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Q&A: House Buyers CEO Discusses Area Market

The public-health pandemic has resulted in changes in behavior in the local real-estate market, but sales continue at healthy levels and prices are still rising.

One of those seeing strength is House Buyers of America, a Fairfax-based company that purchases homes directly from owners. The firm reported a 75-percent increase in sales and 57-percent increase in acquisitions in June compared to a year ago.

The Sun Gazette recently talked with Nick Ron, CEO of House Buyers of America, to get his take on the local real-estate market and his firm's niche within it.

Your firm has seen growth during the first half the year. How much of that has been attributed to the current health situation, and what other factors are at play?

The housing market is doing well because interest rates are historically low. This is why the coronavirus didn't hurt our industry as bad [as some others]. There is still a supply shortage of houses available, which has been a factor over the past few years.

In the beginning of the pandemic, we found it harder to buy houses. People did not want to put their house on the market; they were in a holding pattern.

So we got very aggressive in seeking new business. We had to double down on our marketing efforts to reach consumers who wanted to move forward with their real-estate needs during the pandemic. Through our strategic-marketing efforts, we found people who wanted to sell, and we were able to grow during a difficult time.

Is that growth being fueled by any particular segment of the real-estate market – single-family vs. townhouse vs. condo, or a particular price point?

Definitely! Affordable and lower-priced homes are selling faster. Builders of luxury homes are having a tough time because they can't build new homes at affordable prices.

Also, single-family houses and townhomes are selling better vs. condos, because people do not want to live in tight quarters due to COVID concerns.

What challenges have your staff faced due to the public-health situation and resulting government-imposed lockdowns?

We closed our office down for a couple of months, and our staff worked remotely. However, our state-of-the-art technology made this a seamless transition, and we didn't miss a beat. Our field team, which was managing construction, wore masks and gloves.

Thankfully, our staff was minimally affected by the lockdown. The part of our business affected was the construction side, through obtaining building supplies.

House Buyers of America's Nick Ron.

Materials are not readily available, and we had to switch out the sources of our products for new ones.

How has the lack of inventory across the region impacted the real-estate market in general, and your part of the business in particular?

The lack of inventory has absolutely made it more challenging. It is a lot harder to find a property for acquisition. You have to be really good at what you do right now.

We have been in business for nearly 20 years in the Washington metro area, so we get a lot of referrals. The competition is tough when inventory is so low. Therefore, over the last two years, we have spent millions on our technology, data systems and marketing to target more effectively and reach people.

Convenience usually comes with a price. Realistically, what should someone who sells their home to you expect in terms of sales price, compared to what might be obtained by getting the home in pristine condition and then putting it on the market? What are the ups and downs of each approach?

This depends on the condition of your home and your commitment to getting your house on the market.

If your house is in perfect shape, realistically you can make a little more money [with the traditional sales route]. However, most homes are not in pristine shape to sell immediately. They require hiring contractors to renovate and this takes time, energy and money. Managing contractors in your home, and keeping your house clean and staged properly while on the market, is a huge stress factor.

Sellers find the benefits in selling their home to House Buyers in "as-is" condition, even with a nominal price differential, far outweigh the factors in play when going the traditional sales route. Especially during the pandemic, these factors have become a bigger issue.

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