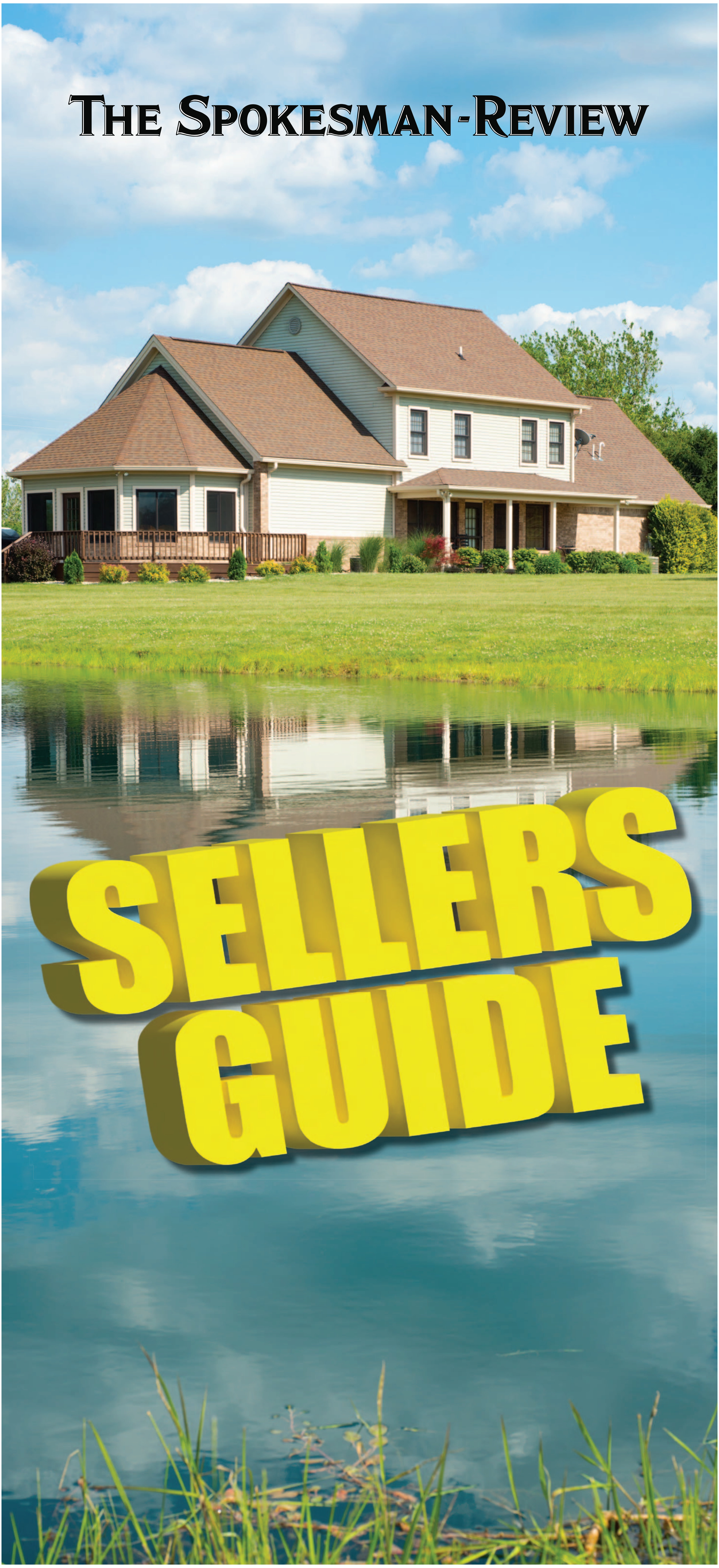
Home Sellers/Buyers is a supplement to The Spokesman-Review



THE SPOKESMAN-REVIEW
SELLERS GUIDE

8 REASONS TO WORK WITH A REALTOR® WHEN YOU'RE SELLING

My column on Page 2 of the Buyers Guide shared eight reasons why it's important to work with a REALTOR® when you're buying. This piece shares why their knowledge of the local market and expertise is helpful for the selling process too.

1. Act as an expert guide. Selling a home typically requires a variety of forms, reports, disclosures, and other legal and financial documents. A knowledgeable real estate agent will know what's required in your market, helping you avoid delays and costly mistakes. Also, there's a lot of jargon involved in a real estate transaction; you want to work with a professional who can speak the language.

2. Offer objective information and opinions. A great real estate agent will look at your home with an unbiased eye, providing you with the information you need to enhance marketability and maximize price. Agents are also a great source for potential buyers who have questions about local utilities, zoning, schools, contractors, and more.

3. Deliver property marketing power. Property rarely sells because of advertising alone. A large share of real estate sales come as the result of the listing agent's contacts with other industry professionals, previous clients, and others in their sphere.

4. Give you a sense of security. Risk is a fact of life. To minimize it, real estate agents follow protocols to ensure their own safety, as well as the safety and security of you and your property. A professional agent will prescreen prospects and accompany qualified prospects through the property. They'll also help educate parties about how to prevent fraudulent dealings, such as wire fraud, that can put sales at risk.

5. Stand in your corner during negotiations. There are many factors up for discussion in any real estate transaction. A real estate professional will look at offers from your perspective, helping you navigate the fine points to ensure you're meeting your objectives.

6. Ensure up-to-date experience. Most people sell only a few homes in a lifetime, usually with quite a few years in between each sale. Even if you've sold a home before, laws and regulations change. Real estate practitioners may handle hundreds or thousands of transactions over the course of their career.

