

Real Estate Market for Buyers in 2007

Contributed by Raynor James

The real estate market is a funny thing. While there are many factors that play upon it, it is essentially no different than other trade markets like stocks and commodities. The primary difference is trends tend to happen at a much slower pace than one would see in other markets. One just doesn't see one day corrections. Instead, things tend to move slowly, but definitively, in a particular direction. One such clear trend is developing now and for the rest of 2007.

2007 can be termed the year of revenge for people looking to buy real estate. After five to six years of skyrocketing home prices and massive demand, the market is flattening out in a major way. No longer can sellers simply put up a for sale sign listing any old price and expect to make a sale. Instead, they are going to have to work much harder to move their property should they wish to sell.

There are a couple of reasons why 2007 will be the year of the buyer. First and foremost is momentum. The seller's market had to peter out at some time and it finally has. The momentum caused by high demand and relatively low inventory just couldn't last, and it has now clearly run its course. In technical terms, this is primarily due to the raise in interest rates and the appreciation bubble bursting. Practically, this means borrowing money is no longer obscenely cheap and home prices are pulling back from their equally obscene appreciation rates which were as high as 25 percent in Las Vegas one year.

As a buyer, you have the opportunity to sit back and look for bargains in 2007. There are a lot of recent home buyers out there sitting in homes that have lost value. Throw in the fact that questionable financing loans were used to purchase them and you have a lot of nervous homeowners out there. As we move through 2007, these people are going to be looking to unload their property. This will ultimately create more inventory than there is demand and prices will tumble.

If you have cash set aside for the purchase of a home, your patience is about to pay off. There is no dispute that 2007 stands to be the Year of the Buyer.

Raynor James is with FSBOAmerica.org - save money when selling and buying with homes for sale by owner.