

## State of the Real Estate Market

*This column is presented weekly by the Public Education sub-committee of the Clinton County Natural Gas Task Force in an effort to provide accurate, up-to-date information on activities surrounding the Marcellus Shale formation and the natural gas exploration industry. For more information on Task Force activities, visit the Task Force page on the Clinton County government website at [www.clintoncountypa.com](http://www.clintoncountypa.com).*

The impact of Marcellus Shale natural gas drilling activities on the local housing market has been in the news as of late. Local realtor Patty Davis offers the following update for this week's column.

With 2011 almost at an end, it is a good time to reflect on the year and look ahead to 2012. For the year overall, there is good news to report in the real estate market. Clinton and Lycoming Counties have had an upsurge in several areas.

The overall sales volume for residential homes in Clinton County so far stands at \$21,579,939. This is an increase over last year of 1%.

The national news is still talking about falling home prices, but happily this is not the case in our area. In Clinton County, the average sales price went up by 16% this year. The average sale price of a home is currently \$120,558.

Lycoming County has shown an upsurge in multi-unit and commercial sales. The number of multi-unit buildings sold is up 18% and the number of commercial sales is up 31%. This trend appears to be the result of the gas industry moving into the county. It seems that investors are buying apartments to rent to the gas workers and people are buying commercial buildings to rent to the gas industry.

Locally we have also seen an upswing in the sale of vacation homes and cabins. The sales volume in this category has risen by 46% over last year and the average sale price has increased by 62%. This trend looks to be a good indicator for the local economy, as second homes are usually not a hot ticket item during an economic downturn.

On the mortgage front there is mixed news. While rates are still low, they have started to rise. Getting a mortgage loan is also tougher than in the past. Those wanting to buy should make sure their credit is in order before they apply for a loan. Working with a bank to get pre-approval is definitely the way to go if you are thinking of purchasing a new home.

As we get set to begin a new year, the outlook for the county is a good one. The surge in the natural gas industry is bringing many new residents into the county. So far many of them have become renters, making rental properties a good investment. As the new residents become permanent, they will be looking to make home purchases in the area. This should increase home sales for the next several years.

### Clinton County Absorption Rates

Absorption rates are a way of looking at turnover in the local real estate market. The rates are calculated by finding the number of properties available for a certain time period and the number of sales in that same period. The numbers can show whether there is a "buyers" or "sellers" market.

Seller's Market—Absorption Rates 1-4

Neutral Market—Absorption Rates 5-6

Buyer's Market—Absorption Rates 7+

Below are the absorption rates for Clinton County for the first 10 months of 2011.

Price Range	Absorption Rate	Average Days on the Market
Under \$100,00	5	133
\$100,000-\$200,000	7	124
\$200,000-\$250,000	11	171
\$250,000-\$350,000	8	161
\$350,000 and above	16	287



*Patty Davis is the owner/broker of Davis Real Estate, Inc. in Lock Haven.*