



Check the Market Before Buying

Market conditions will have a major impact on your home-buying experience. Understanding what is happening in today's marketplace can help you develop and execute a realistic plan for buying a home.

Gauge market conditions

Real estate markets are highly cyclical. The status of the market can have a significant effect on your home buying strategy and the results you are likely to see. Try to develop an understanding of the state of the market so you have some idea of what to expect - and a feel for how hard you can bargain when negotiating with sellers.

What is better – a hot or cold market?

Unless you are planning to rent, you will probably be buying a new home at the same time as you are selling your old one, so it is not always easy to decide if a hot market is helpful or harmful. As a rule, if you are moving up - looking for a new home significantly more costly than your old one - you may want to act during a weak market, when the savings on an expensive new property will more than outweigh the losses on the older one. Conversely, empty-nesters looking to switch to a smaller home may want to plan the move during a hot market, when they can maximize gains on the larger home to be sold.

When is the best time to buy?

There are two primary buying seasons - spring and fall. Spring is the strongest, since many shoppers want to buy and move in before school begins. Summer and winter are generally very slow periods in most markets. Some areas have their own seasonal swing, however, such as a seaside vacation spot where summer may be the best time to be on the market.

Understanding area sales

Do not listen to anecdotes and stories about bidding wars and houses being snapped up in one day. There is no substitute for hard data when you are considering buying your home. Check out actual sale and closing prices of homes in the area and try to develop a feel for the true market. Remember, national housing statistics are about as relevant as national weather statistics. (The temperature in Arizona doesn't affect what you wear today, and the pace of home sales in Arizona may not be the same as it is in your local housing market.)

Most recent statistics

For a summary of housing trends in the Bowie-Crofton area, you can often find a recent report on my blog about the most recently released data. Please contact me to request information about a particular detail that interests you or any other area in Maryland.

Sources: The GoHome Networks, Inc., Metropolitan Regional Information Systems, Inc. (MRIS)

