

# REAL ESTATE UPDATE

Summer 2017



## Market Review

The market continues to be under-supplied resulting in increasing prices and values. Multiple offers above the asking price are being presented within hours of a listing hitting the market. Staying ahead of the market is challenging. I (and members of my team) run updates on the MLS 10-15 times a day in an effort to get info on new listings to our clients ASAP. Interestingly, this market has presented a huge problem for part-time agents in that they are not consistently in the market. It is these agents who call me to show a 'new' listing of mine that has been sold for two weeks. There's just no way for these agents to remain part-time and to be effective.

On page 3 in this issue, there is a graph of listing and sales activity in our area over the past 12 months or so. I think it's a simple format to use to get a clear picture of market pricing and activity. I found it interesting to follow the trend line for PENDING sales. Since before the first of the year, the number of PENDING deals has steadily increased every month. I think June will show more of the same. In tandem with the decreasing number of homes for sale, these brisk sales figures are pushing up prices and values.

## Throwing Darts

The subject of Zillow price estimates of value, 'Zestimates', continues to come up. Most often, these Zestimates are mentioned with a scowl. Agents writing offers sometimes reference a Zestimate of a home's value in support of their offers below the current value, consistent with the misguided notion that if it's on the internet, it must be true.

I read an article in a business magazine (also on the internet, so it must be true!) and saw this item... *"Zillow describes its method of creating a Zestimate as drawing on public records and a proprietary algorithm. On a page on its site that details the level of accuracy of its Zestimates, Zillow says its estimates on Chicago-area homes come within 5% of the eventual sale price 47 percent of the time. It comes within 20% of the sales price 86% of the time."* A blind folded 5 year old throwing darts with various prices on it might do as well. Zillow comes within 20% of a home's value 86% of the time?! To compare, the list price to sales price ratio of my listings (year-to-date) is over 97%.

A homeowner, in Florida, I believe, is suing Zillow because the Zestimate on her condo is so low (as compared to her opinion of value) that she says it is hurting her chances of getting a fair price for her condo. It will be interesting to see how this plays out. Among other arguments/defenses, Zillow points out that it does not purport to be appraisers or real estate agents. So, it is important not to rely on the accuracy of these "Zestimates", especially if you are considering placing your home on the market.

Please call or write to schedule a viewing of any of the houses featured in this issue.

Respectfully,

Bill Reilly



Bringing people and houses together since 1982

# Homes Listed & Sold by The Bill Reilly Team



30435 Lake Road, Bay Village  
Offered at \$279,900



32130 Ventanas Circle, Avon Lake  
Offered at \$524,900



535 Upland Road, Bay Village  
Offered at \$234,900



22734 Mastick Road, Fairview Park  
Offered at \$249,900



13503 Elbur Lane, Lakewood  
Offered at \$199,900



3074 Snowshoe Circle, Stow  
Offered at \$224,900

## Connecting Buyers with their new Home\*



568 Bassett Road, Bay Village  
Offered at \$239,900



17881 Lake Road, Lakewood  
Offered at \$695,000



32577 Spinnaker Drive, Avon Lake  
Offered at \$249,900



2490 Crimson Drive, Westlake  
Offered at \$189,900



5480 W. 227th Street, Fairview Park  
Offered at \$212,900



35235 Greenwich Avenue, North Ridgeville  
Offered at \$104,900

\* We represented the buyer in the sale of these homes.

