

MID YEAR 2017 NEWSLETTER.

Events behind the scenes are unrolling that will affect the Real Estate Market Values and You as Seller's and You as Buyers. For the remaining months of this year.

The Fed Reserve Bank increased its balance sheet as a tool to inject money into the economy during the financial crisis and recession. When just lowering interest rates, couldn't (or wouldn't) help them any further to help stabilize the economy. It seemed at the time great however, in the long run this is not really great news for the housing market as in fact this was just a "temporary" unsustainable solution giving us a false sense of recovery. They are now seeing that the economy is moving in a more positive direction and that they need to begin to pull that money back out of the secondary mortgage market. (This provides the supply of funds for mortgage originations.) Of course, the money supply won't dry up completely, but it will make lending "**more risky**", which is inherently more expensive. (They offset that risk by increasing interest rates.)

It will affect those homeowners that have ARM's, almost immediately. FRM rates will also edge higher as the Fed Reserve reduces it's balance sheet. The Fed Reserve is noncommittal as of its June 2017 meeting, but indicates it will likely begin the shrinkage process sometime in 2017. As such, know that today's low mortgage rates will soon be history. You, that have already taken those "steps" to become Home Owners, consider yourselves "Lucky" to have been in a position to have taken advantage of that economic period. Being forewarned will give those of you that are "sitting on the fence" a chance to be the first to take advantage of the changes coming and buy now! Buyers can still get a "reasonably" low Fixed-Rate mortgage. Sellers can still take advantage of a demand "market" as we enter this transition period.

That said, there are new flexible & stable loan programs being offered. As well as the Standby, FHA & VA. Another "program" especially for our area is the USDA loan each with their guidelines to qualify. It is important to work with a knowledgeable, experienced Loan Broker. Even before the beginning your search and starting to preview homes. All these new loan programs will allow more potential Buyer's to qualify and their "Dreams of Homeownerships" become a reality.

Meanwhile, here In Aguanga/Anza these changes are being felt in more tangible ways. We recently saw long needed road repair along Hwy 371 move forward temporarily causing long delays as we were limited to one lane traffic movement in those areas. Long scheduled work on the "Riverside Co. General Plan has started providing a smoother road way with additional paved turn outs & widened shoulder's which will allow for safer commute up and down the hill to Temecula where "For Hire" job signs are appearing in various retail shops & fast food businesses. The best news is Pechanga Casino recently announced their first "JOB FAIRE" 700 PERMANENT JOBS. Pechanga is in full swing on their New Wing with 5600 jobs as part of the new construction. When finished 2600 permanent jobs will result. OTHER Signs of new construction MULTI UNIT/SENIOR COMMUNITY COMPLEXES are scattered around the city as population in Temecula Valley grows. We are REACHING A NEW DEMAND CYCLE Inventory is

becoming low in the area of “affordable” housing. We appear to be easing out of the downward cycle and even showing signs of an upward trend.

Our market this June has seen an increase of new listings. Sellers, like Buyers are sensing the shift of things changing and now the time might be to gain those thousands they had been holding out for. Still they sometimes must be reminded (if they want or have to be cashed out) the final Purchase Price will be determined by the APPRAISER, and the Recent Solds/Listings of properties like theirs. We still are at lowest prices we’ve seen for what is being offered in the way of improved properties. You can see for yourselves, by searching under area listings on our site. These are not JUST our listings, but listings of all the agents working on the properties up here on the Hill. We update the lists monthly, so you can see and follow properties that area available and in what areas. The number on the far left allows us to identify the property and current information on availability on the listings posted on our lists. We also welcome you to contact us, with your “specific” needs. So you can be given your own FREE Listingbook.com account. Here you can list your needs and Every Morning receive notice of any new listings that have been entered in the MLS. Here you can review and return as frequently as you like, when it is convenient for you. We look forward to any inquires you might have.

SINCERELY YOUR AREA MARKETING SPECIALIST SINCE 1979.

HEATHER R. CRIST