

MarketNotes

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

Thoughts for the Coming Year 2008

It's hard to believe that 2008 is here. Where did the past year go? It seems like it was just yesterday that it was the first day of 2007. As we transition fully into the winter real estate market, here are some thoughts for the coming year.

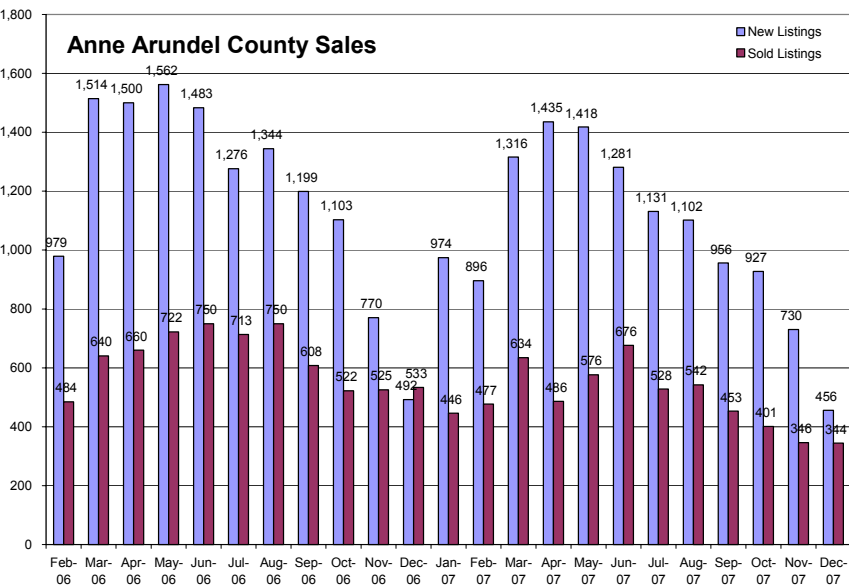
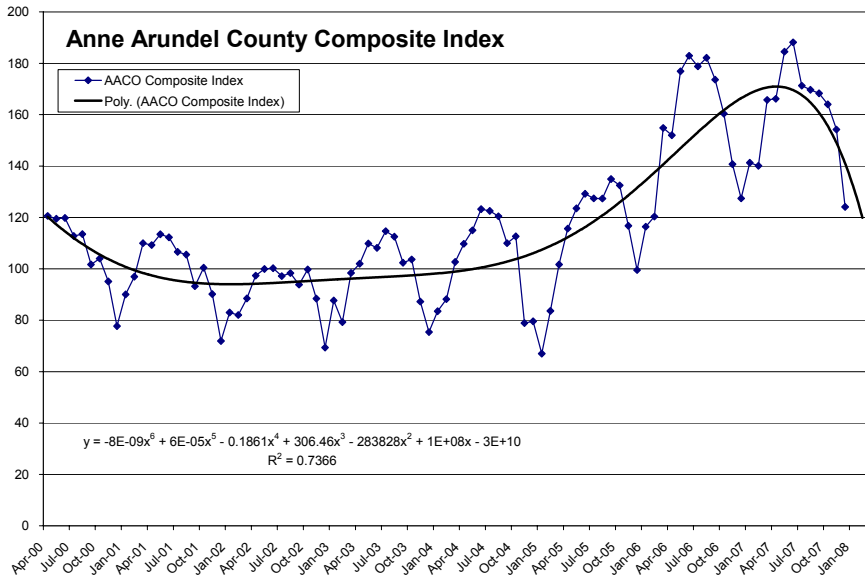
Real estate is a long-term investment. Real estate is not a short-term, high-yield investment. The rapid appreciation in home prices we experienced during the first half of this decade has been balanced in the second half by flat or declining prices. You can expect home prices in 2008 to rise slightly.

There's no such thing as a bad real estate market. There will always be homeowners who have to buy or sell a home. Life events, including retirement, a job change, marriage, divorce, births, and deaths, all lead to home sales notwithstanding market conditions.

The economy is in good shape. Employment, inflation, and interest rates are all reasonable. It's business as usual for the area's largest employer (aka the Federal Government and its sub-contractors) with turn-over a year from now after the upcoming Presidential election.

Perception is everything. For better or worse, we focus on what the media tells us to focus on. When the news is all doom and gloom, it is easy to get caught up in that. Homes still sell despite the negative reports on television and in the newspapers. Maybe it is human nature to focus on disaster and tragedy.

Real estate is local. The type of home (single family, condo, etc.), style (colonial, contemporary), price,



and building costs, impact supply and demand and are specific to the local area housing market. Interest rates, on the other hand, are national with local variations.

Sellers do not control the market, buyers do. Sellers control only two things when it comes time sell: price and condition. Sellers that maintain their home in the best condition are likely to fetch higher prices in the shortest time than those who don't.

Sellers that overprice their home will sit on the market while their lower priced competition will go to contract and ultimately to settlement.

In Conclusion

If you are thinking about 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.