

# The Russell Report

Presented by Drew Russell, GRI

## Hot Topic: The State of the Local Real Estate Market

As I run into my colleagues, friends and family, I am constantly being asked the same question: "Drew, what's the latest on the real estate market?" Hopefully I can provide some insight into the latest trends in the market for you in the limited space I have for this column. I think that the most prominent contour of our market right now is how much the face of residential lending has changed in a very short period of time. We are seeing ripple effects of tightened lending standards at all price points of the residential market. While I have been seeing 30 year fixed rate loans as low as 6.125%, jumbo loans (loans over \$417,000) have become very unattractive to lenders and are subject to much higher interest rates. While this is painful trend for sellers, I see this tightening of credit as something that will be good for the long term health of our market.

**Why This is a Good Thing:** To be perfectly candid, a lot folks I have come across in the last few months are having problems with affording properties that they should never have bought in the first place. Lenders are really scrutinizing would-be borrowers to make sure that they can repay mortgages. For well qualified borrowers financing is still easy to come by while those who are over-leveraged will not be able obtain mortgages- especially on investment property. This new level of scrutiny by lenders will ultimately be a large part of the solution to our volatile real estate market. What we need is confidence by consumers. This will eventually be a natural byproduct of lessened speculation and unqualified purchasers. Deals closed with the help of conventional financing will become more and more solid as qualified buyers (mostly end-users) will begin to absorb well priced inventory and bring more stability to our market overall. I see our residential market as on the road to recovery. There are still plenty of people out there who need to buy and sell, which is why when people ask me how my practice is going, I can honestly respond, "Better than ever!"

That's The Way I See It,

## Featured Properties



5228 Ashley Parkway  
\$895,000

This one acre estate is in one of Sarasota's most prized neighborhoods. Known for its quiet seclusion, Ashley is a Sarasota classic. This home features over 6,100 gross square feet with lake views and a spacious pool area.



7018 Four Seasons Cir  
\$299,000

Lakewood Ranch's best value. This 3 BR villa features lakefront views and a clean spacious interior. A short stroll will put you on the first tee of 3 different 18 hole golf courses.

**July 2007 Market Stats** Residential Sales have shown strength over the past month with 359 total sales taking place- a five percent increase over last year. Over 2,643 sales have taken place with the help of agents this year, and most properties are selling at 93% of list price.

**What's Hot:** Single Family Homes Priced between 1.5 and 2.9 million- 7 sales in July & 68 this year.

**What's Not:** Condominiums Priced above 2.5 million- 3 sold in July and 0 were placed under contract.