

# ARETSI | TRENDS

THE BEST TITLE MAGAZINE  
ALL REAL ESTATE TITLE SOLUTIONS

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# REAL ESTATE AGENT THIS IS FOR YOU

# LISTING SUPPORT PROGRAM

The **Listing Support Program** is designed to help Real Estate Agents with listings of their homes for sale, we provide different tools that facilitate the listing process and allow you to focus on getting more business. For more information visit [www.aresifl.com/news](http://www.aresifl.com/news)



# HOUSING MARKET PREDICTIONS 2020 & 2021: FORECAST & TRENDS

*The housing market has begun to show signs of heating up as more buyers and sellers returned to the market in June. Here are the updated housing market predictions for 2020 and 2021. Although it has become a bit difficult to come up with a solid housing market forecast as things are changing with each passing month, the latest housing market trends still point to a shift towards more balanced conditions throughout this year.*

*The housing market has begun to show signs of heating up as more buyers and sellers returned to the market in June. **Here are the updated housing market predictions for 2020 and 2021.** Although it has become a bit difficult to come up with a solid **housing market forecast** as things are changing with each passing month, the latest housing market trends still point to a shift towards more balanced conditions throughout this year. If you're wondering what the state of the **housing market** will be like over the next 12 months, especially if you're a real estate investor, then here is some good news for you.*

*Given the current fundamentals, real estate should remain strong in most U.S. housing markets for the foreseeable future. Housing units are still in short supply with the problem getting worse. And low-interest rates and population growth will further increase demand for available housing. Many economists still believe that house prices will fall in the coming months but such forecasts are losing grounds as the U.S. housing market so far remains undaunted by the economic recession.*

Despite the ongoing pandemic, the real estate activity was continuing (at a slower pace) with some buyers & sellers merely shifting their timing down the line. Home sales went on a declining spree due to social distancing & economic unpredictability but home prices are still strong across the nation. The national median existing-home price for all housing types in May was \$284,600, up 2.3% from May 2019 (\$278,200) — marking 99 straight months of year-over-year gains.

Although the **housing market** is showing signs of rebounding from economic shutdowns no one knows how persistent the coronavirus pandemic will be or how long the economy will remain in a recession. The good thing, at least for buyers and investors alike, is that house prices have nearly flattened and are poised to remain stable in the latter half of this year — **with a forecasted increase of just 1.1 percent by the end of 2020.**

The continuous and steep decline in new listings has kept the market warm but this kind of trend has a greater impact on overall sales in the housing market. A decrease in new listings leads to a drop in sales as more listings help buyers with inventory choices. As sellers are expected to return to the market in the June through August time frame, we do see a rebound in new listings on the market. But there's a catch.

Firstly, we're expecting a second wave of coronavirus pandemic in the fall season, which might again lead to some percentage of sellers & buyers backing out. Secondly, according to Realtor.com, the historical trend for the colder months of the year show that home sales slow down. Therefore, all these factors indicate a slower pace of sales toward the end this year — already a 15 percent drop in existing home sales has been forecasted for 2020. According to NAR, the annual existing-home sales would be down by less than 10% and new home sales are expected to be higher this year than last.



Before the coronavirus pandemic began, the U.S. housing market was already short from the supply side. Years of slow home-building activity coupled with the ongoing financial crisis point to the fact that the number of homes for sale would still fall well short of demand in the coming months. Housing market experts predict that sharp declines in the prices look improbable as the buyer demand has remained relatively strong despite the pandemic. A lot of new buyers want to purchase a house and while investors have taken a pause.

The housing market 2020 was running at a record pace in the early stages of the coronavirus outbreak in February 2020, with sellers continuing to gain leverage, and buyers benefit from lower mortgage rates. We saw some of the best home sales and housing starts to pace in more than a decade until February 2020. As the population of millennials is increasing, the demand side of housing remains strong. Many buyers need to get into a larger home because they have a growing family.