7. Be your rock during emotional moments. A home is so much more than four walls and a roof. For many owners, selling a home means saying goodbye to the place where cherished family memories were made. Having a concerned but objective third party helps you stay focused on the issues most important to you when emotions threaten to sink an otherwise sound transaction.

8. Provide fair and ethical treatment. When you're interviewing agents, ask if they're a REALTOR®, a member of the National Association of REALTORS®. Every member must adhere to the REALTOR® Code of Ethics, which is based on professionalism, serving the interests of clients, and protecting the public. When you work with a REALTOR®, you can expect honest and ethical treatment in all transaction-related matters.

There are two more reasons why a Spokane buyer or seller will want to work with a Spokane-area REALTOR® - only a member of the Spokane Association of REALTORS® has access to the Spokane Multiple Listing Service (MLS); also, new this year is a tool within the Spokane MLS that can help you discover if you're eligible for Down Payment Assistance, and if that assistance applies to a specific property at which you may be looking.

As you can see, there is a real difference when you hire the real thing to help you with real estate. Whether buying or selling, call your friendly local REALTOR® today!

By **Eric Etzel**
Spokane Association of Realtors

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WHAT TO LOOK FOR IN A REAL ESTATE AGENT?

By **Dan Webster**
Marketing Correspondent

So, you're looking to buy a home. Where to go? What to do who? Whom to trust? Good questions all.

And as with any serious decision, the answers are varied.

For starters, where to go? One ready answer is any number of places. You could start with the National Association of Realtors (NAR), for example, a trade association that represents some 1.5 million members.

The NAR website offers a full range of resources, from a rundown of an industry code of ethics to episodes of the video series "First-Time Buyer" (which also streams on the services Hulu, YouTube and Facebook).

Locally, you could consult such sites as realtor.com, which lists literally hundreds of real estate agents – complete with recommendations – in both Eastern Washington and North Idaho. Same with Zillow.com. And a number of others.

As for what to do, that's a process a good agent will guide you through. And it, then, depends – as do so many things in life – on that third requirement, trust, which is sometimes hard to develop.

This trust, though, is what John Orr considers the starting point of an agent-buyer relationship. Now retired, Orr worked for nearly three decades selling houses throughout the Inland Northwest. And, he says, "It's important to have – what do you want to call it? – chemistry. You have to be comfortable."

The trick is finding the right way to develop that sense of comfort. For Orr, it often came through the open house events that he would hold.

"People would come through the open houses and I would just chat with them," he says. He compares the process to "going to a freshman dance where you want to get someone to dance with you. You can't just stand up against the wall and not ask anybody. But you also can't be too pushy."

Orr says he also acquired a lot of clients through personal referrals. But, of course, attracting clients is just the beginning. From there, the relationship depends on the agent's degree of professionalism. Zillow.com, which bills itself as "the most-visited real estate website in the United States," offers its own "check list" for those seeking an agent. Such skills include everything from the agent's "familiarity with the local area and neighborhood" to their demonstrating the ability to be a "creative negotiator and proactive problem solver."

Orr describes the client-agent relationship as "a transactional process."

Yes, he says, "The Realtor has to be attuned to the market." Beyond that, though, "You want to be a person who can counsel a person through the process and do everything you can to make sure that they don't get damaged.

"The successful Realtors who do that," he says. "They thrive because everybody knows about them and everybody loves them." Sometimes, Orr says, that might even involve telling clients something they don't want to hear. "If I'm showing a house," he says, "and the clients go, 'I love this house, I love this house,' but I look up at the ceiling and I see a big, dark stain there, I would say, 'Folks, check out this stain. You really have to get a home inspection'"

The NAR addresses that very notion in its own Code of Ethics, Article 1 of which includes this passage: "When representing a buyer, seller, landlord, tenant, or other client as an agent, realtors pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve realtors of their obligation to treat all parties honestly." (Note: the word "realtor," curiously enough, is an NAR-trademarked term.)

It almost goes without saying that, above all else, what a potential buyer should look for is someone who is dedicated to promoting, and protecting, their interests. Yet the best real estate agents do just that.

"I always told people, and it's something I really believe, that I didn't sell real estate," Orr says. "I just helped people through the process of finding property that they might want to buy, then helped them negotiate the best deal."

So, checking online references, attending open houses, seeking out personal referrals, finding the right real estate agent for you – all of this, added to figuring out just the kind of property you may want to buy -- takes time. And effort.

Then again, buying a home – particularly these days – is a serious business. Doing your due diligence is definitely worth the trouble.

WHAT IT MEANS FOR YOU WHEN THE FED RAISES INTEREST RATES

By **Erin Arvedlund**
Philadelphia Inquirer

The cost of borrowing money is going up.

That's because the Federal Reserve, America's central bank, on March 23, raised its key interest rate 0.25%, the first increase since 2018.

The central bank wants to tame the highest inflation rates that the United States has seen in 40 years.

What does it mean when the Fed raises interest rates?

The Federal Reserve sets the interest rates that banks charge each other for overnight loans to meet reserve requirements.

This rate, the benchmark federal-funds rate, influences the interest that financial institutions charge consumers to make purchases such as homes and cars, and finance student loans and credit cards.

When the Fed raises its federal-funds rate, commercial rates follow in the same direction.

Since the pandemic began in March 2020, the range for this short-term, overnight interbank rate was 0.0%-0.25%.

The Fed this week raised the rate one-quarter of one percent, to a range between 0.25% and 0.50%, and signaled that it expects to lift rates as many as six more times this year.

