

# OVERVIEW OF THE LOCAL AND NATIONAL RESIDENTIAL REAL ESTATE TRENDS

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What is happening on the National scene?

- More mixed land use
- More distinctive, attractive communities with a strong sense of place
- Preservation of open space and natural beauty
- Providing a variety of transportation choices
- Compact building and home design
- A wide range of housing opportunities and choices
- Tudor, prairie bungalows, Victorian and Georgian mini-mansions
- New engineered lumber and steel framing methods
- Improved heating and cooling equipment
- Fewer formal living and dining rooms
- More state of the art kitchens
- Separate spaces for the persons who live and work at home
- Highly restricted and regulated residential development which make design innovations necessary
- Smaller doesn't mean cheaper
- More vacation and second homes are being purchased
- New viability in central city markets as smart growth continues
- 80% of new home construction is still in suburban areas

The following trends were supplied from a recent survey of builder members of the Capital Area Home Builders Association. What will the buyers in 2000 and 2001 be looking for in their home?

- Full lawn sprinkler
- Home theater and audio rooms
- Brick or wrought-iron walls instead of wood fencing
- Artistic glass
- Elaborate, programmable security/fire systems
- State of the art appliance packages to include washer, dryer, refrigerator, convection/microwave oven, five burner cooktop
- All window treatments
- More than one phone line with integrated wiring
- Upgrade finished for cabinet, floors, walls and ceilings
- Cubic footage rather than square footage
- Two master suites in addition to mother-in-law suite
- In-home office
- Four or more bedrooms
- Separate entertainment areas
- Low/no maintenance exteriors
- Wood/clad/vinyl windows
- Solid counter tops in kitchen and baths
- Smaller lots
- More hard surface flooring
- European design (French)
- Upgrade lighting, plumbing fixtures and hardware
- Ten FT and higher ceilings
- Totally landscaped and sodded lawns
- Open/Multi-use floor plans
- More detail in interior building materials customized to specific lifestyles

## What will drive the cost of new home construction in 2000-2001?

- Lack of and cost of skilled labor
- Cost and availability of materials, i.e., sheetrock, brick, lumber and concrete
- Disposal of waste from building site
- Zoning restrictions
- Building Codes
- Lot and developmental costs
- Buyer demand for more amenities and finishes

## Projected rise in cost to build similar home in 2000 as compared with last year

- Five to Ten percent

## Predictions from the responding builders

- More “in-fill” building
- More “Lifestyle” friendly homes
- More stucco and less dryvit
- Bigger is no longer better
- More gated communities
- More garden/patio homes

## Existing Home Sales

- REALTORS nationwide posted their fourth consecutive record year for existing single family home sales, with 2.5 million units changing hands in 1999

## Absorption Rates

## New Subdivisions

## E-Commerce

- Virtual tours for home purchasing allow a potential buyer to take a self-guided tour of a home without leaving their computer
- Internet mortgages, closings and shopping are commonplace

## Companies on the WEB

- NAR economic research shows that 62% of all real estate companies have a web site to list properties or market their services or both.

## Technosavvy REALTORS

- 92% have cell phones
- 62% have e-mail
- 57% have pagers
- 45% have scanners
- 41% have digital cameras
- 12% have digital assistants

## Relocation Trends

## Bankruptcy/Foreclosure Statistics

## New Home vs. Resale Home Statistics