

Special Report

Taking Advantage
of a
**Buyer's
Market**

buyer's market *noun* : a market in which choices are plentiful, buyers have a wide range of selections, and prices tend to be low

-Merriam Webster Dictionary

It's a Buyer's Market *Today*



Fact: The Real Estate Market Has Come Full Circle

It's no secret. The word is out from real estate pros, economists and the media. You've heard it on *ABC News*, "*Good Morning America*", *MSNBC* and in *The Washington Post*: We're in a buyer's market today.

The purpose of this report is to tell you what a buyer's market means to people in the Mid-Atlantic region. You'll learn what you can expect in the real estate market and how these cycles work.

If you're shopping for real estate, or thinking about a new home purchase right now, here's how you can take advantage of this unique opportunity today.

What, Exactly, is a 'Buyer's Market'?

Buyer's markets have these key characteristics:

- Homebuyers have far more selection.
- Sellers become more flexible.
- Homebuyers get a break from rising prices.
- More new homes are available for early occupancy.

Simply put, this means that buying a home can be far easier and more affordable.

In a seller's market, inventories are lower, and prices are rising. Buyer's decisions must be made quickly, because availability can change from day to day.

For New Home Shoppers, This is the Right Time and the Right Place

More choices. More incentives. More for your home buying dollar. It's all good news for homebuyers today.

Plus, extraordinary market conditions in our area add even more benefits for your buying decision:

- Financing is still very affordable, with 30-year fixed-rate mortgages still under 7%.
- Our area added 75,000 residents in 2005, making it the fastest-growing region outside the Sun Belt.
- The metro region added more than 119,000 jobs between 2001 and 2005, keeping demand for new homes strong.
- Our area economy has been one of the strongest local economies in the nation over time.

(Sources: The U.S. Census Bureau, The Metropolitan Washington Council of Governments)

Your Buying Power Will Never Be Greater Than It Is Today

For homebuyers, a rare window has opened. Now is definitely the best time to buy a home, as your buying power will never be as strong as it is today. Interest rates are still very affordable. Sellers are more flexible, and there's lots of inventory and willingness to work with you.

Here's something else to consider: Construction costs are increasing. The price of energy, lumber and other materials are all rising. Soon, these cost increases will be passed on to buyers.

No one knows how long this buyer's market will last. But housing markets are cyclical, and we're clearly in a buyer's market cycle now. Homebuyers should take advantage now, before it reverts back to a seller's market.

So get out and see what's available. Make your decision soon. It's a buyer's market, and this is your time!



"This year, 2006, is still going to be the third best year for sales ever, after the past two years. But this normalization in the housing market now allows buyers time to make an appropriate choice and an informed decision - and buy a house that fits their needs."

- Stephen Fuller, Director,
George Mason School of
Public Policy Center for
Regional Analysis,
August 2006

Why Real Estate Is An Especially Good Investment Now In Our Area.

"... the market is stabilizing. At the same time, sellers have recognized that they need to be more competitive in their pricing, given the rise in housing inventories.'

- David Lereah, Chief Economist, National Association of REALTORS®, July 2006

- **Mortgage rates are still at 45-year lows. Lower rates allow homebuyers larger loans with lesser mortgage payments.**
- **The rate of job growth compared to the rate of new home construction shows the local market is actually facing a housing shortage.**
- **Local real estate values are likely to keep appreciating because of strong job growth, the continuing housing shortage, and the attraction of the world-class amenities of the city.**
- **Outer edges of our market are benefiting from affordable new communities for young families and resort-style communities for aging baby boomers who want to be near the mountains and the ocean.**
- **Real estate has proven that it is always a better alternative to other, more volatile investments.**

Source: Home Price Analysis for the Washington, DC - Arlington - Alexandria areas, by the Research Division of the National Association of REALTORS®