



Keep an Eye on Housing Stats

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If you are already working with an agent, this is not meant as a solicitation for that business.

In every real estate market, new construction has a significant impact on what's happening in the marketplace. When the economy is challenged, builders simply can't afford to build more homes based on decreased buyer demand. However, as the economy begins to see positive growth buyers come out of the woodwork, which fuels builder confidence.

When we look at the most recent eight-year average of single-family housing starts (i.e. building permits), versus the 2010 single-family data (see Figure 1), it's clear that new construction has taken a very large hit in many markets.

However, as demand for housing increases, local inventories will stabilize, creating a much healthier real estate market. Forecasters for the U.S. Department of Commerce predict a 13% increase in housing starts in 2011 and a whopping 30% increase in 2012.

How does this impact you?

If you are a buyer, you must pay

attention to housing starts regardless of whether or not you are looking at new construction. The construction of new homes represents an increase in inventory and selection – and likely introduces a product that has not recently been in high supply. Competition for both new construction and resale homes will

increase as more buyers return to the market.

If you are a seller and are considering putting your home on the market, you should also pay attention to housing starts. If there is a surge in

available inventory, you will have to be competitive and realistic with your price if you want to sell your home. And if you are waiting for the market to correct before you sell, you will face steep competition based on the U.S. Dept of Commerce numbers provided above. Increased competition benefits buyers, not sellers, so I recommend you consider selling your home sooner, rather than later.

If you'd like to know more about our local housing starts data and what it means to you, give me a call at 360-620-2690 or send an email to mollyells@windermere.com and let's talk.



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Excelling in the Impossible*

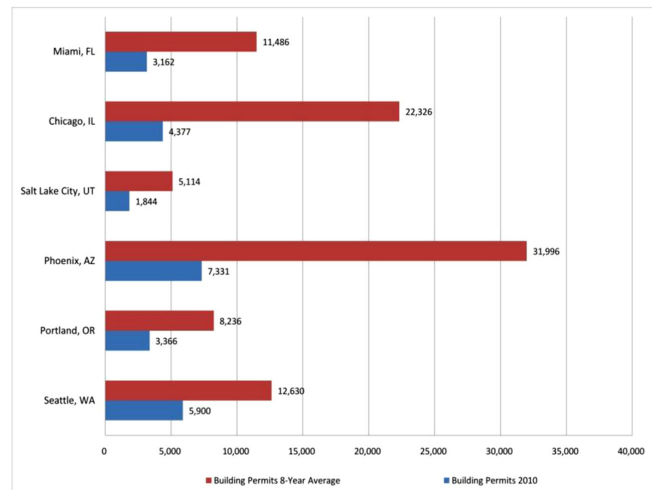


Figure 1: Single Family Housing Starts
Source: National Association of REALTORS®