The homebuyers in every segment will continue moving forward with transactions. According to the National Association of Realtors®, pending home sales mounted a record comeback in May, seeing encouraging contract activity after two previous months of declines brought on by the coronavirus pandemic. The Pending Home Sales Index (PHSI) is NAR's forward-looking indicator of home sales based on contract signings. It rose 44.3% to 99.6 in May, chronicling the highest month-over-month gain in the index since NAR started this series in January 2001.

The median existing single-family home price was \$287,700 in May, up 2.4% from May 2019. Existing condominium and co-op sales were recorded at a seasonally adjusted annual rate of 340,000 units in May, down 12.8% from April, and down

According to data from Realtor.com®, among the largest metro areas, active listings were up by more than 10% in May compared to April in several metro areas, including Urban Honolulu, San Francisco, San Jose, Denver, and Colorado Springs. Therefore, taking into the current housing market trends, we believe that it is going to more like a balanced real estate market with buyers getting some relief from the rising housing costs.

As we know the U.S. housing market saw modest increases across the board in the past year, though there were hot spots in the market in terms of both geography and price ranges. House prices had risen for 33 consecutive quarters across the United States. Under the current conditions, the sellers won't expect buyers to present offers well over the asking price. Prices in the rental housing market are likely to remain stable too. Although over 20 million people lost their jobs in April, the average rent fell by a mere 0.2% from April to May.



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## TITLE PROCESSING

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- Check & Clear Liens
- Arrange Payoffs
- Conduct Closings
- Record New Title & Docs
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## CONTINUING EDUCATION

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The National Multifamily Housing Council (NMHC) found that 80.2% of apartment households made a full or partial rent payment by May 6 in its recent survey of 11.4 million units of professionally managed apartment units across the country. Short term or vacation rentals have had a major impact, though. Year over year short-term rental reservations for 2020 summer travel is now down by a whopping 75%. Owning a home has been part of the American Dream.

While the effect of lower mortgage rates reignited housing market activity toward the end of 2019 and the start of 2020, February showed some early signs of coronavirus outbreak, particularly in markets that were hit early and hard. Those interested in purchasing homes are looking at the enticing low mortgage rates.

According to Freddie Mac, mortgage rates continue to slowly drift downward with a distinct possibility that the average 30-year fixed-rate mortgage could dip below 3 percent later this year. The current average commitment rate for a 30-year, conventional, fixed-rate mortgage is 3.15%. The average commitment rate across all of 2019 was 3.94%. Record-low mortgage rates are likely to remain in place for the rest of the year, and all the Fed's policymakers foresee no rate hike through 2022. This will be the key factor driving housing demand as state economies steadily reopen.

The Federal Reserve says it will keep buying bonds to maintain low borrowing rates and support the U.S. economy during a recession. The economy is expected to shrink by 6.5% this year, in line with other forecasts, before expanding 5% in 2021. The Federal Reserve foresees the unemployment rate at 9.3%, near the peak of the last recession, by the end of this year. The rate is now 13.3%.

Let us discuss in detail the various housing indices & their predictions for 2020. Please note that we have retained the earlier housing market predictions before the Covid-19 pandemic hit the U.S. for better clarity and comparative analysis. We have updated this article with the latest housing data and forecast from some of the top national brokerages like Realtor.com

## **HOUSING MARKET 2020: LATEST REAL ESTATE TRENDS AMID COVID-19 PANDEMIC**

The updated data for housing market predictions from various sources like Realtor.com shows that sales of homes will decline by 15 percent in 2020. The home prices would flatten out. That's compared to the original housing market forecast of a decline of 1.8 percent in home sales. Single-family housing starts, which were expected to increase by 10 percent in 2020, are now predicted to decline by 11 percent.

That's mainly due to vigorous social distancing norms and economic uncertainty has compounded this temporary restraint on real estate transactions. According to their statistics, the new listings have declined across the nation's largest metros as sellers wait out the crisis. The positive forecast is that there is expected a short-term bump in sales for late summer and early fall due to pent up buyer demand, fear of the pandemic reducing, and low mortgage rates.

Realtor.com's recent report for June 2020 shows that with the opening up U.S. economy, the key housing indicators have begun to turn around.

