

Being Strategic in a “Seller’s Market”

Q: I have been considering moving and would like to sell my current home when the market conditions are favorable for sellers but I need to sell my house in order to buy. How do I time this right so I don’t lose the house I want?

A: While the tight inventory will enable you to sell your property for a record amount and in a record timeframe, it can also create difficulties in finding that next perfect place to call home. But if you wait to list and need to make your purchase contingent on your property selling, you are likely not going to be competitive enough to “win” any potential bidding war. Instead, you may want to explore options such as an equity line or a blanket loan which might enable you to purchase first and close on the next property without closing on your current home first. These scenarios are not for everyone, so you should consult with a reputable mortgage loan professional to explore your options.

Q: Is there value in selling my current home now to take advantage of the strong market and then living in temporary housing until I can buy with less competition when the market shifts?

A: We have had quite a few clients with this mindset lately. They have listed and closed now to take advantage of current market conditions and were willing to make a temporary move. Of course, making two moves is not desirable to everyone, and most homeowners would rather build equity than pay rent. It is also important to note that timing market shifts is quite difficult. You could potentially find yourself renting longer than intended.

Q: Spring/summer is always touted as the best time to sell. Is it too late to put my house on the market this year?

A: Our typical spring/summer market shows many signs to be extending into the fall season. While there has been a slight decline in showing activity lately, most believe this is due to late summer vacations. While many things have not been “typical” in 2020, late summer vacations and associated showing slowdowns are a familiar phenomenon!

Q: Has COVID-19 impacted market conditions, or do you expect it to in the near future?

A: Thankfully, real estate professionals were able to perform most of our usual activities during any shutdowns, and we pivoted business practices very quickly to accommodate working as safely as possible. Stay-at-home, work from home, and school-at-home orders have certainly forced many to reevaluate their housing needs and motivated many to make a move recently. However, any potential negative effects of our economic slowdowns have yet to be seen in the housing market. There is bound to be an increase in inventory due to job losses and business slowdowns, but our local inventory is so tight that it will take a significant amount of new inventory to even begin to stabilize inventory levels. Pricing changes with supply and demand and it is fairly certain that demand will continue to exceed supply for quite a while.



ABOUT THE AUTHOR

Ellie Kowalchik, a real estate agent with Keller Williams Pinnacle Group, leads the top-ranked Move2Team. A multi-million dollar producer and company sales leader, she holds the advanced designations of Seller Representative Specialist, Certified Residential Specialist, as well as e-Pro with a focus on technology. She was also named one of America’s Best Real Estate Agents by RealTrends in 2018, 2019 and 2020.

Have real estate questions you’d like to see answered in a future edition of Ask the Expert? Give Ellie a call at (513) 536-6831 or email her at EllieKowalchik@gmail.com.

