



Where Is the Real Estate Market Headed in 2022?

After almost two years of double-digit increases, many experts thought home price appreciation would soon begin to decelerate or happen at a slower pace. However, the latest data indicates that while prices may have plateaued, appreciation has definitely not slowed.

The supply of housing inventory was projected to increase in the last half of 2021 while buyer demand decreased, as it historically does later in the year. Since all pricing is subject to supply and demand, it seemed that appreciation would wane under those conditions.

Buyer demand did not slow as much as expected, however, due to 3 primary factors:

1. There hasn't been a surge of foreclosures that was originally anticipated as the forbearance program comes to an end.
2. New construction slowed considerably because of supply chain challenges.
3. Many believed more sellers would put their houses on the market once the concerns about the pandemic began to ease. However, the latest data indicates that local prices have not yet plateaued.

What Does This Mean for Buyers?

Despite the sustained low inventory levels through the end of 2021, experts still predict an increase in listings this year. That coupled with an anticipated rise in interest rates means hope is on the horizon for buyers in 2022. You should see your options grow as more homes are listed and some of the peak intensity of buyer competition starts to ease. Just remember, rising interest rates and home prices are strong reasons to find the home of your dreams sooner rather than later so you can buy while today's affordability is still in your favor.

What Does This Mean for Sellers?

Make no mistake – the sellers' market will remain in 2022 as home prices are projected to continue climbing, even if at a more moderate pace. Selling your house while buyer demand is so high will truly put you in the driver's seat. But don't wait too long. With more listings projected to become available, your ideal window of opportunity to stand out from the crowd won't last forever. Work with an agent who knows your local market and current inventory conditions to ensure you have the support you need to make an educated and informed decision about selling in the coming year.



ABOUT THE CONTRIBUTOR

Ellie Kowalchik, a real estate agent with Keller Williams Pinnacle Group, leads Cincinnati's 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 has also been named one of America's Best Real Estate Agents by RealTrends for the past 4 years.

Have real estate questions you'd like to see answered in a future edition of Ask the Expert? Give Ellie a call at (513) 616-2323 or email her at Ellie@Move2Team.com.

