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Faucet has shut off: The real estate market is changing again!

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We've all been speculating about it for some time now. When will the refinancing slow down. Rates have crept up just enough to have a huge impact on the volume of refinances. It has not just slowed down but died. What is different this time around is that certain areas of the market continue to appreciate in value with strong demand for housing and continued lack of inventory. There seem to be fewer short sales and REOs available in many areas as well.

Appraisers, lenders, attorneys, title companies, etc. who could not keep up with the volume of refinances, no matter how many sleepless nights they toughed out, find themselves appreciating every assignment that they receive. Those professionals that are diversified and who network will have the most success staying busy. Many companies will close their doors. Mortgage companies are expected to be very hard hit. Consumers will have to be very careful with financing choices. I'd like to think that the best professionals will be the survivors but that is not always the case.

Most appraisers will need the support of professional organizations like The Mass. Board of Real Estate Appraisers or the Appraisal Institute now more than ever. It is harder than ever to keep up with what is happening in every town, never mind every market segment. There are so many things that can affect the real estate market that we may not think of. Whoever knew we would really have a government shutdown! Anything that affects loans, especially government loans, which has been so prevalent this year, will have a major impact on all segments of the real estate market.

A good appraiser needs to know what is going on in the market beyond just their local area so that they can anticipate changes and look for influencing factors. They need to hear what other people are seeing in their market areas. They must also be very careful not to prejudge what is really happening but to analyze market data and get a consensus of other opinions beside their own.

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