

# Lesley Ferguson, Realty One Group Pacifica

## Peninsula attracting home buyers

### How long have you worked in the field?

"Licensed since Sept 2016."

### What is the main community you sell in?

"All of the Peninsula, occasionally Naselle."

### Is there an area you consider your expertise or specialty?

"Helping people that are relocating to the Peninsula to settle in, to recommend service providers they will need to set up, and to find their niche in the community."

### How do sales and inquiries from potential buyers and sellers compare this summer to last year at the same time?

"It feels busier this summer, a little desperate. I think a lot of people are feeling that the market is going to drop at some point, and so they want to gain as much from the sale of their city homes now, and move to the Peninsula where prices are still pretty reasonable. We also have clients who work over the river who can't afford to buy there."

### How does your number of listing/inventory compare to last year and recent years?

"Our inventory numbers are typically pretty even, but in January this year we had 796 total listings [including building sites] in S. Pacific County (7 months supply), and we are currently down to 685, a 6-month supply. The small spike in new listings we usually see in April/May didn't happen this year. And in the rest of the state, there is only a 2.5 month supply, which is squeezing our market further."

### Would you consider it more of a buyer or seller's market?

"It still appears to be a seller's market due to the lack of inventory, and number of people who are wanting to buy here. Well-priced listings are not lasting long. But it depends on the condition of the property, too."

### What are the unique benefits of purchasing in Pacific County?

"I can't speak to the north county as I don't do much business there, but the Peninsula is such a unique place: at the confluence of the Columbia River with the ocean on one side and the bay on the other, we are surrounded by natural beauty with a mild climate. We are rural, but there's plenty to do here and you can be as busy or as isolated as you want to be. The best part of living here is our wonderful community. I've met people who can choose, and afford, to retire anywhere in the world, and they choose here. You can't beat this lifestyle."



Lesley Ferguson

### What are the biggest drawbacks?

"People move away when they need to be closer to large medical facilities, or want to be able to watch grandchildren's ballgames without it being a two-hour drive. And our tourism and fishing-based economy means income can change drastically over the seasons."

### Have you witnessed any trends or changes in the community regarding sales?

"Clients' needs seem to come in waves and I'm never sure what's driving that: for a few weeks you get a lot of people looking at land, then a lot of people looking at oceanfront. But there's always a demand for houses under \$200K, oceanfront or view higher-end homes, and vacant land with utilities already on site."

### How do closings now compare to the past couple years?

"In the last 6 months we have closed half as many residential sales as we did in the six months prior. I think that number will double again as we

get through the summer months. Sales remain pretty steady year-round here. We are not driven by the school year like most communities, as a lot of our buyers are retiring here."

### Are loans sufficiently available? How are interest rates?

"Interest rates have been a roller coaster this year, but they are still very low. We have seen some sales fall out due to buyer's losing their financing when they were laid off. Lenders will not underwrite a loan if the buyer is currently unemployed. And they have increased their credit score requirements."

### How are appraisals coming in, about what you expected? Higher? Lower?

"Appraisals are mostly coming in on value, although our lack of sold comps and inventory is proving challenging."

### What's your local situation with regard to building sites? How is supply and demand?

"There is a lot of vacant land for sale on the Peninsula, but it is not easy to develop. Most buyers will pay more to have utilities already on the property, but most sellers don't want to spend the money that it takes to get to that point. We have so many areas of wetlands and they have become more protected in recent years... it's not easy to develop here. The Department of Community Development is good to work with and helpful but they have to follow the state environmental rules, obviously."

### Are development costs holding back new construction?

"New construction has been full steam ahead for a couple of years now. The biggest issue is how far out the contractors are. We have a handful of excellent contractors who know how to build for the climate, and they are three to four years out. Material costs are high too but our development

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costs don't seem out of line."

### How friendly is the market for first-time buyers compared to the previous year? Is it becoming easier or increasingly out of reach?

"Housing prices are still rising here, making it harder for first-time home buyers. There are still USDA loans with 0% down and FHA loans available, but the trick is finding a house that qualifies for the loan from a condition point of view but is affordable. Hard to find that around here. The unemployment issue and higher credit score requirement aren't helping either."

### What impact has the covid-19 crises had on the current real estate market?

"Personally, there was one week where it seemed like everybody was holding their breath waiting to see what was going to happen, and then the dam broke open. People are realizing that they can work from home, and they are wanting to move out of the city to enjoy a better quality of life and less commuting."

### What do you feel could be the impact further down the road?

"There are so many homeowners in forbearance with their lenders currently that I fear it will cause a lot of foreclosures if the economy isn't able to get going again. That will cause prices to drop, as we are seeing in big cities like L.A. But the Peninsula is usually at least two years behind the major markets, and sometimes those trends miss us completely."

### Are you seeing more commercial or rental-agency listings? (Vacation rental fallout?)

"Not yet, and possibly because of the current moratorium on new vacation rentals, so those who are licensed are holding on to their VRs and choosing to ride out the summer with long term renters. There is so little available for rent here that they don't last stay empty for long."

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