



Why 2015 May Finally Be the Year You Sell Your Home

The famed investor and industrialist J. Paul Getty once said, "I like to buy when everyone's selling and sell when everyone's buying." In some ways, that same adage may be just as true for Main Street as it is for Wall Street - or at least the houses on Main Street.

Over the past couple of years, homebuyers have been out pounding the pavement looking for a home to purchase. But in many communities, they've been frustrated by a shortage of homes for sale. There are a number of reasons why potential sellers have been sitting on the sidelines, but things may be changing in the new year.

2015 may be the year that more homeowners join the "house party" and put their home up for sale. Here are just a few thoughts on why you may want to list your property this year:

- It's a seller's market in many areas. Inventory shortages have given many sellers the upper hand. In some regions, the number of homes for sale is down as much as 50 percent from just a couple of years ago. The law of supply and demand has led to price increases in many markets and therefore homes are selling at higher prices than they might have a few years ago.
- It may be getting a little easier for buyers to get financing. According to an article by Credit.com, mortgage credit is becoming more available as lenders scale back certain requirements. Credit.com noted that the average FICO score on a conventional loan in October was 754, a five-point drop from the average score in 2013. Fannie Mae and Freddie Mac also recently unveiled a 3% down payment option. These facts may indicate that more buyers may be able to purchase your home in the coming year.
- Steady increases in home values have given some homeowners more equity. There was a time when a number of homeowners were

"underwater" on their mortgage, meaning they owed more than the home was worth. While this is still the case for some homeowners, increases in home prices have resulted in many owners building more equity in their properties - money that they may be able to use to purchase their next home.

- Interest rates could be ticking up before long. Mortgage rates are still near historic lows, but many economists are predicting that rates will start ticking up soon. The Federal Reserve has already signaled its intention to raise rates in the second half of this year. Any increase in mortgage rates could have an impact on buyers and how much home they can afford. Listing your home before rates increase may be a prudent move.
- Industry forecasts call for a more balanced market in 2015. The National Association of REALTORS® expects that existing home sales will be higher this year due to more homes on the market, greater consumer confidence and

continued pent-up demand. "The improving job market has consumers feeling more confident, and the rebound in home prices is building household wealth for homeowners and giving them the ability to sell after waiting the last few years," said NAR® Chief Economist Lawrence Yun.

- No one can predict what prices will do next. Trying to time your home sale to the peak of the market is like trying to time stock sales. You never really know what's going to happen next, and you'll never know if you have sold at the peak of the market until after the fact. Waiting for prices to rise even more also means that the price of the replacement home you might buy could rise just as much or possibly more depending upon the location.
- You may want to sell while it's still a seller's market. Just like prices, no one can predict what the future will hold for this housing market. Although it is currently a seller's market, changes in the economy, the number of homes on the market and several other factors could turn local real estate into a buyer's market at any time. It may make sense to sell while the scales are still tipped in your direction.

If you've been thinking about listing your home for sale but have been holding off, now may be a good time to make your move. I'm ready to answer any of your questions and help you determine what your home might be worth on the market. Give me a call or email me today and we can get started.

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