



May 2021 Newsletter



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MEMORIAL DAY



Memorial Day is often marked as the beginning of summer. On this first long weekend of the season, we hope you have the chance to gather with your friends and family to remember those who gave their all for our freedom - maybe by attending a local parade or going to a religious service.

To mark this holiday, a Memorial Day tribute video was produced to honor American soldiers who died in defense of liberty. It features remarks from President Ronald Reagan and is set to a choir singing the moving hymn "Mansions of the Lord," which was also sung at President Reagan's funeral. You can watch this special Memorial Day tribute video at Hillsdale.edu/tribute2021.

Thank you for honoring the sacrifice of our brave servicemen and women.



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Patience Is the Key to Buying a Home This Year

The question many homebuyers are facing this year is, "Why is it so hard to find a house?" We're in the ultimate sellers' market, which means real estate is ultra-competitive for buyers right now. The National Association of Realtors (NAR) notes homes are getting an average of 4.8 offers per sale, and that number keeps rising. Why? It's because there are so few houses for sale.

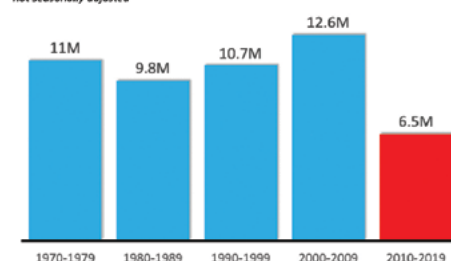
Low inventory in the housing market isn't new, but it's becoming more challenging to navigate.

While many homeowners paused their plans to sell during the height of the pandemic, this isn't the main cause of today's huge gap between supply and demand. Sam Khater, Vice President and Chief Economist at Freddie Mac, Economic Housing and Research Division, shares:

"The main driver of the housing shortfall has been the long-term decline in the construction of single-family homes... That decline has resulted in the decrease in supply of entry-level single-family homes or, 'starter homes.'"

When you consider the number of homes built in the U.S. by decade, the serious lack of new construction is clear (See graph):

Single-Family Housing Units Completed by Decade
not seasonally adjusted



Source: Keeping Current Matters

"The March figure of 1.74 million housing starts is the highest in 14 years. Both single-family units and multifamily units ramped up. After 13 straight years of underproduction - the chief cause for today's inventory shortage - this construction boom needs to last for at least three years to make up for the part shortfall. As trade-up buyers purchase newly constructed homes, their prior homes will show up in MLSs, and hence, more choices for consumers. Housing starts to housing completion could be 4 to 8 months, so be patient. In the meantime, construction workers deserve cheers."

Appraisals

In this seller's market, it's often the buyer that must cover the difference between the purchase price and the appraised value. What do we mean by that? Well, let's take a look:

You see a home you'd like to make an offer on. It's listed for \$450,000. You may be advised that in order to be competitive and have any hope of your offer being considered, you should offer more than asking... like \$50,000 more AND waive the appraisal... more on that later. So now your purchase price is \$500,000. Perfect, you have a little over the 20% down payment saved (\$100,000).

So what's the problem? None, if the home appraises for \$500,000. The problem comes into play if the home appraises for only \$450,000! If you still want to put down 20%, it will be based on the \$450,000, not the full \$500,000. So now you have to put down the 20% (\$90,000) and you need to give the seller the difference of \$50,000

because... the appraisal value was waived (your promise to pay the seller regardless of appraised value).

Now, what are your options? If you have the \$140,000+ it will take to buy the home, then you're set. However, if you don't have that much cash, then you're looking at a scenario where your loan to value goes over 80%. Well, you can take a look at getting appraisal gap insurance, or simply Mortgage Insurance.

You can use this insurance in one of 2 ways. Either a small increase to your monthly payment or pay a one-time premium that is FAR less than having to come up with tens of thousands of dollars more due to the appraisal shortage. Either option is a relatively inexpensive way to cover a larger appraisal gap in this market. Which scenario is right for you? Let's start a conversation!

