



Top Real Estate Professionals Cautiously Optimistic Toward 2011

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As is the case with many aspects of the economy, both locally and nationally, the new year often brings questions about what's ahead.

One question of big interest always regards the real estate markets, including one right here in and around Middleburg. Will the high-end market go up, down or stay the same in 2011?

With that in mind, Middleburg Life asked some local real estate experts where they think the Middleburg market is going in 2011:

Josh Baker, president of BOWA Builders: "We think the market will continue to improve as people take advantage of resales and the existing inventory. We have a lot of people asking us what the cost would be to make a home better? It takes far less money and time to buy a home, then have it transformed, than to build a new one. So we are seeing a lot of that right now, and we expect that to continue this year."

"Time is of the essence now to take advantage of good pricing. There are good deals and unique opportunities out there, because we see sellers holding prices down, and people are able to purchase and buy land and property. It is a good time to buy and relocate."

Michele Stevens, Long & Foster, Middleburg: "Middleburg has a unique real estate market due to a wide variety of properties located within an hour of the nation's capitol. Northern Virginia's economy is strong and the real estate market - after a significant decline in 2007 and 2008 - started to level out in 2009."

"The second-home and residential investment market has started to open up, with investors realizing that prices have already hit rock bottom and now is the time to invest."

"As for the luxury real estate market - nationally, it has outperformed the overall housing market. Locally, our inventory is high, with only a few multi-million dollar transactions in 2010. We're starting to see price reductions. Luxury home buyers, including an increasing number of international buyers, are looking for quality and value for less than even 2006 and 2007 prices."

John Coles, Thomas & Talbot: "I think probably in the Middleburg area we have hit the bottom. We are seeing people looking at houses if the price is right. Agents are not wasting time showing properties that are priced too high and are not a bargain. Prices seem to be close to the county assessments, which is way down from what most people thought it would be. Prices are down 20 to 30 percent from a couple of years ago.

"Right now, it is a buyer's market. I think prices will be kind of flat for a while, until they start inching upward."

Vanessa Massaro, director of sales, Creighton Farms: "Luxury real estate in 2011 will be characterized by 'have and have not' neighborhoods. That is, prices will stabilize in the most desirable communities, then the secondary locations will experience continued price erosion, and looming shadow inventory. I think it might be a transitional year where growth begins to happen (slowly) and niche markets will take off."

"Custom homes will experience a resurgence of interest, as much of the inventory of unsold luxury homes are not meeting today's needs for better, efficient use of space and will be preferred over resales. The right-sizing of American luxury homes will continue, and the interest will be in high quality finishes, manageable (and customized) space, and a beautiful neighborhood that is conveniently located."

David Howell, chief information officer, McEneaney Associates: "Overall, we expect that 2011 will look a lot like 2010. On the plus side, we have the strongest regional economy, and Loudoun and Fairfax counties are ranked No. 1 and No. 2 among the wealthiest counties in the country. We have the lowest unemployment rate in the country as well, with every jurisdiction in Northern Virginia having a rate under 5 percent. While interest rates have ticked up a bit recently, they're remain under 5 percent for 30-year fixed rate mortgages, and that is still incredibly low. And these low rates, combined with home prices that have dropped significantly from their peak, mean that housing is considerably more affordable right now than any time in the last decade."

"There is no sense of urgency among buyers. People don't buy homes if they are uncertain about their own financial circumstances, and we won't see a recovery in full swing until there is a return of consumer confidence. The recent discussions on Capitol Hill about curtailing or eliminating the mortgage-interest deduction blows a chill wind through an already chilly housing market, and couldn't come at a worse time. We expect that prices in most areas may still soften a bit more before heading up late in 2011. But any further drop in prices will likely be offset by rising interest rates. So this is a great time to buy to take advantage of still-low rates."

"If one defines 'recovery' as at least modest price appreciation and a relative balance in supply and demand, we don't expect the overall market to recover until 2012. Small pockets are already on their way there, but it's going to take a while for things to improve significantly across the board."

Thomas B. Anderson, president, Armfield, Miller & Ripley Fine Properties: "Without a doubt, the 2010 real estate market in the Virginia countryside was one of the slowest in recent history. Many things that contributed to this have now been resolved, such as: runaway escalation of property values, downfall of the mortgage market, unemployment and the threat of the removal of the Bush tax package. As such, the outlook for the 2011 market is definitely more optimistic."

"In addition, many reports have concluded that the Washington, D.C., 2010 real estate markets were in the top three in the nation. And, as a large part of our market activity has traditionally come from the Washington, D.C., area, we will benefit from the strengthening of their market. The level of improved sales activity for our area in 2011 will be based on a seller's ability to reach those buyers seeking the wonderful lifestyle available in our beautiful countryside."