

MarketNotes

A Publication of The Stephen Howell Realty Group at Keller Williams Select Realtors

Boom or Bust - What's Going On?

If you think you are seeing "for sale" signs everywhere, you're right. With 2,975 active listings on the market, there are signs popping up everywhere like weeds in the garden. Sales leveled out last month, days on market remained the same, and prices increased slightly across the county this past month.

List Price vs. Sold Price

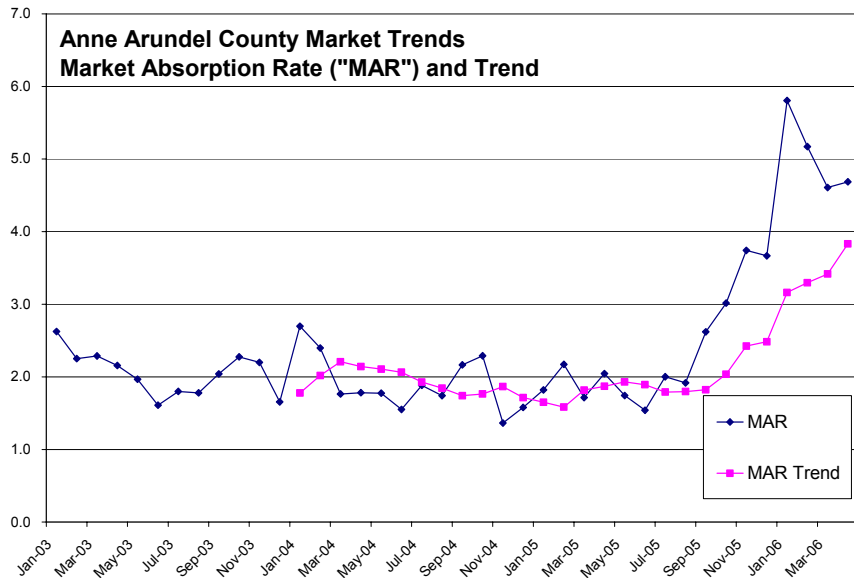
While the seller may set the asking price, the buyer sets the value and the range – if any, positive or negative, is the market. The average Sold Price across Anne Arundel County increased by just a little less than five percent (4.7%) from the prior month. Is this the right shoulder of a head/shoulder pattern forming? Those of you in the investment business might appreciate the analogy and wonder if we are now in for a price decline. The average List Price was \$426,347 last month, up from \$415,856. The average Sold Price was \$418,307, also up from \$399,348.

Units Sold

Inventory levels of Active Listings are at record highs again this past month. April, May and June are considered the peak selling months – but Units Sold was flat with 635 Units Sold in April versus 640 Units Sold in March.

Days on Market

Like Units Sold, Days on Market remained about the same at March – about 62 days. While some properties have remained on the market significantly longer,



the most desirable, well priced properties, in the best condition are selling in much shorter times – especially around Annapolis.

Market Absorption Rate ("MAR")

The Market Absorption Rate ("MAR") remained about the same – in April it was 4.7 while in March it was 4.6. This indicates that only one in five properties sold last month. Another way to say this is we have a five month backlog of listings to sell. While over priced properties lag behind more aggressively priced properties, those homes priced slightly below market are selling and those properties priced slightly above market are not. For example, along the Bestgate corridor, condos priced slightly below \$300K are selling while those priced above \$300K are not. Townhomes priced below \$400K are also selling, while those over \$400K continue to sit.

Strategy

So, what should your strategy be if you are a buyer? And, what should it be if you are a seller? Buyers are

likely to successfully negotiate price and terms more favorable than previously before. Buyers have choices and when there are choices Seller's will need to be more flexible on price and terms. Sellers should price their homes at or below market and always below any competition in order to have the serious buyers look at their home first. Once lower priced competition goes under contract, sellers whose homes are priced slightly higher will have a better chance after waiting for the market to catch up.

Conclusion

The very best homes will continue to sell, but, in a buyer's market it may take longer than you expect. Sellers that recognize the market trends and price their home accordingly should generate the strongest interest. So, if you're thinking about selling your home or know someone who is, for a confidential, private, professional assessment of your home in today's market, please contact Stephen Howell at 410-923-3217.