

# MarketNotes

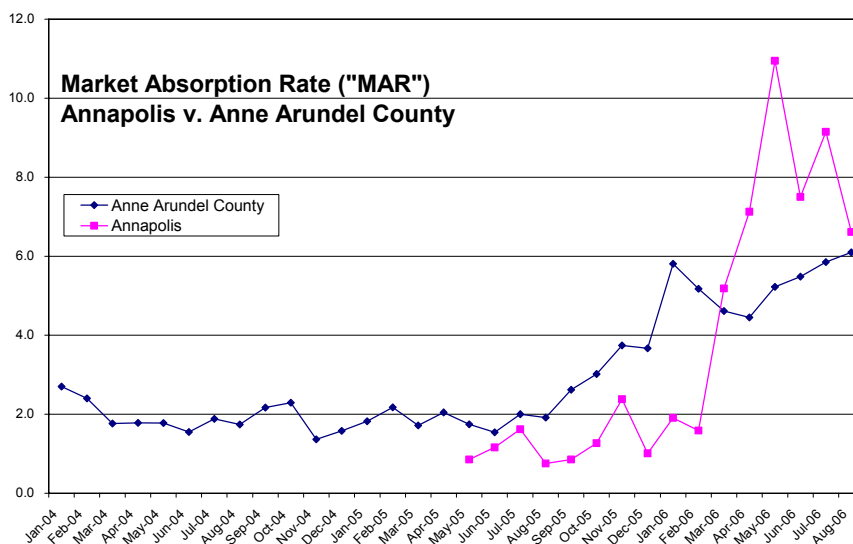
A Publication of The Stephen Howell Realty Group, LLC at Coldwell Banker Residential Brokerage

## Stabilizing Market Lower Overall Sales

Inventory levels in Anne Arundel County seem to have peaked in July at 4,173 while the number of properties sold in July was only 713. In July of 2005 there were over 2,000 fewer homes on the market and about 300 more homes sold. This August there were 3,895 homes on the market of which 873 were in Annapolis. There were 639 homes sold in Anne Arundel County in August and 132 homes sold in Annapolis. September and October inventory levels are likely to stabilize and even decline despite fewer sales.

There are several explanations for stabilizing inventory levels. The most obvious one is there are fewer sellers rushing to sell their home having watched this summer develop into such a strong buyer's market. While there have not been enough buyers in the market to knock out excess inventory, there are more sales in the summer and there may have been just enough buyers to keep up, therefore sold listings are pacing new listings. And, interest rates have stabilized and even come down just a little bit from a recent high of 6.5%. Although interest rates may seem high, the average 30-year rate today is at 5.93% - very modest indeed!

With so much competition – so many active listings – if you're a seller what are you supposed to do? As a seller you have no control over buyers, interest rates, world events, and other sellers. You do have control over three things: a) price, b) condition and c) incentives.



### Pricing

Our pricing strategy tells us that when selling in a **Buyers Market** (declining market) you should position your home at or **slightly below** recent sales, but always **slightly less** than the average of the lowest similar homes currently for sale. Where there are only a few buyers **you MUST get the serious buyers to look at your home FIRST!**

### Condition

Your home must be in tip top condition. It's not enough any more for you to just clear out the clutter. You'll need to apply fresh paint and replace worn carpet for your home to look its best. Strong personal signature (paint schemes and wall papers) are out and neutral finishes are in. **Clean, bright, white** – you should strive to give the buyer a blank canvass upon which they can overlay their personal signature.

### Incentives

You could offer agents an incentive to show your home to their serious buyers. **Offer an eight percent (8%) commission split 50/50 between the listing agent and the selling agent.** Agents are making fewer sales. It

costs your listing agent more to advertise and market your home. Give these agents an incentive to sell the home quick. It's not supposed to work that way, but, when all things are equal, an agent incentive might get your home shown before the competition.

Offer buyers an incentive in the form of closing help and interest rate buy downs. Consider offering up to three percent (3%) in closing help thereby lowering the amount of money a buyer needs up front. And, offer them up to three percent (3%) in prepaid points lowering their mortgage payment.

### Conclusion

The goal is to get your home sold. You can use incentives to generate showings and more showings mean a better chance that a serious buyer will make an offer to purchase your home. So, if you're 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.