



# Real Estate Is Alive And Well

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Despite the media's constant battle cry of "The market is falling! The market is falling!", real estate is alive and well. You may have even noticed recently that the emphatic insistence on impending doom has fallen behind reports on global warming and Midwest ice storms. The truth is that the real estate market hasn't even stumbled.

There are many reasons the market is doing so well, but the most influential factor is you the consumer. You affect the market more than any other factor with your personal needs, your power to get a mortgage, and your ability to pay the prices the market demands of you.

Let's look at these three factors a little more in-depth:

### 1. Personal needs.

People today have an increased need for real estate—more than ever before. As baby boomers get older, their housing needs change. As students go off to college, their housing needs change. As students graduate college, their housing needs change. As married people become divorced, their housing needs change. Your changing lifestyles are always opening up new opportunities that create supply and demand.

Not only that, it's easier today for minorities, seniors, and lower-income families to buy properties. Why is this so? Because of:

### 2. Low mortgage rates.

There are more creative, inventive,

unique—and sometimes dangerous—mortgage programs out there than ever before. The floodgates are open for people who may have found it more difficult in previous times to be approved for a loan. Not only can they buy real estate, they can buy multiple properties—for investment, for vacation, and for retirement. There is more multiple property ownership now than ever before.

But, of course, when demand increases, what else increases?

### 3. Price.

Since 2004, we have seen some of the highest prices in decades. You'd think this might slow things down, right? But no, the market has kept its steady pace anyway. Why? Because the money is there. Because the rates are there. Because the need is there.

Need overrides greed. This means that someone may not want to pay the exorbitant price a homeowner is asking. But the client's "need" overrides the "greed" and they're forced to pay it out of necessity. People are paying record prices—prices they wouldn't have even imagined ten years ago—for homes.

All these factors continue to feed each other, creating a real estate market that may appear at times to be receding, but is in fact truly alive and well.