

WHY 2019 MIGHT BE YOUR YEAR!
SELL YOUR HOUSE
MAXIMIZE PROFIT POTENTIAL



The Shannon McCarthy Team
SARATOGA SPRINGS REAL ESTATE

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5 Reasons To Sell Your House in 2019

Lots of detail to follow in this *Sell Your Home: Maximize Profit Potential* eBook. Let's begin with the basics; five reasons 2019 is a great year to sell your house:

1. Demand Is Strong

The latest *Buyer Traffic Report* from the *National Association of Realtors (NAR)* shows that buyer demand remains very strong throughout the vast majority of the country. These buyers are ready, willing and able to purchase... and are in the market right now! More often than not, multiple buyers are competing with each other to buy the same home. Take advantage of the buyer activity currently in the market.

2. There Is Less Competition Now

Housing inventory is still under the 6-month supply that is needed for a normal housing market. This means that, in the majority of the country, there are not enough homes for sale to satisfy the number of buyers in the market. This is good news for homeowners who have gained equity as their home values have increased. However, additional inventory could be coming to the market soon.

Historically, the average number of years a homeowner stayed in his or her home was six, but that number has hovered between nine and ten years since 2011. There is a pent-up desire for many homeowners to move as they were unable to sell over the last few years because of a negative equity situation. As home values continue to appreciate, more and more homeowners will be given the freedom to move.

The choices buyers have will continue to increase. Don't wait until this other inventory comes to market before you decide to sell.

3. The Process Will Be Quicker

Today's competitive environment has forced buyers to do all they can to stand out from the crowd, including getting pre-approved for their mortgage financing. This makes the entire selling process much faster and much simpler as buyers know exactly what they can afford before home shopping. According to *Ellie Mae's* latest *Origination Insights Report*, the average time it took to close a loan was 41 days.

4. There Will Never Be a Better Time to Move Up

If your next move will be into a premium or luxury home, now is the time to move up! The inventory of homes for sale at these higher price ranges has forced these markets into a buyer's market. This means that if you are planning on selling a starter or trade-up home, your home will sell quickly AND you'll be able to find a premium home to call your own!

Prices are projected to appreciate by 5.2% over the next year according to *CoreLogic*. If you are moving to a higher-priced home, it will wind up costing you more in raw dollars (both in down payment and mortgage payment) if you wait.

5. It's Time to Move on With Your Life

Look at the reason you decided to sell in the first place and determine whether it is worth waiting. Is money more important than being with family? Is money more important than your health? Is money more important than having the freedom to go on with your life you'd like?

Only you know the answers to the questions above. You have the power to take control of the situation by putting your home on the market. Perhaps the time has come for you and your family to move on and start living the life of your dreams.

That is what is truly important.





Lack of Listings Slowing the Market?

Blue skies and green lights ahead for the Real Estate Market in 2019! Home values are up, home sales are up, and distressed sales (foreclosures and short sales) have fallen to their lowest points in years. The market will continue to strengthen.

There is one thing that may cause the industry to tap the brakes: a lack of housing inventory.

Here are the thoughts of a few industry experts on the subject:

Lawrence Yun, Chief Economist at National Association of Realtors

“The inventory crunch typical of winter in many markets inflict even more upward pressure on home prices.”

Sam Khater, Chief Economist for Freddie Mac

“As we head into 2019, the demand for purchase credit remains rock solid, which should set us up for another robust year of home sales. While this year’s high rates – up 50 basic points from a year ago – have put pressure on the budgets of some home shoppers, weak inventory levels are what’s keeping the housing market from a stronger sales pace.”

Javier Vivas, Director of Economic Research for Realtor.com

“The dynamics of increased competition and buyer frustration are unlikely to change.... In fact, the direction of the trend is pointing to a growing mismatch between the pool of prospective buyers and existing inventory.”

Bottom Line

If you are thinking of selling, now may be the time. Demand for your house will be strong at a time when there is very little competition.

That could lead to a quick sale for a really good price.



The ‘Great News’ About Rising Prices

Recently there has been a lot of talk about home prices and if they are accelerating too quickly. In some areas of the country, seller supply (homes for sale) cannot keep up with the number of buyers out looking for a home, which has caused prices to rise.