# Currently for Sale by The Bill Reilly Team



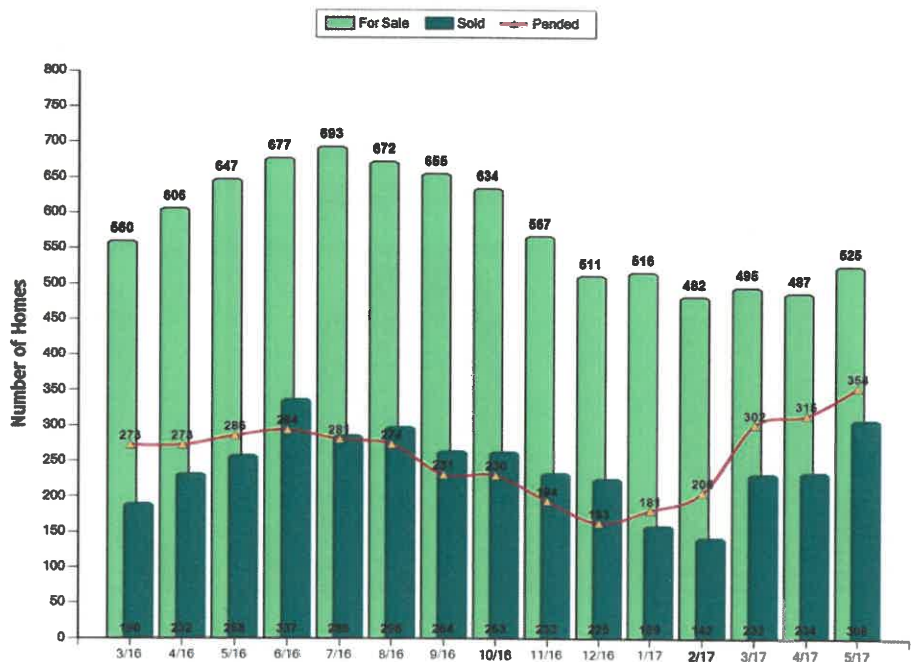
## 24619 Scott Blvd, Olmsted Falls

This home is amazing inside and out! Situated on a fantastic private wooded lot overlooking a creek, located on a cul-de-sac. First floor master suite with a large walk-in closet, double vanity and separate shower and tub. Two bedrooms and a full bath on the second floor in addition to a large bonus room that can be used for a 4th bedroom. Finished lower level complete with an additional full bath, bar, pool table and wine cellar. Lower level walks out to a lush backyard and patio. Enjoy the views from the elevated wood deck that wraps around the back of this home.

**Offered For Sale at \$329,900**

The graph shows market statistics for residential listing and sales activity over the past 12 months in Lakewood, Rocky River, Fairview Park, Avon, Avon Lake, Bay Village and Westlake in the price range of \$50,000 to \$999,999.

A decrease in supply begins in July of 2016 and continues in a more or less a straight line through April of 2017. The number of sales began to increase in February and continues through today. Some of these trend lines are in line with traditional seasonal changes in the market. But the convergence of the number of PENDING sales and the number of homes for sale is unusual. In March of 2016, the ratio of homes for sale to PENDING sales was about 2 to 1; in May of 2017 the ratio is about 1.45 to 1. If this ratio continues, prices will continue to increase.



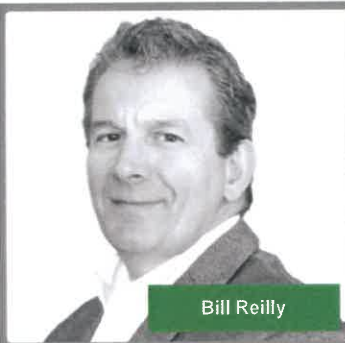
# Featured Listing

31768 Bayview Drive, Avon Lake

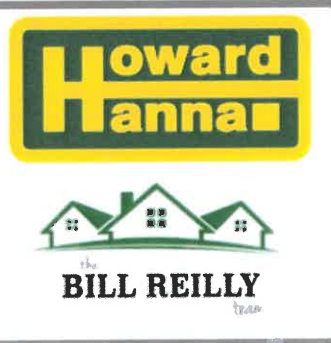


**Offered at \$369,900**

Beautiful 4 bedroom colonial located on a stunning, oversized private wooded lot in the coveted Avon Lake neighborhood of Westwinds. This home has a large master suite (upstairs) complete with a recently renovated master bath with separate tub and shower along with heated tile flooring. The upstairs also has 3 additional bedrooms and a convenient laundry room. Whole house generator. In-ground sprinkler system on separate meter. The main level boasts great views of the well maintained landscaping, a sunken family room with a beautiful stone fireplace and wet bar. The kitchen is large and inviting with plenty of space for a table to gather with the family. Enjoy the scenery from the large cedar deck. Full basement ready for finishing, already has the plumbing roughed in. The basement has two convenient entry points, one from the house and one directly from the garage.



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