

## ***EXAMPLES OF STATEMENTS FOR MARKET CONDITIONS***

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### **For Starter Neighborhoods with significant rate of decline:**

Loans are available at moderate interest rates. However, lender requirements for loans are becoming stricter after many years of making loans based on stated income, “teaser” loans with low introductory rates, and 100% financing. The tighter lending requirements are making it difficult for some borrowers to refinance their loans and requiring bigger down payments from first time buyers. This is resulting in some homes in this area being foreclosed upon or being sold as “short sales”. The stricter lending requirements are making it more difficult for first time buyers to qualify for loans. The subject neighborhood is a neighborhood primarily for first time buyers. Frequently sellers will credit the buyers for all or a portion of their non-recurring closing costs. The market is currently declining after rising for approximately ten years. The declining market has been confirmed by a regression analysis (\$/sq ft versus time) of properties sold in the subject market area.

### **For “Move-Up” Neighborhoods with minimal rate of (or no) decline:**

Loans funds are available at moderate interest rates. Properties have few seller concessions. Occasionally sellers will credit the buyers for a portion of their non-recurring closing costs. Values had been rising for over ten years. The market appears to have leveled out at the present time. Some nearby areas are declining in value; these are primarily entry level home neighborhoods which have been adversely impacted by the sub-prime crisis and the stricter loans standards. However, the subject market area is an area of higher priced homes and it appears to be stable due to the fact that it has a good supply of qualified buyers and a low inventory of homes for sale. The slight decline (Note: or stability if this is the case) has been confirmed by a regression analysis (\$/sq ft versus time) of properties sold in the subject market area.