

Real Estate Markets Are Remarkably Stable And Growing

Andover sales during April match 2019

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What's happening nationally?

Each state, city, and neighborhood has had different restrictions on what business is deemed essential and non-essential; therefore, the effect the coronavirus has had on the national real estate market differs tremendously.

Generally speaking, the market is stable, and many insiders believe that due to the strength and stability our market has sustained over the last eight years, we will have a strong late summer/early fall and even return to the steady growth we've been used to experiencing in the near future.

In fact, March of 2020 marks the 92nd consecutive month of increasing home prices (8% year over year). Although this might sound discouraging for prospective buyers and may prompt one to revisit the numbers leading up to 2008, consider that the price appreciation has only been 4.7% from 2018 to 2019, whereas it was 12% in 2004 to 2005. Furthermore, in 2006, the median income to purchase a home was 25.4% and in 2020 is only 14.8%. Today's numbers are much more sustainable!

What is happening in New Hampshire?

Before the pandemic really hit, from January to March, listings were down 15%, but closings were only down 2%. The average sale price went up 4%, and the days on the market were down 13%.

In April, listings were down a whopping 40%, but closings were only down 9%. The average sale price went up 5%, and the days on the market went down 15%. This latter statistic is very efficient. Our local markets are not only remarkably stable but continuing to grow. Inventory is down, but buyer demand is strong.

What is happening in Andover?

The statistics for Andover this year compared to the previous year, both pre-pandemic and during the stay-at-home order, are actually better. There were five home sales in this (quarantined) month of April 2020, and five home sales in April of 2019. Our year-to-date is 12 property sales with an average price of \$249,966 and 29 median days on market.

In 2019, the numbers were 11 property sales with an average price of \$215,981 and 31 median days on the market. Andover remains an extremely desirable town to live in, from its great school system to proximity for com-

muters and outdoor enthusiasts, and the statistics reflect that.

How are mortgage rates?

Rates are great! A survey of the nation's top lenders for well-qualified buyers has a 30-year fixed rate at 3.12% and an FHA rate of 2.75%. In the last 20 days, the fixed rate has dropped by .24 and FHA has dropped by .70.

Are profiles of buyers changing?

Again, each market is different. One thing this pandemic and the stay-at-home order has accomplished is enlightening us to appreciate the simpler things in life, whether that means being closer to family or away from urban areas, close to nature, etc. Consequently, many buyers are now looking to relocate to areas that promote healthy lifestyles. The "bigger is better" mentality is antiquated.

Additionally, many have had to adapt to work from home the past six weeks. The presence of a home office and high-speed internet will surely be more popular deciding factors for home buyers in the future.

Lastly, unnecessary housing has not been moving. For example, first-time home buyers, "downsizers" and "up-sizers" continue to be highly active, whereas second and third home sales are declining.

Are commission rates changing?

Although we've seen discounted commission brokerages creep into central New Hampshire recently from the south, I believe our market is based more on quality than quantity. Commission fees are generally between 5% and 6% of the sales price for a single family home.

Is there a change in vacation sales and rentals?

Short-term and AirBnB reservations saw a surge as the coronavirus began hitting the mainstream media. However, many local councils have since banned these types of businesses. We do live in a region with many vacation spots, including ski resorts and lake homes. Many local agents are reporting an increase in out-of-state interest for this type of real estate.

What will the "new normal" look like for real estate?

These past couple of months have had consumers seeing home ownership as very intrinsic; a comfortable place to live in the event we are ever to be trapped in our homes for a long period of time.

Only one event in my lifetime before has had us as interested in ensuring that our family has a safe haven: September
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LOCAL BEACON SUPPORTERS WIN!

Each month the Beacon holds a random drawing for Andover residents who have donated to the Beacon in the past calendar year. This month's winners are:

Andover Pizza Chef	Large 2-Topping Pizza	Margie and Bill Leber
Naughty Nellie's Ice Cream	Gift Certificate	Barbara Burke
JJ's Market & Deli	Gift Certificate	Jane Slayton
Keyser's Garage	Gift Certificate	Charlies and Kim Baer
Mary Kay - Laura Condon	Gift Certificate	Linda and Don Varnum
The Refinery Restaurant	Gift Certificate	Kenneth Gibbon
The Kitchen at Andover	Gift Certificate	JoAnn Hicks

WINNERS! Call volunteer Margo Coolidge at 735-5418 to collect your prize.
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