



What's Ahead

for Real Estate in 2007

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If you turned on a television set, listened to a radio, or read a newspaper in 2006, you no doubt encountered exclamations like “The real estate bubble is about to burst!” or “Will the real estate market crash by the end of the year?” The news media force-fed us reports of impending disaster, gloom and doom, and dark days ahead for real estate.

But were they accurate? Here it is 2007, and no bubble ever burst, no sky ever fell, and home sales are even on the increase! So what gives? Why were they so wrong?

In a nutshell, the ever-hungry media scours every field for the most sensationalistic material every day. If they get on the air, predict disaster, and it actually happens—they tout themselves as wise soothsayers. If they get on the air, predict disaster, and nothing happens—then they just report on another disaster going on somewhere else. In effect, they're betting on bad news occurring.

It's an unfortunate truth that the news media loves a good disaster story. It keeps them busy and sells advertising. Nobody watches the news to hear that nothing is going on and everybody is happy. There would be no news if such were the case.

As we head into the New Year we have a stable job market, low unemployment, and a strong economy. With such factors in place, it would be difficult for 2007 not to be a banner year for real estate. It probably won't hit the high of 2005, but 2007 will still be a great year for real estate.

Just like the stock market, real estate fluctuates—it goes up and down depending on many different factors. Often what we see when the media strikes a warning note is nothing but a downturn, which is normal for any business. Reporters are not seasoned real estate professionals, whose “in the field” experience gives them the insight to recognize that a downturn doesn't mean disaster.

So, next time the news media does a story on real estate, ask yourself, “Do these people pay attention to all the trends in all the real estate markets? Do they work in the industry every day so they may identify the fluctuations from an insider's perspective? What are their sources for these dire predictions?” Asking these questions will expose reporters attempting to convince you the end is near.

And if you're planning on buying or selling in 2007, call me for real estate information and news.


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