

REAL ESTATE UPDATE

The Bill Reilly Team *Father-Daughter Real Estate Team* **Bill Reilly and Jesse Lunoe**



Cleveland in the Spotlight

First the Cavs (NBA champions) and the Lake Erie Monsters (Calder Cup winners) and Stipe Miocic (UFC heavyweight champion from Euclid) and now the Indians...what a great year for the city. World Series bound! The city looked spectacular during the republican convention; several new hotels have opened, including the absolutely beautiful Hilton on lakeside. Other downtown hotels are spending millions to revitalize to compete. The revamped public square only adds to the appeal. Lake Erie looks better than it has in years; likewise, most of the lakefront parks are benefitting from the inspired stewardship of the Metroparks. Native Clevelanders (and adoptees!) feel the same as the guy who knew the Beatles while they were struggling to get gigs, before they hit the big time...we can say we knew and loved this city for all those years of lost games and lost jobs and burning rivers and obnoxious jokes. I think it's why I love the Toby Keith song 'How Do You Like Me Now?' That should be the theme song of the next parade.

As to real estate...

Our market continues to perk along. 30 year fixed rates remain under 4%. Values have increased pretty steadily over the year but Cleveland remains a great value in terms of the cost of housing. However, the better the city looks and the more attractive living here becomes, the more the real estate prices (and rents) will increase. I suppose there's no stopping it as you can't have increased demand without an increase in pricing. I would hate to see our pricing experience approach what is going on in places like Silicon valley where the average 1000 square foot apartment is renting for over \$2700/month, if you can find one. But I'm talking like a typical Clevelander...before we have actually recovered and taken off, I'm worried about what could go wrong! We're a long way from Silicon valley pricing so I think I'll worry about the affordability problem another day.

As it stands, the pace of play in the market has slowed over the past 6 weeks or so. Rates and prices and inventory are still very attractive but demand has slackened a bit. Partially because so many home buyers purchased a home this year and partially because of the time of year and the pending change in the weather and the holidays. I have read that the number of young, first time buyers (millennials, as their group is known) will be a much larger part of the market in the coming year.

Market notes...

While Cleveland's renaissance (I think I can call it that) continues, our city is still moderate in its real estate pricing. Just for fun, I took a quick glance at the market above \$1 million on the west side*; as expected, I find that houses priced above this high mark are uncommon and the values are incredible. My listing at 75 Rice Park (profiled in this issue) is a great example...priced at just under \$2.5 million...custom-built in 2013, it offers top of the line appointments in every room, lake access, a boat house and break wall and state of the art mechanicals. The fit and finish of this house is as good or better than anything you'll see anywhere in the country.

More generally, here is an overview of the million+ market on the west side...

- there are 31 houses for sale on the west side* at list prices above \$1 million; 21 of them are on the lake;
- there are 5 properties under contract (pending title transfer) priced above \$1 million; 3 of them are on the lake;
- in the past 6 months there have been 7 properties which have transferred at a sales price above \$1 million; 5 of the 7 are on the lake;
- by my reading, the most expensive house ever to sell through the MLS on the west side is the former Kahl property at 31680 Lake Road in Avon Lake which transferred a year ago for \$5 million.

In this newsletter there are several very attractive properties listed including a beautiful Krumwiede-built colonial in Bay Village (\$409,900), a 3 bedroom 1.5 bath condo in North Olmsted (\$55,000) and an incredible value in Avon Lake at 32150 Ventana's Circle for \$449,900.

Please don't hesitate to call or write if you have any questions about the market or your home.

(*Bay Village, Rocky River, Westlake, Avon, Avon Lake, Lakewood)

Bill Reilly
Jesse Lunoe

Breilly249@gmail.com
Jeslunoe@gmail.com

440-759-1502
440-773-9303

Kind regards,
Bill Reilly