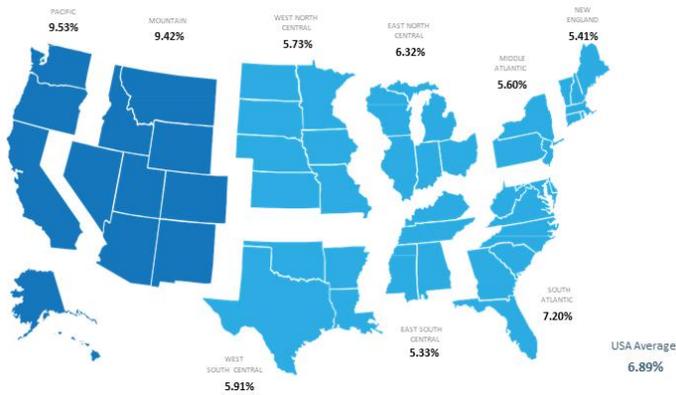
The great news about rising prices, however, is that according to CoreLogic’s latest US Economic Outlook, *the average American household gained over \$15,000 in equity over the course of the last year*, largely due to home value increases.

For those who are worried that we are doomed to repeat 2006 all over again, it is important to note that homeowners are investing their new found equity in their homes and themselves, not in depreciating assets.

Added equity is helping families put their children through college, grow their savings, and even invest in starting small businesses, allowing them to pay off their mortgage sooner or move up to the home that will better suit their needs now.

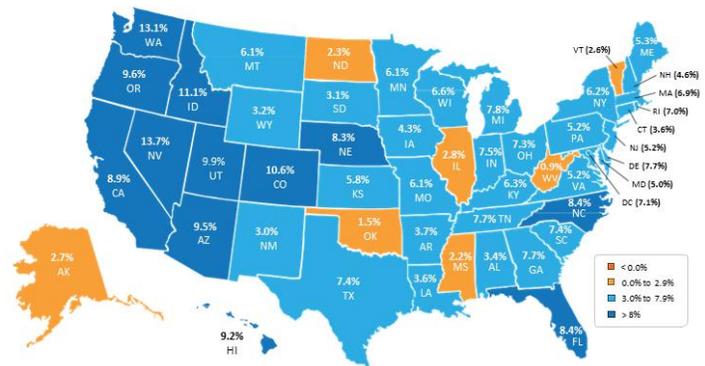
Year-over-Year Prices Regionally

Every quarter, the *Federal Housing Finance Agency* (FHFA) reports on the year-over-year changes in home prices. Below, you will see that prices are up year-over-year in every region.



