

# JANUARY UPDATE

A monthly newsletter brought to you by McNulty Real Estate Services, Inc.

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**Happy 2019! This weekend, remember to drip your pipes during the severe cold snap.**

## **A Welcome Sign for Housing: Another Boost in Home Sales**

We thought you might like an end of 2018 snapshot of real estate statistics across the country. We are constantly studying these throughout each year.

The December report revealed existing-home sales rose for the second consecutive month, as three of the four U.S. regions saw an increase in sales. Despite this continued increase in sales, 5.32 million in November, we were still down 7 percent from a year ago.

Lawrence Yun, National Association of Realtors' chief economist says, *"The market conditions in November were mixed, with good signs of stabilizing home sales compared to recent months, though down significantly from one year ago. Rising inventory is clearly taming home price appreciation."*

# NOVEMBER HOUSING SNAPSHOT

## EXISTING-HOME SALES

# 5.32 million

SALES

(MoM)  
↑ 1.9%

(YoY)  
↓ -7.0%

MEDIAN  
SALES PRICE

# \$257,700

(YoY)  
↑ 4.2%

INVENTORY

# 3.9 months\*

3.5 months in November 2017

\*Six months of inventory is considered a balanced market that equally benefits buyers and sellers.






The following is a closer look at some of the leading indicators in existing-home sales in November:

**Home prices:** Median existing-home price for all housing types was \$257,700 in November, up 4.2 percent over last year.

**Inventory:** Total inventory fell to 1.74 million, but is higher than the 1.67 million from last year. We have a 3.9-month supply of unsold inventory at the current sales pace.

“A marked shift is occurring in the West region, with much lower sales and very soft price growth,” says Yun. “It is also the West region where consumers have expressed the weakest sentiment about home buying, largely due to the lack of affordable housing inventory.”

**Existing-Home Sales: November 2018** Total existing-home sales increased 1.9% from October to a seasonally adjusted rate of 5.32M in November. Sales are now down 7.0% from a year ago (5.72M in November 2017).

National Homes	Single-Family Homes	Condos and Co-ops
Sales rose to 5.32M (from 5.22M in Oct*)	Sales increased to 4.71M (from 4.62M in Oct*)	Sales stepped up to 610,000 (from 600,000 in Oct*)
		
Price: \$257,700	Price: \$260,500	Price: \$236,400

**West:** Sales 1.04M\*, median price \$380,600

**Midwest:** Sales 1.34M\*, median price \$199,100

**Northeast:** Sales 740K\*, median price \$291,400

**South:** Sales 2.20M\*, median price \$223,600

**EHS FACTS:**

- First-time buyers were responsible for 33% of sales in November, up from 31% last month and a year ago (29%). NAR's 2018 Profile of Home Buyers and Sellers – released in late 2018 – revealed that the annual share of first-time buyers was 33%.
- All-cash sales accounted for 21% of transactions in November, down from October and a year ago (22%, respectively).
- Properties typically stayed on the market for 42 days in November, up from 33 days in October and up from 40 days a year ago. 43% of homes sold in November were on the market for less than a month.


**About EHS:**


Each month, the Research team of the National Association of REALTORS® receives data on existing-home sales (single-family, condos and co-ops) from local associations/boards and multiple listing services (MLS) nationwide. NAR captures 30-40% of all existing-home sale transactions with its monthly survey. The data provide the total number of closed existing-home sales in each association/board/MLS and also total sales within a wide range of price categories.

\*Seasonally adjusted figures. For more on how EHS is calculated, go to: [nar.realtor/research-and-statistics/housing-statistics/existing-home-sales](http://nar.realtor/research-and-statistics/housing-statistics/existing-home-sales)

**Inventory**

- Total housing inventory at the end of November decreased from 1.85M in October to 1.74M existing homes available for sale, but that represents an increase from 1.67M a year ago.
- Unsold inventory is at a 3.9-month supply at the current sales pace, down from 4.3 last month and up from 3.5 months a year ago.





**Days on the market:** Forty-three percent of homes were on the market less than a month in November. Average time on market, 42 days, up slightly from 40 days a year ago.

**Distressed sales:** Since the NAR started tracking in 2008, foreclosures and short sales comprised of just 2 percent of sales in November. Down from 4 percent a year ago.

