

NEED A SECOND CHANCE?

How the rising tide of home prices has ended mortgage trouble for millions

Abelizo



Prepared Exclusively for
Homeowners



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Let's start with a truly astonishing fact:

April 2014 marked the 26th consecutive month of year-over-year increases in home prices, according to the CoreLogic Home Price Index Report. What's more, over this time home prices increased dramatically, often by double-digit percentages!

As the statistic above illustrates, the housing market has improved dramatically over the last two years—more than anyone predicted. For homeowners nationwide, this rapid recovery is ending a struggle that began when the financial crisis first hit.

In the year following the financial crisis, housing prices plummeted. Homeowners watched as their equity vanished seemingly overnight. For some, the sheer drop in value meant they found themselves underwater, owing more on their mortgages than the property was worth. Others were stuck in their homes despite wanting to move, having lost the source of capital to do so.

Today, these homeowners are in a much better position. If, like so many others, the housing crisis left you struggling, your situation may have changed. Let's take a look at the reasons why.

1. Homeowners are Regaining Equity

As home prices continue to increase, more and more homeowners regain the equity they lost in their homes during the housing market crash. In fact, since the housing crisis ended, more than four million homeowners regained equity, according to the National Association of REALTORS .

Several factors have converged to drive up prices. Last year, more people started to buy homes. As homeowners recovered equity, they sought to purchase homes while prices and interest rates remained low. However, there simply weren't enough homes available to meet the increasing demand. New home construction slowed during the housing crisis, and many homeowners still weren't in a position to sell. This simple case of supply-and-demand helped rapidly escalate prices.

Additionally, today there are far fewer distressed properties on the market today. When the housing market began to show signs of recovery, investors flocked, looking to take advantage of record low mortgage rates and distressed properties listed at near-bottom prices. As the number of low-priced distressed properties shrunk, they no long suppressed prices, allowing homeowners to get more for their homes.

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Despite the run-up of home prices, many homeowners don't realize just how much things have improved. After so many years of bad news, many quit paying attention to the housing market. But the reality is homeowners looking to sell today are in an excellent position!

2. Home Prices will Continue to Increase

In 2014, home prices are expected to continue to rise, though not as drastically as they did in 2013. According to Kiplinger, home prices will increase, year-over-year, between three and five percent in 2014. With more homeowners regaining equity in their homes, more homes are expected to enter the market, which will help balance supply-and-demand.

While home prices may not increase as quickly this year, more homeowners will still join the three million that have already regained equity. If you found yourself struggling during the housing crisis, it's important to reevaluate your situation. Chances are, your situation has improved more than you think.

3. Today's Market is a Seller's Market

The same conditions that drove up home prices have created a seller's market. Most significantly, low inventory and high demand has placed a lot of power in the hands of sellers.

In general, the housing market needs a six-month supply of inventory. This means that at the current sales pace, it would take six months to sell all of the homes on the market. However, in recent months, the supply has remained low—around five month's worth—because there are fewer new homes available and many homeowners are still holding out on selling their homes.

At the same time, more and more people are looking to buy a home. Home prices and interest rates remain comparatively low, making homes very affordable. The result is that homes spend less time on the market, and, as already mentioned, are selling for more than sellers expect.

These Market Conditions Won't Last Forever

Today, if you are looking to sell your home, you are in the driver's seat. Huge demand and low inventory is forcing buyers to compete for the same few properties. For sellers, this means faster sales and sometimes even selling your home for more than the asking price!

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However, as the time progresses, the market is expected to rebalance. As more homeowners regain equity, more are expected to list their homes. As the available inventory increases, homeowners who have been waiting for a new home to be available will be able to list their homes as well, adding even more inventory. New home starts are also expected to begin affecting the market in 2015.

The recent recovery has helped millions finally end the struggle with their homes and mortgages. Whether underwater and now “at the surface,” or waiting to sell until they could recoup lost equity, homeowners are finally able to move forward. If you’ve been waiting to sell your home, now is the perfect time.

See What Your Home Is Worth Today

Do you know what your home is worth today? Chances are, the answer has changed significantly in the last year. Knowing your specific situation will help you make more informed choices going forward.

As a real estate agent in today’s market, I make it my business to have the most up-to-date information and can help you understand exactly what your current situation is. If you have been underwater, it is entirely possible you are not anymore. If you have been holding off until the market started to recover, that time is now.

**Contact me today for a free valuation of your home
and let me help you determine your best option!**

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