

## National Real Estate Summary

### Presented by HouseHunt Inc

April 14th, 2010

#### Repeat Buyers & Investors With Cash Boosting Home Sales & Prices In Many Markets, New HouseHunt Survey Shows

For the first time in nearly three years, repeat buyers and investors have overtaken first-time buyers as sales leaders once again in the nation's housing market. As a result, prices of bank-owned REOs and properties involved in short sales are being bid up by multiple offers and cash buyers in many neighborhoods, according to the latest HouseHunt quarterly current market conditions survey.

"The current ratio of 58% to 42% favors repeat buyers," said Michael Bearden, president and CEO of HouseHunt, Inc. "This is an increase of 10 percentage points over a year ago and 24 points over six months ago. In a more balanced market of supply and demand, repeat buyers usually lead by a two-thirds ratio."

Bearden continued: "Even though there are still problems to be solved, the results of our 2010 random survey is good news for home sellers who have been unable to sell and for lenders reluctant to lend because of price depreciation and loan defaults. Any meaningful recovery must start from the bottom."

In other survey data provided by member-agents in the second quarter of this year, 53% of respondents reported that their customers are getting more than 95% of their asking prices, on average; 60% reported multiple offers; 52% reported zero to 10% appreciation in the past year; and 77% reported that listings are taking more than 60 days to sell. The buyer-seller ratio is 53% to 34%, favoring sellers, with 13% saying the ratio is about even. Eighty-two percent reported a good supply of unsold inventory in all price ranges – up slightly from the first quarter of this year.

Re-emergence of repeat buyers and competition from cash-rich investors is triggering sales activity at the grass roots level. Typical comments include:

**Chris Bessette** of Keller Williams Classic Realty in Orlando, FL, exclusive HouseHunt member-agent for Orlando-Metro West and Independence in Orlando. "Our market is great right now and I'm busier than I've ever been," he said. "I'm working with several investors. One in particular who is buying eight to 10 homes a year. REOs and short sales are dominating our market and make up about 70-75% of our sales every month. We're also seeing multiple offers within three days on properties under \$200,000 that qualify for financing," Bessette concluded. "I'm making good money, hiring assistants and increasing my staff because I can't handle everything on my plate right now."

**Grace Miralle** of PMZ Real Estate in Modesto, CA, exclusive HouseHunt member-agent for Turlock, CA. "We're definitely seeing increased repeat buyer activity. Many of them own homes and are purchasing additional properties as rentals," she said.

"Our first-time buyers are also actively competing with cash investors with 20-30-40% down payments. On average it takes 10 offers for first-time buyers to buy a home," she continued. "Short sales are dominating our market, competing against bank-owned properties. Average home price in the Modesto area is \$135,000 and \$140,000 in Turlock," she said.

**David Frezza** of Keller Williams Metro Realty in Rockville, MD, exclusive HouseHunt member-agent for Bethesda, MD. When asked if he is seeing increased activity from repeat buyers, he answered: "Absolutely! Probably 90% to 95% of my customers are repeat buyers. Home sales are definitely up this year and we're starting to see multiple contracts from buyers." Frezza continued: "My area, located just inside the Washington, D.C. beltway, offers very established neighborhoods and lots of old Cape Cods on valuable land. Average home price is \$775,000. The attraction for buyers is that it is very close to downtown D.C. without actually being in the city. The schools are very, very good. Residents have established careers and high median income. Our stable work force insulates us from housing price ups and downs."

**Whitney Conn** of Keller Williams Realty in Louisville, KY, exclusive HouseHunt member-agent along with partner Saunie Sparks for Crescent Hill, Indian Hill and St. Matthews in the Louisville metro area. "Yes, definitely! We are seeing the return of repeat buyers. In the past three months all of our clients have been repeat buyers," Conn said. "The Louisville housing market was recently ranked second best in the country. We tend not to experience the housing highs and lows as dramatically as the rest of the country." Average home price is \$325,000.

**Charlotte Walker** of Coldwell Banker Residential Brokerage in Potomac, MD, exclusive HouseHunt member-agent for Chevy Chase, MD. "I'm seeing an increase in business from repeat buyers mostly," she said. "My Internet website is only for buyers so I get more buyers than sellers. My marketplace is a busy, stable area because of its proximity to Washington, D.C. Average home price is \$770,000 but I've had sales of \$300,000 and some for \$900,000." Walker also thinks that extension of the federal tax credit closing deadline to September 30 will be a plus for her buyers.

*(Note: On June 30, 2010, Congress passed an extension of the Homebuyer Tax Credit closing deadline, the Homebuyer Assistance and Improvement Act (HR 5623). The extension applies only to transactions that have ratified contracts in place as of April 30, 2010, that have not been closed. An estimated 180,000 home buyers who signed a contract in good faith to receive the tax credit could benefit from the extension.)*

**Bill McQuaid** of Cashin Company Real Estate in Burlingame, CA, exclusive HouseHunt member-agent for Burlingame and Hillsborough, CA. "With average home prices of about \$1.3 million in Burlingame and \$2.4 million in Hillsborough, we mostly see repeat and move-up buyers. You don't see too many first-time buyers in these price ranges," he said. "Our business was very good earlier in the year but seems to have dropped off. Average time on the market between listing and sale is still 30 to 60 days. Our inventory of unsold housing is actually picking up and is higher than it has been." What might improve your local housing market? "Probably more confidence in the economy. How well the stock market is doing also affects our housing market."

**Chuck and Susan Bandemer** of Bandemer Realty in Granbury, TX, exclusive HouseHunt member-agents for Fort Worth Central, Fort Worth North-Alliance and Mira Vista, Mansfield and Granbury, TX. "We're having a big influx of relocation business due to job growth in the oil and gas business, with more buyers than sellers. First-time buyers are also active," Chuck Bandemer said. "Our sellers are getting 95% to 100% of their asking prices, on average. Financing is available to qualified buyers. Average time on the market is 60 to 90 days. Home values are pretty solid due to our job growth." Average home prices range between \$150,000 and \$200,000.

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