CORE REALTY ADVISORS

Creating Outstanding Real Estate Experiences.

We're asked a lot these days if our market is moving towards a crash similar to the one we had in 2008. As any Realtor will tell you, the market conditions and lending regulations are very different now than they were back then. Let me give you a quick overview.

Prior to the 2008 downturn, lenders had incredibly lenient conditions for mortgage loan approval. People could put down what they thought their salary would be when submitting an application. This led people to push their payments well above what they could actually afford. In addition, a high percentage of buyers were doing 100% (or higher) financing with variable interest rates. This influx of loan applications created the need for appraisers to do what were called "drive-by" appraisals of homes, in many cases inflating the market value. When the downturn hit many of the homes, and the loans tied to them were identified as not being as valuable as investors thought, the entire system started to crumble. Unfortunately, the economy softened right around the time that people's variable rates went up (millions of loans in fact), and because of that, many people couldn't afford to refinance. Since they couldn't pay their mortgages at the new higher rates, foreclosures began and many people had NO equity in their homes because of the 100% financing, or interest only loans, many had taken advantage of.

Now let's fast forward and look at today's situation. We've had a smooth and consistent increase in home values over the past several years. Values have risen due to the limited inventory and increased demand, especially in top rated cities like Raleigh. The lending industry was completely overhauled, and as anyone who has bought a house in the past 10 years knows, it's a very thorough process now. Lenders require proof of your salary and assets to qualify you for the loan, and the majority of the loans are requiring some money down (at least 3-5%). Most buyers have a locked-in interest rate so their payments remain consistent. The other change is that appraisals are much more strict and if a home doesn't appraise, the buyer has to pay that difference in cash at closing, they can no longer just roll it into the loan. With the higher down payments and requirement that buyers bring cash to the table to cover any appraisal short-falls (even if there were a downturn that impacted real estate in the Raleigh market), most owners are going to have equity in their home, which will reduce the likelihood of anyone walking away from a home and letting a lender foreclose (as many people did in the past). In addition, when people are foreclosed on these days, they often have enough equity in their home that it makes sense to sell it and pay off the loan instead of letting the bank complete the foreclosure process and charge exorbitant fees to do so - Jennifer Crawford

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We appreciate your trust in us that allows us to continue to make a difference.

Contact your Core Advisor directly or reach out to us at info@yourcoreadvisor.com or (919) 295-3660 for more information about the market or help listing or finding your next home!

MAY 2022

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MAY EVENTS AROUND THE STATE

Ham and Yam Festival

May 7th: Check out this event in Smithfield, NC.

READ MORE

Last of the Mohicans 30th Anniversary & Beer Festival

May 14th: Check out this event in Morgantown, NC.

READ MORE

Beaufort Musical Festival

May 20 & 21: Check out this event in Beaufort, NC.

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TRIANGLE

$415,000	4,761
APRIL MEDIAN SALES PRICE	APRIL NEW LISTINGS

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CAPE FEAR

$304,900	3,760
APRIL MEDIAN SALES PRICE	APRIL NEW LISTINGS

READ MORE

MAY 2022

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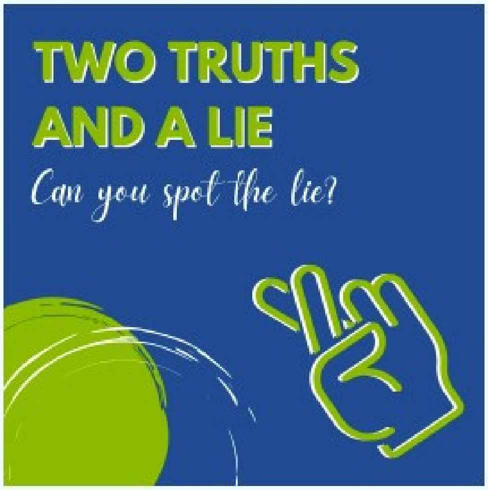

TWO TRUTHS AND A LIE

The first two people to reply with the correct answer get a Starbucks card!

1. A seller asked at the closing if they could refuse to close because they wondered if they could start all over and get more money

2. Despite the lawyer and the title company approving a Power of Attorney (POA) that one of the seller signed & notarized to his sister, a closing was denied because the Register of Deeds refused the POA since it wasn't written by an attorney.

3. Rolling up to a showing and the middle-school style dial lockbox. The agent, nor the clients, could remember how many rotations left/then right etc. They couldn't get a hold of the listing agent and just hung out until the next showing showed up and went in with them.

COMPANY UPDATES

TOP 3 AGENTS IN APRIL

Chip Barker
Carrie Schlegel
Lauren James

CORE STATES FOR 2022

33 Closings
17 Listings & 16 Buyers
$15.7 M Volume