

## National Home Prices Jump 37% Since 2014

When Charlottesville homeowners sit down to plot out their household's long-range financial plan, the value they ascribe to their Charlottesville home usually deserves a leading role. As research firm *Pulsenomics* puts it, "changes in single-family home values can have profound impacts on consumer balance sheets." Yet it's often the case that homeowners assume that their home's value is its apparent equity—the home price they paid less their mortgage's remaining principal.

Charlottesville homeowners will be pleased to find that using that measure is almost certain to result in a substantial underestimate. Since the historical norm is for residential home prices to rise, if you are trying to plot a realistic long-term picture of your family's financial future, a middle-of-the-road estimate would take those likely price rises into account.

The problem is: who knows how much those values will *actually* rise? For instance, what if there were another international financial meltdown—with a real estate slump like the last one? Wouldn't it be safer just to assume the worst—static Charlottesville home prices? Safer, perhaps—but not likely more accurate.

For the most sophisticated projections, a better look at the direction of home prices is published quarterly in *Pulsenomics*' "U.S. Home Price Expectations Survey." The Survey represents the combined opinions of more than 100 economists, investment strategists, and market analysts. They have been publishing those projections for five years now—which is noteworthy since we can now check back to see if they were overly optimistic (or the opposite).

In January of 2013, the mean expectation of the *Pulsenomics* experts was for a 5-year increase in home prices of a whopping **22.0%**. That number seems pretty optimistic, and sure enough, a year later, in 2014 the experts dropped it to a more realistic **19.7%**. The following years showed similar moderation, until by this January, their median prediction was for U.S. home prices to rise by **18.2%** by 2023.

Of course, nobody can know exactly what the future will bring, so holding their feet to the fire and expecting exactitude would be unrealistic. But how did they do? *drumroll, please:*

As for that first 2013 seemingly over-optimistic expectation of 22%: the actual rise in home prices has been **37%** (the Case-Shiller national average)! We'll have to wait a bit to see how the next year turns out...but I think we'll have more terrific news.

The long and the short of it is that for practical planning purposes, don't assume your Charlottesville home investment will be wind up being worth what you paid (or will pay) for it. Realistic expectations can be quite a bit sunnier—and definitely, a solid reason to make Charlottesville homeownership a cornerstone of your family's long-term financial future. To get started turning that goal into reality, please don't put off giving me a call!



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**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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