



QUARTERLY
MARKET ACTIVITY REPORT

FROM: JIM PRICE, Broker

DISCLOSURE: If you have never received my Market Activity Report before, well let's face it you haven't missed out on much. Life goes on and it looks like you survived without it. After twenty-five years in this profession you like to think you know something about something, but as sobering as it is, you don't know as much as you'd like to think you do. I'm also admittedly, very biased and opinionated. So use that as a frame of reference when you read my MAR's which are posted unpredictably on our web site. *Enjoy life and hopefully you are profiting from your investment in real estate.*

Ever so slight uptick in Activity ,..

Where we normally have 2 sales a month, we had 2 in February, none in Jan, Mar, or April. Then 3 in May and only 3 scheduled for Jun. (Normally that would be 12 sales by July, instead of 8 we had.) In the past, most if not all my sales were in Auglaize County, lately they have been in outlying counties, which is an indication of how tight sales locally are becoming. So the **market appears to be somewhat stagnant** almost lethargic, for the time of year. Yet as always, there's good and bad things going on in the market place.

First, the good news - interest rates dropped a shade and are still at historic lows (4.5% to 4.75. The next bit of good news is there aren't as many new listings coming on the market as we usually experience for this time of year. Admittedly the weather may have something to do with all of this, because summer has been slow in getting here. So there's less and less inventory (read competition for most local sellers.) Buyers are out there, and that's good news, it's just that they seem to be stuck in 'pause' mode.

On the opposite side of the table, it's readily apparent banks are tightening up and there are fewer buyers qualifying for loans. Based on what I see going on, I don't think it's a stretch to say that **only 50% of the buyers out there are qualified for the price range they are looking**. Many are banking on home prices dropping even more or sellers getting weak-knee'd so they can then afford a mortgage they qualify for now. So we see more buyers looking for 'the deal of the decade' than we would see normally. Problem is their persistence in some cases is being rewarded. *(Last year nearly 40% of the sales were repo's that sold for 30-50% less than their market value.)*

Actually I'm surprised there haven't been more foreclosures and bank repo's dumped on the market this year. Most of you read or saw on the news where the Attorney General enforced a moratorium in December on all foreclosures, because of 'robo signing' and other infractions against victims of foreclosure. Well since then there has been a marked slow down in repossessions, yet those of us that follow these market trends were told that 2011 would be the highest rate of foreclosure activity since the beginning of the subprime crisis. Expect more before years end.

SELLERS CONCERN: Why isn't my house selling?

It's every sellers concern if they don't have their house "under contract," they are wondering why theirs hasn't sold?

In talking with other agents we all seem to be in agreement, if a house isn't competitively priced it isn't getting any activity and if it isn't getting activity it probably isn't going to sell at the price they have it. **So if a seller is really motivated to sell they make price adjustments.** If they don't, they won't generate showings, let alone offers. It's that simple!

Half of our listings are now "under contract," the other half are not. If your house has been on the market for more than 4-5 months without any offers, then that is a strong indication that **your price is still too high**. And if you are getting showings, but no offers it is usually an indication that your house is not being presented at its best. Maybe you need to consider things like; (a) sprucing it up, (b) move out the excess and create more space, (c) maybe even a good house cleaning (buyers get turned off with spider webs, dirty walls & tubs, and dated décor. In this market they don't have to take it, unless the price justifies it.) (d) how about a fresh touch of vibrant colors at the front door, through out the house or maybe a touching up the landscaping to entice buyers to take a second look?

There is a recently opened, new business serving this area that could really benefit Sellers in what is otherwise a very slow moving market. Too many Sellers aren't able to totally appreciate the amount of competition they are up against. In order to gain a **competitive edge** they need to be different than their competition. Like how? Well, if a buyer is seriously looking and ends up with two final selections, rest assured the one that outshines the other will win out. We've seen buyers recently opt for the one that had more recent improvements, or newer décor, or better landscaping, or whatever, but it stood out against the competition. Well, back to this new venture I was starting to talk about and how it could help most Sellers **get the 'edge.'** Based in Botkin and being widely used in the Sidney market, they are branching out to serve our area. Called '**Ask Amy Staging**,' it's a professional (licensed & certified) staging service that helps prepare a home for sale. The owner is a very impressive and energetic, young lady by the name of Amy Zumberger. It's worth a visit to her web site at **stagedhomes.com** to get a feel for what she can do. She explained that she can come out and perform an evaluation with recommendations on what you can do to improve your buyer acceptance and homes appeal. Then you can do the list of recommendations or hire her to do them. In any event, this service is very reasonable for many who have had their homes up for sale for more than 3 months and haven't generated any interest or offers this could be what you need to revitalize interest. Her email is askamystaging@yahoo.com and her cell is **937-726-3341**.

