

I hope everyone's 2024 is off to a great start. 2023 was an interesting year in many ways. The real estate markets were characterized by increasing mortgage interest rates and decreasing supply of available properties. These factors had an impact on us in Forest Lakes as well, but we still had a pretty good year. 2023 saw continued real estate appreciation of about 4% across our state, still growing but at a much slower pace than previous years.

19 Forest Lakes residences changed owners in 2023. Closing prices ranged from \$250,000 to \$1,050,000. The typical 3-bedroom, 2-bath, 1600 sq. ft. cabin with a garage sold for around \$500,000. 7 one-acre vacant lots were sold at prices between \$208,000 and \$309,990.

There aren't many vacant lots left in our community but I just listed two of the best! 1960 Merryland and 1019 Merzville are adjacent 1-acre lots at the corner of Merzville and Highway 260. These lots are zoned commercial but the buyer could potentially seek a zoning change for residential or multifamily uses. The two lots must be sold together. The listing price is \$590,000 for the entire 2 acres. Contact me for more information or click [HERE](#) for an informative website.

#### ANALYSIS FROM THE ARIZONA REGIONAL MULTIPLE LISTING SERVICE

The increase in mortgage rates is the key reason new listings have declined sharply year over year. Not only were homes purchased in 2020, 2021 and early 2022 at great rates; a large number of refinances also took place. Redfin Deputy Chief Economist Taylor Marr explains it this way, "Elevated mortgage rates are perhaps a bigger deterrent for would-be sellers than for would-be buyers. Giving up a 3% mortgage rate for one in the 6% range is a tough pill to swallow." Currently, supply registers just below 60% of what would be considered typical or average. For homeowners with low mortgage rates, it makes perfect sense to stay put, but what about homeowners with either low or no mortgages?

#### 2024 REAL ESTATE MARKET PERSPECTIVES FROM THE ARIZONA ASSOCIATION OF REALTORS

After a year of record-high interest rates and challenges posed from limited inventory, Arizona Realtors are optimistic as they look ahead to a promising year for housing in the Grand Canyon state marked by steady developments that will benefit both buyers and sellers.

Shelley Ostrowski, 2024 Arizona Association of Realtors president and designated broker for Realty One Group Gateway in Yuma, predicts an interest rate decrease that will bring a resurgence of buyers into the market in search of their dream home. "I see more buyers coming back into the market as interest rates begin to settle," Ostrowski said. "The housing market will remain strong in 2024, emphasizing the importance of clear communication and why buyers and sellers are best trusted to use a Realtor."

Similarly, Shane Cook, 2024 treasurer of the Arizona Realtors from eXp Realty in Gilbert, also foresees a retreat in interest rates that will in turn stimulate the market, tipping slightly toward the seller. "I expect interest rates to retreat some, which will create more buyer demand," Cook said. "With inventory now in short supply, this could mean a potential impact on the market that continues to be more favored to the seller."

Wishing everyone a safe and prosperous 2024! ...john

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Referrals are a big part of my business.*

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