The Fed's key interest rate has been a powerful tool in setting monetary policy. Lowering the rate revs up the economy by making it cheaper to borrow money while raising the rates puts on the brakes.

How much are interest rates going up?

Only a little bit now, but some estimate that the federal-funds rate could rise to 2% by the end of 2022.

Not everyone agrees on how high the Fed will go. Moody's isn't sure the Fed will move beyond 2% "because there is significant uncertainty in the outlook and the Fed's view of the appropriate path for the fed funds rate can change," according to a March 17 research note. If oil prices continue skyrocketing, for example, the Fed may pause.

Credit card rates and auto loan interest rates are already high, said Lara Rhame, chief U.S. economist with FS Investments in Philadelphia.

"Those won't move as much as loans grounded in the banking system, such as construction and small-business loans, 18-month and two-year loans," Rhame said.

"Those will move up quickly with the Federal funds rate hike."

Why now?

Worries about inflation and war have displaced concerns about the pandemic.

The Fed raised rates to protect the U.S. economy from soaring inflation and higher oil prices due to the Russian invasion of Ukraine.

Higher interest rates can put the brakes on growth, but Fed chair Jerome Powell said solid hiring and wages show America's economy is strong enough to withstand the hikes.

The Fed cut its forecast for GDP growth this year from 4% to 2.8% but left forecasts for GDP growth in 2023 and 2024 at 1.8%. The unemployment rate is expected to drop to 3.5% this year and next year, while the Fed projected a slight rise to 3.6% in 2024.

The Fed expects inflation to hover at about 4.3% this year, dropping to 2.7% in 2023 and to 2.3% in 2024.

According to the latest data from the Labor Department, over the 12 months ending in February, inflation jumped 7.9%.

Among the factors driving inflation are labor costs, a strong economy and supply chain problems. "Rate hikes only fix two out of the three of those," Rhame said.

See **INTEREST RATES**, page **7**

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3 WAYS TO USE YOUR LAWN TO IMPROVE CURB APPEAL

Metrocreative

Returns on home improvement projects vary. In its annual Cost vs. Value Report, Remodeling magazine notes the projects that yield the best returns on investment in a given year. But a host of factors, including the type of market (buyers' or sellers') and the region where the home is being sold, ultimately combine to determine if homeowners' investments in home improvement projects will provide the returns they were hoping for. Though there's no way of guaranteeing a home improvement project will yield a great return, real estate professionals often cite improving curb appeal as an excellent way to attract prospective buyers and potentially get the asking price or more when selling the home. Improving curb appeal makes even more sense in today's real estate market, when many people do their own searching via real estate websites such as Trulia or Zillow. When using such sites, buyers will likely be less inclined to click on a listing if exterior photos of the property are not eye-catching. Various projects, including tending to lawns and gardens, can improve curb appeal. An added benefit to focusing on landscaping to improve curb appeal is it promotes spending time outdoors in spring and summer. In addition, many lawn- and garden-related home improvement projects need not require professional expertise.

1. Maintain a lush green lawn.

Lawns that fall into disrepair may not give buyers a correct impression about how homeowners maintained their homes. Lawns with multiple dead spots and grass that appears more brown than green may lead many buyers to assume that the home's interior was equally ill-cared for. Maintaining lush green lawns is not as difficult as it may seem. Applying fertilizer and aerating at the appropriate times of year (this varies by region) can promote strong roots and healthy soil, making it easier for grass to survive harsh conditions like drought. When watering in summer, do so in early morning or evening so as little water is lost to evaporation as possible.

2. Address brown patch.

Even well-maintained lawns can fall victims to brown spots. According to the lawn care professionals at TruGreen, lawns in regions with hot temperatures and high humidity can be infected with brown patch, a common lawn disease that is caused by fungus, which can produce circular areas of brown, dead grass surrounded by narrow, dark rings. Penn State's College of Agricultural Sciences notes that removing dew that collects on grass leaves each morning, which can be accomplished by mowing or dragging a water hose across affected areas, can be an effective way to reduce brown patch. Homeowners without much lawn care experience can consult professional landscapers to address the issue. But those looking to sell their properties should note that buyers often walk the grounds of homes they are considering buying. So addressing any issues on the lawn should be a priority for sellers.

3. Confine dogs to certain areas.

Dog owners may want to let their pets roam free in their yards. But homeowners about to put their properties up for sale may want to confine their four-legged friends to certain areas. That's because dog urine can be high in nitrogen. Nitrogen itself is not harmful to lawns, but in high concentrations it can contribute to yellow or brown spots. Also, highly acidic dog urine may even adversely affect pH levels in the soil. Curb appeal can go a long way toward helping homeowners sell their homes, and a lush lawn can be used to catch the eye of prospective buyers.

HOW TO DETERMINE IF IT'S TIME TO DOWNSIZE

Metrocreative

Individuals work hard to save enough money to purchase their homes. And the hard work doesn't end there. Once homeowners settle into a new home, they may set their sights on renovations that suit their individual needs. And even when buyers find a home that needs no such work, maintenance requires homeowners' utmost attention.

All that hard work is perhaps one reason why seniors may be a little reluctant to downsize as they advance through their golden years. In addition to the sweat equity homeowners put into their homes, all the memories they've made within their walls can make it harder to put a home on the market.

Downsizing is a difficult decision that's unique to each homeowner. Seniors who aren't quite certain if downsizing is right for them can consider three key factors to make a decision that's in their best interests.

