

JANUARY 2011

# COLDWELL BANKER

## MARKET WATCH

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RESIDENTIAL BROKERAGE

## IS 2011 THE YEAR OF RECOVERY?

*Coldwell Banker Residential Brokerage*

As we kick-off the new year and make resolutions to keep our resolutions, one question is still at the forefront of many minds. Will the housing market and the economy overall improve in 2011? Depending on what you're reading or who you're watching, the opinions of economists and real estate industry watchers are varied. It's not easy to predict what the market will do in the coming year, especially without the help of a crystal ball. However there are some key indicators to follow.

Most agree that the housing market recovery is largely based on the recovery of the job market. Consumers will make a down payment and purchase a home when they feel financially stable and secure.

According to a U.S. Bureau of Labor Statistics report released in December, 28 states and the District of Columbia posted unemployment rate decreases from a year earlier though the national jobless rate approached 9.8 percent in November.

In December, the Labor Department issued statistics that showed applications for jobless insurance payments fell by 3,000 sending the average in December to the lowest level since August 2008, and fewer workers filed claims for unemployment possibly signaling that the U.S. job market is improving if only slightly.

Another indicator to watch is pending home sale statistics. According to the National Association of REALTORS® (NAR), pending home sales jumped in October, showing a positive uptrend since bottoming in June. The NAR

Pending Home Sales Index rose 10.4 percent to 89.3 based on contracts signed in October from 80.9 in September. Of course the index remains 20.5 percent below when compared to the same time last year as buyers rushed to meet the Tax Credit deadline in 2009.

Alexandria

Anne Arundel

Arlington

Baltimore

Baltimore City

Caroline

Carroll

Cecil

Culpeper

Dorchester

Fairfax

Fauquier

Frederick

Harford

Howard

Kent

Loudoun

Overall, these numbers are positive, but we still have some way to go before a full recovery is realized. "It is welcoming to see a solid double-digit percentage gain, but activity needs to improve further to reach healthy, sustainable levels," said Lawrence Yun, NAR chief economist. "The housing market clearly is in a recovery phase and will be uneven at times, but the improving job market and consequential boost to household formation will help the recovery process going into 2011," he said.

A sales associate will know how local unemployment rates and pending sales in your immediate area will impact your success. A review of the graphs linked on the right will help determine how additional factors such as inventory levels and recent sales can affect your home purchase and home sale goals. If you are in the process of buying or selling a home, please call me.

At Coldwell Banker Residential Brokerage, we are hopeful that 2011 will bring a revived economy and a stable housing market. I look forward to welcoming in the new year and assisting you with all your real estate needs in 2011 and beyond. Happy New Year!

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Prince Georges  
Prince William  
Queen Anne  
Somerset  
Stafford  
Sussex  
Talbot  
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