

Real-Talk

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What's On The Market As of 6/20/23 *Accepted Offer

54 W North St #309	1BR	1.0Bth	Rnch	119,000*
1852 Summer St #1852	1BR	1.0Bth	Rnch	197,000*
54 W North St #114	3BR	2.0Bth	Rnch	235,000*
91 Strawberry Hill Ave #734	2BR	1.0Bth	Hi-Rise	249,000*
1 Strawberry Hill Ave #1E	3BR	2.0Bth	Hi-Rise	349,900
30 Ann St #30	3BR	2.0Bth	Tnhse	349,900*
154 Cold Spring Rd #83	3BR	2.0Bth	Rnch	350,000*
2435 Bedford St #21G	2BR	2.0Bth	Rnch	429,000*
1 Radio Pl #1	2BR	2.0Bth	Tnhse	479,500*
2437 Bedford St #G4	2BR	2.0Bth	Rnch	485,000*
100 Hope St #10	3BR	3.0Bth	Tnhse	495,000
115 Colonial Rd #46	3BR	3.5Bth	Tnhse	770,000
98 Southfield Ave #606	2BR	2.5Bth	Pnthse	825,000*

What's Sold (2/16/23 - 5/31/23)

				List Price	Sale Price
2475 Summer St #3H	1BR	1.0Bth	Rnch	205,000	200,000
99 Prospect St #5K	1BR	1.0Bth	Mid-Rise	199,900	215,000
637 Cove Rd #B10	1BR	1.0Bth	Rnch	228,500	228,500
130 Summer St #2A	1BR	1.0Bth	Rnch	225,000	235,000
735 Cove Rd. #2A	2BR	1.0Bth	Rnch	250,000	240,000
1 Valley Rd. #105	1BR	1.0Bth	Rnch	239,900	262,000
91 Strawberry Hill Ave. #1124	2BR	1.0Bth	Hi-Rise	275,000	285,000
222 Sylvan Knoll Rd	2BR	1.0Bth	Tnhse	280,000	288,750
143 Hoyt St #4G	1BR	1.0Bth	Mid-Rise	325,000	300,000
30 Maple Tree Ave. Unit #G	2BR	1.0Bth	Rnch/Mid-Rise	315,000	305,000
100 Hope St #41	2BR	2.0Bth	Tnhse	350,000	340,000
180 Colonial Rd #B3	2BR	1.0Bth	Rnch	354,900	373,000
243 Bridge St #243	2BR	2.0Bth	Tnhse	409,000	412,500
566 Newfield Ave #3	2BR	2.5Bth	Tnhse	469,000	520,000
85 Camp Ave #11H	2BR	1.5Bth	Tnhse	499,900	530,000
94 Southfield Ave #402	2BR	2.5Bth	Tnhse	575,000	575,000
2539 Bedford St #11	2BR	2.5Bth	Tnhse	609,000	603,000
162 Colonial Rd #9	3BR	2.5Bth	Tnhse	649,000	635,000
180 Turn of River Rd #5D	2BR	2.5Bth	Tnhse	660,000	653,000
123 Harbor Dr #507	2BR	2.5Bth	Tnhse	610,000	680,000
115 Colonial Rd #58	3BR	3.5Bth	Tnhse	775,000	770,000
1 Broad St #PH23A	3BR	3.5Bth	Pnthse	899,000	890,250
77 Havemeyer Ln #2	3BR	3.5Bth	Tnhse	1,100,000	1,251,000
18 River Oaks Dr #18	3BR	4.5Bth	Clstr	1,495,000	1,500,000

Can You Compare Today's Real Estate Market to the "Unicorn" Years?

A unicorn is "Something that is greatly desired but difficult or impossible to find" according to Free Dictionary.

Comparing housing market metrics from one year to another can be challenging in a normal housing market – the last few years have been anything but normal! The real estate industry considers 2021 & 2022 to have been the "unicorn" years.

