



The Avalon Home and Land Owners Association

MARCH GUEST SPEAKER

ALAN DECHERT, FERGUSON-DECHERT REALTY

“THE STATE OF AVALON REAL ESTATE”

Dutch Dechert stated that in 2005/2006 the real estate market in the area was very active - properties were being sold often without the buyer going through the structure.

In 2007/2008 the bubble burst, prices fell. There were many short sales, foreclosures occurred, properties were "underwater". By 2009 prices in the shore area had fallen by about 16%. Most of the recent sales have been teardowns. In the 2nd and 3rd quarters prices were about the same as 5 or 6 years ago.

Where do things stand now? 2009 was not a bad year for sales. The number of units sold increased over 2008 but the prices fell. There are not too many high end sales. Most of the sales are in the \$1 million range.

It is felt that 2010 is a great time to buy because:

- Interest rates are low
- There is a great selection, though the inventory is being depleted
- Prices have stabilized
- Where applicable there are good tax incentives.

January 2010 has shown more activity than January 2009, possibly because of the tax incentives. The weather in February stalled everything. March activity is picking up. There is a pent-up demand. One thing appears to be certain - the days of "flipping" are over.

Rentals - 2009 was a good year, though not as good as 2008. The year was not good for restaurants and merchants, etc. 2010 is shaping up pretty well and advance numbers are higher than 2009. There are some rental issues:

Group/seasonal rentals. This has changed over the years; prices have gone up so much that group rentals are not seen as much. They are not as big a part of the business since the average rental is about \$4700 per week. The problems with rentals - noise and trash -and it is tough to educate the renters. If there is a problem in your neighborhood call the rental office involved, don't let it fester.

There have not been many foreclosures in Avalon; there have been short sales.

The Bay and Ocean sides have held values better.

There are not as many teardowns as in 2005/2006. Most reconstruction appears to be for end-users.