



## Sellers' Market vs Buyers' Market: What Does it All Mean?

By Craig Della Penna

From time to time you'll hear the term "Sellers' Market." Or maybe you'll notice a house for sale sign in your neighborhood and then the next day it might have a sign-rider on it saying, "Under Contract" or "Sale Pending." And you'll think, "Wow, that didn't take long." What does the term Sellers' Market mean?

Well, here in Northampton, we've been in a sellers' market since the re-election of President Obama in November of 2012. I remember being at an open house here in town in December of 2012 and noticed that it seemed unusually busy. Normally at that location and price-point, we'd expect to see maybe 30 parties come through an open house, but that one had almost 70 parties coming through. Wow! We knew that the Great Recession was no more.

Northampton has always been an attractive place to live. Good schools, vibrant downtown with local businesses—not many national chains seen downtown—good restaurants galore, no blight, civically engaged and welcoming citizenry, bike paths leading to attractive places, preserved land, etc. All are things that check the boxes of 21st century buyers. So, there are always a good amount of buyers looking to move here.

My wife Kathy and I see this phenomenon first-hand too with our bed & breakfast, Sugar Maple Trailside Inn. So many of our guests coming here

are stunned by the area's beauty that I'll get several buyers a year from people who start off as bed & breakfast guests. Between four and as many as nine transactions each and every year. Amazing. My perfect marketing circle.

This desirability factor tied with low interest rates and a shortage of inventory (shortage of houses to sell) means we will have an abundance of buyers for every house that comes on the market, at all price points. Now here we are, nine years into this sellers' market and the tide is rising on the pricing. Ten percent per year for the past couple of years.

What this means 'on-the-ground' so to speak is this: If I'm the listing agent, the house is going to be under-contract, with multiple offers, very quickly. Working with buyers is more problematic. Having intense competition puts new buyers at a disadvantage, especially if they've never been house hunting before.

And lots of times, a letter will need to be written. This is but one of the tools that savvy buyer agents use to shape their buyers to be able to prevail in the high-pressure world of a sellers' market. A letter will be mostly effective when sellers have been in the house for 15 or more years. Sellers are always interested in the money, but long-term owners, lots of times, are interested in the 'story' of the buyers too. I've had sellers who have been in the house for 40+ years choose offers 10% under list price because the sellers like the story. You learn something new every day.

### Small town charm, BIG picture thinking. . .

In a place where land preservation, smart growth, and sustainable development are the watch words, shouldn't your real estate agent also be a change agent? Someone who has done inspirational things? Shouldn't you be dealing with a Realtor who gets it, and doesn't just talk-the-talk?

Give me a call.

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