"Pack" first, you'll soon be *Moving!*

COMING SOON!
Contact LeeAnn Pack @ 503.708.0940

Nelly Street

Hillsboro

Nelly is a 3 bedroom, 2.1 bath townhome, considered a cosmetic fixer for paint, carpet, and some plumbing and light fixtures. It's neighborhood location is very desirable near the Walmart at Cornelius Pass and Baseline Street. The grassy backyard is now a prime amenity compared to the new construction that is being offered.

Available around June 8.

Strickland Drive

Beaverton

This 3 bedroom, 2.1 bath home is situated on a cul-de-sac and has had almost all the updates from fresh paint, new carpet to new bathroom cabinets and fixtures. The vaulted master suite has an alcove perfect for a desk or reading nook. Fireplace and fenced backyard make for perfect in and outdoor entertaining plans.

Available around June 4.

Rodlun Court

Forest Grove

Rodlun Court is a 3 bedroom, 2.1 bath home with a great vaulted room layout perfect for gatherings. A nice deck, fully fenced and a small RV area can be a perfect place to land just in time for summer BBQ's.

Available May 29.

Real Estate Highlights

Below are the 12 month appreciation figures for your area during April 2020 to April 2021.

N Portland	10.7%	Gresham/Troutdale	10.8%
NE Portland	8.9%	Milwaukie/Clackamas	11.7%
SE Portland	12.0%	Oregon City/Canby	11.4%
W Portland	9.6%	Lake Oswego/West Linn	13.9%
Mt. Hood	13.3%	NW Washington Co.	10.5%
Beaverton/Aloha	6.7%	Hillsboro/Forest Grove	7.1%
Tigard/Wilsonville	13.0%	Columbia County	11.4%
		Yamhill County	14.3%

4 Tips to Maximize the Sale of Your House

Homeowners ready to make a move are in a great position to sell today. Housing inventory is incredibly low, driving up buyer competition. This gives homeowners leverage to sell for the best possible terms, and it's fueling a steady rise in home prices.

In such a hot market, houses are selling quickly. According to the National Association of Realtors (NAR), homes are typically on the market for just 18 short days. Despite the speed and opportunity for sellers, there are still steps you can take to prep your house to shine so you get the greatest possible return.

1. Make Buyers Feel at Home

One of the ways to make this happen is to take time to declutter. Pack away any personal items like pictures, awards, and sentimental belongings. The more neutral and tidy the space, the easier it is for a buyer to picture themselves living there. According to the 2021 Profile of Home Staging by NAR:

"82% of buyers' agents said staging a home made it easier for a buyer to visualize the property as a future home."

2. Keep It Clean

On top of making an effort to declutter, it's important to keep your house neat and clean. Before a buyer stops by, be sure to pick up toys, make the beds, and wash the dishes. Ensure your home smells fresh and clean as well. According to the same report from NAR, the kitchen is one of the most important rooms of the house to focus on if you want to attract more buyers.

3. Give Buyers Access

Buyers are less likely to make an offer on your house if they aren't able to easily schedule a time to check it out. If your home is available anytime, that opens up more opportunities for multiple buyers to go from curious to eager. It also allows buyers on tight schedules to still get in to see your house.

Health continues to be a great concern throughout the country, so work with LeeAnn Pack to find the best safety measures and digital practices for your listing. This will drive visibility and create access options that also keep everyone in the process safe.

4. Price It Right

Even in a sellers' market, it's crucial to set your house at the right price to maximize selling potential. Pricing your house too high is actually a detriment to the sale. The goal is to drive high attention from competing buyers and let bidding wars push the price up.

Work with your trusted real estate professional, LeeAnn Pack, to determine the best list price for your house. Having an expert on your side in this process is essential.

Source: Keeping Current Matters

♥ Do you know someone who is buying or selling? We love referrals! ♥



"Pack" first, you'll soon be *Moving!*

Are you planning to sell?
Call 503.648.3000 or visit PackFirst.com
for a FREE MARKET EVALUATION!