



LESLIE TUPPER, REALTOR®

HOME CONNECTION

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OCTOBER 2009

A Note from Leslie

I think we all like to believe that our big decisions are based on logic and reason, but it's becoming increasingly evident that the choices we make are driven by a lot of other factors. Dan Ariely, a professor of behavioral economics at Duke University, explores some of those other factors in his book, Predictably Irrational: The Hidden Forces That Shape Our Decisions. I was particularly struck by one study in which Ariely investigates human nature in regard to ownership. In this experiment, students slept out for weeks to get into a lottery for basketball tickets. Some of those students got tickets and some did not. When asked about the ticket's value, those in possession of tickets said they would accept no less than \$2,400 for them. However, those students who did not receive tickets said they were willing to pay up to \$170.

Both winning and losing students had invested desire and considerable effort to obtain a ticket, yet once acquired, the perception of value by the new owner differed greatly from that of a potential buyer. When one applies the results of this study to real estate, it's not surprising that an owner's perception of his or her home's value differs greatly from that of a potential buyer. Most of us tend to overvalue what we own. Interestingly, we assume that other people will have the same perception of value that we do.

Just over two years ago, I heard one real estate researcher and public speaker state that changes in the market would mean only one of every three listings would sell. It was a shocking statement to me until 2008. That fall, home sales slowed to a trickle. Distress or foreclosure sales prices became the benchmark in several communities; and many home sellers that were not in distress still suffered due to pricing that did not reflect the economic down-turn. Even in the best market, a listing price that does not compete in the current market will take too long to sell, and consequently it will sell for less than it would have if it had been attractively priced. That is even more true today.

When the objective is to sell something, it is essential to be able to view it through the eyes of a potential buyer. If you can't do it, consult with an objective party who will be honest with you. And there's another lesson here, too. When selling something we rarely focus on the cost of continuing to own it. Most of us don't really count all the ways we may benefit from a sale. When the immediate concern is selling below our expectation, perhaps a little research and listing the pros and cons will help us be more rational about our decisions.

Leslie Tupper

PUMPKIN GIVE-A-WAY!

Saturday, October 17th, 10 am to 1 pm
285 Clarkson Road

Stop by my office for free pumpkins, refreshments,
and a raffle. Wear your costumes for pictures!



LESLIE TUPPER, REALTOR®
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NEW LISTINGS



651 SOUTHERN HILLS DRIVE
Eureka • \$339,900



16272 WATERFRONT WAY
Wildwood • \$294,000

[Click to View
ALL LISTINGS](#)

MY 2009 SALES

- 35 Hillside Manor Court
- 2022 Shep Court
- County Road 324
- 319 Theodore Drive
- 306 Oxford Ridge Court
- 2866 Wisconsin Avenue
- 553 Vista Hills Court
- 17400 Cougar Trails Drive
- 1638 Grace View Drive
- 1319 Treetop Trail Drive
- 115 Kinross Court
- 564 Nantucket Pointe Drive
- 16415 Pavillion Hill Court
- 2517 Shiva Court
- 520 Dartmouth Crossing Drive
- 840 La Bonne Parkway
- 925 Sheffield Forest Court
- 1014 Kiefer Ridge Drive
- 753 Southern Hills Drive
- 2423 Hiddencrest Lane
- 1362 Wildhorse Parkway Drive
- 316 Hagemeister Drive
- 410 Woodland Hill Court



