

Market Bulletin – November 2002

The sky is falling! The sky is falling! Inventory, the number of resale homes on the market in our area, normally decreases from the middle of the year until December. However, in the past few months, inventory has increased 42 percent when it would normally have decreased 16 percent. No doubt you've heard accounts in the local and national media regarding the slowing market and the housing bubble. Does this unusual trend in inventory growth portend problems in our local real estate market?

Of course not! In addition, we've all heard of the dot-com problems and associated layoffs. This news suggests that Loudoun County, dot-com heaven, should have the highest growth in inventory. But such is not the case. In fact, the inventory growth in Loudoun County is approximately half that in other jurisdictions. Regarding the slowing market, we need to focus on sales. October sales were 13 percent *higher* than sales in October 2001. We are still on track for the year 2002 to set a **NEW SALES RECORD** for resale homes in our area. In summary, the growth in inventory that we've seen recently is most likely just a return to a normal market from a hot sellers' market that was characterized not only by robust sales, but also by extremely low inventory and an increase in prices.

Inventory is expected to continue its unseasonal growth in November and December, and seasonally increase again from January to June in 2003. This will mean a harder time for sellers and an easier time for buyers. However, a return to a buyers' market is not in sight. *IF* the current trend persists, it is possible that we could see neutral market by the end of 2003. The market index currently stands at 1.4 months supply, up slightly from last month, and the hot sellers' market will continue to ease as is expected at this time of the year.

Townhomes and condominiums are still the hottest market segments, with detached homes in third place. Northern Virginia and Montgomery County are somewhat hotter than Washington, D.C. and Loudoun County. Inventory will remain relatively low throughout this year, despite the unseasonal increases we've recently seen. Sales and price appreciation will be roughly similar to those in recent years.

Buyers and their agents still need to take aggressive action to win the home of their choice. Desirable homes are drawing multiple offers in less than a week. Sellers and their agents need the very latest market information to price their home right, promote multiple offers, and negotiate effectively. Dealing with multiple offers is fun for sellers, a nightmare for buyers, and a critical skill for agents.

Home Preparation Checklist

(First impressions are the strongest.)

The following summarizes the ideal presentation of your home:

- ◆ Light and bright
- ◆ Uncluttered and neat
- ◆ Neutral in color and pattern
- ◆ Impersonal and inoffensive
- ◆ Clean

Specifically:

- Replace the light bulb in each lamp or fixture with the highest-wattage bulbs allowable
- Consider replacing incandescent bulbs with LEDs which are often brighter
- Clean the bulbs and lenses of all lamps and fixtures
- Have all windows washed inside and out
- Clean in between windows and storm windows
- Open blinds and raise shades to maximize natural light
- Consider removing existing drapes to brighten the home
- Identify and sell, donate, give away, or throw away, items that you will not be moving to your next home
- Remove furniture from hallways and narrow foyers
- Move any furniture that impedes entry or clear sight into any room
- Remove everything from kitchen counters, bathroom vanities, and your desktop; then replace only those items that you use regularly
- Remove everything from the stairs
- Clean everywhere, paying special attention to kitchens and bathrooms
- Clean tile grouting and tub caulking, and use bleach to remove any dark mold
- Clean or replace soiled carpets and remove any dents left by furniture
- Touch up chipped appliances and the corners of walls where paint has chipped off
- Clean heating/cooling vents giving special attention to cold air returns
- Trim shrubs and bushes, and be sure your lawn is picture-perfect
- Paint the exterior of your home if needed
- Clean the front door and paint it if needed; and ensure that all hardware is polished and operating flawlessly
- Paint the interior if needed, and replace electrical switch plates and socket plates with new ones
- Fix all dripping faucets
- Set the dining room table for dinner
- Write a personal letter to your prospective buyer.

*This series is excerpted from David Rathgeber's **SELLING YOUR HOME in the Washington, DC Metropolitan Area***
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