



TURNING POINT FOR THE HOUSING MARKET

The Housing Market in DFW has enjoyed historic appreciation levels over the past few years. The greatest surge in appreciation was experienced at the beginning of 2022 through May. Economists had forecasted that the housing market would trend to a normalization. A slower housing market is gradually taking place.

Our market has gone from WHITE HOT to still HEALTHY & STRONG.

What is behind the market change... interest rates. July-August 2021 the interest rates for a 30 year mortgage was about 2.86%. At the end of 2021 the rates had slightly increased to 3.11%. Buyers, realizing that this may be the best time to seize a low interest rate, began to highly compete for homes, which further drove the housing sales prices high. With the rates moving to the 5%+ mark beginning in April 2022, the buyers began to pull back. With less buyer competition present to purchase a home, the day on market has slightly increased for homes to go under contract & the list to sale ratio has lessened. Rates currently are around the mid 5% range for a typical 30 year loan. The Federal Reserve's Dallas district has noticed an uptick in cancellations of sales, in part due to buyer challenges on qualifying for loans as the increase in rates have caused buyers' monthly payments to increase by hundreds of dollars. Builders are also reporting higher cancellation rates but are still able to find new buyers within a few weeks. Although interest rates have risen in the past 90 days, they are still considered historically low, & buyers still actively pursuing home purchases.

WHAT'S ANTICIPATED WITH THE MARKET CHANGE IN COLLIN COUNTY?

- » Entering into uncharted territory, buyers & sellers will need to translate indicators of change into how they strategize the list price & to how to tailor their offer. From Jan. 1, 2022 through May 31, 2022 in Collin Co, the homes were selling 8% over list, on average. From mid June 2022, the list price to sale ratio is reflecting 3.6% over list price. Sellers were used to pricing their homes at an aggressive level with positive results. A recent article in the Dallas Morning News cited that 25% of the active listings offered for sale have had a reduction in their list price within 30 days. With this shift, sellers are having to adjust their strategy in pricing their home.
- » Increased days on market – Still very low with only a slight increase of the number of days a home listed correctly will sell. Jan. – May 2022 the average days on market, for Collin Co, was 14. Mid - June to late July, the average was 16.
- » Multiple offers – With less buyers looking to purchase, this translates to less offers. Buyers are more patient in their consideration of a home and taking longer to submit an offer. They are aware that they have more power than 90 days ago but still not totally in the driver's seat.
- » Increased Inventory – More homes are being offered for sale, but the housing inventory level is still considered low. Collin Co. continues to be a sought-after destination with excellent employment opportunity, businesses locating to the area, good schools & in comparison to other parts of the nation, we have affordable housing.
- » Hotness Factor – this is a ratio of the homes listed for sale to the total inventory. It is an easy to understand and strong indication of supply/demand and future price appreciation. In a normal market, 20% - 40% ratio is typical. Currently in Collin Co. we have about 40% of the inventory pending & in some price points and communities even higher. Prior to late 2020 sellers would have been very satisfied with that level hotness factor.



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• COLLIN COUNTY CONTINUES TO SHINE | NUMBERS AT A GLANCE •

Bottom Line...

...Higher interest rates have deterred some buyers from purchasing. Sellers are having to adjust ambitious list prices to be in line with buyer activity. Our market is still good with continued low days on market, just not the 3 to 4 days under contract that was occurring earlier in 2022. Inventory of homes is building a bit; however, it is still very low. A bust or bubble bursting?? Most economists say, "Not Likely." Lack of equity is the common denominator for all foreclosures and most homeowners are sitting on a ton of equity. Even the ones who purchased in the past year tended to put down large down payments or were cash buyers. We are transitioning out of a "once in a hundred years market" to a more normal market.

Collin County Hotness Factor*

PRICE	HOTNESS FACTOR	MEDIAN DAY ON MARKET
\$100-\$199	42%	15
\$200-\$299	58%	14
\$300-\$399	45%	27
\$400-\$499	40%	25
\$500-\$699	35%	27
\$700-\$1M	34%	30
\$1M-2M	36%	36

*The hotness factor is a ratio of the total number of listings for sale and how many listings are under contract. DOM starts when active on MLS and stops once it is under contract.

Property Tax Protest

BEST
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2022

Thank you to our wonderful clients that honored us with their recommendation and support. We are honored to be a D Magazine Top Real Estate Producer for the 6th year in a row! This award is especially meaningful as it is given through personal recommendations from clients and peers. We are grateful and delighted to be a recipient!

Your best strategy in the 2022 market is to use the services of a professional who is experienced & knowledgeable with home valuations. Your real estate professional does make a difference!

Established in 1984, here are a few of the stand out factors that the Goodrich Realty Group offers:

- » Certified appraiser will prepare a complimentary value analysis & aid in the best opportunity to maximize your home value & hurdle the challenges this market presents
- » Representing Sellers & Buyers
- » Complimentary professional staging & photography
- » Turnkey oversight of home repairs & vendor sources for improvement needs
- » Real Estate Consultation – appraising, title co., mortgage & MBA with financial background
- » Allied branches of a Real Estate Appraisal firm and Licensed Property Tax Consulting Firm

As you consider your real estate needs, there are many decisions & choices on how you will approach the process...



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MOVES!

- » D Magazine recognized as "Best of Realtors" - 2016 - 2022
- » Top Producers in Volume & Units Sold
- » Texas Monthly 2013- 2022 DFW Area: Outstanding Service Award
- » Over \$100 Million in volume sold
- » Certified Real Estate Appraiser
- » Celebrating Over 30+ Years in the Real Estate Industry
- » Results driven team - Listing, Buyer, Client Care & Marketing specialists

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