

YOUR MONTHLY  
REAL ESTATE UPDATES



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JANUARY 2024

**COMPREHENSIVE INSIGHTS FROM OUR EXPERTS**

# 2024 REAL ESTATE PREDICTIONS

As we embark on the journey into 2024, the world of real estate, including market dynamics and interest rates, is set to take center stage (as if it hasn't already!). Questions like, "Will interest rates drop?" or "Is the market headed for a 'crash'?" have been buzzing, especially since the rollercoaster of 2020. Real estate concerns have become viral topics on social media and news outlets, creating a swirl of speculation.

However, amidst all the noise, obtaining accurate and professional insight has proven to be quite the challenge. We've enlisted the expertise of our CEO, Justin Landis, our preferred lender at Ameris Bank, Mark Daker, and Bolst Top Producer, Victoria Lance. Together, they bring a wealth of knowledge to provide you with a chewable and comprehensive guide to navigating the potential real estate landscape in the upcoming year.



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## ANTICIPATED TRENDS

In the early months of 2024, heightened buyer activity and increased sales are anticipated, according to Justin Landis. “I think early 2024 [will be] really active with higher buyer activity and sales than the same period in 2023. The lower transaction volume in 2023 has likely led to some pent up demand ... lower interest rates coming into the year will open the door for those transactions. I also think that there is a general feeling that rates have peaked and if rates drop substantially, we could see bidding wars and price increases. It’s yet to be seen if this will happen, but the overall sentiment and environment looks better than Jan 2023.”

## POTENTIAL OUTCOMES

The possibility of bidding wars and price increases loom if interest rates drop substantially. This uncertainty creates an overall optimistic sentiment, suggesting potential opportunities for both buyers and sellers in a market that may be on the brink of positive shifts.

## 2023 NOTES

“In 2023 we saw a large increase in the number of investment properties that were purchased as a percentage of overall sales.” Says Mark Daker. “However, unlike prior years, where the majority of investment properties were sold to institutions, 2023 saw private individuals make up the majority of investment property purchases. Investors tend to be less rate sensitive since they’re usually looking at the greater profit picture of the property. In addition, they’re not as payment sensitive since rental rates have increased with interest rates, which kept net investor profits similar to prior years, despite the higher rate environment. With rental rates still being high enough to make many properties work, limited housing inventory and home prices being too high for many buyers, I expect investors to continue to make up a relatively large percentage of the market.”



# REGIONAL DYNAMICS: BALANCING GROWTH AND AFFORDABILITY IN ATLANTA

## ATLANTA'S DILEMMA

Balancing affordability with continual growth remains a challenge in Atlanta, according to Justin Landis. The ongoing push for high-density developments reflects a proactive approach to address the needs of a growing population. While growth is positive for the economy, challenges may arise in maintaining housing affordability.

## 2023 NOTES

“We lend all around the country and certain markets have seen significant emigration. Georgia on the other hand has been the beneficiary of substantial immigration, as it has been one of the top 5-10 states for relocations over the past few years.” Continues Mark Daker. “While total relocations across the US slowed in 2023, Georgia did continue to be a top destination for Americans relocating, ranking once again in the top 5-7 states. Another significant factor for metro Atlanta is that Georgia employs somewhere between 40,000 - 70,000 workers in the film industry. The vast majority of those workers live in the metro Atlanta area and were out of work for a significant percentage of 2023. With Georgia generally considered a top 5 employment market for the film industry, this is a large influx of potential home buyers returning to the market in 2024.”





# CHALLENGES AND OPPORTUNITIES: NAVIGATING THE PATH AHEAD

## FOR THE REALTOR:

“Based on all predictions, 2024 will still have way fewer transactions than agents have been used to prior to 2023. This leads to a competition over leads and agents will have to keep focused on building their pipelines. If the spring is great (relative to 2023), it may be hard for some to balance the increased workload to service clients while still doing the business building activities that are needed to avoid the real estate rollercoaster. I think the long-time pros know that they need to manage this tension, but I fear some of the newer or less focused agents will have great springs but then see a big drop in business as total transaction volume is unlikely to be strong enough to carry unfocused agents throughout the whole year.” states Justin Landis.

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## Bidding Wars and New Construction Trends:

Victoria Lance points to potential impacts of rate drops, emphasizing the risk of clients waiting too long and entering bidding wars. She anticipates the continued popularity of new construction homes with builder incentives that may challenge traditional lenders.

# CHALLENGES AND OPPORTUNITIES: NAVIGATING THE PATH AHEAD (CONT'D)



## FROM A LENDER'S PERSPECTIVE:

“The market in general, and certainly everyone in the real estate industry, is hopeful that 2024 brings lower interest rates.” Begins Mark. “Foremost, lower rates tend to benefit the broader economy, as lower rates create more business opportunities in all industries, generally better employment markets, more disposable household income, a reduction in the gap between the cost of living and wages, and the opportunity for savings and wealth creation vs higher debt levels. These factors, and many more, all play into the vigor of the real estate market and go beyond the obvious challenges of buyers transacting at higher interest rates. There’s an old Wall Street saying that only 2 things drive the market: fear and greed. Real estate tends to directly follow this adage. Assuming rates fall, I believe there will be a significant number of hesitant buyers who are holding out for rates to fall further, fearful they’re buying too early. However, housing supplies have not materially increased during this most recent slowdown, so housing prices are primed to move up quickly, should lower rates provide the fuel and the desire then for home buyers to cash in and/or catch a rising market sets a flame to that fuel. Motivating buyers to understand that no one calls tops and bottoms in any market accurately over time, and helping buyers understand that finding a good home with a good interest rate is almost always better than not owning at all, at least over the course of time, will be a mark of a good real estate/mortgage advisor in 2024.”

## IN CONCLUSION

As we navigate the complexities of 2024, the real estate landscape is poised for dynamism. The interplay of market trends, technological advancements, regional dynamics, and challenges and opportunities will require a strategic and informed approach. Our team is committed to guiding you through this journey, ensuring your real estate experience is not only successful, but also tailored to the unique nuances of the 2024 landscape. Should you have any questions or seek personalized advice, please feel free to reach out to your trusted Bolst Realtor.

