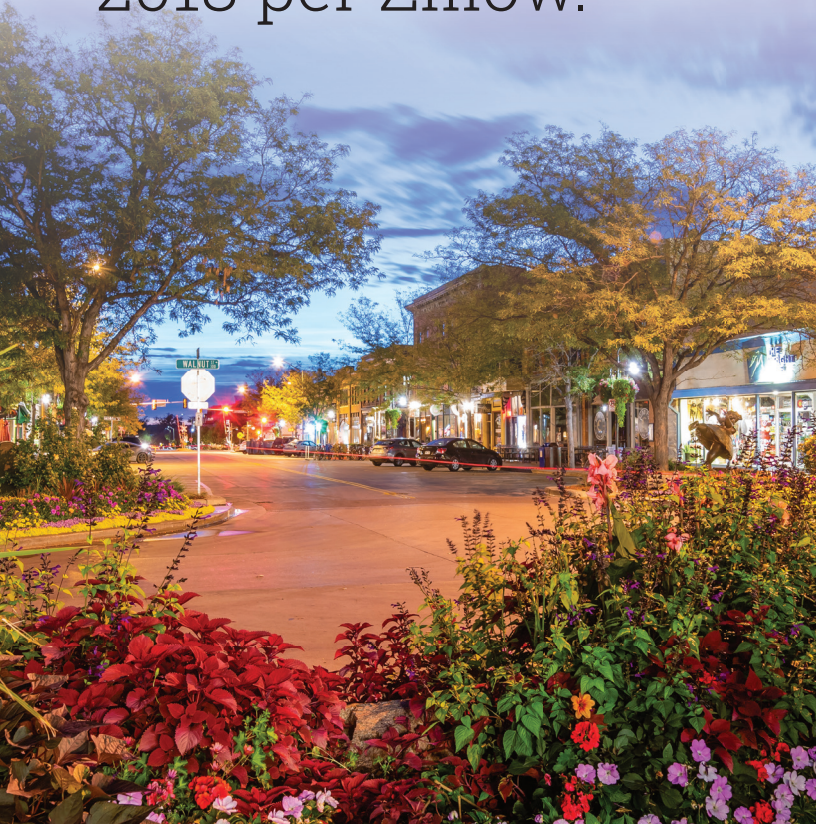


Home values in the United States have increased 7.2% since 2018 per Zillow.

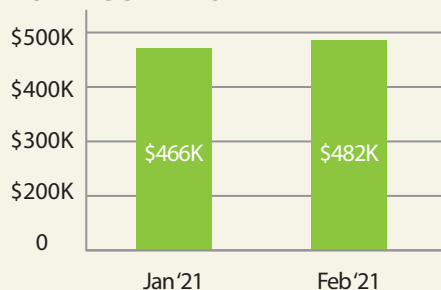


### Terminology Tip - Contingencies

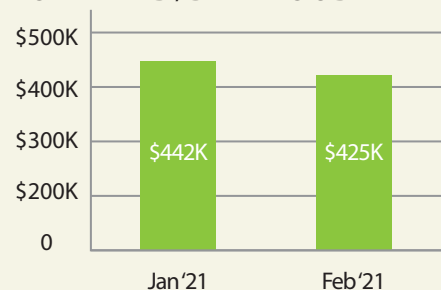
Particular conditions that must be met prior to closing a real estate transaction such as a home inspection (to ensure the home has no serious defects), a financing contingency (which releases a buyer from the sales contract if their loan falls through), or a contingency that a buyer must first sell their current home. In general, the fewer contingencies required of a seller, the stronger a buyer's negotiating position, in terms of getting the best price.

### LOCAL REAL ESTATE STATISTICS REGIONAL SNAPSHOT 2021 MEDIAN SALES PRICE

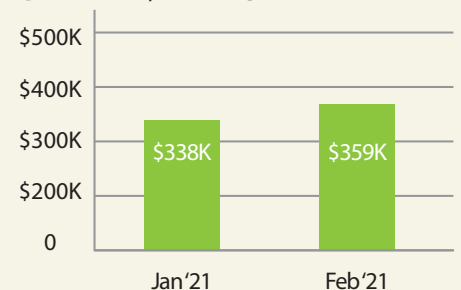
FORT COLLINS



LOVELAND/BERTHOUD



GREELEY/EVANS



## RE Summit: Rising rates expected to slow housing market's ongoing heat up

The homebuying market will keep growing through 2023 in the U.S., but it won't be growing at the tremendous rates seen during the deepest months of the pandemic.

That's the assessment from Joel Kan, the associate vice president of economic and industry forecasting at the Mortgage Bankers Association during a presentation at BizWest's Northern Colorado Real Estate Summit Thursday morning.

### Economic rebound and pent-up spending

Kan said as the broader economy starts to recover from the pandemic as the public gets vaccinated and in-person service sectors restart, Americans who remained employed over the past year will have plenty of disposable income from a combination of spending less in the last few months, getting federal stimulus dollars and saving more aggressively during the crisis.

He expects a fast recovery in the unemployment rate and gross domestic product in the latter half of the year, which should boost consumer sentiment.

### Rates expected to rise, originations expected to fall

Although Federal Reserve chairman Jerome Powell has said repeatedly in recent months that he hopes to keep the federal funds rate near 0% to keep credit flowing through the economy until its goals on unemployment are reached, Kan is expecting several other key rates to rise over the next few years.