- **Cost:** Perhaps no variable affects senior homeowners' decisions to downsize their homes as much as cost. No one wants to outlive their money, and downsizing to a smaller home can help seniors reduce their monthly expenses by a significant margin. Even homeowners who have long since paid off their mortgages can save substantial amounts of money by downsizing to a smaller home or even an apartment or condominium. Lower property taxes, reduced insurance premiums and the need to pay for fewer repairs are just some of the ways downsizing can save seniors money.
- **Space:** Many people love the extra space that single-family homes provide. But seniors can take a walk through their homes and see how many rooms they still use on a consistent basis.

See DOWNSIZING, page 7

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Texas Counties Enjoy Fastest Growth in Housing Units

PETER MATEYKA
Census.gov

The total number of housing units in the United States grew 6.7% between 2010 and 2020 but the growth was not equal across metropolitan and micropolitan areas and beyond and even declined in some areas.

All growth occurred in Core-Based Statistical Areas (CBSAs), which include both metropolitan areas (metros) and micropolitan areas (micros).

CBSAs are made up of economically connected groups of counties. For example, the Washington-Arlington-Alexandria CBSA includes counties in Maryland, Virginia, Washington D.C., and West Virginia that share a common labor market and have strong commuting ties.

CBSAs with an urban core of at least 10,000 but not more than 50,000 people are classified as micro areas, and those with an urban core of 50,000 or more people as metro areas.

These areas may be further divided into central areas — which contain parts or all the urban core — and outlying areas (outside the urban center).

Some central areas in the Washington-Arlington-Alexandria CBSA are Washington D.C., Montgomery and Prince George's counties in Maryland, and Arlington and Fairfax counties in Virginia. Some outlying areas are Calvert County, MD, Spotsylvania County, VA, and Jefferson County, WVA.

Housing declined in non-CBSAs, which include all counties located outside of CBSAs.

Housing units in central and outlying parts of metropolitan areas, which encompassed about 84.5% of all housing units in 2020, grew more than 7.9% from 2010 to 2020.

Micros and non-CBSAs had less growth and some areas saw dips in the total number of housing units over the decade.

Central parts of micropolitan areas experienced a 1.5% increase while outlying pockets of micropolitan areas and non-CBSAs had net losses of 1.7% and 2.7%, respectively.

Table 1.
Net Change in Housing Units: 2010–2020

United States	Total housing units		Occupied units		Vacant units		Net change in housing units (2020–2010)		
	2020	2010	2020	2010	2020	2010	Total	Occupied	Vacant
Metro, central	110,609,716	102,447,311	101,459,313	92,357,558	9,150,403	10,089,753	8,162,405	9,101,755	-939,350
Metro, outlying	9,539,297	8,864,438	8,561,264	7,781,031	978,033	1,083,407	674,859	780,233	-105,374
Micro, central	12,162,969	11,977,783	10,408,421	10,146,833	1,754,548	1,830,950	185,186	261,588	-76,402
Micro, outlying	588,334	598,214	468,691	466,520	119,643	131,694	-9,880	2,171	-12,051
Nonmetro, nonmicro	9,196,579	9,453,930	7,260,425	7,340,881	1,936,154	2,113,049	-257,351	-80,456	-176,895

Source: U.S. Census Bureau, 2010 Census Advance Group Quarters Summary File; 2020 Census Redistricting Data (Public Law 94-171) Summary File.

Impact of Housing Crisis

The number of housing units in an area includes all occupied and vacant units. In 2010, the nation was experiencing a housing crisis, with high numbers of evictions and foreclosures, which resulted in a larger than usual share of vacant housing stock.

The percentage of occupied U.S. housing units increased from 88.6% of all housing units in 2010 to 90.2% in 2020.

The number of occupied housing units grows when new housing is built or previously vacant homes become occupied. It decreases when housing units become vacant, are demolished or are converted into other uses.

The decennial census shows the net change in housing units by occupied and vacant status but does not release numbers on the components of change in the nation's housing stock. Numbers on the individual components of change in housing stock, such as new construction, demolishment or conversion into nonresidential uses, can be found in the American Housing Survey.

Growth in Occupied Units Outpaces Growth in Total Housing Units in CBSAs

The growth in metros' central and outlying parts was driven by a 9.9% increase in occupied housing units, which outpaced the 6.7% overall national growth in total housing.

For example, in 2020 there were over 9.1 million more occupied units and 900,000-plus fewer vacant units in central parts of metropolitan areas than in 2010, a net gain of just under 8.2 million (Table 1).

This suggests a tightening of the housing market in metropolitan areas. The growth of occupied units likely came from new construction and previously vacant units that became occupied.

In micropolitan areas, central counties with urban cores experienced a 2.6% jump in occupied units from 2010 to 2020. While smaller than the growth in metropolitan areas, it also outpaced the total growth of housing units in these areas, which was about 1.5%.

Outlying micropolitan counties experienced what seems like a contradictory pattern: They lost housing units overall but showed a small increase (about 0.5%) in occupied housing.

How can the number of housing units decrease but occupied units increase? Because the increase came mostly from vacant housing becoming occupied rather than from more new housing. At the same time, the total housing stock shrank.

Non-CBSAs were the only areas that experienced percentage declines in occupied units over the decade. Both CBSAs and non-CBSAs experienced declines in the percentage of vacant housing units.

Central parts of metropolitan areas had the lowest overall vacancy rate — 8.3% — in 2020, down 1.6 percentage points from 2010. Even non-CBSAs, which had the highest vacancy rate (21.1%) in 2020, saw a 1.3 percentage point decline in vacant units during the 10-year period.

