

**Lloyd Sherman**

**REAL ESTATE MARKET**

**WATCHDOG**



## HSV Real Estate Market Watchdog – 2019 VS 2018

### Description

By Lloyd Sherman, January 1, 2020

### Looking Forward into 2020

At last count the HSV Board of Realtors had 110 members and a couple more will most likely be added as we move into 2020. A formal announcement will be forthcoming, but after the POA finally made the decision to close Village Homes & Land (their own real estate brokerage paid for by property owners), they had no other choice but to fall back to the real estate community to work the leads they are receiving. Effective January 1, 2020, the HSV broker agencies who are members of the HSV Board of Realtors will begin participating on a rotational schedule in working leads as they are received from the POA.

What this means to property owners is that commissioned real estate agents will be following up on all leads received for information regarding their desire to move to HSV. We also understand we will have access to selling Discovery Packages that were previously cumbersome (if not impossible) for the agents to offer. Property owners will no longer be responsible for paying salaries to personnel to support the activities of Village Homes & Land. The not-so-good news is that the Discovery Center space remains and will be utilized by this group.

Being in the real estate community I have been vocal about the very existence of Village Homes & Land and look forward to determining if this new program will work. We have no data to evaluate the validity of what we are told is nearly 4,000 leads a year, but have high hopes that the new program will be a win-win for both the POA and the real estate community.

More information should be available on this program sometime next week as we have been notified that a POA- hosted function will be held at Xplore Lakeside next Monday. The Voice, KVRE, many senior POA managers, the real estate brokers and their agents have all been invited. I personally will not be attending as I don't see the need for the property owners to be assuming more costs for a program announcement that is yet unproven. You would think that with the way we seem focused on

spending money that we were flush with cash.

## Year in Review

Let me first remind readers that this report ONLY reports results inside the gates of Hot Springs Village and data will not match up with figures obtained from sources such as Zillow or Realtor.com. Additionally, any information obtained through Zillow or Realtor.com should be tempered with the understanding that data may be outdated, include data outside the gates, and may include lots unless filtered out. **This report comes directly from the MLS.** It also does not include lots sold out of the POA inventory.

### Single Family Residences

Sales of single-family properties in 2019 outpaced units sold in 2018 by 75, or a 14% increase over 2018.

Dependent upon how you interpret the data, one could look at these results and interpret that more people are choosing to move from the Village and that appears to be the case. However, our inventory remains low and the houses listed are being sold at nearly the same average turn-time as experienced in 2018. The downside IMHO is that we are losing seasoned property owners who have a historical perspective on the Village. The upside is the inventory is turning and we are getting opportunities to meet new property owners.

Year-over-year the average selling price has gone from \$213,483 to \$218,133 or a 2.2% increase of \$4,650. Average PSF (per square foot) selling price has moved up 3.7% or \$3.48 PSF on average. Our overall selling price, however, lags behind the national average of 3.3%.

### Opinion

I have often heard from, or about residents that they are considering a move before values decline. Based on the continuing favorable results we get month-over-month, and now annually, I would like to suggest that the numbers **DO NOT reflect** those concerns. However, we also cannot bury our heads in the sand and not recognize that more people are listing their homes and selling them fairly quickly. What we **CANNOT** conclude from the activity is that future residents are being driven off and not buying. Thus far I have seen no data that would indicate that is valid.

### Condos/Townhomes

This sector of the market continues to show improvement in average selling price and price per square foot. There are fewer of these units available in general compared to single-family housing units and inventory is low which results in fewer sales in 2019 than we experienced in 2018.

### Lots

Lot sales in 2019 continued to run slightly behind 2018, however, not significantly lower than last year. The MLS shows we sold 111 lots in 2019. However, new building permits are running behind last year,

so the challenge seems to be how do we motivate these lot sales to turn into rooftops? As the information on POA lot sales is not readily published, we rely on the CEO report who reported at the last board meeting that 30 POA owned lots had been sold (most likely to builders). Hopefully, those 30 will turn into rooftops in 2020.

Attached is this month's report and feel free to share with those you think would be interested. Should there be any further items you would like to see added to this monthly report, do not hesitate to contact me. I am also happy to provide you any specific information you may be interested in.

Let's all wish and pray for a prosperous and healthy 2020.

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## Village Property Activity 2019 vs 2018 Year in Review – ([Lloyd Sherman](#))

[Village-Property-Activity-2019-vs-2018](#)

by **Lloyd Sherman**, January 1, 2020

### Category

1. HSV Villager's Opinion
2. HSVPOA Financial-Real Estate

### Tags

1. hot springs village ar
2. hot springs village arkansas
3. hot springs village arkansas real estate
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