

# “Did You Know?”

from Ken LeMay

35 Plus Years of Experience

Your Source for Real Estate Information

## Home Prices Up 7% from Last Year

January 2018



Get more tips, news,  
information or to sign-up  
for our newsletters at  
[www.kenlemaysteam.com](http://www.kenlemaysteam.com)



According to CoreLogic's latest Home Price Index, national home prices have appreciated by 7.0% from October 2016 to October 2017. This marks the second month in a row with a 7.0% year-over-year increase.

A lack of supply of homes for sale has led to upward pressure on home prices across the country, especially in areas where both existing and new home inventory have not kept up with buyer demand.

CoreLogic's Chief Economist Frank Nothaft elaborated on the significance of such a large year-over-year gain,

*"Single-family residential sales and prices continued to heat up in October. On a year-over-year basis, home prices grew in excess of 6 percent for four consecutive months ending in October, the longest such streak since June 2014.*

*This escalation in home prices reflects both the acute lack of supply and the strengthening economy."*

This is great news for homeowners who have gained over \$13,000 in equity in their home over the last year! Those homeowners who had been on the fence as to whether or not to sell will be pleasantly surprised to find out that they

now have an even larger profit to help cover a down payment on their dream home.

CoreLogic's President & CEO Frank Martell had this to say,

*"The acceleration in home prices is good news for both homeowners and the economy because it leads to higher home equity balances that support consumer spending and is a cushion against mortgage risk. However, for entry-level renters and first-time homebuyers, it leads to tougher affordability challenges."*

Any time the price of a home goes up there will likely be concern about the affordability of that home, but there is good news. Mortgage interest rates remain at historic lows, allowing buyers to enter the housing market and lock in a low monthly housing cost.

### Rents Are Also Rising

The report went on to mention that over the same 12-month period, median rental prices for a single-family home have also risen by 4.2%.

With rents and home prices rising at the same time, first-time buyers may find the task of saving for a down payment a little daunting. Low down payment programs are available and have been a very popular option for first-time buyers. The median down payment for first-time buyers in 2017 was only 5%!

If you are looking to enter the housing market, as either a buyer or a seller, let's get together to go over exactly what's going on in our neighborhood and discuss your options!

—Need More Information,  
Call Ken, 360.509.7800



Ken LeMay's  
T E A M

Kitsap Peninsula Associates RE PPM  
A Division of Associates Referrals, Inc.