# Why You Need Local Market Monitor

## All markets are not created equal, and right now it's critical that real estate investors carefully monitor the dynamics of their markets.

Sometimes you don't need help to know which way values will go. In 2009 it was a safe bet that home prices almost everywhere in America would keep going down.

But most of the time - and especially now in 2018 - the national economy creates a more complex situation where real estate prospects vary sharply from market to market. Growth has recently been strong in some places - to the point where home builders can't keep up with demand and prices are booming - while growth has languished in others, where values remain low. On top of uneven developments like the tech boom and the flow of foreign money into US real estate, we're seeing longer-term effects like the greater concentration of growth in fewer markets, the higher debt and lower income of younger Americans, and a shift towards urban living.

## How Local Market Monitor Helps

**We present a snapshot of the current state of real estate in local markets**, summarizing our analysis of the data with Local Investment Ratings, Risk-Adjusted Local Cap Rates, and the Investors Metro Monitor.

**We measure the risk that values will fall** in the future, comparing the average home price in a local market with the Equilibrium Home Price - the 'income' price - to measure how much a market is over-priced or under-priced. This analysis has been infallible in the past 50 years and easily predicted the housing crash of 2008.

**We forecast home prices** over the next three years for metro areas, counties and zip code areas, giving investors plenty of time to adjust their investment strategy. The forecasts are especially useful in markets that are over-priced because prices and risk can rise for years before values peak.

### 2017 Crystal Ball Winner In Recognition of Outstanding Performance in The Zillow® Home Price Expectations Survey…

Every quarter, Pulsenomics surveys a distinguished panel of over 100 economists, investment strategists, and housing market analysts regarding their 5-year expectations for future home prices in the United States

**February 1, 2018**

**"After 24 consecutive months of home price growth, many markets across the country are teetering on the edge of affordability. High demand and low supply have pushed valuations in many of the most desirable cities to levels experts say are unsustainable. "Markets that a few years ago would have been great are now getting into a dangerous range," says Ingo Winzer, CEO of Local Market Monitor, Forbes' partner on our annual ranking of where to invest in housing."**

**Forbes: Too Hot To Handle: Where To Sell Housing**[1]

**September 19, 2005**

**"...Winzer considers real estate "very risky right now." And because the price run up has been so high he expects the adjustment period – where home prices stagnate as income catches up -- to take a very long time. Before they purchase a home, buyers better figure on scenario of many years of little or slow home-price appreciation. Counting on home price increases could be a big mistake..."**

**CNNMoney: Real Estate: When Booms Go Bust..**[2]

1 https://www.forbes.com/sites/samanthasharf/2018/02/01/too-hot-to-handle-where-to-sell-housing-in-2018/

2 http://money.cnn.com/2005/09/19/real_estate/buying_selling/price_declines/

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