Thriving in a Perfect Storm

Fact #1 - We are now in a market were Real Estate property values are declining. This market conditions favors the first-time buyers and up graders.

Fact #2 - A declining Real Estate market hurts home sellers downsizing or getting out of Real Estate ownership all together. It may take a couple of years for home values to stop falling plus several more years of pricing complacency before home values once again rise. Waiting to sell means losing more equity; making it harder to buy your next home!

Fact #3 - These up and down cycles are very common to Real Estate. Most experts will agree that over any 10 period in Real Estate history, property values have always treaded higher despite fluctuations. Market values are likely to be higher today than next year. Experts predict a perfect storm of price declines will continue with builders dumping inventory; plus a record number of mortgage foreclosures; further flood home sellers desperation to sell, continues to drive home prices lower.

However by carefully understanding the homes you compete with, you can effectively price your home in front of the competition instead of seeing why your home is not selling and its value dropping further as the market erodes. This strategy allows you to use any equity remaining in your home to buy your next home.

Fact #4 - Right now homes are selling at a better price (cheaper) than we have seen over the past several years.

So here is our “how to win” example: if you are in a home that would have sold at the peak of market June 2005 for $300,000 then chances are that home will fetch only $270,000 if priced to sell today. The $600,000 home you want to buy may now be under even greater pressure and sell for as little as $525,000 assuming it to is priced to sell (probably around $550,000). So an upgrade that would have cost you $600,000 less $300,000 in a strong market now look more like $525,000 less $270,000. So instead of the difference being $300,000 the difference to upgrade now is more likely to be $255,000 a $45,000 savings!