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55 YEARS

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Are we there yet? by Maria Hopkins

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Chasing and capturing the peak of the market is always difficult and everyone wants to accomplish it. It certainly feels like we are close to the peak but we thought that to be true last year. As long as interest rates stay low, it appears market appreciation will continue in areas where there is high demand for housing and inventory just doesn't keep up. Even the last few weeks seem to have had an even larger jump in prices. We are seeing a shift in where some people want to live caused by the reality that many are never going to have to return to their offices and working from home is the new norm. It is very liberating for many, who realize they can now move to where they can get a lot more house for their money.

Property owners in and around Boston for example can move further west and purchase a million dollar plus house because they can now work from home. Demand for high end homes was waning with the volatility of the stock market, but now there are often multiple offers for houses that had been sitting.

The stock market has remained strong at this point, but it does feel like we are floating. With unemployment high and unemployment stimulus check money running out, many will start to sink. Refinancing and equity lines are at unprecedented levels. Many are remodeling and upgrading their homes, taking advantage of low rates and more time at home. Appraisers have never been busier and can't keep up with the volume.

One thing is clear. If we don't get rid of the virus, it will eventually destroy many businesses and the economy in general. Restaurants are trying to hang on with outdoor dining but cold weather is coming. Hotels are struggling. Retail stores are closing. If college students don't rent housing, that has a huge effect on all those income properties around our many colleges. As I said, we are floating and we can't float forever. The answer is to get rid of the virus. We must be the only country that can't learn from our own mistakes. We must keep making them, fooling ourselves that if we try to open businesses faster or open schools that our results will be different than those who just tried that and failed. I thank God every day that we are blessed to be in a state where numbers are low and the economy is better than many other states. But there are many that are struggling either financially or just emotionally with the drastic changes we must now live with. My daughter just delivered her first child wearing a mask through the whole labor and delivery without complaint. Our nurses and doctors and many others must wear them all day every day.

Even though some states are doing well, others are not. As always, there is much speculation regarding the real estate market. Values in most areas of the state continue to appreciate. Appraisers must keep up with estimating the rate at which values are appreciating in an increasing market. We can only reflect what is happening now. But still, it sure feels like we are at the peak, like we are floating. Only time will tell. We can't float forever.

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