

# Real estate cool-down passes central Wis.

By: Kelli Knudsen

*Central Wisconsin Sunday*

September 3, 2007

There has been a lot of national media buzz recently about a “cool down” of the real estate market, but professionals in the economy and real estate fields say central Wisconsin is still a good place to buy or sell a home.

“At a national level, the thing that is causing the housing market to cool down is the higher level of interest rates,” said Randy Cray, director of the Central Wisconsin Economics Research Bureau at the University of Wisconsin – Stevens Point. “The cost of borrowing has gone up, and that makes (it) relatively more expensive for people buying homes.”

Though interest rates have been creeping up, Gerry Geishart, real estate broker/owner of Prudential Valley Real Estate of Wisconsin Rapids, said rates are still not too high to keep people from borrowing.

“The interest rates are very favorable right now,” he said, adding that with the growing popularity of online lending institutions, lenders are creating attractive loan programs to be competitive.

Eleanor Fritsche, sales manager for Countrywide Home Loans in Marshfield and Wisconsin Rapids, said rates are higher than they were a few years ago, but are definitely not as high as they have been before.

“If you look at the last 20 years, historically, rates now aren’t at their highest; they aren’t at their lowest. It comes in waves,” she said.

The most noticeable impact made by the market cool down has been on the East and West coasts while the Midwest has been relatively stable.

“On the coasts, they’ve had a very hot housing market, housing prices have been jumping by leaps and bounds, increasing by double-digit rates per year,” Cray said. “We have not seen that in our area. We have not seen that sort of housing price bubble that has developed on the coasts where there has been so much demand on available housing.”

The Midwest has a better balance between population growth and available housing that keeps the market more stable, he said.

Fritsche agreed, saying people need to take a look at their local markets rather than paying attention to what they hear at the national level.

“Right now, with the national news, they are saying it’s a softer market and I think people are jumping on the bandwagon without looking at what’s going on,” she said. “Locally, we had a pretty good trend. We had a pretty good appreciation rate, and it seems that things are now getting back to normal.”

Joel Luttrupp, office manager at Success Realty, Inc, in Marshfield, said there has been a cool down, but not for every part of the machine.

“The higher-end houses are the ones that people are not (buying),” he said. “It’s a soft market for them because people are not moving up to that larger home like they had in the past years.”

In a market that favors buyers, sellers are finding they have to “trim off the fat of the asking price and get down to the meat,” to sell their home, Luttropp said.

“The houses that are priced competitively are the ones getting the offers,” he said.

Though a buyer’s market means good things for people looking to buy, many of those people are also on the seller’s end.

“It’s definitely a better thing to be a buyer than a seller,” Cray said, “but most people who want to buy homes have to sell homes, so it’s a double-edged sword.”