

Now that 2022 is nearly over, I'd like to address the Elephant in the room. Is the Market going to crash as it did in 2008 after the BOOM of 2004 – 2006? As I commented last month, the Media LOVES reporting Doom and Gloom. If it bleeds it leads, right?

Well, I attended a two-day Broker Summit hosted by the Florida Association of REALTORS. On day one, Lawrence Yun, the Chief Economist for the National Association of REALTORS addressed the audience. While he would not answer the question, he simply said I'll give you the facts and you can make your own decisions.

Before I get to those stats, that Florida Prices in 2022 are up 15% over 2021! That's right, Florida prices are up over last year! I haven't heard any news media reporting that, all I hear are prices are falling. And that is true, ASKING prices are falling, but the prices that similar homes sold for last year are higher this year.

SIDEBAR: A home that sold for \$400 a sq. ft. at the end of 2021 (a year with about 30% price appreciation) it's not illogical for a Seller to think their home should be worth 30% more in 2022. So, they put the house on the market for \$520 a sq. ft. Guess what? It didn't sell, so they lowered the price to \$495 an sq.ft. and it still didn't sell, so they lowered it again to \$450 a sq. ft. and it still didn't sell. Then finally a buyer came along and had the COURAGE to make an offer at \$435 a sq.ft. and they NEGOTIATED (a word we didn't use over the past three years) and settled on a price of \$455 per sq. ft. which is 13.75% higher than a similar home sold last year.

Okay, now for the NAR FACTS:	
In the last crash – there were 8,000,000 job losses	Current Market – Almost no Job Losses
In the last crash – there were138,000,000 paid workers	Current Market = 158M paid workers
In the last crash – Subprime loans were prevalent	Current Market = Virtually none
In the last crash – Builders built 7.65 million homes	Current Market = 4.6 million homes
In the last crash – 3.8 to 4 million homes for sale	Current Market – 1 to 1.2 million
In the last crash – 10.1% of Homes were in default	Current Market – 3.6% in default
In the last crash – 4.6% of homes were in Foreclosure	Current Market – 0.6% in foreclosure

So, let me ask you. Where do you think the real estate market is going in 2023? Based on the above, do you think it's going to crash again like it did in 2008/2009?

I'm not convinced! However, I do expect fewer home sales in 2023, but I also expect fewer agents in the business. We've also been told to expect moderate price increases over 2022. I think the days of 20% to 30% appreciation annually are over for a while.

I told our agents to forget almost everything we taught them about working with buyers and sellers a year ago. We've re-taught them. This is a whole different market, and it takes different approaches. If you're looking to buy and/or sell in this market, your well-trained C21 Beggins agent is here to assist you and is knowledgeable about how to protect our customers in this Complicated, Complex, and Competitive market. Give your CENTURY 21 Beggins agent a call. We just may be able to provide a cool solution, and we're happy to help. We're here for you and we've got your back!

Until next time, may you have fair weather and following seas!

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Sarah started out in Hospitality with Hyatt hotels, then went into property management. This gave her an advantage to see the bigger picture in housing when moving, and the struggles people work through. Helping people make big decisions with peace of mind and seeing them happy in a home is her passion.

She has three dogs who are her joy and her daily exercise! You can find Sarah at a park, gardening or the beach on a day off enjoying Florida sunshine. Sarah enjoys seeing the potential in things, creating a world where vision comes to life. This is her approach to older and new homes alike.

Working with Century 21 Beggins is a great advantage, because we are not only the largest Century 21 in the SouthEast United States with over 10 offices, we train daily! You are not just hiring one agent, but a whole team who represents you in the highest standard: Single Agency. This allows for Confidentiality, Obedience, loyalty and Full Disclosure, which many brokerages cannot offer. Call today to start the conversation!

LANGUAGES

English

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