



The Shortest Month Ends

February is a very short month. It seems like it just started and it is over. For most of us dealing with snow and cold, we are pretty happy to be saying goodbye to February. Government workers are especially happy as they spent part of February with the threat of another government shutdown hanging over their heads. We are happy to say that this did not happen.

The cleanup from the snow and the government shutdown continues, and we finally saw a report on economic growth for the fourth quarter as the month came to a close. This came as the first quarter is two-thirds of the way through. The jobs report for February will be delayed until March 8th -- not because of the government shutdown, but because February is such a short month and the first Friday of March falls on the first day of the month.

One thing is for sure, spring is around the corner. This means not only will the snow be melting, but warmer temperatures will bring people out of their houses. A key barometer of the health of the real estate market is coming. Will those wandering outside be going to open houses and writing sales contracts?

With lower interest rates and more inventory on the markets, many are predicting a rebound for home sales this spring. Fannie Mae says the shoppers will have more to spend with their incomes increasing faster than home prices for the first time in a very long time. Low rates and higher incomes? To all this, we say — *Bring on the warmer weather!...*



Buyers Getting The Upper Hand?

Real estate indicators are starting to shift in favor of home buyers as the housing market sets its sights on spring. Home loans are getting cheaper as rates have dipped, housing inventories are growing, and home prices are rising at a slower pace. Home buyers are responding to the lower rates.



Housing inventories have grown significantly in many markets, offering buyers a lot more choices. That is helping to put a tighter lid on home price growth as sellers face greater competition. Homebuilders are lowering their prices in many areas. A quarter of new homes saw a price cut during the last quarter of last year.

The decrease in rates is likely to boost home sales this year, compensating for the decline in sales recorded last year while pushing prices up modestly, says NAR Chief Economist Lawrence Yun — “For the first time in years, income gains of a projected 3.5 percent will outpace home price growth of around 2 percent.” This is all good news for prospective buyers... Source: *The Washington Post*

The Home Inspection

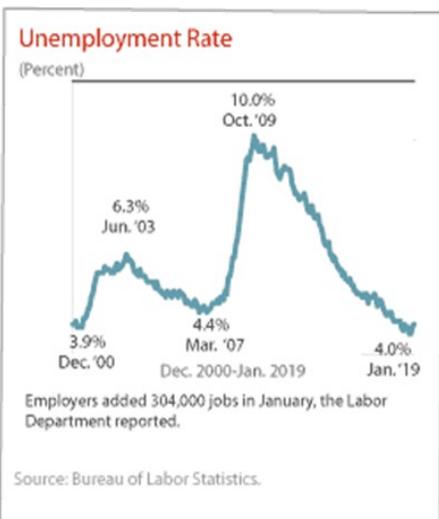
After an inspector has finished a home report, buyers may feel overwhelmed by any flaws that might have been found. That’s why it’s important they take the opportunity to learn more so that they can move forward confidently.

Realtor.com® recommends asking the inspector questions like: “I don’t understand this; what does it mean?” or “Is this a major or minor problem?” and “Do I need to call in another expert for a follow-up?” Home inspectors are bound to uncover something in a home; no home is perfect. But the majority of the problems they uncover will likely be minor. “The inspector can’t tell you, ‘Make sure the seller pays for this,’ so be sure you understand what needs to be done,” Frank Lesh, executive director of the American Society of Home Inspectors, advises.

If the inspector identifies a major problem, consumers may want to follow up and call an additional expert in to investigate further. Those specialists can then give an idea of the cost to fix it, which the agent can take to the seller to request a concession or require to be fixed prior to the sale. The list of items a home inspector identifies are issues the new buyer may need to address as soon as they move in. He says it’s like a “to-do list” for those items that did not get repaired by the seller prior to the sale... Source: *realtor.com®*

Did You Know...

At the start of 2018 homebuyers were being highly-competitive in many US housing markets but things have changed. According to a new report from Redfin, there was competition for just 13% of offers written by its agents for buyers in January 2019, down from 53% a year earlier. Buyers feel that they can take their time under current market conditions, making them more demanding; and that means sellers need to be more realistic. Source: *Redfin*



Selected Interest Rates

February 21, 2019

30 Year Mortgages	4.35%
2018 High (Nov 15)	4.94%
2018 Low (Jan 4)	3.95%
15 Year Mortgages	3.78%
5/1 Hybrid ARMs	3.84%
10 Year Treasuries	2.70%

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

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