



Real Estate Services

Irondequoit Office

425 Titus Avenue

Rochester, NY 14617

585.266.5560

howardhanna.com

## REAL ESTATE MARKET UPDATE – IRONDEQUOIT ROTARY CLUB (1/23/2019)

PRESENTED BY: **MARK C. HISCOCK**  
**HOWARD HANNA REAL ESTATE SERVICES**

### 2018 – Year in Review

- 10 Years since the 2008 housing crash!
  - o The Great Recession.
  - o Poor economic conditions.
  - o Lenders let people buy more than they could afford. Loans given to anyone that walked in the door. Whether it be for new mortgages or home equity financing, and values would often over-appraise!
  - o Caused a huge spike in foreclosures, and a glut of inventory.
  
- Lenders have since tightened requirements and the economy has been booming!
  
- Over the last several years we have seen quite a positive change.
  - o The number of foreclosures is down to a six year low.
  - o For buyers, affordability levels have been at all-time highs. Interest rates have remained low and better qualified buyers are in the market. For sellers, house prices have appreciated.
  - o Putting it in perspective with numbers (2008 vs. 2018) in Monroe County:
    - Closings (sales): 10,125 vs. 16,551
    - Average sale price: \$140,351 vs. \$161,426 (+13%)
    - Median sale price: \$118,000 vs. \$135,163
    - Sales volume: \$1.42B vs. \$2.66B
  
- The last 2-2-1/2 years have been a seller's market prompted by:
  - o Very low housing inventory – supply vs. demand. More buyers than sellers. Prompted mainly by baby boomers keeping their properties longer...
  - o Months Supply down to 3.2 vs. 6.0 in 2015
  - o Sellers have benefited, realizing quick sales and very favorable pricing!
  
- 2018 was again, a very strong seller's market:
  - o Most often, multiple offers. Typically 3-4 offers and on some properties as many as 20 offers!
  - o Houses would sell well-over list price. In some cases as much as \$20,000 to \$30,000 over or more.
  - o Houses would sell in one day or less...
  - o Even the most qualified buyers would loose out – competing against cash buyers who would often waive a home inspection.
  
- Recap 2018:
  - o From 2017, Monroe County sales (16,551) dropped 4.5%, but the median sale price increased 5.4% to \$135,163
  - o Irondequoit (2017 vs. 2018):
    - No. of closings (sales): 941 vs. 904
    - Median sale price: \$118,000 vs. \$129,650 (+9%)
    - Median days on market: 26 vs. 7

## 2019 – Market Expectations

- As of last week there were only 927 Active single family residential properties for sale in all of Monroe County.
- In Irondequoit there were only 79!!
- In perspective there would be approximately 400 active just in Irondequoit, in a balanced market.
- Seller's market intensity probably peaked in 2018, but still much of the same conditions predicted for this year...
- We should see a modest inventory gain of up to 7%.
- Interest rates (rates are currently around 4.7%) could rise up to 5.5%.
- Higher interest rates combined with higher prices could put home ownership out of reach, especially for the Gen-Z, Millennials, and other first-time buyers.
- Still a seller's market but some caution:
  - o Increased competition
  - o Less demand may result in less bidding wars and multiple offers.
  - o Seller's who price fairly and competitively will still realize a good profit, but not the price jumps of previous years. As the old saying goes: Location, Location, Location; Price & Condition....

## Market Analysis

### Status: S-Closed/Rented (904)

	Beds	Baths	Sq Ft Total	List Price	\$/SqFt	LP SqFt Ratio	SP SqFt Ratio	SP/LP	Age	DOM	Close Price
Min		1	582	\$26,900	\$25.45	\$28.83	\$25.45	.46782	2		\$28,500
Max	7	5	5,939	\$994,900	\$283.58	\$284.22	\$283.58	1.50439	189	181	\$867,000
Avg	3	1	1,526	\$137,428	\$90.09	\$90.34	\$90.09	.9983	71	19	\$136,790
Median	3	1	1,432	\$129,900	\$90.22	\$89.74	\$90.22	1	69	7	\$129,650

#### Criteria:

Property Type is one of 'Single Family Residential', 'Condo And Townhouse', 'Residential Rental'

Status is 'S-Closed/Rented'

Status Contractual Search Date is 01/01/2018 to 12/31/2018

Property Type is 'Single Family Residential'

County Or Parish is 'Monroe'

Area NYSWIS Code is 'Irondequoit-263400'