

Post-Pandemic Real Estate

Despite the devastation wrought on the economy by the pandemic, no sector has recovered and entered a boom faster than real estate, specifically single-family homes.

While the market suffered in the early days of the pandemic, it quickly rebounded as the lockdowns ended and the country returned to business under restricted conditions.

In its remarkable forward momentum, real estate has even managed to sidestep the sort of troubles experienced by the labor market and other sectors of the economy.

RECORD HOME SALES

Not since the early 2000s — when a housing bubble presaged the economic collapse of 2008-09 — have home sales risen so quickly, with pandemic-era markets set to overtake even those high-flying days.

Those who have been able to endure the pandemic without a job loss or any serious damage to their personal wealth or credit are taking advantage of plunging mortgage rates with an eye toward



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REAL ESTATE 101

Refinancing Your Home

Refinancing your mortgage allows you to pay off your existing mortgage and take out a new mortgage on new terms. You may want to refinance your mortgage to take advantage of lower interest rates or for other reasons. Learn more in the U.S. government's guide to refinancing at bit.ly/3pJ4cEO.

long-term home ownership.

Sales have also benefited from flight from urban centers into the suburbs, with many families fleeing certain states altogether since the benefits of an accelerated work-from-home movement — something that might have ordinarily taken 10 years or more to achieve — allows them to live anywhere they like. This has created home

sales spikes in smaller towns and cities across America.

Growth and interest has put a premium on existing home inventories, so builders have too been as busy or busier than at any time since the previously mentioned housing bubble. Demand is far outpacing supply, and builders are racing to keep up.

This, of course, has caused

home prices to rise dramatically, far above 2019 across the U.S.

It's a remarkable turnaround from a time when agents worried they might not be able to effectively show homes because of the safety precautions instituted to curb the spread of the virus.

INEQUITY APPARENT

The downside to all this

activity is that while the market has benefited from those who remain relatively unaffected by the economic instability, those who have lost their jobs have also lost their homes. Renters face evictions and low-income families, especially those in minority communities, have suffered disproportionately.

WILL IT LAST?

According to an analysis by J.P. Morgan, while the housing market has cooled somewhat since it's extraordinary gains during the summer of 2020, the bank sees a sustained level of interest in real estate continuing into 2021.

Actions taken by Congress and the Federal Reserve to support the economy, along with the promise of widespread vaccination by the spring and summer bode well for real estate.

A continued shortage of new home inventory as builders catch up will benefit sellers, but buyers also benefit from relatively low mortgage rates. Those seeking to refinance can also take advantage of lower rates.

While the economic headwinds of a winding down pandemic under a new presidential administration are hard to predict, most experts agree real estate will continue to enjoy gains well into the new year.



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HOMEWISSE GLOSSARY

Yield: The profit from an investment, normally stated as a percentage of the amount invested. SOURCE: MLS.com

AD SPACE