

# MarketNotes

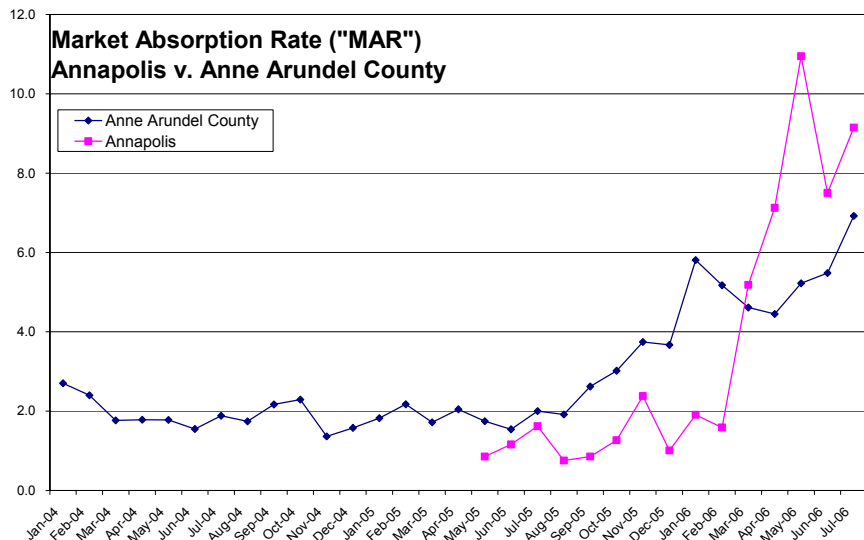
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## Normal Market Conditions

What we are experiencing is normal market conditions. Prices have edged up by five percent (5%) from this time last year in Anne Arundel County. This is normal growth in a normal real estate market. It feels strange after five years of hyper growth with prices rising twenty percent (20%) or more per year. Inventory levels are at record highs with 4,070 homes actively on the market in Anne Arundel County and 887 active listings in the Annapolis market (21401, 21403, and 21409 zip codes). The average days on market has stretched to 58 days for Anne Arundel County and 89 days in the Annapolis market.

In July of 2005 there were 146 homes sold in Annapolis (in the 21401, 21403, and 21409 zip codes) – this year there have been only 97. Last year there were 236 active listings in July – this year there are 887. Last year the average days on market was 36 in July – this year it's 89. Last year the average sold price was \$604,916 – this year the average sold price was \$567,543 – a seven percent (7%) decline.

So, why would you perceive market conditions as unfavorable? The best price for your home this year might be the same price it might have fetched last year. Buyers have choices and the serious buyers are buying. Should you lower your price? Yes, absolutely yes, if your home has failed to sell. Price reductions of five to ten percent (5-10%) from the original price are in order –



price to it sell, not to sit.

**When selling your home in a Buyer's Market, you should position the asking price for your home at or slightly below recent sales, and always slightly less than the average of the lowest similar homes currently for sale. Where there are only a few buyers, you MUST get serious buyers to look at your home FIRST!**

Over pricing remains a common mistake after a long sellers market. If you are overly confident believing that your home will sell before all the others and you over price, you will be left behind when the lower priced competition sells before you do. You should not over look market trends when pricing your home. And, if you are anxious to get your home sold sooner rather than later, you will need to adjust the price of your home to match current market conditions.

So, what should your strategy be if you selling your home? Price according to the recent market trends and always lower than your direct competition. You may need to

price between five and ten percent (5% - 10%) below recent solds in order to lure the most serious and qualified buyers to consider your home. You should be prepared to reduce price by five percent (5%) every thirty (30) days thereafter in order to obtain a quick sale.

Prices are likely to remain flat or decline further and inventory levels will remain high. Serious buyers will consider lower priced homes first. Interest rates should remain stable and later – after summer vacations are over – buyers may return to the market for the fall selling cycle.

### Conclusion

The very best homes will continue to sell and in a buyer's market it will take longer than you expect. If you recognize the trends and price your home accordingly, you 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.