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Home Economics: Even though market is tough, some people have to sell



By Al Heavens
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Given the level of economic uncertainty these days, even falling home prices and a 30-year fixed mortgage rate of 4.32 percent aren't enough to reel buyers in.

Not the ideal moment to sell a house. So jumping into the real estate waters can be quite a leap of faith.

How can you know that this is the right time?

For Melissa Webb of Center City, it came down to getting more elbow room for her, her new husband, Rick, and Buddy, his 25-pound cockapoo, "who is just like another person."

Webb, who works for a large bank in Delaware, bought her Clinton Street condo when she was unmarried. The single life ended on New Year's Eve 2009, and the three have squeezed themselves into her place since March 2010, when Rick sold his Bucks County home.

"We just need more closet space, as well as more home-office space, as we both work from home frequently," said Webb, who hopes to sell the condo before they close on their new, larger house in the city in November.

"I know it isn't a great market," she said, but the need for more space was more pressing.

The one-bedroom, one-bathroom, 748-square-foot unit is listed for sale at \$349,900, less than she paid for it in June 2006, at the height of the boom market.

In the second quarter of this year, 37 condos sold in the 19107 zip code where Webb's unit is; the median price was \$287,519, meaning that half of those condos sold for more, half for less.

By contrast, in the second quarter of 2006, the median price of the 61 units that sold was \$368,191, according to data collected by Econsult Corp. of Philadelphia.

Lifestyle changes such as Webb's are a major motivator of sellers right now, said Mark Wade of Prudential Fox & Roach Real Estate in Center City.

"Most move due to need, be it a transfer out of town or a growing family," he said.

"Medical students are in town for a set four-year period to finish their schooling, and they are going to sell regardless of market conditions. Others are selling because they have a low or nonexistent mortgage balance and can easily move."

For them, Wade said, "resale value is not always the issue."

Some sellers are "scaling down and moving to assisted living," said John Duffy of Duffy Real Estate on the Main Line. "Empty-nesters are moving to smaller properties that are easier and cheaper to maintain, and the younger couple is selling their first home and moving to a larger property now that children have come along.

"We still have the estate sales, and, unfortunately, the divorce sales, and, in some very rare circumstances, people who sell because of affordability issues," he said.

Joshua Neidich sold his house in Brookhaven, Delaware County, "mainly on the fact that we found the perfect home in the perfect neighborhood [in Middletown Township] and felt there was nothing else out there that met our needs."

"We have been looking for over three years, off and on," focusing on the Rose Tree Media School District and one other district, Neidich said, "and when we found the house that we loved, we had to jump on it. We put an offer in on the house on a Tuesday and had our house on the market by that Friday." (Settlement is set for the end of August.)

The decision to sell in this difficult market "was definitely based on increasing space, both land and house," he said.

Of course, there can be reasons to sell now that are beyond the control of homeowners - financial trouble being at the top of the list.

Rather than default on a mortgage they cannot pay, many homeowners attempt a short sale, in which the lender agrees to take less than the balance of the mortgage owed.

But if getting out from under isn't the prime consideration, doesn't it make sense to simply wait to sell until times get better?

Jeff Block of Prudential Fox & Roach in Center City doesn't believe in trying to anticipate what the market will do down the road.

"My clients who are putting their homes on the market now are doing it for one reason - because they want to sell their home now," he said. "If I advise my sellers one thing, it is that you can't time the market."

The bottom line, Block said: "No one can predict the economy, so base decisions on what works for you.

"And if now is the time to put your home on the market and sell, then do it. If waiting makes sense for you personally, then wait."

Home Economics:

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