

CHARLOTTE URBAN

HOME

APRIL / MAY 2015

CELEBRATING INSPIRATIONAL DESIGN AND PERSONAL STYLE



THE REAL ESTATE RENAISSANCE

By Nancy Atkinson



Ivester Jackson



Cottingham Chalk Hayes

IN THE HOUSING MARKET, TIMING IS EVERYTHING. Charlotte's market is buzzing back to life, just in time for spring weather and perfect for staging. Whether you've been waiting to buy, sell or invest, this might be the time to make your move. Real estate experts say this is the greatest demand they've seen in the market since the pre-recession peak of 2006, when the market was still booming. This time, they believe the demands are sustainable.

What's creating this surge? Home prices are rising but haven't yet returned to pre-recession rates. Reasonable home prices combined with job growth and low interest rates have led to a boost in consumer confidence.

But a word of caution with that optimism: experts advise keeping an eye on the interest rate. Low rates will be the leading indicator of just how long this active home market will last. Some industry economists expect mortgage rates to begin drifting up this summer and possibly reach 5 percent by year's end, which is still historically low, but could be enough to scare off buyers.

For now, depending on where you're looking to buy, know that the market is *very* competitive. With fewer listings than a year ago, homes are selling faster due to increased demand.

According to the January 2015 monthly report from the Charlotte Regional Realtor Association, home sales were up 8.8 percent from this time last year. Average sales prices in the Charlotte Metropolitan Statistical Area (MSA) rose 5.5 percent from last year, and sellers are getting about 95 percent of their list price.

This picture changes as we get closer to the city, though still maintaining the upward trend, real estate is moving more quickly and prices are 10 percent higher than last year. Listings are reduced by 25 percent and sold more quickly, staying on the market 30 percent fewer days.

Buying or selling, you'll need a smart strategy to gain the competitive edge in this active market. We've got advice from the home professionals to get you started.

Selling In A Competitive Market

If you've been waiting for the right time to sell, this is your opportunity to jump in and list your house. Real estate experts say homes that are priced correctly and available for showing should sell. Make the right moves now to position your home for a successful spring sale. Begin by putting yourself in the buyer's shoes. Enter your home at



the front door and walk through as if you were a buyer, being critical of every aspect.

Timing

A seller's market can be short-lived. If you're thinking about selling, begin the process as soon as possible. Have your home inspected, realizing some things may take longer to fix than anticipated. Next, search for a great agent. Interview several and choose the one who has a passion for negotiation and will walk you through the financial aspects of every deal.

De-clutter

Clutter is one of the biggest reasons homes don't sell for higher prices, because it keeps buyers from envisioning themselves in your home. All homes show better with less furniture. And it pays to remember that buyers look in closets, cupboards and storage areas. Rent a storage unit if you need to. One local real estate agent suggested putting any clothes you don't need into storage to free up space in your closet, advising that an over-filled closet gives buyers the impression that your home is cramped and lacking storage.

Staging

According to the National Association of Realtors, staging can help a property sell 50 percent faster and for as much as 6.9 percent higher. Your home will be competing with new construction homes with a clean slate look that buyers can fill with their own vision. Consider hiring a professional stager, who knows exactly how to show off your space.

Curb Appeal

Buyers decide whether they're interested within the first *eight seconds* of seeing your home. Eight seconds! Edge your lawn, mulch your flowerbeds, trim your bushes, pressure wash the driveway and paint your door and trim. Their first impression is created the moment they pull up to the curb.

Stand Out

Don't just sell the home; sell the *community*. Provide information on nearby schools and their rankings, awards and other relevant information. Sell the amenities of your community and its culture. Buyers are not just buying a roof and side walls, they're buying a lifestyle.

CHARLOTTE REAL ESTATE



Charlotte MSA Real Estate: **A Snapshot***

Average sales price: \$223,505

Cumulative days on the market: 93

Percent of original list price received: 93.6 %

Source: Charlotte Regional Realtor Association

Average home value: \$483,775
Average household income: \$126,172
Per capita income: \$69,830
Average net worth: \$1.4 million
Average disposable income: \$110,590

Charlotte's Wealthiest Zip Code: **28207**

Source: Charlotte Business Journal, figures are from 2014



Pricing

Buyers will be comparing your home to other properties to determine the best value. Consider getting price estimates from three good brokers and go with the lowest. A good agent will watch the competition daily and let you know of any changes that affect you.

Access

If you can't show it, you can't sell it. It's that simple. So, make sure your home is ready at all times for potential buyers to view. Get up 30 minutes earlier each morning to make beds, do dishes, take the trash out and open the blinds. Have a pet plan in place so the animals aren't barking, jumping or creating unpleasant odors.

Buying In A Competitive Market

Since it's a matter of supply and demand, with more buyers than sellers driving prices up, industry experts advise keeping an eye on the month's supply of homes for sale. A normal market supply is six months. When the inventory drops below that (as it is now with only a 3.4 month supply in the Charlotte MSA) home prices will increase. Look for the balance to return some this spring as inventories increase.

To survive in a competitive market, you must be flexible with your schedule and be ready and able to move when the right home comes your way. Make sure you are pre-approved for a loan and have a strong pre-approval letter to attach to your offer. Have your inspector and attorney sitting on standby and make sure all your finances are in order so you can move quickly.

Bidding wars

When multiple offers are on the table, you must first decide if this is the right home for you, without letting the market conditions create a halo effect on the home. Know how much you are willing and able to pay. Remember that it's not always about the money; find out what matters to the sellers. Can you close quickly to save them money, or later to give them more time to find a new home? Consider having your agent tell the sellers a little about you and why you love the property.

Making an offer

In a hot sellers' market, it is good to put in your best offer as quickly as possible. A good, fast and clean offer means paying what the property is worth to you, uncluttered by lots of contingencies. Have your agent compile a detailed comparative market analysis to determine the fair market value of the property. It's okay to pay a bit more if you really love the place, as long as the property appraises for the price you're financing. It's also okay to bid less if you have other strong options.

How to counter

Some experts suggest looking in a price range below your maximum in case you have to bid up. Make sure your agent has experience in bidding wars and is prepared to help you win. Consider attaching a cover letter with your offer about your personal history and a family photo along with a genuine appeal about how much you'd love to raise your family in the seller's home. It may sound a little over-the-top, but personal stories make an impact, particularly if you're in a bidding war with other offers on the table. Finally, increase your good faith deposit to 5 or 10 percent of the price to let the sellers know you're serious and they've got a buyer with skin in the game. ♦