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Navigating a shifting residential real estate market

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There's one thing that's constant in residential real estate, and that's change. Even when we're in periods of relative stability, there can be subtle shifts taking place. Sometimes those shifts don't amount to anything, while other times they gradually become more pronounced until we find ourselves in an entirely different market environment.

Right now, the Atlanta residential real estate market appears to be holding steady, but we are starting to notice some small but perceptible shifting. Here's a quick read on the current market conditions, using the latest figures from August 2016 according to the First Multiple Listing Service. Stats are for single-family homes, townhomes and condos, in all price ranges, in Cherokee, Clayton, Cobb, DeKalb, Douglas, Forsyth, Fulton, Gwinnett and Paulding counties.

For the most part, we're seeing a continuation of trends we've been seeing all year: low inventory (the number of homes listed for sale on the market), rising prices and an increased number of sales year-to-date. All of those factors seem to indicate that sellers have the upper hand, but that's not the whole picture.

As any experienced real estate professional will tell you, there's more that goes into deciphering a market than just reviewing historical statistics. From jobs and the economy to consumer sentiment and behavior, there are a variety of signs and indicators that agents pay attention to in order to guide their clients and help them make the best decisions. Here are some of the trends agents have been noticing in our region lately:

Buyers **Know Best**: Buyers are the first to read the market, whether they realize it or not. As they're out looking at homes, they're seeing the available inventory and pricing trends first. If they don't see the value in a property, they move on. And there's one thing agents say makes today's buyers different than those in past markets – they don't have a sense of urgency. While

buyers in past seller's markets would move quickly, believing prices would only continue to rise, today's buyers know that's not always the case. So if they don't see the value in any of the available properties in their price point, they wait. Ever since the housing bubble burst, buyers are unwilling to take the risk of buying a property that they perceive to be overvalued.

Appraisers Are Getting Cautious: Buyers aren't the only ones viewing rising prices with a critical eye – property appraisers are another group that took the lessons of the recession to heart. While we do still have situations where a house appraises for more than the agreed upon sales price, we're starting to see some appraisals coming in low.

Sellers Must Be Savvy: With a few neighborhood exceptions, gone are the days when sellers can overprice their home and expect a bidding war and multiple offers. Now, you might look at the market data and see we only have 2.9 months of inventory (meaning, it would take 2.9 months to sell all the existing properties on the market at the current sales pace) and think, "But anything less than 6 months is considered a seller's market." And that's certainly the conventional wisdom.

On the whole, the Atlanta area seems to be shifting towards a real estate market that looks pretty good for both sellers and buyers. Sellers — when they price appropriately — continue to benefit from low inventory and rising prices. Meanwhile, a recent study by Apartment List found that rents in metro Atlanta are rising faster than home costs, which, when combined with still-low mortgage rates and the influx of new properties coming onto the market, presents a great opportunity for buyers to find their dream home today.