Yearly declines in newly listed inventory have slowed and listing prices have recovered after reaching their low point during mid-April. However, homes for sale remained on the market for more than two weeks longer than this time last year due to stay at home orders and new normal resulting from COVID-19 pandemic. Nationally, the typical home spent 72 days on the market in June, 15 days more slowly than June of last year.

Housing inventory continued to be constrained in June. It is due to some sellers still opting to pause and wait for a couple of months. Nationally, inventory decreased 27.4 percent year-over-year, a faster rate of decline compared to the 19.9 percent year-over-year drop in May. The inventory of newly listed properties in June decreased by 19.3 percent since last year. Although sellers have paused in response to coronavirus pandemic, the rate of decline in newly listed properties has improved from a decline of 29.4 percent year-over-year in May, and a decline of 44.1 percent year-over-year in April. This signals that sellers are starting to return to the marketplace.

As home sales begin to accelerate and business activity continues to expand at a cautious pace, it is a long way to go. Buyer demand is inching up but many sellers have yet to return to the market. As inventory declines in the major U.S. housing markets, it raises new challenges for both buyers and sellers. As you peruse further, we'll discuss some of the key housing indicators, and based on them we'd get reasonably accurate housing market predictions for 2020 and the foreseeable future.

## **HOUSING MARKET 2020: FORECAST & TRENDS (PRE COVID-19)**

With 10 years having now passed since the Great Recession, the U.S. has been on the longest period of continued economic expansion on record. The housing market has been along for much of the ride and continues to benefit greatly from the overall health of the economy. However, hot economies eventually cool and with that, hot housing markets move more towards balance. Realtor.com's national housing forecast was that home price growth will flatten, with an expected increase of 0.8 percent. Inventory will remain constrained, especially at the entry-level price segment. Mortgage rates are likely to bump up to 3.88 percent by the end of the year.

Tight inventory coupled with rising mortgage rates will lead to dropping sales. Buyers will continue to move to affordability, benefiting smaller and mid-sized markets. The housing market predictions were pointing out that all the housing indices would trend upward for the nation as a whole as well as in every state, including the top 100 metro areas. After the coronavirus pandemic came into being, the housing market forecast runs the gamut from optimistic to pessimistic.

The pace of home sales relative to inventory reached a new record high in February, although hints of deceleration were beginning to surface. The median existing-home price for all housing types in March was \$280,600, up 8.0% from March 2019 (\$259,700), as prices increased in every region. The median home price gains marked 97 straight months of year-over-year gains (nationally). In March, the unsold inventory was equal to a 3.4-month supply at the current sales pace, up from three months in February and down from the 3.8-month figure (from a year ago).



Millennials are affecting the real estate market in other ways, too. They prioritize a low maintenance home with smart appliances and an energy-efficient design. If you can't offer this, they'll either lower the price or move on to something else. They also prefer walkable communities over having to drive everywhere. They'll pay a premium to be near public transit, too, since this can offset transportation costs.

In short, they'll pay a little more for a house or condo that lets them ditch a car. What does this mean for our 2020 housing market forecast and beyond? Home prices will continue to rise slowly due to limited supply and demand, but homes that meet Millennial's ideals and their budgets will continue to appreciate at double-digit rates.

### **HOUSING MARKET 2020: LATEST FORECAST & TRENDS (POST COVID-19)**

As we know the pre-COVID housing market was remarkably strong. Now we'll discuss how housing market trends and forecasts have changed after the impact of COVID-19 pandemic. These key housing figures and their forecast are changing every month depending upon the level of economic uncertainty caused by the outbreak. Some real estate market experts feel that the recovery has already begun as suggested by the housing market report of June. However, it will likely be gradual, and it will also be subject to the pandemic flaring up again in the fall season.

According to the National Association of Realtors®, overall sales decreased year-over-year, down 17.2% (4.33 million units in April 2020) from a year ago (5.23 million in April 2019). The national median existing single-family home price in the first quarter of 2020 was \$274,600, up 7.7% from the first quarter of 2019. The national median existing single-family home price in the first quarter of 2020 was \$274,600, up 7.7% from the first quarter of 2019 (\$254,900).