**All-cash sales:** 21 percent of sales in November were all-cash transactions, compared to 22 percent a year ago. Individuals made up 13 percent, down from 14 percent a year ago, while investors made up the bulk of all-cash sales.

## Low Mortgage Rates Made for Surprising Holiday Gift

Right before Christmas the mortgage rates moderated after a big drop. The Federal Reserve's decision to raise its short-term key interest rate hasn't had much of an effect on rates. (The Fed's key rate is not directly tied to mortgage rates, but does often influence it.)

*"The response to the recent decline in mortgage rates is already being felt in the housing market," says Sam Khater, Freddie Mac's chief economist. "After declining for six consecutive months, existing home sales finally rose in October and November and are essentially at the same level as during the summer months. The modest rebound in sales indicates that home buyers are very sensitive to mortgage rate changes-and given the further drop in rates we've seen this month, we expect to see a modest rebound in home sales as well."*

You can see updated mortgage rates below.

## Gen Z Is Already Planning for Home Ownership

A new study by Realtor.com shows that Generation Z is eager to get an early start on home ownership . Aged 18-24, Gen Z is two times more likely than previous generations to be saving for a home by the age of 25.

*"Gen Zers don't just want to become homeowners; they want to do it at a younger age and we found out they're saving or planning to save for it accordingly," says Danielle Hale, realtor.com's chief economist. "Their desire for home ownership may be similar to that currently of millennials (25-39) and Gen Xers (40-54), but graduating into one of the best labor markets in generations might give them the boost they need."*

Nearly 80 percent of Gen Z's surveyed say they want to (or already do) own a home, which is comparable to current millennials and Gen X (both 82 percent). The cost is

the biggest barrier Gen Z respondents cited. They aren't shy about asking their parents for help. Fifty-six percent said "maybe" or "yes" to expecting or receiving financial help from their family.

Gen Z's head start on savings and potential access to family support may prepare this up-and-coming generation to invest in real estate, but there's no guarantee that's how it'll roll out. *"Only time will tell if Gen Zers are able to achieve their ambitious goals,"* says Hale.

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## Featured Listings



5803 E 75th Street offers wonderful new construction by the Wedgewood Building Company. 3 bedroom 2.5 bath main floor living at its finest by one of Central Indiana's premier custom builders. Open floor-plan with high quality features and design. Hearth room, kitchen, harvest room, and sun room all flow together as one.



Beautiful master bedroom suite with spacious shower and walk-in closet. Basement with daylight windows offers spaces and features which would allow for a rec room with a wet bar, and an additional bedroom and full bath. Super convenient location on the northeast side of Indianapolis. List Price: \$495,000

Click [HERE](#) for additional information.



Our building at 930 E 66th has shared office space coming available for lease:

- Single Office Available - \$500/mo
- Dual Office Available - \$800/mo
- Office Build in progress - \$400/mo



2422 E 68th St is a refurbished 3 bedroom, 1 bath ranch rental in a convenient Washington Township neighborhood. Home is in nice condition with newer windows, neutral decor, and new carpet. Kitchen was updated w/ new cabinetry and appliances. Stacked washer/dryer included. Large 2-car detached garage, big storage barn, and a spacious, fenced in backyard. Comfortable living just minutes from Broad Ripple, Keystone at the Crossing, the Monon, and nearby downtown Indianapolis! \$1,400/mo

Click [HERE](#) for additional information.

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### **Investment Opportunities**

We help a number of our friends and customers diversify their portfolio with rental property and flip potentials. Let us know if we can help you find one.



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## Interest Rates as of 1/15/2019

- 30 Year Conventional---4.500% 0.000 Cost
- 15 Year Conventional---4.125% 0.000 Cost
- 30 Year FHA---4.500% 0.000 Cost
- JUMBO 30 Year Fixed---4.875% 0.000 Cost

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## Always Enjoy Seeing Our Friends

If you'd like to join us to celebrate the end of the work week or discuss real estate, let us know and we'll meet you at the Broad Ripple Tavern on Friday after 5:00 PM. Feel free to give us a call, send us an e-mail or text to confirm we'll be there. All are welcome!

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Visit our [website](#) for further listings and additional real estate information.



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Next Edition: "**Top 5 Landscaping Trends for 2019**"

Thanks for your time in considering this e-mail. Please keep us in mind for any referrals, and let us know when we can be of assistance to you personally.