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DEEPER



# A Home? Run!

By Anne Marshall

It's crazy out there. Low supply, high demand. Homebuyers can't putz around.

A friend eyes the clock as she folds over a bike for a noon spin class at the downtown YMCA. A few hours ago, she learned about two houses that just came on the market in Germantown. When the class ends at 12:45, she'll team up with a realtor to put in offers on both houses...by 2 that afternoon. She has been trying to purchase her first house for months with no luck. The good ones disappear — *poof!* No time to vacillate. Best to sprint through that pro/con list.

For a little more than a year, homes in the Highlands, Crescent Hill, St. Matthews, Clifton and even Germantown might pop up for sale midday, and, before lunch has digested, sellers have clinched a buyer. If it doesn't happen in the first day, give it another 24 or 48 hours. Realtors say competition is the greatest for homes priced between \$150,000 and \$350,000. (I should note that other neighborhoods, like Hikes Point and Bashford Manor, have also nabbed more interest as families look for affordable residential neighborhoods beyond the trendy core.)

In January, John Flower sold his 1,000-square-foot Crescent Hill bungalow for \$220,000 in just a few hours one Sunday afternoon. He and his wife had bought it for \$193,000 just three years

before and completed a few cosmetic upgrades, but no drastic renovations. With an active toddler, the family needed more room. But Flower quickly realized his luck as a seller vanished as a buyer. "We largely had to throw out Crescent Hill, where we really wanted to stay," Flower recalls. "The level we were looking at, there was literally next to nothing." They wound up in Indian Hills. A few coats of paint and the place will be a gem, Flower says.

"Seller's market." That's the official lingo. What are the signs?

① Low housing stock. This past June, the Louisville Multiple Listing Service (which includes Jefferson and surrounding counties) had just fewer than 6,000 listings, down from about 8,000 last summer and as many as 9,000 in previous years.

② More homes selling. Sales were up 20.5 percent in June 2015 compared with June 2014. In July, 1,173 homes sold, about 14 percent more than the previous July. In the early summer, Greater Louisville Association of Realtors president Paula Colvin said, "GLAR members are recording sales nearing the record-high volume in 2007, at prices that are 10 percent higher than the pre-recession peak."

③ A breathless pace. "You need to be in on day zero — the day it's listed — and you need to be ready to make an offer," says Jamie Peterworth, a Kentucky Select real estate agent. In other words, if you don't have an understanding boss, a migraine just hit. You dig? You've got to see this house NOW.

④ To win, don't be demanding or unprepared. Nice homes in popular neighborhoods tend to attract multiple offers. So maybe don't insist on sellers covering closing costs or repairs. Better be pre-qualified for a loan too. Oh, and if you come with a cash offer? You're golden.

Hysteria isn't the word. This isn't like those manic shoppers clobbering one another for Cabbage Patch Kids circa Christmas 1980-something. No fists to jaws or hair pulling, that I know of. But it's getting close. House-hunters arrive at Sunday open houses early to elbow in pronto. Realtors churn out offers in the dead hours before dawn. Some folks just give up on buying, the thinking being that, in a few months, perhaps that dimpled Cabbage Patch doll won't play so hard to get.

A home inspection is an invasive, anxious final step in the home-buying process. The best analogy I can fashion is someone taking a magnifying glass to hastily shaved legs, detecting errant hairs just north of the ankle knob. What a disappointment.

But Sonya Lockhart seems fairly calm. She sits on the porch of her newly purchased Germantown home on a muggy



Friday morning. The 28-year-old's bright hazel eyes occasionally drift to an inspector as he opens and closes a window or surveys the front door's frame. She bought the 1,300-square-foot cottage-style brick home "sine unseem" (at least in person) the week before.

She was in Chicago when the house appeared in one of the many daily emails she'd been routinely receiving from real estate websites. Lockhart, who started her house search in January, had combed through hundreds of online listings. She wanted a Germantown home but was surprised that many were listed at \$115,000 to \$160,000. Five years ago, homes in the neighborhood routinely sold for about \$100,000. (GLAR reported in the spring that the average price of homes sold in Jefferson County in the first four months of 2015 was about \$181,000, a \$20,000 increase over the same 2014 period.) Lockhart had visited close to three-dozen homes, a majority of which had sold in a couple of days. But it was this two-story charmer built in 1937 that instantly connected. "It intuitively felt like my home when I saw it," she says. She pauses, knowing the inspector is still investigating. "Which I shouldn't say. I shouldn't jinx it."

She trusts her inspector, calls him by his first name—Scott. He advised Lockhart against going through with the purchase of the last house she put an offer on. The foundation was buckling. When he disapproved, Lockhart backed out of the deal. Before that house, Lockhart put offers on two other homes, both above

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asking price. She got outbid. An art therapist who works with troubled youth, Lockhart's all patience and kind composure. But the experience was maddening. "I gave up," she says. Then, the Germantown cottage arrived in her inbox.

Lockhart sent her mom to the house. Mom fretted about the steep driveway on icy days. Other than that, a thumbs-up. A friend sent Lockhart Snapchat videos. "Lovely front porch, room for a swing or a bench," her friend narrated as she swiveled her phone to delicate pink flowers peeking out from a set of white planters. "Two plants already. Perfect." Lockhart had 30-plus potted plants in her Highlands apartment. In fact, the love affair with this house was sealed when videos sent to her revealed a wood-paneled back room with dropped ceilings and fluorescent panel lights — a vision of...1970s drab. (I needed further explanation too.) The room connects to a porch, and Lockhart wants to overhaul the space — elegant French doors, sun streaming through large windows, a perfect reading and plant room. So late one evening from Chicago, Lockhart asked her realtor to put in an offer \$15,000 less than the asking price. The following day, her realtor called: "Well, I have some unexpected news..." The sellers had accepted Lockhart's offer.

Some realtors predict that home sales will slow now that school is in session. But mortgage rates remain low, so homebuyers, particularly first-time homebuyers, want in before rates rise. Nationally, it's a similar story. The housing market saw its strongest two months in May and June since 2007. According to *Louisville Business First*, 40 percent of properties sold at or above asking price nationally in May.

So why aren't more people selling? I hear one theory from a few different realtors. Folks who might be able to move up from that comfortable home with a couple bedrooms and bathrooms are deciding against it. "I think what happened in 2008 and 2009 scared people a little bit," says Kentucky Select's Peterworth, referring to the housing-market crash. "They are afraid they are going to get too much house and not be able to afford it."

It's not that there are *no* houses out there. Plenty linger on the market for months at a time. But those tend to be overpriced or beaten up or in less popular neighborhoods. A reasonably priced home with glistening hardwood floors, granite countertops and stainless steel appliances in St. Matthews or the Highlands? *Vamoose!*

After a little more than an hour, Lockhart's inspector is done. He has nothing terribly troubling to report. For Lockhart, fourth time is the charm. ■