Overall, these trends suggest a pattern: The largest and most urban areas saw the biggest housing gains while the smallest, lowest density areas outside of CBSAs lost both occupied and vacant housing units.

Non-CBSAs in 2020 represented more than 40.0% of the nation's counties but had only a 6.5% slice of total U.S. housing units.

Big Gains and Declines in Metropolitan Counties

Because metropolitan areas have larger and denser populations than micropolitan areas and non-CBSAs, even a modest change in counties' housing unit growth can represent thousands of housing units.

Many of the metro counties with the highest percentage growth in housing units were in Texas.

Five of the 10 central counties in metro areas that had the fastest percentage growth in housing units were in Texas.

Table 3.
10 Outlying Counties of Metropolitan Areas With Largest Percent Growth in Housing Units

County	Core Based Statistical Area (CBSA)	State	2020 Census count of housing units	Net change in housing units (2020-2010)	Percent change (2020-2010)
Denton County	Dallas-Fort Worth-Arlington, TX	Texas	348,275	92,136	36.0
Montgomery County	Houston-The Woodlands-Sugar Land, TX	Texas	238,489	60,842	34.2
Kaufman County	Dallas-Fort Worth-Arlington, TX	Texas	51,228	12,906	33.7
St. Johns County	Jacksonville, FL	Florida	119,090	29,260	32.6
Kendall County	San Antonio-New Braunfels, TX	Texas	18,330	4,275	30.4
Rutherford County	Nashville-Davidson--Murfreesboro--Franklin, TN	Tennessee	131,216	28,248	27.4
Lancaster County	Charlotte-Concord-Gastonia, NC-SC	South Carolina	41,030	8,343	25.5
Bastrop County	Austin-Round Rock-Georgetown, TX	Texas	36,683	7,367	25.1
Jasper County	Hilton Head Island-Bluffton, SC	South Carolina	12,862	2,563	24.9
New Kent County	Richmond, VA	Virginia	9,059	1,764	24.2

Source: U.S. Census Bureau, 2020 Census Redistricting Data (Public Law 94-171) Summary File.

The same is true among outlying metro counties.

Hays County, a central county in the Austin-Round Rock-Georgetown, Texas Metropolitan Area, had a 57.4% increase in housing units between 2010 and 2020, the highest percentage growth of any central metropolitan county in the country and a net gain of over 34,000 units (Table 3).

Denton County, an outlying county in the Dallas-Fort Worth-Arlington, Texas Metropolitan Area, had a 36.0% increase in housing units, the highest percentage growth of any outlying metropolitan county in the country and a net gain of over 92,000 units.

While metropolitan counties averaged faster growth than the nation as a whole, not all metro areas gained housing units from 2010 to 2020.

Seven of the 10 central metro counties with the largest declines were in Puerto Rico, two were in West Virginia and one in Arkansas (Table 4).

Fayette County, West Virginia, a central county of the Beckley, West Virginia Metropolitan area, lost 11.7% of its total housing units from 2010 to 2020, the largest percentage loss of any central metropolitan county in the country and a net loss of over 2,500 units.

McIntosh County, Georgia, an outlying county of the Brunswick, Georgia metropolitan area, lost 28.3% of its housing units from 2010 to 2020, the largest percentage loss of units of any outlying metropolitan county in the country and a net loss of over 2,600 units.

The 2020 Census shows that the metropolitan counties with the largest percentage increases in housing units were primarily in the South, which also experienced the largest population gains.

The metropolitan counties with the largest percentage decreases in housing units were in Puerto Rico and smaller counties in the South and Midwest with a relatively smaller housing stock.

EXTERIOR RENOVATIONS THAT CAN IMPROVE HOME VALUE

Metrocreative

Renovating a home to improve its value can be a smart investment. Interior improvements, such as updating kitchens and baths, offer good return on investment, but there are plenty of exterior renovations that can add value to a home and give it that coveted 'wow' factor.

Landscaping

Abundant and well planned landscaping can instantly boost curb appeal. According to the landscaping company Lawn Starter, 71 percent of prospective home buyers say a home's curb appeal is an important factor in their buying decisions. As buyers use the internet to look for their dream homes, there's no denying a beautifully landscaped, nicely photographed property can entice buyers to click and read more about a house.

Address insects and minor repairs

Improving home value may come down to fixing areas of the home that can negatively affect its appeal to buyers. Hire an inspector to look at key components of the house and recommend what needs to be fixed. This way it is discovered before home buyers come in and do their own inspections. Termite infestations, deteriorating roofs and hidden water leaks are some things that might need fixing.

Outdoor lighting

Outdoor lighting can add to the ambiance of a property and serve as a security feature. Utilize different lights, such as a bright light by the entry, uplighting in trees and shrubs for drama, a light-lined path to the door to improve visibility, and motion-detection lights to improve the security of the property.

Repaint (or reside) the exterior

Knowing which improvements add value to a home can help homeowners tailor their efforts to those that are most financially beneficial.

A fresh coat of paint or new (or cleaned) siding can instantly give homes a facelift. Neutral, warm and inviting colors tend to have the widest appeal. Adding manufactured stone veneer to the home can offer a 94.9 percent ROI, says Remodeling. And after doing the front door and siding, investing in a garage door replacement offers the highest ROI of all exterior projects.

