

Lloyd Sherman

REAL ESTATE MARKET

WATCHDOG



## Hot Springs Village 2020 Real Estate Report

### Description

#### HSV Real Estate Report

#### 2020 In Review

To say that 2020 has been anything but a year filled with highs and lows would be an understatement. We have all faced challenges that when 2020 began, we had no idea what was in front of us. The same can be said of the HSV real estate market. Fortunately, most of what the real estate market encountered tended towards the positive side, so let's get to it and discuss the three areas I have been reporting on for two years now.

**Single-family homes** – The attached report should give you the information you might be interested in, but let's review some of the highlights:

- Properties sold were way up. There were 115 more properties sold over what was experienced in 2019. The even better news is that it became more of a seller's market and the numbers reflect that. The average sales price went from \$218,425 in 2019 to \$250,737 in 2020. Some of that can be attributed to some extent to the sale of the higher-priced homes, but the other positive trend was the per square foot price received increased by \$9.68. In addition, there were an increase of ten (10) houses in the closing process over 2019, indicating our overall metric was 125 homes greater than in 2019.
- The better news for sellers was that if their agent has done their paperwork properly, they will likely get asking or above asking price. It was not unusual to see multiple contracts submitted on houses as they hit the market and in some cases that resulted in bids above the asking price. No one can predict how long this current phenomenon will last, but it certainly would appear that the pandemic created this environment. So, if selling is in your future, you won't find a better time to consider listing. Houses that have been updated are flying off the shelves as quickly as they are listed.
- One of the impacts on the average selling price was the number of houses in the \$500,000 and above categories were up significantly.

- Now a bit of not so good news. Again, for what also appears to be a factor of the pandemic, the volume of homes on the market is at an all-time low. Please note that as of the date of this report, there are only 45 homes available for the 123 agents of the HSV Board of Realtors to sell. Pretty slim pickings but one of the reasons houses are flying off the shelf. The other good news out of this however is that new-build permits are up and many who might have opted for an existing home are choosing to buy a lot and build. More on this later.

**Condos/Townhomes** – This category is also up in volume over 2019 but not so on average selling price or per square foot cost. That can be attributed to selection again. The older and most likely not updated units would result in a lower average selling price. But we have the same issue of availability in that again as of this writing there were only 9 properties available for sale.

**Lots** – This metric is a direct correlation with new home permits. 2020 lot sales exceeded 2019 by 87 properties for a total sold of 198. Keep in mind these metrics are only for those sold out of the MLS and wouldn't include individual sales for sale by owner or POA owned lots.

**Better News Going Forward** – A couple of significant activities will be occurring in 2021 that should result in positive news.

- Real Estate Partner Program (REPP) – This program is essentially a lead program of POA generated leads from their marketing efforts or the POA website. In 2020 there were seven (7) firms involved sharing the leads based on a rotational schedule. Most of these manifested themselves in Discovery Packages. The POA allowed another four (4) firms to join in the sharing of the leads for 2021. It will remain to be seen how well this decision pans out as these new adds are not based in the 71909 market and it certainly occurs to me that allowing agents who are not intimately familiar with the Village may prove challenging. But hey, they didn't ask me. This certainly can't do anything but bring us more suspects that hopefully turn into prospects.
- The other even better news is that the brokers and the POA have come together and worked out a program for the real estate community to have total access to the sale of POA owned lots. A GIS mapping system has been made available to the realtors. The realtor community will assist in establishing the list price. To assist in moving these lots, the brokerage will receive a 50% commission. So, if they can sell a POA owned lot for \$8K, the brokerage gets \$4K and most agent plans would result in their getting \$2K on a sale of this size. This now makes it financially justified for the real estate firms to help move this inventory. This should have been done years ago, but let's just rejoice that it is now in place as of January 1, 2021.

Happy New Year to all and let's hope that all these issues revolving around the pandemic are resolved as quickly into 2021 as possible.

## **Comparison Village Property Activities for 2020 vs 2019**

[Comparison-Village-Property-Activities-for-2020-vs-2019](#)

By [Lloyd Sherman](#), January 2, 2021

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