

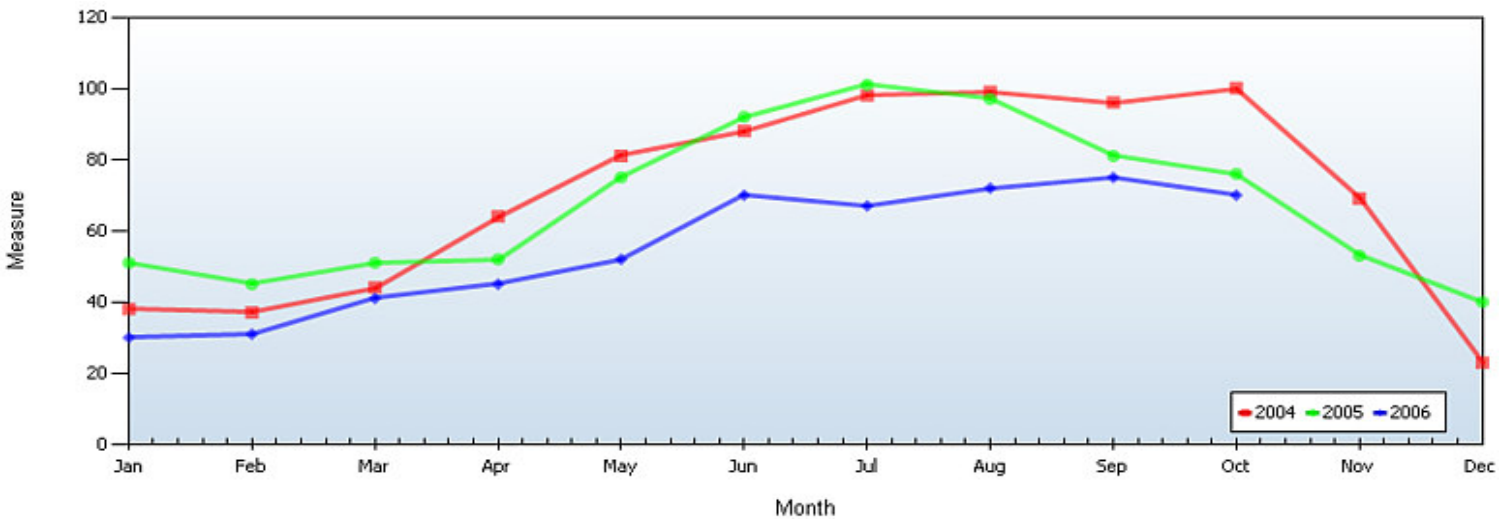
Well, the market isn't what it was a few years ago. A softer market is here and some sellers are in for a long hall while waiting for their homes to sell. Don't get me wrong. Things are still selling, but with the softer market and an extremely high inventory of homes for sale, sellers have to be competitive in their pricing. Sometimes price alone, will not help sell a place. There are still the general rules to consider: location, location, location and then the need to buy and then the price.

With the high inventory of homes for sale, buyers have a lot more to choose from and often at discounted prices, to the disadvantage of many sellers. In most cases, a seller has to take a bite on their asking price when an offer is made. Buyers are shopping around for the best deal these days. If their price isn't accepted on one deal, they can simply go down the road and make an offer on another place. Sellers are often seeing a "take it or leave it" approach when offers are made.

Here in northern Mid Michigan (Gladwin and Clare Counties), we are seeing this pattern quite a bit. Sellers are taking anywhere from an 8 to 14 percent hit on their original asking price. In my area, sellers are getting approximately 89% of their original asking price, with the average days on market being 203 day. This takes into account both waterfront and off water homes, with waterfront properties tending to sell much faster than off water homes.

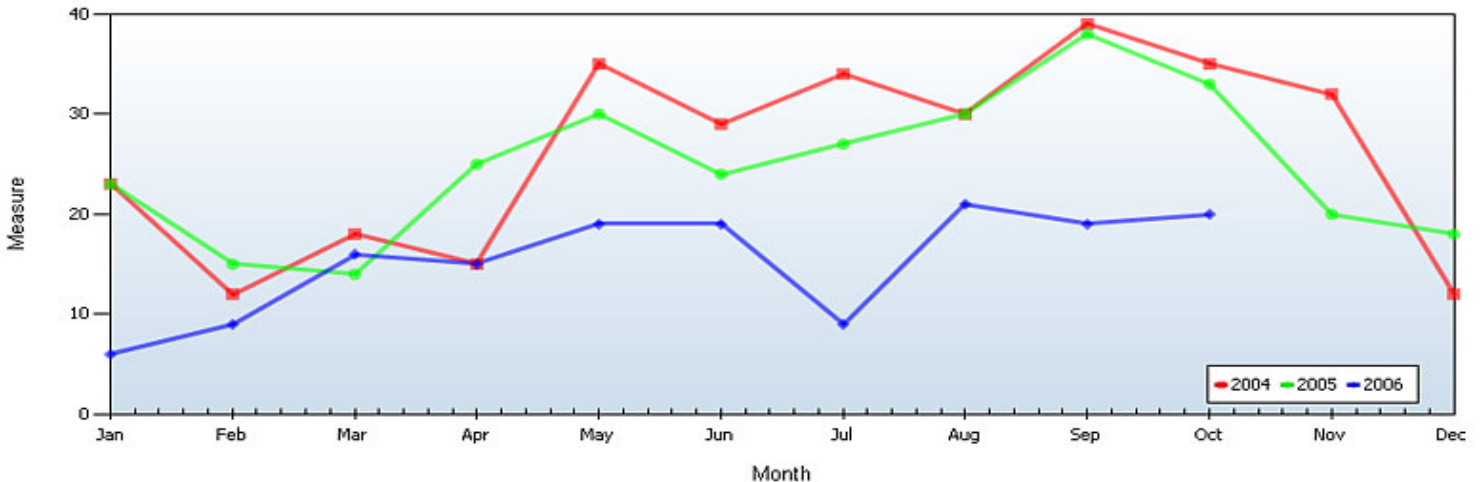
In the graphs below, you can see the difference in the market sales in the past three years.

Residential Single Family Homes (RED 2004, GREEN 2005, BLUE 2006)



As you can see from the chart above, residential sales have been much lower during the prime selling months of June through October. However, October's totals are running only slightly lower than last year, which might show an optimistic turn around for months to come. Of course, we will have to see as 2006 draws to an end.

Vacant Land (RED 2004, GREEN 2005, BLUE 2006)



For Vacant land, sales have been a lot more sporadic than in previous years. In March, sales were pretty similar from previous years for that same month, but after that, there hasn't been much of a consistent pattern to the sales. In July, land sales took a major dip, but in August and September sales rose and seemed to stay fairly steady.

I don't foresee an upswing in vacant land sales in the immediate coming months. It may take a little time for land sales to recover, since in many cases, land purchases are made for recreational or investment reasons. In some cases they will be bought to be built on.

For Buyers, this is one of the best times to buy. There are a lot of deals to be had, out there. Even with waterfront properties and vacant acreage, which are still selling in today's market.

For the current statics for listings and sales in Gladwin & Clare Counties, visit
<http://gladwinrealestateagent.com/pdf/StatisticsByTypeArea-oct2006.pdf>

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