MONTHLY SALES in WAPAK, SCHOOL DISTRICT OVER PAST DECADE

GREEN BOX INDICATES RECORD SALES MONTH OVER PAST 10 YEARS. (All figures were taken from Court House transfers & include private sales between owners and property sold through Realtors.) **Foreclosures made up 39% of sales in 2010**

WE CAN NOT WARRANT THIS INFORMATION [±3% margin of error] **Red Numbers indicate Foreclosure/Sheriff Sales**

YR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	%
'00													204	REPO
'01													217	
'02													270	
'03													329	
'04													304	
'05													301 ²⁷	9%
'06													322 ⁵⁸	18%
'07	RESERVED FOR OUR CLIENTS ONLY												302 ⁵⁴	18%
'08													265 ⁷¹	27%
'09													247 ⁸⁴	34%
'10													225 ⁸⁷	39%
AVG														
'11														

WE PLOT EVERY SALE IN OUR IMMEDIATE WAPAK, MARKET. (LOOK AT THE SALES ACTIVITY CHART ABOVE – IT'S EASY TO SEE THAT LOCALLY, REAL ESTATE SALES IN THIS MARKET HIT ITS PRIME FOR 6 RECORD-BREAKING MONTHS IN 2003 (SEE GREEN SHADED MONTHS FOR HIGHEST SALES IN RECENT YEARS. NOTE: FEWER GREEN SHADED BLOCKS, WHICH REPRESENT RECORD-BREAKING MONTHS AND DECLINING YEARLY SALES.) KEEP IN MIND, THESE ARE LOCAL SALES (ALL SALES WITHIN 8 MILES OF WAPAK AREA ONLY). 12⁴ WOULD INDICATE 12 SALES/ 4 FORECLOSURE/SHERIFF SALES

WHAT IS ON THE HORIZON: With gas and grocery prices on the rise, consumers seem to be focused on making their inflating dollars stretch. So the majority of buyers are **looking for deals**; like cheap interest rates, low down payments, extra's thrown into the sale (lawn mowers, W&D, fancy frig, closing costs paid by seller, etc.)

- (1) With a drop in foreclosures coming on the market, we are seeing more 'short sales' being used in lieu of foreclosures. This is a usually a good deal for both seller and buyer. (Check out our web site for more info. or google 'short sale.')
- (2) Last year our web site was averaging 58 visitors a day. That monthly figure doubled at the beginning of the year. We are now averaging about **133 visitors a day**. (Last month we had one day, mid-week that registered 363 visitors in one day.) So you can see buyers are looking interested in seeing what is out there.
- (3) **95% of buyers under 45 years of age**, (which is 65% of the buying population) start their home search out on-line. They rely on email communication with real estate agents, they want fast, instantaneous responses to their inquiries and questions, most carry smart phones that download your property information as they sit in front of your house looking at the outside. Far from being impulsive most are more sophisticated in their search than their parents or grandparents were. They often know as much about the property as their real estate agent, if not more. They know what you paid, about what you owe on your mortgage, if you are pending any court action, if you're divorced or behind on payments, all thanks to the internet which is like their own personal library of endless information.
- (4) **BE PREPARED for HIGHER INTEREST RATES**, it won't be long and these record low rates will be gone, not to return for a long, long time, *if ever*. Real Estate is going through some formative and drastic changes, but 'cheap money' will be a thing we'll remember and probably wish we all would have bought something when rates were **so low**. Look for higher down payments, tighter lending standards, 'honest' appraisals and fewer sales in the not too distant future. Lending will be more conservative, like it was 10-15 years ago before all the subprime madness started. House prices will recover but not to see wide swings in value, instead more market stability.

WANT TO KNOW:

- What houses are for sale or what they sold for?
- Want to see pictures of houses for sale?
- What is pre-foreclosure, or a short sale?
- Need information or insight on buying/selling?
- Want an estimate of what your house is worth?
- Want to be sent NEW LISTINGS?

Go to our web site at: auglaizerealestate.com