

REAL ESTATE UPDATE

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THIS NEWSLETTER IS BROUGHT TO YOU BY:



Not in a Straight Line

If there is one feature of the markets you can always count on, it is the attribute of non-linear progression. What does that mean? In plain English, it means that the markets do not rise or fall in a straight line or in accordance with a certain set path. For example, when mortgage rates rose from a low of 3.00% three years ago to a high of 7.75% one year ago, there were four time periods in which rates actually fell, even though they were on the way up.



6.00% over the past year, but they rose significantly this spring and also have risen since hitting their low in mid-September. This does not mean that rates have stopped falling or that the trend has reversed. It is really a normal occurrence which might be caused by typical market variations or intervening variables such as the strong jobs report released earlier in October.

Of course, there can always be intervening variables that are even stronger such as world-wide tensions. Certainly, there have been plenty of those this year.

Similarly, now that mortgage rates are falling, they are not falling in a straight line. Rates fell from 7.75% to just over

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Did You Know...

Home prices increased by 5.9% on an annual basis as of the end of September, according to Fannie Mae. The government-sponsored enterprise also revised down its reading for home price appreciation as of the end of June, to 6.4% on an annual basis.

As we head into the winter months, ValuePenguin put out a report on winter weather damage. So far, winter weather has caused an estimated \$61.8 million in property damage in 2024

Homeowners 62 and older saw their collective home equity levels rise in the second quarter of 2024 by roughly \$600 billion, increasing to a total of \$14 trillion and continuing a streak of forward momentum observed in the first quarter.

Selected Interest Rates

October 23, 2024

30 Year Mortgages—6.54%
2023 High (Oct 19)—7.79%
2023 Low (Jan 26)—6.09%
15 Year Mortgages—5.71%
10 Year Treasuries—4.25%

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for



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The Market Awakens

There's growing evidence that the recent decline in rates is already boosting demand Redfin's Home-buyer Demand Index was up 9% month over month at the end of September, hitting its highest level since April. Mortgage rate lock-in activity was also double what it was a month earlier.



While mortgage rates haven't moved since the Federal Reserve's half-point interest rate cut last month, the news of the cut reached a lot of people who didn't know mortgage rates had already dropped. "There's no doubt demand has picked up since the Fed's interest-rate cut," Phoenix-area agent Max Shadle said in a statement. "I'm seeing much more traffic at my listings. Falling rates are an incentive for homeowners to sell, too, because they know demand is coming back and they feel less locked in by their relatively low rate."

According to Redfin's data, pending sales increased on a year-over-year basis in 27 of the 50 most populous metro areas. In addition, according to Altos Research data, pending home sales rose 6.4% year over year at the end of September, bucking a seasonality trend in which sales start to recede in the fall. The Mortgage Bankers Association (MBA) reported that mortgage applications hit their highest level in more than two years as fall commenced... 

Source: HousingWire

Military Relocation?

Relocating is always a stressful time for individuals and families. Change is always difficult and it is important to understand that planning can help minimize the stress and interruption of a geographic relocation. There is not one, but many choices you will face and the more educated you are regarding the options and more organized you can be in assessing the information, the smoother the transition will be.



the other questions and answers that you will face. Here are other questions which arise from the answer to this question. Within this article, we will assume your goal is to purchase; however, if you are renting some of the same concerns will apply.

Do you own a home in your present area and are you going to sell or rent that home? Will you have eligibility for any special financing such as VA as a veteran or active military?

The first goal of any relocation would be to align yourself with experts. Those helping you must not only be experts in their field, but they also should be experts at helping relocatees. Not everyone is equipped to help you from afar. It takes patience, anticipation, technology and knowledge to be qualified as an expert in this area.

Again, there are a multitude of decisions you will have to make which cover an even larger multitude of options. Here are just some of the questions you should be considering...

Will you be renting or purchasing in the new area? This is the most important question you will answer and the answer will in many ways affect

What is your time frame for purchasing? For example, perhaps you must sell your present home first.

