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*"Now you've got a friend
in the real estate
business!"*

Gretchen Blankenship, REALTOR, GRI

The Real Estate View



"... The Sky Is Falling! ... The Sky Is Falling! ..."

Did Chicken Little Get It Right?

Don't Look Now! If you've been reading the headlines lately, then you're probably very aware of the doom and gloom predictions for the real estate market. And then the rumors begin: "It will be impossible to get a mortgage!" or "This is only the beginning – foreclosures will increase and prices will continue to fall!" So what's a person to think?

First of all, real estate is very local. What is true in one location may not be true in another location. Case in point: While home prices have dropped and sales have slowed significantly in the Phoenix area, sales have continued strong in places like Portland, Seattle, and Albuquerque. Even Prescott has not been hit as hard by the slowdown as Phoenix has.

So what is the local market doing here in Prescott? Well, we're not out of the woods yet. I had optimistically believed that we would turn the corner by late summer or fall. Unfortunately, that has not happened. Prices have softened a little in the Prescott area, and inventory has steadily increased since the first of the year. Average days on market has also increased since last year. There is currently about a 16-month supply of housing inventory (meaning that at the current sales rate of 196 houses sold in August, it would take approximately 16 months for all 3,186 homes to sell. That assumes that no new homes come on the market and that the current sales rate continues.) So it all "doom and gloom" then?

Prescott's housing market has several positive things going for it. First of all, Prescott continues to see population growth. New jobs are being created and Prescott remains a relocation destination for many retirees. Prescott boasts great weather, good schools, and a variety of activities that appeal to visitors and newcomers. Also, the Prescott area does not have a lot of new home subdivisions. This also helped us from having an even greater amount of housing inventory.

Advice for Sellers in the Current Market: If you don't need to sell, don't. However if you'll be needing to sell within the next year, it might be better to put your home on the market now rather than waiting until next spring or summer. There are apt to be even more homes hit the market early next year, and prices may continue to fall. Be prepared to wait at least 4 to 6 months for a sale, even if your home is in great condition and priced competitively.

Right now, a relatively quick sale takes a meticulous combination of an extremely competitive price, a home in absolutely immaculate condition, and a REALTOR® with a great marketing plan. It all comes down to knowing the market extremely well and expertise in advertising, staging, and negotiation to get the job done.

Advice for Buyers in the Current Market: Now is not the time for quick flips. While there are bargains out there, it is very unlikely that you could purchase and resell immediately for a profit. Also, this is probably not the best time to do 100% financing unless you can purchase a home unless you're planning on staying in the home 2 to 3 years or longer. This will allow time to recoup any short term loss should the housing market decline further.

Beyond those cautions, this is a buyers' market here in the Prescott area with lots of homes to choose from and many homes that are "real steals". Are you planning on relocating to the Prescott area? If so and you have a home to sell in another part of the country, consider whether your local economic conditions (i.e. jobs, growth, etc) lead you to believe your market will recover more quickly than the Prescott market. If not, you may want to sell now rather than later, as the gap will continue to widen between what you're able to sell your home for in your current locale and what you'll have to pay for a home in the Prescott area.

These are turbulent times in the real estate market. Always remember I'm here to help you navigate the murky waters. Give me a call anytime to discuss current market conditions!

*Give me a call today at
928.533.3698*

Check out my weekly blog at www.PrescottAreaRealEstateBlog.com

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Inside . . .

⇒ *“The Sky Is Falling! . . . “*
Was Chicken Little Right?

At www.MyPrescottHome.com

⇒ New blog with up-to-date market info and helpful tips



A thoughtful look at real estate issues in the tri-city area.

Braggin' Rights!

On My Website



Check out new area listings at www.MLSPrescott.com

This easy-to-use MLS search feature allows you to search all the listings in Prescott and the surrounding areas without having to enter personal information.

Check out my weekly blog:
www.PrescottAreaRealEstateBlog.com

Find other useful information at www.MyPrescottHome.com

THANK YOU for thinking of me whenever you or your friends need answers to real estate questions, or if you are thinking about buying or selling!