

MarketNotes

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

A Fresh Look At The Real Estate Market

For a fresh look at the local real estate market, let us examine the Months of Inventory ("MOI") calculation. MOI is calculated by dividing the number of active listings by the number of sales in any given month to find the number of months it would take to sell the available inventory assuming no new inventory came to market. While it is intuitively clear that the current buyer's market continues, when examining MOI by price bracket, most of the market activity is between \$0 and \$500,000 where there is 6.4 months of inventory. In the price bracket between \$500,000 and \$1,000,000 there has been slow and steady growth of available inventory, now at 13.2 months of inventory. And, above \$1,000,000 there are plenty of homes to choose from with 48 months of inventory.

The Average price of homes sold in Annapolis (the 21401, 21403, and 21409 zip codes) fell to \$435,139 in April, down from \$549,698 in March, and down from \$588,223 in April last year. While prices in Annapolis are off significantly, volume is fairly stable and similar to last year (98 units sold in April of 2007 vs. 113 last year). The total number of active listings in Annapolis rose to 996 in April, up from 797 the prior month, and up from 631 last year.

Stock prices have risen on good economic news. The Dow Jones Industrial Average is trading 200 points above the 13,000 mark. U.S. light crude is trading at \$64.06 a barrel. The Federal Housing Finance Board's Monthly Interest Rate Survey, National Average Contract Mortgage Rate (the Contract Rate on the composite of all mortgage

loans, fixed- and adjustable-rate, derived from the Federal Housing Finance Board's Monthly Interest Rate Survey), remains stable at 6.33% for the month of March.

Discretionary purchases of homes – second homes, vacation homes, and in-town trade-ups – may all be on hold while the DOW is above 13,000, gas prices are over \$3.00 and interest rates are above 6%.

What will signal a turn in our market? Tracking inventory, sales, building permits, foreclosures,

interest rates will help us know where we are going.

In Conclusion

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.

