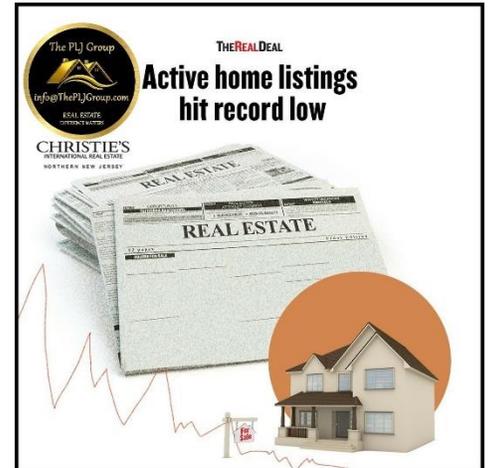


A Perfect Seller's Market

Here are the latest *housing market predictions for 2021 & 2022*. (From Norada, Real Estate Investments) The global pandemic shattered the world order and the US economy suffered its biggest blow since the Great Depression in the second quarter. It has been roughly one year when it put the **housing market** on hold for several months last spring. Even with rising mortgage rates and higher prices, economists say the *housing market* should remain strong due to very tight inventories and increasing demand as more millennials are projected to buy houses this year.

Millennials make up the largest share of homebuyers in the US, according to a 2020 survey from the NAR. Back in March of last year, the real estate market looked to be headed into a steep decline due to widespread stay-home orders. Since then, homebuyers, supported by low-interest rates, have kept the US housing market afloat. The pandemic has certainly affected every sector but the residential real estate market has been very resilient and it continues to be a pillar of support for the economy. The housing market bounced back in 2020 much faster than other sectors of the economy and has sustained that growth and pace into 2021.

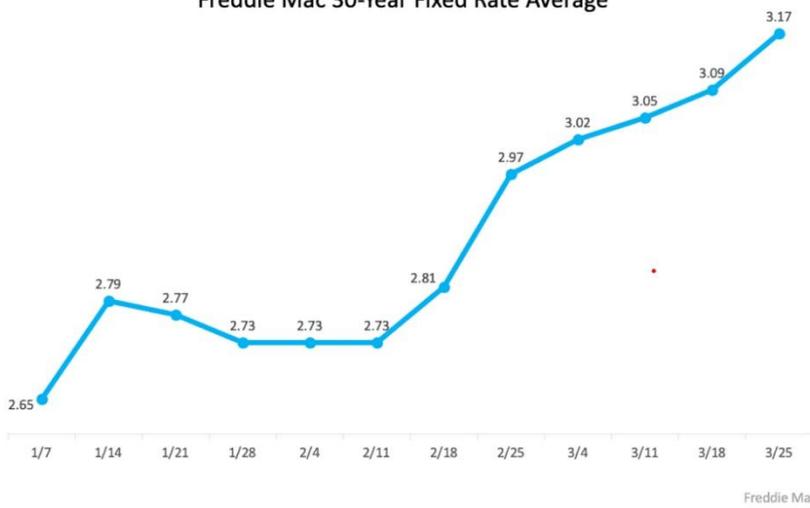


2020 was a record-breaking year for the US housing market. The typical U.S. home was worth \$266,104 in December, up 8.4% (or \$20,587) from a year ago. A total of 5.64 million homes were sold in 2020, up 5.6% from 2019 and the most since before the Great Recession, according to Lawrence Yun, NAR's chief economist. Sales also rose 0.7% from November and 22.2% year over year. Existing home sales reached the highest level in 13 years. In 2021, so far, the housing market

continues to be competitive for buyers resulting in higher home prices and quick-selling homes. *With the continued supply-demand imbalance, this upward pull-on price is expected to remain consistent in 2021.*

2021 Mortgage Rates

Freddie Mac 30-Year Fixed Rate Average



NAR's report shows that despite the drop in home sales, the housing market continues strong even as mortgage rates tick up to the highest levels this year amid rising long-term bond yields. The 30-year fixed-rate average rose to 3.17% last week, according to Freddie Mac.

The housing market has been struggling to keep up with the demand for the past decade. The pandemic has led to a surge in demand. The median sales price of a home has risen 16% from last year and they have increased even more in some regions of the country *like the Northeast* and West, which are both up 21% from last year. Inventory of homes for sale declined by about 30% annually in February 2021, a record drop.

It will remain tight in 2021 because there are first-time buyers (Millennials) coming into the market. About 4.8 million millennials are turning 30 this year, and will continue to do so for the next three years, a significant positive force for the economy and housing. The main challenge for markets is meeting this upsurge in demand with a declining supply.

New home sales also decreased by 18.2% in February to a seasonally adjusted 775,000 *while prices rose (Lumber and raw materials are at record levels)*, according to estimates released by the U.S. Census Bureau and the Department of Housing and Urban Development. The figure was still 8.2% higher than the estimate for February 2020. January's sales number was revised upward to 948,000 from the earlier estimate of 923,000.

Currently, there is an *extremely tight supply of homes on the market, the lowest on record since the turn of the century*. Further home price gains are expected until either supply ramps up or demand eases...*The country is starting to "open up" as more people are being vaccinated and confidence is returning, at least, we can see a light at the end of the tunnel.*

If you are thinking of selling, we offer a complimentary home evaluation. Give us a call or text.

Peter Szwed 201-805-6242

Lorraine Zito 201-960-6670

Juliette Gorham 973-769-1684

We are Never too busy for Your Referrals!



February REALTORS® Confidence Index

 <p>4 offers for every home sold in February 2021</p>	 <p>Home sales prices have been rising over 10% YoY since August 2020</p>
 <p>3.2 million backlog of new 1-unit & multifamily housing</p>	 <p>Homes typically sold in 20 days nationally</p>

Source: NAR Research



CHRISTIE'S
INTERNATIONAL REAL ESTATE
NORTHERN NEW JERSEY