

## Charlottesville Homeowners Share in Home Equity Rebound

We've all witnessed the remarkable rebound in real estate values—and last week, the scale of that recovery was the subject of a CNBC commentary. “A *growing number of homeowners are in the money*,” it found; then, “*Homeowners are sitting on trillions in tappable home equity*.”

*Trillions?* That's a number that sounds quite impressive—but also hard to grasp.

To get a handle on the scale of the nation's real estate recovery in terms that are more meaningful to Charlottesville readers, it calls for some imagination. Here's a try:

If you think of a \$345,000 home (today's U.S. average)—and then of a neighborhood with 30 of those homes per block—a **billion** dollars' worth of home equity would consist of 100 blocks of such homes. For Charlottesville, that would be a pretty large neighborhood, all right; but if you close your eyes and picture such an imaginary hundred-block suburb, you'll have an approximation of what a billion dollars' worth of real estate looks like.

It's much harder to get a grip on a **trillion** dollars' worth of home equity.

One way is to start out by imagining a magnificent estate owned by a titan of industry. This place has 50 acres of magnificently manicured landscaping; several guest houses; a subterranean garage capable of housing 20 antique autos in an appropriately climate-controlled environment; and an infinity pool overlooking an acre-size manmade pond (there are probably a couple of swans in the pond just for good measure). Its nine bedrooms (they are actually suites) are part of the 50-room main house. Maybe a private bowling alley?? You get the picture, right!? Since it's in a fabulously exclusive neighborhood, the estate's value is reasonably pegged at \$50,000,000 (fifty million dollars).

So all you have to do is to close your eyes and picture a neighborhood with 20 of those per block—and then, a thousand of those blocks.

There's your trillion dollars in home equity!

The reason this has anything to do with reality—or with home equity in Charlottesville—is that Charlottesville homeowners are part of CNBC's original headline calculation from last week. Between 2012—the bottom of the financial crisis—and today, homeowners across the country are the recipients of a trillion dollars' rise in home equity. That's a huge number when it comes to a nation's financial stability!

To be precise, the rebound in home equity actually comes to **three** trillion dollars! That's “tappable equity”—dollar values potentially available via refinancing or home equity lines of credit (HELOCs). With mortgage rates currently lower than they were a year ago, it's not surprising that cash-out refinances have been growing in popularity.

Charlottesville may not have any 1,000-block neighborhoods full of 50-acre estates (frankly, we just don't have that much land mass!), but we do have a lot of homes and desirable neighborhoods whose equity has burgeoned since the low point of the financial crisis. I'm proud that I've been able to help many of my clients participate in a share of that good news story. For your next Charlottesville real estate venture, I hope you'll give me a call!



**kw** | charlottesville

**SETH BATTON**

REALTOR, ABR®, e-PRO®, GREEN®

Born and raised in the Shenandoah Valley of Central Virginia, I love everything outdoors. Most of my free time is spent hiking, rock climbing, playing water sports, or cooking out on the back deck with friends. As a child, my parents built me with the core values of a southern gentleman. Trust starts with honesty and honesty builds integrity. I'm a technology guru! One of my favorite hobbies is restoring old homes in depressed neighborhoods to meet the needs of our generation today. My mission is to build a career worth having, a business worth owning, and a life worth living. Being GREEN® is more than just the resource efficiency of your home. It's a lifestyle choice! Let's discuss how to minimize your carbon footprint in everyday life by simplifying your daily commute, decreasing your household energy costs, and boosting the efficiency and sustainability of your daily routine!

I'm an Accredited Buyer's Representative (ABR®) with the National Association of Realtors. Which means I have extensive training to help walk you through the home buying process from start to finish. From lenders and home inspectors to mortgage agents and closing companies, together we will find the best home for your family's needs!

As an e-PRO®, I can show your home to over 500 million visitors today. And you don't even need to vacuum! Curb appeal isn't just about looking good from the street. It's about looking good from the digital highway!

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