for what is available out there.

The second largest group of buyers are those between 27 – 52 years of age. Low interest rates appear to be what inspires this age group, as they choose to take advantage of home prices before further increases occur.

And prices are continuing to move upwards around the state, though the gap between February **2016's** median sale price of **\$500,000** and **2017's \$490,000** shows slight downward movement in the Mountain Suburb area.

Holden Lewis, a mortgage analyst with Bankrate, insists there's a lot of pent-up demand among younger buyers. "They have been stymied by stagnant wages, student loans and a lack of available starter homes," Lewis said. "If enough affordable homes are put on the market, we might see a surge of first-time home buyers in their early to mid-30s."

Here is the big question among home buyers that potential home sellers really should be sitting up and taking interested note of:

Will there be enough affordable homes on the market to support the increasing number of interested buyers?

Although all the recent signs among home builders indicate they are beginning to build smaller, more affordable homes, without a spike in the number of those putting existing homes up for sale, buyers are likely to continue facing a spring market that offers only minimal inventory to choose from.

No analysis of homes sold during the final quarter of 2016 is complete without noting that just under 60% of both new and existing homes were considered affordable to a family earning the median income of \$65,700 annually.

Even with the slight mortgage interest rate increase, the numbers – from the National Association of Home Builders Housing Opportunity Index – show that the majority of homes available for sale are still within reach for most who were hoping to buy a home this year.

A stronger job market and rising wages should help offset the effects of higher prices and rising mortgage rates. In addition, builders remain confident that the market will continue to improve this year.

As inventory of both existing and new homes loosens any price increases should begin to moderate, which would help improve affordability conditions even further.

The housing market is always evolving. Whether you're looking at new home construction or where mortgage rates are hovering, those numbers are always in flux.

The best time to sell? The best time to buy? When it's the right time for you and your family should always be your deciding factor.

Stat Check

2016	2017
149	133
31	37
60	70
\$500,000	\$490,000

Active

149 | 133

Number of Units Sold

31 | 37

AVG Days on Market

60 | 70

Median Price

\$500,000 | \$490,000