### **HOUSING SALES & THEIR FORECAST 2020 – 2021**

Home sales generally pick up in the spring-summer season. People start shopping for new homes around Spring Break with the hope of moving over holiday weekends like Memorial Day weekend or moving during the summer when it has the least impact on their kids' education. This is why housing market predictions always include an increase in sales between March and September. The federal government's shutdown of so-called non-essential businesses put a hold on most real estate transactions. Renters are still able to get critical repairs like someone coming to fix a broken air conditioner.

Rent and mortgage payments may be deferred in some cases, but others continue to pay their bills so they don't have to worry about a lump sum due in four months. But the shutdown intended to slow the spread of the coronavirus has stalled real estate sales. Transactions that were already underway were completed. And real estate agents are trying to shift to virtual home tours via panoramic pictures of every room and drone photography. US housing market predictions suggest that this will help some homes sell, but it isn't enough to get people to sign the dotted line at the rate they used to.

After all, you can't get home inspectors and appraisers out to properties during government-ordered shutdowns, and that's essential to completing the real estate transaction. Capital Economics' housing market predictions are that we'll see a one-third decline in home sales for the summer of 2020. Fannie Mae is assuming that the economic shutdown will last through the summer season and spike in unemployment will drag on the housing market for the entire year. This is why Fannie Mae is predicting a 15 percent drop in home sales for 2020 over 2019 numbers.

### **LATEST UPDATE ON HOME SALES**

The housing market & real estate activity has begun to see signs of improvement and growth. According to Lawrence Yun, NAR's chief economist, "The outlook has significantly improved, as new home sales are expected to be higher this year than last, and annual existing-home sales are now projected to be down by less than 10% – even after missing the spring buying season due to the pandemic lockdown."

According to the National Association of Realtors®, the existing-home sales fell in May, marking a three-month decline in sales as a result of the coronavirus outbreak. However, pending home sales mounted a record comeback in May, seeing encouraging contract activity after two previous months of declines. Every major region recorded an increase in month-over-month pending home sales transactions, while the South also experienced a year-over-year increase in pending transactions. May's national price increase marks 99 straight months of year-over-year gains.

by **Marco Santarelli**

source:<https://www.noradarealestate.com/blog/housing-market-predictions/>

### **HOUSING PRICES AND PREDICTIONS 2020 – 2021**

With supply-constrained and demand boosted, house prices seem to rest on solid foundations during the Covid-19 outbreak. In 2019, the average home cost around 250,000 dollars. The general forecast is that home prices will fall through the end of 2020 before recovering in the spring of 2021. For example, Zillow housing market predictions show prices falling through the fall of 2021. They expect to see home prices recovering in 2021. US housing market predictions for 2021 say prices to remain unchanged year over year at best. The decline in sales is projected to be accompanied by a flattening in price growth. With the supply of available homes continuing to balance, and the entry-level demand expected to remain strong.

Realtor.com's National Housing Forecast shows that prices are expected to increase by 1.1 percent in 2020. Before COVID-19 went viral, US housing market predictions for 2020 showed appreciation of roughly 1 percent. Existing home sales were predicted to fall about two percent, while single-family starts were predicted to increase six percent. Many real estate experts do not predict a steep price declines in the next 12 months. Home prices are holding up to the decline in transaction activity. Price gains are reaccelerating as the mix of homes for sale appears to be reverting toward pricier properties.

For everyone else, real estate is appreciating at or just above the rate of inflation. Home price appreciation rate has slowed so far but prices are still rising. While many economists predict that home prices will continue to rise, much will depend on the economy's ability to bounce back from the pandemic.



# What every Realtor should know about Owner's Title Insurance.

## *Make sure all of your clients are protected*

You're a realtor, so you know that buying a home can be overwhelming for your clients. Homebuyers can feel confused and frustrated by the mounds of paperwork they have to sign. Plus, the fees associated with closing can sometimes be overwhelming even to an experienced buyer.

