

# Real Estate Market Showing Optimism in Home Owners and Buyers

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RISMEDIA, March 14, 2011--The majority of America's potential homebuyers and sellers--68 percent--believe that the real estate market and property values will recover in the next year or two, according to a survey released recently by Prudential Real Estate and Relocation Services, Inc., a Prudential Financial, Inc. [NYSE:PRU] company. This exceeds the 47 percent of Americans who expected house prices would rise in a similar survey conducted in April 2010, underscoring a more bullish outlook for the real estate market today.

In addition, 86 percent of Americans believe real estate is a good investment despite the market volatility of the past few years. The Prudential Real Estate Outlook Survey of 1,253 Americans between the ages of 25-64 in the market for buying a home was conducted Jan. 20-27, 2011. The survey reveals that six in 10 respondents are more interested in buying real estate (58%) and are optimistic about buying given the momentum of the economic recovery (59%). It also shows that although the price of many Americans' homes declined during the recession, 89 percent recognize they can also buy a new house at a lower price. "This survey clearly demonstrates that Americans continue to be optimistic about the real estate market and believe that home prices will rise," said James Mallozzi, chief executive officer of Prudential Real Estate and Relocation Services, Inc. "A key take away from the survey is although consumers recognize that it is a good time to buy, they are concerned about their ability to sell their homes. This is one of the reasons the market is still struggling to recover."

For those on the fence about buying, uncertainty about selling an existing home (77 percent), concern about getting a fair price for the home (67 percent) and emotions (58 percent) are holding them back. For those who have sold homes in the past year, despite the down market 78 percent report that they were satisfied with the sale. Of these, 32 percent were very satisfied with the final price of their home and 46 percent were grateful they were able to sell given market conditions. A relatively small number, 22 percent, indicated that they were disappointed or resentful about the price they received for their home. The survey highlighted Americans' interest in trading up their homes. Of the 45 percent looking to trade up, 64 percent wanted more space or property, 49 percent a nicer house and 41 percent a better neighborhood. Only 21 percent surveyed said they were looking to scale down, and 34 percent said that they wanted a similar home.

The survey highlighted the importance of getting the right price in today's market --74 percent of buyers believe that many homes could meet their needs and that price is a significant differentiator, while 26 percent stated that they were willing to pay top of market for a home that specifically suits their needs. In setting the right price, however, sellers were split--with 53 percent wanting to price right at or slightly below market to attract more bids and 47 percent wanting to price slightly higher than market and hoping to find a buyer willing to pay more.