



Brutal winter slows home sales in West Michigan, adds to pent-up demand

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Wayland real estate agent Chris Anderson stands in front of the home she sold in a blizzard at 14659 Crescent Meadows Drive in Cedar Springs, on Tuesday, March 11, 2014. Anderson shoveled nearly waist deep snow and thawed a frozen lock box in order to show the home to its eventual buyers. (Andrew Kuhn | MLive.com)

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ALGOMA TOWNSHIP, MI — Realtor Chris Anderson doubted whether it was worth the effort that Sunday in January when it took her an hour-and-a-half to meet a couple who wanted to look at a new home in the Crescent Meadows subdivision in northwest Kent County.

“The snowdrift in the road out front was past my knees,” said Anderson, an agent for Sable Realty LLC. “They had to follow in my footprints to get to the front porch, where I had to shovel off a drift. Then the lockbox on the door was frozen shut.”

After thawing out the lockbox inside her car and opening the house, Anderson said her tenacity paid off. The couple walked in the front door, fell in love with the house and made an offer.

“I’m really glad we didn’t cancel because of the roads,” Anderson said.

Tina Johnson, a buyer’s agent for ReMax United of Rockford, said her clients were not ready to cancel even though her car slid through an intersection on Algoma Road on their way to the showing.

BY THE NUMBERS

Real estate’s long winter

Thanks to our record setting winter, the Grand Rapids Association of Realtors reports fewer homeowners put their houses up for sale and few buyers made offers on a new home.

TIME: 2013-2014 | 2012-2013 | DECLINE

December New Listings: 647 | 825 | -21.6 %
January New Listings: 848 | 1,121 | -24.4 %
February New Listings: 819 | 1,198 | -31.6 %

Total New Listings: 2,314 | 3,144 | -26.4 %

December Pending Sales: 686 | 794 | -13.6 %
January Pending Sales: 806 | 992 | -18.8 %
February Pending Sales: 835 | 997 | -16.2 %

Total Pending Sales: 2,327 | 2,783 | -16.4 %

Source: Grand Rapids Association of Realtors

The buyers were motivated because the lease on their apartment is expiring and they wanted to settle into a home with their child, Johnson said.

“They really wanted to see that subdivision that day,” said Johnson, who is scheduled to close on the sale in April.

Not all home buyers were that committed during a West Michigan winter marked by record snowfalls, icy roads and sub-zero temperatures.

Home sales in West Michigan were down 16 percent, or 544 sales, during the winter months of December, January and February, according to statistics published by the Grand Rapids Association of Realtors (GRAR).

Not only did many home buyers stay away, home sellers were even more reluctant to put their homes on the market. New listings were down 26.4 percent during the past three months of winter, according to GRAR statistics for the past three months.

Karla Huitsing, president of the Grand Rapids Board of Realtors, said she’s anxious to see if the housing market will recover from its winter hibernation and resume the pace the industry enjoyed last spring when the market began its year-long recovery from the Great Recession.

While her phone has been ringing with last week’s thawing temperatures, Huitsing said she believes 2014 will match, but may not exceed, 2013’s market activity.

Julie Rietberg, GRAR’s chief executive officer, said that despite the pent-up demand brought on the cold winter, she also believes the West Michigan market will level off in 2014 and be similar to 2013.

Once the snow is gone, a lack of houses on the market will be the industry’s biggest problem. So far this year, the average house has been on the market for 3.3 months, or 110 days. That’s the shortest timeframe in more than 12 years, according GRAR statistics.

In 2008, the average house was on the market for 13.3 months — an unfortunate high as housing prices fell, foreclosures soared and the economy dipped into recession.

The current lack of inventory is forcing buyers to act quickly when a fairly priced house within their parameters hits the market, Huitsing said. “It really does feel like there’s not enough supply for buyers.”

Jeanine Lemmon, a broker with Patriot Realty, said the lack of inventory is due to a logjam in the market.

First-time buyers who want to move into a starter home cannot find a house because they are still occupied by owners who cannot find their next home on the market. Those potential move-up buyers cannot find a house because it’s occupied by an empty-nester who cannot find the condominium they want to buy, she said.

"From our perspective, it's been more about that than it has been about the weather," Lemmon said of the winter's lower sales and listing activity.

"I've got half a dozen buyers who are super-frustrated because they haven't been able to find a property to make an offer on. If they do make an offer, they are out-bid.

"It's going to be very interesting to see if, once the weather breaks, if we're going to see more people put up their houses for sale," Lemmon said. "We hope they do because the demand has been so strong."

Last month, the Michigan State Housing Development Authority announced an effort to break the logjam by **creating "MI Next Home," a program that offers up to \$7,500** toward the purchase of a new or existing home to homeowners who want to move into another home.

RELATED: State offers up to \$7,500 for cash-strapped homeowners who want to buy new home

Meanwhile, real estate agents say they're ready to put away their shovels and get back to business of finding houses for buyers.

Ryan Ogle, owner of Blu House Properties, says he also is ready to put away the blow torch he used to clear the sidewalk in front of a seller's house last month.

The sale on the house could not be finalized until the city of Grand Rapids inspected the 300 feet of sidewalk along Breton Road for cracks, Ogle said.

That responsibility, which could be shifted to the city if voters approve a charter amendment in May, is designed to make sure sidewalks are in good repair at the point of sale.

The seller, an elderly woman, had not been able to keep up with the snowfall outside her house, said Ogle, who could not close the sale without a clear sidewalk to inspect.

"I got some kids from my neighborhood and a blow torch," Ogle said. "We went out there for about five or six hours to get it cleared.

Although a city plow filled in some of their work, forcing them to re-shovel the walk again, Ogle said they passed the inspection and completed the closing on the sale later that day.

Meanwhile, Ogle said he's eager to see if the warmer weather will generate new listings.

"We have unlimited buyers right now, but we have nothing to sell them," Ogle said. "Whenever we do have a listing, it sells right away."

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