

Seller Profits Soar in Pandemic

Never before have homesellers stood to profit as much as they do now — even during a pandemic.

The red-hot real estate market has driven prices — and profits — and inventory down, creating unprecedented gains in more than 90% of housing markets.

According to a recent study by ATTOM Data Solutions, which maintains what it calls the nation's premier property database, homesellers nationwide in 2020 realized a home-price gain of \$68,843 on the typical sale, up from \$53,700 in 2019 and \$48,500 two years ago.

The profit on median-priced, single-family homes and condos represented a 34.7% return on investment compared to the original purchase price — up 249.4% and 27.2% in 2018 — the highest average homeseller return on investment since 2006, according to ATTOM's Year-End 2020 U.S. Home Sales Report.

While 2020 profit gains are dramatic, seller profits and return on investment have been going up for nine straight years, according to the report. Last year's gain marked the largest annual increase since 2017, as



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— a housing boom that began in 2012 continued apace, bolstered by those seeking refuge from urban centers, while a declining inventory pushed prices higher.

And though western states cities such as San Francisco experienced the highest gains, prices rose at least 10% in more than half the country as most markets hit new highs, the report found.

Since the U.S. housing market began recovering in 2012 from the Great Recession of the late 2000s, the national median home price has risen 72.3%. Here are the markets with the largest and smallest gains.

The largest median-price increases in metro areas with a population of at least 1 million in 2020 came in Milwaukee (up 15.3%); Memphis (up 15%); Phoenix (up 14.9%); Birmingham, Alabama (up 13.7%) and Seattle (up 12.9%).

Home prices in 2020 reached new peaks in 129 of the 132 metros (97%) analyzed, including New York; Los Angeles; Chicago; Dallas and Houston.

The smallest gains among the 132 metro areas were in Worcester, Massachusetts (up 1.9%); Harrisburg, Pennsylvania (up 2%); Pittsburgh (up 3.3%); Boston (up 3.5%); and Daphne-Fairhope, Alabama (up 4.1%).

REAL ESTATE 101

Report: January/February Best Time to Get a Mortgage

When it comes to obtaining a mortgage, seasonality matters. According Haus, a home finance startup, January and February are the best time to get a mortgage. Why? Researchers found that in January, lenders tend to offer discounts of nearly 20 basis points compared to the time period between June and October when rates are typically at their highest. After January, December and February tend to be the next cheapest months, according to the Haus study. For more on the study visit Realtor Magazine at bit.ly/3cxx1jQ.

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All this is even more astounding given the conditions in which it occurred. As the coronavirus pandemic

swept the United States in the spring, the economy suffered a dramatic downward jolt.

Unemployment levels rose to those not seen since the Great Depressions and hundreds of thousands of businesses

closed, many for good, and many others drastically cut back.

But for those lucky enough to not feel the full or any effects — and the truly fortunate who experienced economic growth



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HOMEWISSE GLOSSARY

Junior mortgage: A second, third or equity mortgage that is subordinate to an existing lien already on the property. SOURCE: MLS.com

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