

MARKET INSIGHTS



A look at the current real estate market.
An information source provided by **RE/MAX Alliance**.



CHANGE IS NOT SUDDEN SO MUCH AS IT IS ALWAYS SUBTLY OCCURRING!

I made that up – but that makes it no less true. So we take a quick peek backwards during January to get a feel for what we think may be coming. A real estate market goes through subtle changes almost daily, and about once every six months those changes are clearly felt. Meanwhile, change continues, whether we stop to notice or not.

The majority of 2016 saw the greater Metro areas enjoying favor as the HOTTEST real estate game in markets followed across the US.

The latter part of the year sees us displaced a few notches by the markets in LA and 2 hot spots in Texas for that #1 coveted spot. Not a real concern as our real estate market continues to thrive, firmly remaining in the Top 10. We know, as we are experiencing it daily, that our real estate market is robust.

Looking at current events whose effects will soon be revealed, increases in the Federal Reserve rates have edged mortgage interest rates upwards over November and December. Reaching as high as 3.94%, these increasing rates are being cited as the reason for a marked decline in refinance numbers.

We need to ask the question though, are the rising rates the reason we've seen diminishing sales toward the end of the quarter or is that just the usual seasonal slowdown?

Only time will reveal the full effect these new rates may have on the number of buyers on the playing field as we move into the livelier spring and summer selling seasons.

Buyer demand may also depend on if the rates creep higher, slide back down or hold steady at the current numbers being reported.

In the meantime, we aren't etching burrows in our brows at this point, since there is evidence of an increase in consumer optimism, according to Fannie Mae's monthly Home Purchase Sentiment Index. Indications also reveal that even with home price increases slowing, our market value growth puts us 2nd in the nation.

This begs a few questions be considered, like will the choke hold on inventory ever end? Can the new construction market yield enough new homes to pick up the slack in demand? Will home price increase slow enough to allow income gains to catch up, and will all of this result in renewed real estate market activity?

We don't own the crystal ball that can give us accurate answers to those questions, but we do have access to wisdom and experience that can offer a glimpse into what to expect.

Estimates released by the Housing and Urban Development agency show an almost 6% average increase in home sales.

Our peek into the future uncovers a trend of growth in home ownership among millennials. Their choices are far more diverse than previous generations, as they haven't limited themselves to two bedroom, one bath starter homes, or even a first-purchase condo. By buying real estate, they are leaving the rental world behind in record numbers.

Like many who have already ventured into the realm of owning, it appears they have come to a collective agreement that buying offers lucrative benefits that far outweigh the short-term advantages of renting.

Far fewer people are waiting to marry or start a family before buying a home. In fact, the largest segment of the population flooding the buying market right now are single females.

While we don't have exact numbers of how many of the **478 Jefferson County** homes available for sale in December were bought by single females, we do know **515** sold and closed last month. Thanks to winter conditions and holiday busyness, or maybe in spite of those things, the average time from market to closed sale was **32** days, a slight increase from **30** in December 2015. Median sale prices made a strong showing, ending our 2016 market stats at **\$355,000** sale price as compared to a sale price of **\$325,000** at the end of last year. And now, onward into this year's real estate market!

Stat Check

2015	2016
588	478
581	515
30	32
\$325,000	\$355,000

Active

588 | 478

Number of Units Sold

581 | 515

AVG Days on Market

30 | 32

Median Price

\$325,000 | \$355,000