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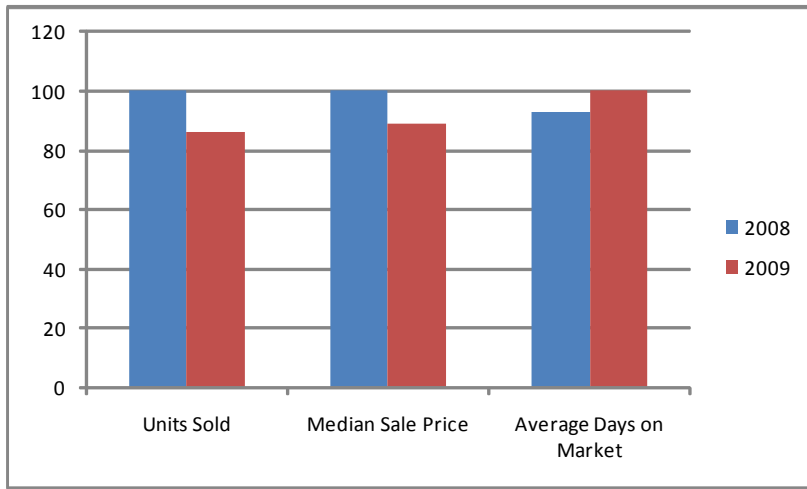
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YOUR QUARTERLY MARKET UPDATE

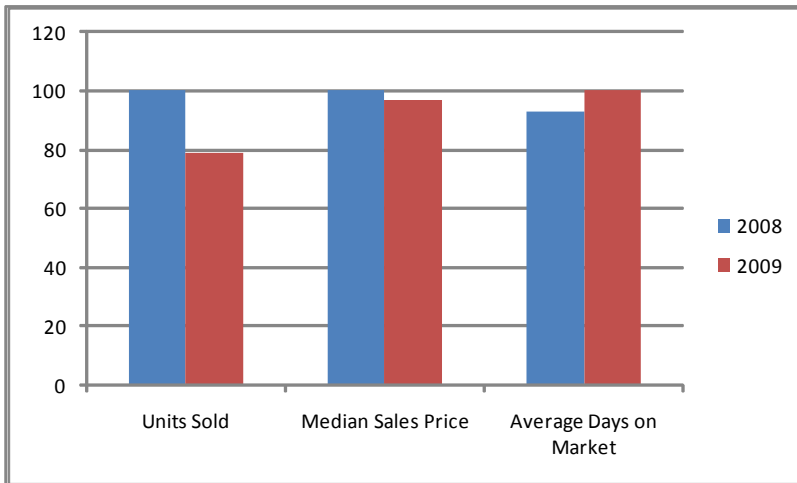
Parkway School District

January through September Comparison Between 2008 & 2009
(Chart Reflects Percentage of Difference)



Rockwood School District

January through September Comparison Between 2008 & 2009
(Chart Reflects Percentage of Difference)



According to Ben Bernanke, we may have seen the end of this recession. The stock market is in much better shape than this time last year, but unemployment is staying high. You're probably wondering what, if anything, has changed in the housing market.

The median sale price for the first nine months of this year is at \$141,000, pretty close to the median sale price of 2003. The nearly doubled days-on-market in 2009 tells another story, resulting in 14% fewer closings than in 2003. The market hit its peak in 2004 in number of sales, while median sales prices peaked at \$162,500 three years later in 2007. These figures reflect sales for the five-county area of St. Louis City, St. Louis, St. Charles, Jefferson, and Franklin counties.

Let's take a closer look at what's happened so far this year for the five-county area. Both the total number of homes sold and the median sales price have fallen by 8% since last year. Part of the reason for this is that 2009 statistics have included a larger proportion of distressed sales, short sales, and foreclosure properties. They may look like sales benchmarks, but many of these are abused or neglected properties. Keep in mind that the type and condition of a property is equally as important as the price it sold for.

The charts to the left show more localized statistics for the number of houses sold, median sales prices, and average days on market. Parkway School district experienced a greater decrease in median sales price, down to \$220,000 from \$245,000 last year, as well as a decrease in the total number of sales. Rockwood School district median sales price shows a smaller decline, only down 2% compared to 10% in Parkway, but the total number of sales is down by 16%, double the percent of decrease for the entire five-county area. The average days on market has continued to increase for both counties.

What will the last quarter of 2009 bring? Well, September showed some good signs. My company saw an increase in volume over September of last year, and I closed the most September sales since 2005. Whether this is an indicator of what the next quarter will bring is anyone's guess, but for now, I'm feeling optimistic.



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*Statistics cited above were taken from the Multiple Listings Service