Owner's title insurance is one of those items often misunderstood by homebuyers at closing, yet its value is tremendous. As an important advisor to your clients, you are in a position to help homebuyers understand the benefit of an owner's title insurance and the dangers that can be incurred without it.

### **WHAT IS TITLE INSURANCE**

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The owner's title insurance is a policy that the homebuyer obtains to protect against possible claims on the title. This means that the owner's title insurance protects the property rights of the buyer. for more information about title insurance contact us at (813) 876 - 4373

### **ENDURING VALUE**

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The good news is that owner's title insurance protects the homebuyer's financially, as long as they own their home. for a low, one-time fee, homebuyers can rest assured, knowing they are protected against possible debts or claims to their property.

### **HOW IT PROTECTS**

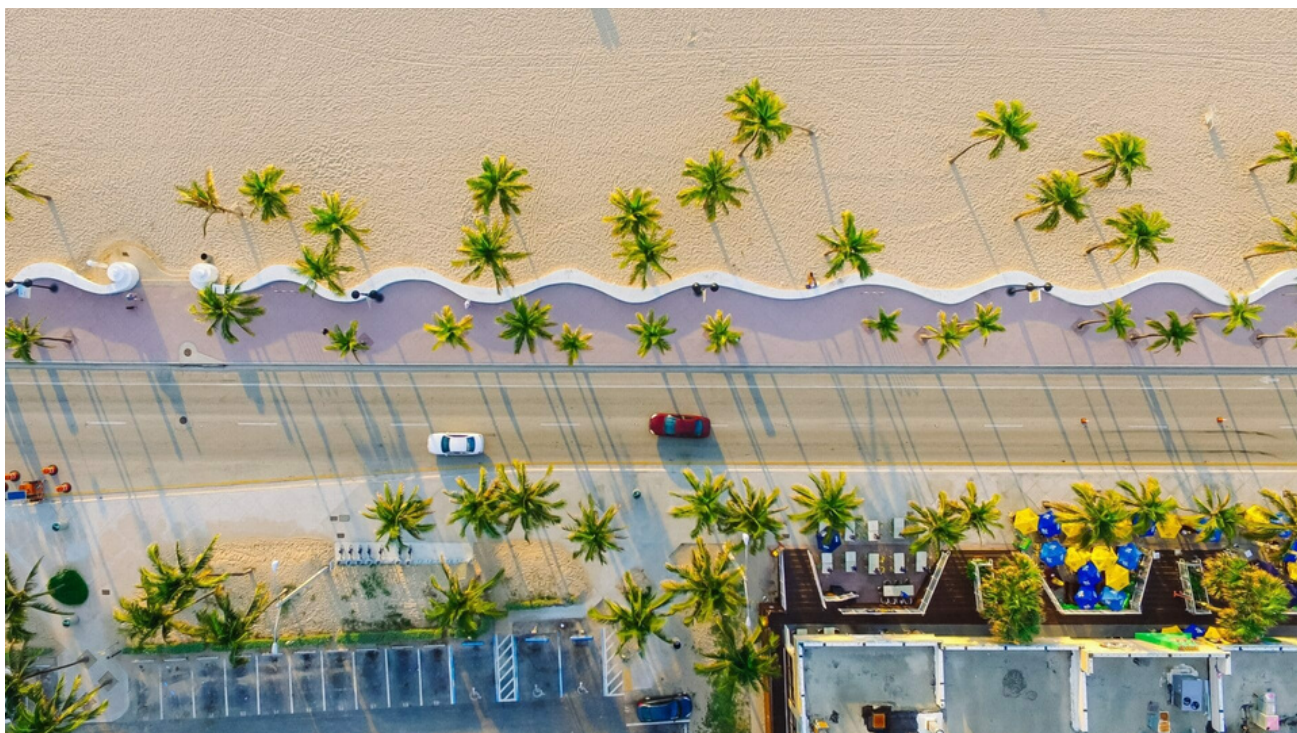
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Obtaining an owner title insurance policy is the best way to be protected against unforeseen legal and financial discrepancies over the title of the property.