Kan predicted that inflation will rise between 2.2% and 2.5% yearly through 2023 due to a combination of high government spending to combat the economic freeze from stay-at-home orders and a strained supply chain making key commodities harder to acquire.

Those figures are a few tenths of a percentage point over the Federal Reserve's mandate to keep inflation at 2% per year.

## Our Northern Colorado Featured Listings



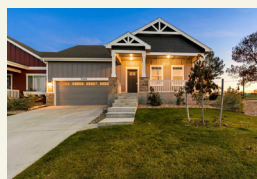
### 2442 W Stuart St, Fort Collins

3 Beds/2 Baths/1264 SF  
\$395k, MLS 936961



### 1320 Luke St, Fort Collins

4 Beds/3 Baths/2576 SF  
\$780k, MLS 935298



### 3948 Adine Ct, Loveland

3 Beds/2 Baths/3480 SF  
\$455k, MLS 936547



### 3350 Paddy Ln, Loveland

5 Beds/5 Baths/8131 SF  
\$1.8MIL, MLS 933287



### 7990 Cherry Blossom Dr, Windsor

5 Beds/4 Baths/4226 SF  
\$785k, MLS 935344



### 6807 Grainery Rd, Timnath

4 Beds/3 Baths/2071 SF  
\$425k, MLS 936418



### 11236 Hillcrest Dr, Greeley

4 Beds/4 Baths/5440 SF  
\$980k, MLS 934335



### 40504 CR 17, Fort Collins

3 Beds/4 Baths/3216 SF  
\$1.1MIL, MLS 934409



### 2917 Saratoga Trl, Erie

5 Beds/4 Baths/6066 SF  
\$685k, MLS 935671



### 1304 Saddle Notch Rd, Loveland

5 Beds/4 Baths/3582 SF  
\$895k, MLS 935597

He also expects yields on 10-year treasury notes to rise from about 1.9% in 2021 to 3.2% in 2023 and the 30-year mortgage rate average to rise from 3.6% to 5% during the same time period as consumer confidence increases alongside economic conditions that aren't hampered by the threat of contracting COVID-19 in close-quarters environments.

With those rates increasing, Kan expects the rate of refinancing to fall from \$2.39 trillion in 2020 to more than \$1.51 trillion in 2021 before declining steeply to \$573 billion. He attributes that prediction partly to higher rates making refinancing less attractive, along with a lot of homeowners already having refinanced last year.

He also expects total originations to drop from an expected \$3.18 trillion in 2021 to an estimated \$2.29 trillion in 2023.

### **Homebuying will grow, but not as fast as before**

However, Kan predicts that overall home sales will slow down from the hot and rapid markets of 2020 and 2021, but rise from a combined estimate of 7.35 million homes sold in 2021 to just more than 7.55 million in 2023.

He expects a lot of that housing demand to come from millennials and younger generations that are reaching peak homebuying age, along with estimates that those generations are more interested in moving to the suburbs than previously thought, he said using research from the Cleveland Federal Reserve branch.



He also mentioned that the Denver metro area is one of the top five cities in the U.S. in terms of people moving out, which may be attributable to the availability of remote work during and after the pandemic, along with a demand for more living space.

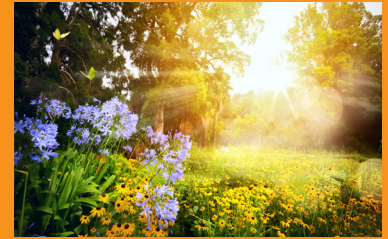
"You have young renters choosing not to move into urban areas," he said. "I don't know if they're still staying at home with their parents, but they're certainly not moving into cities to rent. But I think we're also seeing it in home buying."

Those factors combined with supply chain bottlenecks and increasing material and labor costs will likely keep home prices soaring and homebuilders unable to keep up with demand. Kan said home price sales increased 12% year-over-year in January, a rate that's helpful for current homeowners and a hindrance for new or less-affluent buyers.

"I think it's unsustainable, just sort of given how high mortgage rates are going, given the income growth despite the stimulus, hasn't been growing at 10% rates," he said. "That's obviously going to pose a problem for affordability, but at the same time, it's going to help home equity."

SOURCE: Bizwest by Dan Mika

## **6 Scientific Reasons Spring Is the Most Delightful Season**



**Summer, winter, and fall may have their fans, but spring is clearly the most lovable of the four seasons. Not convinced? Here are 6 scientific reasons why spring is great:**

### **TEMPERATURES ARE MODERATE**

People tend to be most comfortable at temperatures of about 72°F, research shows, so the arrival of spring means you can finally ditch the heavy winter layers and still be comfortable.

### **THERE IS MORE DAYLIGHT**

A 2016 study of students in counseling at Brigham Young University found that the longer the sun was up during the day, the less mental distress people experienced.

### **THE BIRDS RETURN**

In 2017, a UK study found that the more birds people could see in their neighborhoods, the better their mental health.

### **THERE ARE BABY ANIMALS EVERYWHERE**

One small study in 2012 found that when college students looked at cute images of baby animals, they were better at focusing on a task in the lab.

### **YOU'RE SAFER**

In 2015, a pair of public policy researchers discovered a hidden upside to "springing forward" for Daylight Saving Time. It reduced crime.

### **YOU CAN GO OUTSIDE**

A 2005 study from the University of Michigan linked spending 30 minutes or more outside in warm, sunny spring weather to higher mood and better memory.

Source: [mentalfloss.com](http://mentalfloss.com)