

SAMPLE Newsletter Article

POINTED ARCH Marketing



This is an article written for my personal real estate newsletter.

Stats are from Buffini and Company, Brian Buffini's 2021 Biannual Real Estate Report.

Top 3 Real Estate Questions Answered

Everybody these days is wondering about the real estate market. The news is full of high prices, multiple offers, bidding wars, houses being bought unseen, and much debate. It has been reported that people are going to Google with their real estate questions.

Here are the top 3 questions on Google and answers by leading economists:

Is this a bubble ?

This current situation is not a bubble, but a very hot market.

- The 2008 real estate bubble had factors of too many low down payment loans, too many flexible mortgage rates adjusting higher each year, and an oversupply of housing.
- The 2021 situation is different. The economy was strong going into the 2020 pandemic. It was a health crisis, not a financial one. Currently, people are putting much more down on their home purchases, flexible mortgage rates are not as popular, and there is low inventory of housing.

When will the housing market crash ?

No real estate crash is predicted by leading economists.

- Higher down payments mean higher equity in homes and fewer foreclosures.
Typical down payment: 2021 - 15.9% 2007 - 9%
- Less gambling with adjustable rate mortgages means fewer foreclosures.
Adjustable mortgages: 2021 - 4% 2007 - 15%
- Foreclosures are down, which economists believe means a crash is not likely.
Foreclosure filings: Apr 2021 - 11,810 Feb 2020 - 48,004 Mar 2008 - 234,685

Why is the market so hot ?

Currently, housing inventory is low, which means less sellers. Interest rates are still low, and people are putting a high value on home ownership as an investment in the future, which means, more interested buyers.

More buyers than sellers makes for a hot real estate market in 2021:.

- Average offers per home: 2021 - 5 offers 2020 - 3.4 offers
- Homes sell quickly: 2021 - average 17 days on market 2020 - average 27 days on market
- Buyers want to be more competitive in 2021.
Buyers are giving concessions that were not seen in the past – higher prices paid, higher down payments, as mentioned, and waived contingencies, like inspections and financing.