

SOUND OFF *Brian A. Clarke Jr.*

What local domestic issues might influence the market?



There is a saying that all real estate is local. That statement is the truest statement of all.

Many factors go into our real estate market. Simply put, supply and demand play a huge role in the dynamics of the market. Are there enough homes for sale to compete with the demand or are there too many homes on the market for sale?

The three biggest factors that play a role in our local real estate market are: previously mentioned supply and demand, job stability and growth and lastly

governmental influences (taxes, changes in zoning, etc.) — the last two of which can influence the first one.

The key factor to a stable and growing real estate market locally is job stability and growth. Are companies hiring and expanding their workforce? Are companies leaving the area, thus relocating employees and increasing the supply of homes on the market?

We also have to look at the proximity of the local market to large metropolitan areas. Connecticut, especially Fairfield

County, is positioned between Manhattan and Hartford. This allows people to commute into these cities for work. This expands the job stability and growth pool.

Overall, people need to feel confident in their employment and confident in the economy. Along with this confidence comes a stable and growing real estate market. If people are making money, they are spending money and purchasing real estate. When this is occurring, we need then to look at the supply and demand within the local

real estate market. Do we have enough inventory to handle the increasing demand? A balanced market absorption rate is five to seven months of inventory. What this means is, if market conditions do not change and if no new listings come on the market, it will take five to seven months for the current inventory to sell at the current pace of the market.

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