The following graph is a great visual of the last 5 years in Stamford real estate, with the "unicorn" years in the shaded area:

	May-18	May-19	May-20	May-21	May-22	23-May
Months of Supply	4.9	5.1	5.7	5.1	2.5	1.7
Condos for Sale	289	263	275	287	192	112
Avg # Showings	4.8	4.4	4.4	6.4	8.4	9.4
Avg Days on Market	70	72	88	84	60	39
Ger's Avg Days on Market	9	57	39	11	14	28
Closed Sales	661	588	568	820	910	669
Avg Sales Price	\$335,598	\$335,782	\$334,163	\$362,135	\$357,579	\$393,670
List to Sales Price %	97.1	97.1	97	97.9	99.5	101
Ger's List to Sales Price %	99.56	99.58	101.78	110	109.28	103

The take away is:

1. While lower than the last couple of years, buyer activity is still stronger than pre-"unicorn" years.
2. Home prices aren't crashing, but we are returning to more normal appreciation.

Something else to keep in mind is that headlines tend to frighten more than enlighten. Expect unsettling housing headlines this year, mostly due to unfair comparisons with the "unicorn" years.

Let's connect so you have the data that puts those headlines in the proper perspective.

Geru



2539 Bedford Street, #34H

Wonderful, updated 1 Bedroom End Unit with rare finished Lower Level and Attached 1 Car Garage, located in the very popular Chesterfield Complex

List Price \$450,000*

The Main Reason Mortgage Rates Are So High

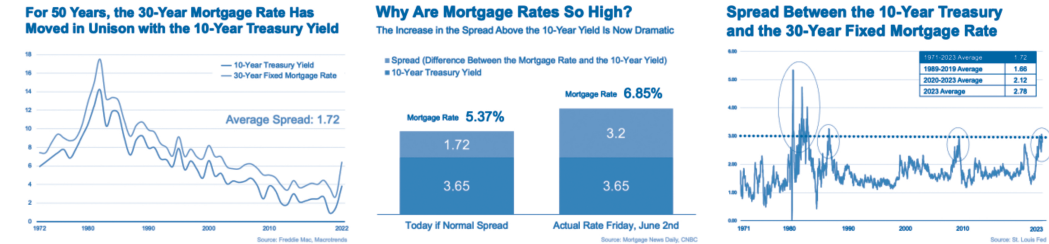
Today's mortgage rates are top-of-mind for both home buyers & sellers right now. As a result, if you're thinking about buying for the first time or selling your current house to move into a home that better fits your needs, you may be asking yourself these 2 questions:

1. Why Are Mortgage Rates So High?
2. When Will Rates Go Back Down?

Here's context you need to help answer those questions.

1. Why Are Mortgage Rates So High?

The 30-year fixed-rate mortgage is largely influenced by the supply & demand for mortgage-backed securities (MBS). According to Investopedia: "Mortgage-backed securities (MBS) are investment products similar to bonds. Each MBS consists of a bundle of home loans and other real estate debt bought from the banks that issued them . . . The investor who buys a mortgage-backed security is essentially lending money to home buyers." Demand for MBS helps determine the spread between the 10-Year Treasury Yield and the 30-year fixed mortgage rate. Historically, the average spread between the two is 1.72 (see chart below):



The graph shows how the spread has come down after each peak. The good news is that means there's room for mortgage rates to improve today. So, what's causing the larger spread and making mortgage rates so high today?

The demand for MBS is heavily influenced by the risks associated with investing in them. Today, that risk is impacted by broader market conditions like inflation and fear of a potential recession, the Fed's interest rate hikes to try to bring down inflation, headlines that create unnecessarily negative narratives about home prices, & more. Simply put: when there's less risk, demand for MBS is high, so mortgage rates will be lower. On the other hand, if there's more risk with MBS, demand for MBS will be low, and we'll see higher mortgage rates as a result. Currently, demand for MBS is low, so mortgage rates are high.

2. When Will Rates Go Back Down?

Odeta Kushi, Deputy Chief Economist at First American, answers that question in a recent blog:

"It's reasonable to assume that the spread and, therefore, mortgage rates will retreat in the second half of the year if the Fed takes its foot off the monetary tightening pedal and provides investors with more certainty. However, it's unlikely that the spread will return to its historical average of 170 basis points, as some risks are here to stay."

Bottom Line

The spread will shrink when the fear investors feel is eased. That'll mean we should see mortgage rates moderate as the year goes on. However, when it comes to forecasting mortgage rates, no one can know for sure exactly what will happen.

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For mortgage rate information or inquiries, call 203-536-2232, or e-mail at GuzinskiTeam@gmail.com

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