

# MarketNotes

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

## War, Weather and Willingness

The difference in average sold price for a home in Annapolis was \$99,523 more than the average sold price in Anne Arundel County. In January 2007 the average sold price for Annapolis was \$516,875 while it was only \$417,352 in Anne Arundel County.

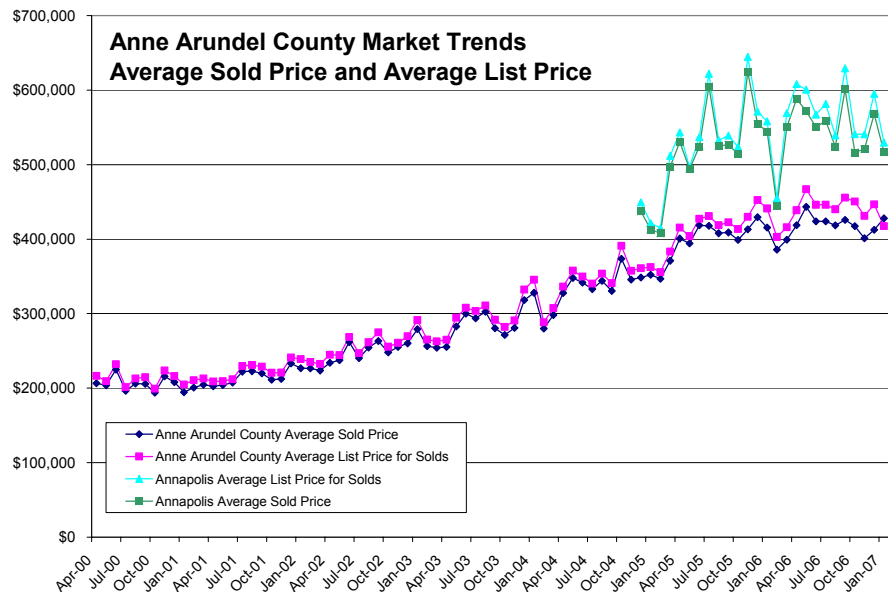
The total number of units sold in Anne Arundel County dropped to the lowest level in six year with only 360 units sold in January. Inventory levels declined to 3,085 active listings on the market during the same period. The total number of units sold in Annapolis dropped to 67 and inventory levels declined to 717 active listings.

Buyers were willing to pay only 97.5% of the seller's asking price on average across Anne Arundel County. Buyers in Annapolis were willing to pay 97.6% of the seller's asking price during the same period.

In Annapolis there is a 10.7 month supply of properties, up from 7.5 months in December 2006. Across Anne Arundel County, there is an 8.6 month supply of property, up from 6.3 months in December.

Freddie Mac released on Friday, February 2, 2007 the results of its Primary Mortgage Market Survey in which the 30-year fixed-rate mortgage averaged 6.34 percent, up from last week when it averaged 6.25 percent.

In November of 2005, the National Average Monthly Composite Mortgage Rate crossed the 6.0% threshold and has remained somewhere between 6.0% and



6.75% ever since. This marked the beginning of our buyer's market – we just didn't realize it at the time.

The Federal Reserve has left short-term interest rates alone since August, following a two-year stretch of rate increases. On January 30, 2007, the Federal Reserve Board announcement that it left interest rates at 5.25%. This suggests that their actions are intended to slow inflation but not so much that the economy stalls.

Are these the signals we've been waiting for that the time is right for buyers to reenter the real estate market? These indicators – and others – suggest that the time might very well be right for buyers to start buying again. It is difficult if not impossible to predict the peaks and valleys of any market, let alone one as complex as the real estate market. Whether we fully realize it or not, seasonality, local trends, national politics, buyer and seller sentiment, outside influences like war and weather, all affect a buyer's willingness to purchase and a seller's willingness to sell.

Hesitant buyers might find this to be an excellent time to purchase. And, sellers who want to participate in the current market – before the next run up this coming spring – may find this an excellent time to sell. Sellers who become buyers in today's market are likely to make up any ground lost in the sale of their current home because of lower purchase prices for their next home.

### In Conclusion

Our local real estate market will continue to be influenced by national trends. The current "buyer's market" is likely to continue beyond the first quarter of 2007. If you are thinking about making a change, let us – The Stephen Howell Realty Group – help you as take advantage of these trends. So, if you're buying or selling a home or know someone who is, for a confidential, private, professional consultation without any obligation to discuss today's real estate market, please contact Stephen Howell at 410-923-3217.