

Is Now a Good Time to Buy or Sell Real Estate?

Traditionally, spring is one of the busiest times of year for real estate. However, the coronavirus outbreak led many buyers and sellers to put their moving plans on hold. In April, new listings fell nearly 45%, and sales volume fell 15% compared to last year.¹

Economists expect a rebound in July through September, as buyers return to the market with pent-up demand from a lost spring season.² But given safety concerns and the current economic climate, is it prudent to jump back into the real estate market? Before you decide, it's important to consider where the housing market is headed, how it could impact your timeline and ability to buy a home, and your own individual needs and circumstances.

WHAT'S AHEAD FOR REAL ESTATE?

Many Americans recall our last recession and assume we will see another drop in home values. But ATTOM Data Solutions analyzed real estate prices during the last five recessions and found that they went up in most cases.³

Economists expect values to remain relatively steady this time around. Inventory has fallen faster than demand, and the supply shortage is expected to prop up home prices, despite recessionary pressures.⁴

And unlike some sectors, the business of real estate can be conducted primarily online, which makes it easier to comply with social-distancing guidelines. By facilitating online open houses and virtual viewings, we can minimize the need for personal contact and limit physical showings to serious and pre-qualified buyers.

Fortunately, much of the "paperwork" involved in buying a home went digital years ago. But be prepared for a longer closing timeline. We're seeing delays in financing, appraisals, and home inspections due to shifting standards and new safety protocol.⁵



IS IT THE RIGHT TIME FOR ME TO MAKE A MOVE?

The reality is, there's no "one size fits all" answer as to whether it's a good time to buy or sell a home because everyone's circumstances are unique. But now that you know the state of the market and what you can expect as you shop for real estate, consider the following questions:

Why do you want or need to move?

If your home is too small, that's not likely to change. But your commute could—some employees are being asked to work remotely on a permanent basis.

How urgently do you need to complete your move?

A second wave of infections is predicted for the winter, which could mean another lockdown.⁶ If you need to move this year, you should act quickly.

How long do you plan to stay in your new home?

Your best bet is to buy a home you can envision yourself keeping for several years. Fortunately, mortgage rates are at historic lows, so you can start building equity right away.

Can you meet today's higher standards for securing a mortgage?

Many lenders have raised their credit score and downpayment requirements. If you've been pre-qualified in the past, be sure to confirm your status.

Is your income stable?

You may want to wait to take on a larger mortgage if your job status is uncertain. But downsizing could be a good option if you need to tap your home equity or cut down on monthly expenses.

Sources: 1. Forbes 2. HousingWire 3. Curbed 4. Money.com
5. National Association of Realtors 6. Washington Post

WHEN YOU'RE READY TO MOVE—WE'RE READY TO HELP

While uncertain market conditions may give pause to some buyers and sellers, they can actually present an opportunity for those who are willing, able, and motivated to make a move. Let's schedule a free virtual consultation to discuss your individual needs and circumstances. I can help you assess your options and create a plan that makes you feel both comfortable and confident during these unprecedented times.



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