Have you been fully approved by a lender for your new purchase? A pre-approval is defined as a review by a qualified underwriter, not a loan officer opinion letter. The lender will fully vet your cash assets, credit situation and income so you can narrow down your financial choices with regard to your new home. Nothing wastes more time than looking at houses for which you may not qualify. And a full pre-approval will give you negotiating power with regard to the home you will be trying to purchase.



"...The first goal of any relocation would be to align yourself with experts..."

Relocating Successfully



Exactly where will you be working? You must assess what kind of housing is available in that immediate area. The proximity from your job to your home may affect everything from the cost of housing to the type of traffic you will face.

What kind of hours will you be working? This might affect whether or not you can rely on public transportation to get to work and how far from your job you should consider living.

What is your timeframe for moving? Are you moving quickly or planning ahead for a move sometime in the future? Of course, it always helps to have more time because this gives you more time to explore your options and make better decisions, but in today's world, sometimes you can't plan ahead with changes in jobs.

What type of housing do you prefer? Most buyers — especially those with families — would prefer a single-family home with a yard. However, in some areas the cost of housing may preclude your first preference, unless you are willing to undertake a longer commute. All decisions come with trade-offs, but it is important to start with your ideals and work from there. There will be sub-choices as well — from size of the lot to how many bedrooms you need for. Do you need a garage and how many cars should it be able to accommodate?

Do you have children, what ages are they and do any of them have special needs? Some school systems are better than others in general and certainly some are better at providing support for children with special needs. What

other facilities are important—such as athletics or religious institutions?

What benefits do you have access to? For those who are active military, The Basic Allowance for Housing will vary for different locations. For those who are leaving the military, veterans who have a disability are likely to have an exemption from the funding fee for a VA mortgage, which is a very important benefit.

Do you have time for a house hunting trip before you relocate? This will allow you to meet with local professionals and your Realtor can plan your activities, including what homes you will be able to see in person as well as areas you can tour.

Do you have access to on-line video technology? This will help if your real estate professional has the ability to help you tour properties “remotely.” This is a great time-saving factor if you don't have time for a visit or the visit more productive because you can narrow down choices.

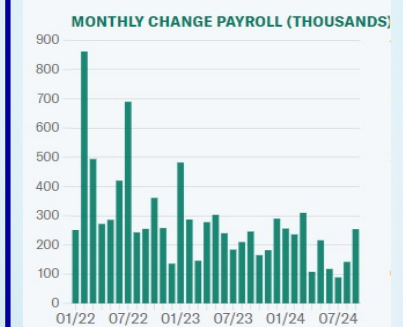
Has your real estate or mortgage professional put together a relocation package? A package which covers info on the market area and conditions, schools, vendors and more will be very helpful in the planning process.

In general, we would like to quote an important adage—Success is not an Accident. The proper planning of a move will make all the difference in the world with regard to making the move more successful. Selecting the right professionals to help you will be the most important first step.....

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Speaking of variables, we are likely to have plenty of those. First, we will have the third quarter economic growth advanced estimate (GDP) released. This will be followed by the Fed's favorite inflation indicator and the October jobs report. Then we will have the election on first Tuesday of November, followed by a meeting of the Federal Reserve which starts the very next day. All we can say is that you should hold on, because the beginning of November could be a very wild ride!...



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America On The Move?

While 35% of homeowners expressed interest in moving last year, that number has jumped to 72% today. Nearly three-fourths of homeowners are hoping to move, but due to the current market conditions, many are putting their plans on hold, creating a backlog of buyers. Despite many wanting to move, the majority aren't packing boxes just yet due to the challenges in the market, according to a study from Point.

This has caused housing gridlock. Even with market hurdles, many homeowners are eager to move due to concerns over their home's size and location. Around 40% of homeowners cited their home's size as the primary reason for wanting to relocate, whether they need a bigger space (25%) or are looking to downsize (16%). Another 36% pointed to location-related reasons. Only 11% of homeowners are looking to access home equity, and 8% feel their current home is too expensive.

Renovations could offer a solution to homeowners stuck in place due to size concerns. 66% of homeowners plan to undertake home improvements in the next 12-18 months, with 39% planning to use cash for their projects... [📄](#)



Source: Point

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Address Correction Requested