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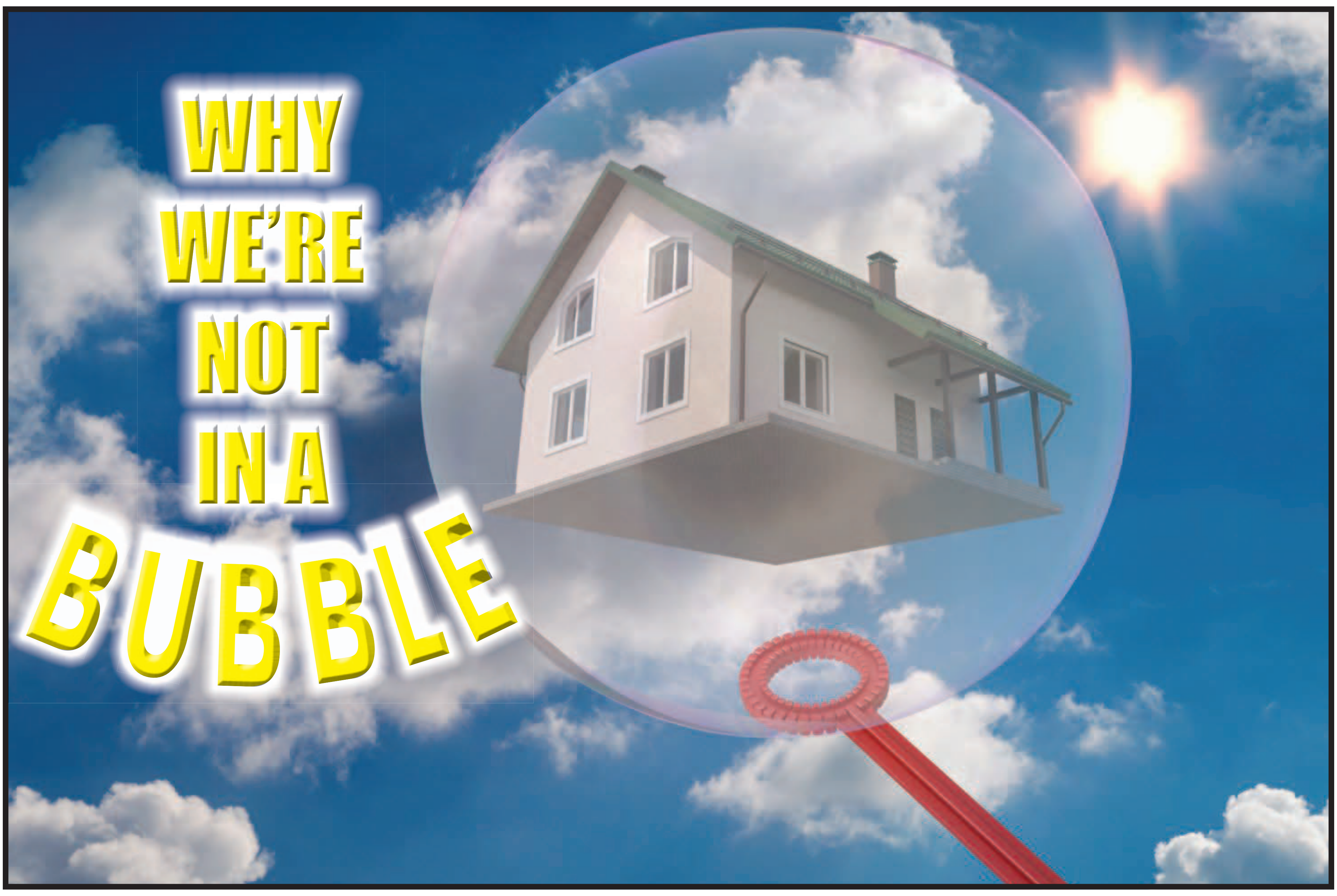

FINANCIAL CONDITIONS DIFFERENT THAN IN 2007 MELTDOWN

More and more agents are hearing the question, "Is the housing market going to collapse like it did before?"

And the answer universally is "No, it's not."

Fear of a bubble bursting right around the corner also shouldn't be used as a justification to hold someone back from investing, since there are some great opportunities, especially for buyers. And though there are some unusual market forces at play, none of them appear to be leading to a massive and damaging correction like there was in 2007-2008.

There are all sorts of economical differences at a regional level, a state level and even a national level from the bursting of the housing bubble back then and conditions today.

These include:

Differences in inventory.

One of the results of the 'bubble' was that too many people took possession of houses and then couldn't pay for them, leaving a surplus of homes that either were foreclosed on or priced to sell.

In some cases, a developer may have abandoned entire new neighborhoods or commercial projects since they could no longer support them.

Today, the challenges include too few houses available and high prices for them.

Difference in qualifications

Right before the bubble burst, getting loan approval was often downright simple.

Some lenders didn't require a lot of financial information, thorough paperwork, down payments, or even a lot of assurances that wages could be ale to sustain a mortgage.

Some even were asked just to check a box saying "Yes, I'm employed," rather than providing detailed work history and pay stubs.

Some lenders also offered 'balloon payments' where payments would be small at first but them jump in price quickly. The offer may have sounded great at first and could lead someone to think they would be able to be able to make up the difference, like a new job. Once these payments increased, some owners weren't able to handle them month after month so they soon defaulted.

Today, applicants require more comprehensive information in order to qualify for financing. This includes financial history, employment history, credit score and more.

For instance, a common pre-bubble credit score for lenders was 700. Today, it must be at least 750 to be considered.

These higher standards aren't just to help buyers avoid financial problems down the road: because so many banks and lenders were also negatively affected by the housing meltdown, there are higher bars and more requirements.