Some examples of unforeseen lawsuits include:

- *Pending mortgages and lawsuits or lien against the property for non-payment of taxes from the seller.*
- *Legal action pending against the property that could affect you.*
- *Undisclosed heir of a previous owner who claims ownership of the property.*

•  
*If a problem does arise, the insurance company will pay to have the problem resolved for the client. (Clear the title) If the problem can't be solved the insurance company will pay you the price you paid for the home. That's peace of mind.*



# Why Investors Still Love Florida's Real Estate Market in 2020

*At the beginning of this year Forbes listed several Florida cities – including Orlando, Jacksonville, and Fort Lauderdale – as the best bets for real estate investors in 2019.*

*This year the market has been exceptionally good for investors, but is the Florida housing market still a smart investment for 2020?*

*According to The Florida Times-Union, the answer is a resounding “Yes!”*

*It's true that Florida has one of the hottest real estate markets in the country, and for good reason. The state is bordered by the Gulf of Mexico, the Atlantic Ocean, Alabama, and Georgia.*

*Florida is an international tourist destination with year-round sunshine (earning the state its nickname “The Sunshine State”) with world-class theme parks. The economy is dynamic and diverse, with dozens of global business headquarters and a government that is both pro-business and pro-development.*

*Read on to learn why the demand for buying and renting real estate in Florida will keep growing in 2020 and beyond.*

## **Population Growth**

*Between now and April 1, 2024, the population of Florida is expected to grow by an average of 906 new residents per day, according to a news release from WFLA Channel 8 in Tampa. In fact, over the next two years Florida's population is expected to grow by more than 700,000 residents.*

**Job Market**

*One of the many reasons that Florida is expected to keep growing so fast is from marketing the state as the ideal business location. The proactive, business-friendly government in Florida is an expert at attracting new high-wage jobs for workers who can compete on a global scale.*

**Real Estate Market**

The latest release from the World Property Journal reports that home sales in Florida jumped 11% over the past month. As The Florida Times-Union in Tampa notes, buying and renting demand will keep growing in Florida as the local economy gets stronger and the population increases.

**Strong Renters' Market**

The University of Central Florida's Florida & Metro Economic Forecast predicts that single-family housing in Florida will remain in short supply despite housing starts accelerating.

**Historic Price Changes & Affordability**

Every quarter the FHA publishes its House Price Index report that measures house price appreciation and the percent change in house prices in Florida.

The most recent Index shows that home prices in Florida have increased by more than 221% since the first quarter of 1991. Over the last five years, the price of a home in Florida has grown by more than 50%, while over the last quarter prices have increased by 1.25%.U.S.

News & World Report recently released its rankings of the best and worst states for housing affordability and overall cost of living. When compiling housing affordability data for Florida, researchers compare median housing prices to median family incomes and mortgage interest rates in the state.

Florida is ranked #35 in affordability, meaning that Florida has one of the least affordable housing markets among all 50 states. By comparison, high-cost states such as Oregon, California, and Hawaii were ranked 48th, 49th, and 50th.

**Quality of Life**

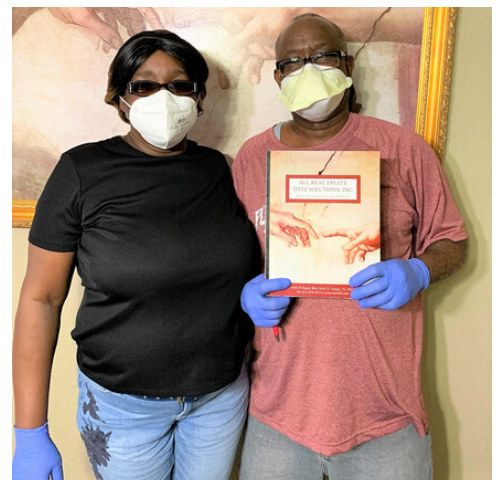
There are countless reasons why people choose to live and work in Florida. The state offers an almost ideal work-life balance with great job opportunities and near-perfect weather, culture, and recreation.

Written by Jeff Rohde

Source: <https://learn.roofstock.com/blog/florida-real-estate-market>

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