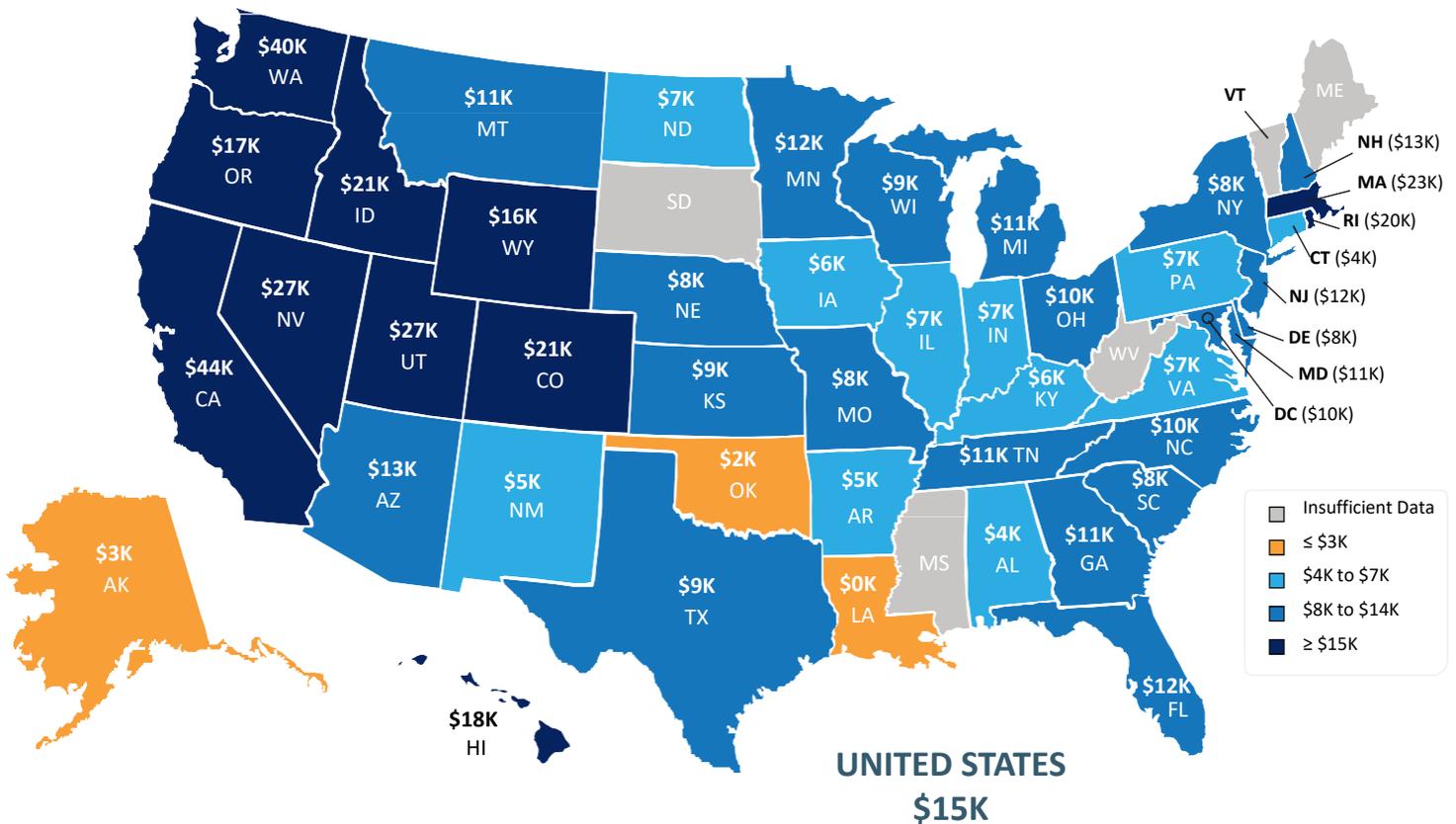
Year-over-Year Prices By State

Looking at the breakdown by state, you can see each is appreciating at a different rate. Waiting to sell may end up costing you!



CoreLogic predicts that home prices will appreciate by another 5.2% by this time next year.

Consider the equity you currently have in your home. If you are considering selling, now may be the best time to maximize profit potential!





The Importance of Timing

2019 might be the best time for you to put your house on the market. Especially if you're on the fence about selling this year or next.

Home price growth slowed in the second half of 2018, with fewer buyers entering the market, at least partially due to rising interest rates issued by the Federal Reserve. In 2019, consumers shouldn't expect homebuyers to flood the market again and drive prices through the roof, but it's also unlikely to be a crisis for home sellers.

If you bought your house in the last year or two, still love it and don't want to part with it, go ahead and wait another five years before revisiting the thought of selling.

If you're weighing your options to sell, considering selling this year or maybe the year after, don't play the waiting game. Here are four reasons to sell your house in 2019.

1. New Buyers Are Entering the Market

As interest rates rise, some buyers will hesitate to make an offer or apply for a mortgage, so be ready to see occasional drops in buyer activity. And if your house is at the higher end of the price range in your market, you should expect less buyer interest than before.

The combination of rising mortgage rates and home prices exceeding buyers' budgets are what has caused the slowing of homebuyer activity in recent months.

But with available housing inventory remaining low, even with rising interest rates, buyers who are ready to make a purchase will still shop for homes. The biggest wave of new homebuyers will be among millennials, who are mostly first-time buyers.

In a Harris Poll survey of 2,000 U.S. adults commissioned by real estate information company Trulia, more than one-fifth of Americans between ages 18 and 34 said they plan to buy a home within the next 12 months. Already, millennials make up the largest share of homebuyers at 36 percent, according to the National Association of Realtors.

2. Interest rates are still low-ish

Mortgage interest rates are rising, reaching 4.87 percent in November 2018 for a 30-year, fixed-rate mortgage, per data from Freddie Mac. While rates are at their highest level since February 2011, they remain much lower than the *historic high* of more than 18 percent in 1981.

It's important to keep in mind that mortgage rates are based on the market in that moment, your financial status and the property you're looking to purchase. Predictors indicate a sudden leap in mortgage interest rates unlikely in 2019. If you're looking to get the lowest interest rate possible on your next house, try to make a deal sooner rather than later.