This means that even though the number of loans has gone down, buyers with higher credit scores and better finances are getting into a home – and staying in one.

Many who purchased in 2007-2008 and have remained in their homes since then now have a good amount of equity that can be used in a refinance.

Difference in rates

Yes, they seem like they're on their way up. But not many people realize that they haven't been this low for such a long period of time. In fact, they were nearly double what they are now in 2007-2008, before a series of actions over several quarters moved them lower.

Though mortgage rates did fluctuate, the average for 30-year fixed loan was 6.5 percent around 2007. Today, it's around 3.8 percent. Based on how slowly the Federal Reserve keeps raising rates, it would take months or even years to reach this figure again, if it even happens.

If rates do go up, future buyers may not be able to qualify for as much. They may not want to borrow or refinance as much either as they would have in the past, which lowers their risk of getting behind in payments.

Value of home ownership

One of the differences between then and now is that home values have risen so much. This allows homeowners to tap into this equity. They have more financial security and many are in a much better position than they were around the time of the housing bubble burst and that period of recession.

If someone can afford it and qualify for financing, home buying has advantages over renting now since you're building equity.

Experts do expect conditions to remain similar until inventory levels change. But there's less risk of the massive defaults and sell-offs.

So when people ask "should I buy now or is the bubble coming soon?" the answer should be "buy when you're ready."

LONG-TERM MORTGAGE RATES RISE AGAIN; 30-YEAR BREACHES 4.5%

Associated Press

WASHINGTON – Average long-term U.S. mortgage rates increased again at the state of April as the key 30-year loan rate vaulted over 4.5% and attained its highest level since the end of 2018.

Against a backdrop of inflation at a four-decade high, the increases in home loan rates come a few weeks after the Federal Reserve raised by a quarter point its benchmark short-term interest rate – which it had kept near zero since the pandemic recession struck two years ago – to cool the economy.

The central bank has signaled potentially up to seven additional rate increases this year.

The developments mean that mortgage rates likely will continue to increase over the year.

Mortgage buyer Freddie Mac reported April 3 that the average rate on the 30-year loan rose to 4.67% from 4.42% the previous week.

That's a sharp contrast from last year's record-low mortgage rates of about 3%. A year ago, the 30-year rate stood at 3.18%.

The average rate on 15-year, fixed-rate mortgages, popular among those refinancing their homes, jumped to 3.83% from 3.63% the previous week.

Home prices are up about 15% over the past year and as much as 30% in some cities. Homes available for sale have been in short supply even before the pandemic started two years ago.

Now higher prices and increasing loan rates will make it even harder for would-be buyers as the spring homebuying season gets underway.

The government reported in the same time period that an inflation gauge closely monitored by the Fed jumped 6.4% in February compared with a year earlier, with sharply higher prices for food, gasoline and other necessities squeezing Americans' finances.

That figure was the largest year-over-year increase in 40 years – since January 1982. Excluding volatile prices for food and energy, so-called core inflation increased 5.4% in February from 12 months earlier.

Robust consumer demand has combined with shortages of many goods to fuel the sharpest price jumps in four decades.

Measures of inflation will likely worsen in the coming months because Thursday's report didn't reflect the consequences of Russia's invasion of Ukraine, which began on Feb. 24.

The war has disrupted global oil markets and accelerated prices for wheat, nickel and other key commodities.

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FINANCIAL CONDITIONS DIFFERENT THAN IN 2007 MELTDOWN

More and more agents are hearing the question, "Is the housing market going to collapse like it did before?"

And the answer universally is "No, it's not."

Fear of a bubble bursting right around the corner also shouldn't be used as a justification to hold someone back from investing, since there are some great opportunities, especially for buyers. And though there are some unusual market forces at play, none of them appear to be leading to a massive and damaging correction like there was in 2007-2008.

There are all sorts of economical differences at a regional level, a state level and even a national level from the bursting of the housing bubble back then and conditions today.

These include:

Differences in inventory. One of the results of the 'bubble' was that too many people took possession of houses and then couldn't pay for them, leaving a surplus of homes that either were foreclosed on or priced to sell.

In some cases, a developer may have abandoned entire new neighborhoods or commercial projects since they could no longer support them.

Today, the challenges include too few houses available and high prices for them.

Difference in qualifications

Right before the bubble burst, getting loan approval was often downright simple. Some lenders didn't require a lot of financial information, thorough paperwork, down payments, or even a lot of assurances that a borrower's current wages could be ale to sustain a mortgage.

Some even were asked just to check a box saying "Yes, I'm employed," rather than providing detailed work history and pay stubs.

Some lenders also offered 'balloon payments' where payments would be small at first but them jump in price quickly. The offer may have sounded great at first and could lead someone to think they would be able to make up the difference, like a new job. Once these payments increased, some owners weren't able to handle them month after month so they soon defaulted.

Today, applicants require more comprehensive information in order to qualify for financing. This includes financial history, employment history, credit score and more.

For instance, a common pre-bubble credit score for lenders was 700. Today, it must be at least 750 to be considered.

These higher standards aren't just to help buyers avoid financial problems down the road: because so many banks and lenders were also negatively affected by the housing meltdown, there are higher bars and more requirements.

This means that even though the number of loans has gone down, buyers with higher credit scores and better finances are getting into a home – and staying in one.

Many who purchased in 2007-2008 and have remained in their homes since then now have a good amount of equity that can be used in a refinance.

