



Looking beyond 2009

Real estate recovery expected in two years, expert says

The housing market on Guam has slowed and one of the reasons may be the downturn of the economy says one real estate professional.

"Generally, when the economy slows like it has done, people are more inclined to hold off on major purchases," says Nick Captain, president of the Captain Real Estate group of companies. "That's one of the

reason the (housing) market has slowed down."

With the year coming to a close, many are looking to the new year for Guam's real estate market to turn around. But Captain says it may not come as soon as hoped.

"I think the outlook for 2009 is one where the market will be probably marked by potentially lower activity than was re-

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flected in 2007," Captain said. "We're already expecting modest contractions from the numbers in 2008."

Not to worry though, Captain says, the Guam market will right itself eventually. A large factor in when things will turn around depends on the military buildup.

"It's all about the military buildup," Captain says. "Depending on what happens with the military buildup we could be in store for a significant turnaround as early as late 2009, but more probably we'd be looking at significant recovery in 2010."

If consumers are looking to purchase a house in the coming year, Captain says they should make sure they are educated.

"People are cautious, they want to get a good deal," Captain says. "The consumers are becoming more intelligent with respect to the type of product that's available and also the quality of product that's available."

It's not just knowing the process of buying and the state of the home you're purchasing that's important, he says. A number of consumers are really shopping around to make sure they're getting the best deal.

"Your consumers are looking, shopping and making smarter decisions," Captain says. "I think they're concerned with getting the most for their money. In some cases they also have concerns of asset preservation."

And unlike in the U.S. mainland where there are better times to buy, Guam's real estate market is fickle.

Captain says because on Guam there's no real best time to buy a home, most decisions are based on the economy.

"I don't think there's a seasonality that you might see in mainland," Captain says. "With respect to home purchases on Guam I think it's more tied to economic factors."

But it's not just the economy that potential home buyers should keep an eye on, he says. The most important thing when looking to make a large purchase — like a home — is to stay informed.

"Spend the time that it takes to understand the market," Captain says. "Study the market that's most similar to the type of house that you're looking for."

— Stephanie Godlewski
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