3. You have high equity

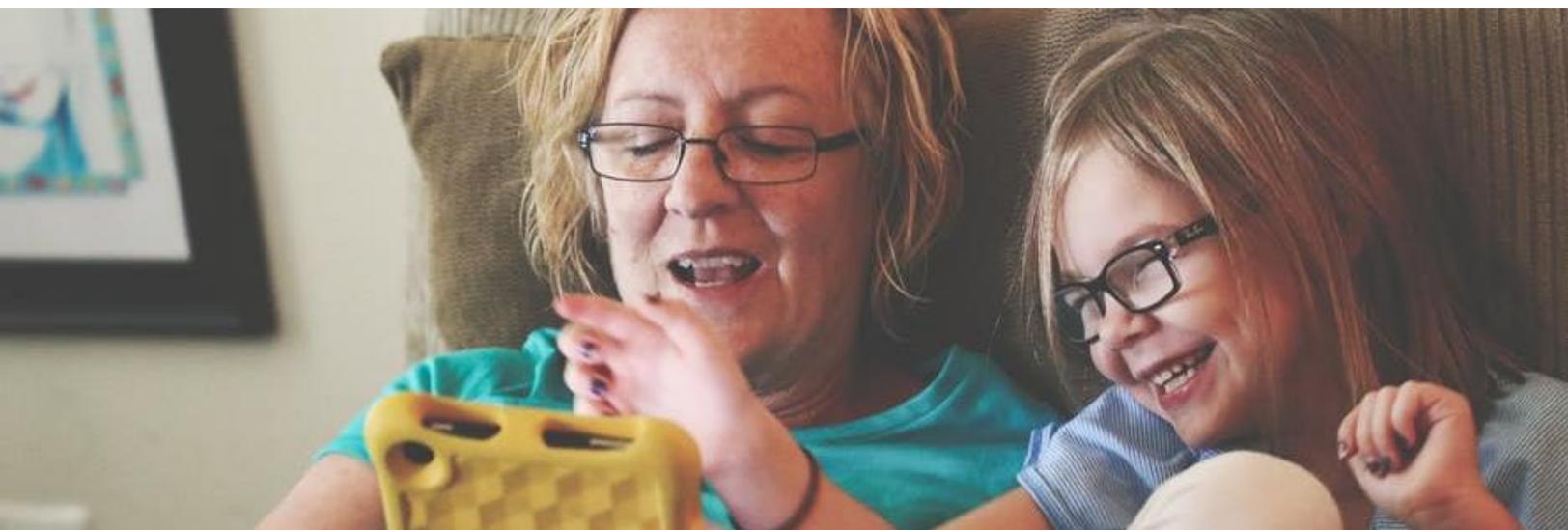
Homeowners who bought during the recession or shortly after benefitted from historically low interest rates and, up until around 2015, lower home prices that were still in recovery mode. If you fall into that category, your home equity has risen with nearly every mortgage payment, each renovation you made to the house and all the other houses on the block that sold for a higher price.

The higher your equity in your home, the more you net from the sale, which can easily go toward the down payment on your next house. The larger your down payment, the better you look to lenders and the lower your interest rate will be, and the less likely you'll need to increase monthly payments with private mortgage insurance.

4. Selling in 2019 vs. 2020

If not selling your home in 2019 means putting your house on the market in 2020, the sooner option is the best one. In a survey of 100 U.S. real estate experts and economists by real estate information company Zillow, released in May, almost half expect the next recession to occur in 2020. Another 14 percent believe the recession will hold out until 2021.

Whether you believe the recession is imminent or a long way off, current real estate patterns indicate a sudden upswing in activity or prices unlikely in the near future. Real estate markets tend to operate on a cycle of their own, the length of which varies by market but can be between 10 and 16 years total and flow from a seller's market to a buyer's market with a period of balance in between. And it does not look like there's anything on the horizon that's going to cause a big spike in home prices or increase demand dramatically.





Maximize Profit Potential with Pricing

Every homeowner wants to make sure they maximize their financial reward when selling their home. But how do you guarantee that you receive maximum value for your house?

Many homeowners think that pricing their home a little OVER market value will leave them room for negotiation. In actuality, this just dramatically lessens the demand for your house.



Bottom Line

Your Real Estate Agent understands your local market, understands the activity of your local market and will understand how to best price your home so you receive maximum return.

The Shannon McCarthy Team

Committed to achieving high-level results, The Shannon McCarthy Team takes every measure to ensure that all client's personal real estate goals are realized. Shannon exhibits great care in serving each client with individualized attention, enthusiasm and expert insight while her team works throughout your transaction to ensure 100% turn-key service customized to your needs.

With comprehensive and intimate knowledge of the distinct communities located within the Saratoga Region, The Shannon McCarthy Team offers trusted and sound advice. You will receive local market expertise that covers every angle in researching and providing you the critical information needed to make thoughtful and informed decisions.

The Shannon McCarthy Team's successes and remarkable standards of integrity can only exist when there is a true commitment to quality and excellence. Unwavering dedication, coupled with experience and hard work are here and ready to go to work for you!



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