Difference in rates

Yes, they seem like they're on their way up. But not many people realize that they haven't been this low for such a long period of time. In fact, they were nearly double what they are now in 2007-2008, before a series of actions over several quarters moved them lower.

Though mortgage rates did fluctuate, the average for 30-year fixed loan was 6.5 percent around 2007. Today, it's around 3.8 percent. Based on how slowly the Federal Reserve keeps raising rates, it would take months or even years to reach this figure again, if it even happens.

If rates do go up, future buyers may not be able to qualify for as much. They may not want to borrow or refinance as much either as they would have in the past, which lowers their risk of getting behind in payments.

Value of home ownership

One of the differences between then and now continue to exert an upward pressure on prices.

INTEREST RATES

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Rising oil prices and Russia's invasion of Ukraine, not captured in the latest inflation data, continue to exert an upward pressure on prices.

What does this mean for student loans?

Most federal student loans have fixed interest rates, and a fixed-rate loan wouldn't change, so your interest rate and payment remain the same.

"If you have a federal loan, this doesn't affect you. Your rate is fixed," said student loan expert Anna Helhoski.

Private student loans, however, often have variable rates, and "this rate hike affects borrowers in the private market immediately," said Helhoski, who works for the NerdWallet personal finance website and app.

The rate hike adds an additional 0.25% to your student loan interest, she said.

A private student loan lender determines interest rates based on credit history, the school you attend, and your course of study, according to the Consumer Finance Protection Bureau.

Your lender must tell you your rates. If you already have a loan, log in to your student loan account on your lender's website or call your servicer to find interest rate information.

When federal student loan rates are reset in July, keyed off of 10-year Treasury bonds, that rate could be higher than today, Helhoski said.

Direct federal loans for undergrads charge 3.73% until July 1, 2022, 5.28% for graduate loans, and 6.28% for Parent Plus loans, according to the Department of Education."We don't know what the rate will be for the 2022-2023 school year," Helhoski said. Check your current interest rate on the Department of Education's website: studentaid.gov/understand-aid/types/loans/interest-rates.

A total of 26.6 million people are expected to resume student loan payments on May 2 after being paused since March 13, 2020, and government agencies, advocates and lawmakers may extend yet again.

How much will mortgages cost now?

Mortgage interest rates aren't directly tied to the federal-funds rate, but nonetheless these have moved up, too.

A 30-year fixed-rate mortgage averaged 4.16% in the week ending March 17, up from 3.85% the week before, according to Freddie Mac data on the St. Louis Federal Reserve website.

Home prices were up 17% year-over-year in 2021, Rhame said. "Could that prompt home prices to slow down a bit? That's likely to happen as mortgage rates rise."

There are other factors shaping the housing market, she added. "There's still very short supply."

HOW TO EMPLOY STAGING TO IMPRESS BUYERS

Metrocreative

Homeowners must consider a variety of factors when putting their homes on the market. One of the more important things to remember is the benefits of making a strong first impression on prospective buyers. That's why many homeowners rely on staging when selling their homes. Staging requires more than just clearing out clutter or baking a batch of cookies to create a welcoming aroma. Staging helps potential buyers visualize the potential of a home and see themselves owning and living in the property. While homeowners can effectively stage their own homes, sometimes it is well worth the investment to call in a professional designer or stager.

Stagers often work their magic on vacant properties or those that have been sitting on the market awhile. A stager conducts careful research into the market of a particular area and learns about the neighborhood before deciding how to appeal to likely buyers. For example, when staging a coastal home, a stager may go with nautical themes and create the impression of a relaxing and laid-back property for entertaining by the beach. Certain rules should be followed when staging a home. Furniture, decor and other amenities in the home should not detract from the house itself. Instead, such items should complement the architecture and feel of the space. Here are some additional staging suggestions.

• Remove personal effects. Homeowners are urged to replace personal photographs with neutral artwork and remove other decorative items that reflect their personalities. As an example, an avid outdoorsman probably will want to remove hunting trophies. The goal is to help buyers see themselves in the home, and that can be difficult if existing residents' personal effects are everywhere.

• Put away nonessential items. Staging helps homeowners create dream spaces. Coffeemakers, backpacks hanging on the wall and dishes in the drainboard may be part of daily living, but they can make it hard for buyers to see a home's potential. Store such items before holding an open house.

• Maximize lighting. Whenever possible, take down or open window treatments to display architectural moldings and let in as much natural light as possible.

• Opt for neutral colors and furnishings. Use neutral taupe and gray paint to keep homes prime for buyers. Homeowners who have more eclectic or colorful tastes can put their items in storage and rent neutral furnishings until the home sells. Staging can improve the chances that a house sells quickly. Staging helps potential buyers see themselves in the space without distractions from the previous owners' decorating or belongings.

DOWNSIZING

Continued from page 4

If much of the home is unused, seniors can probably downsize without adversely affecting their daily lives.

• **Market:** The real estate market is another factor to consider when deciding if the time is right to downsize. A seller's market can help seniors get the biggest return on their real estate investment, potentially helping them make up for meager retirement savings.

For example, home prices skyrocketed across the country during the COVID-19 pandemic, making that a great time for sellers to put their homes on the market. Seniors selling to downsize may capitalize on such spikes since they won't be looking to turn around and buy larger, equally expensive homes once they sell their current place. If the market is down and seniors can withstand the work and cost a little longer, it may be best to wait until things bounce back in sellers' favor.

Downsizing requires careful consideration of a host of variables. No two situations are the same, so seniors should exercise due diligence to determine if downsizing is right for them.

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