



# When was the last time you had an **EQUITY CHECK-UP?**

Do you know how much equity you have in your home today? For many Americans, the answer is “kind of” or simply “no.” While people tend to check other investments regularly, such as stocks and retirement accounts, most do not reassess the value of their biggest investment—their home—nearly as frequently. However, just as with other investments, it is important to regularly check how much equity you have in your home, so you know where you stand. And if you have not had an equity check-up recently, chances are, your situation is better than you think! It’s easy to understand, however, why for many homeowners the thought of checking their equity is an unnerving one. When the housing market crisis hit in 2008, many homeowners suddenly lost all the equity they had in their homes. Almost eight million people found themselves underwater, owing more on their mortgage than their home was worth. Millions more found their homes were worth barely more than their mortgages. For the next several years, the housing market remained in a negative state. The thought of checking-up on equity in light of these conditions promised only more bad news. Since 2012, the housing market has seen some very consistent appreciation growth, and since the pandemic of 2020, the price of homes rose faster and more dramatically than anyone predicted. With the strong likelihood of a downturn on the horizon, if not sooner, it’s important to know if your situation may have changed. Similarly, if you’ve been waiting to reassess your situation until the market improved, that time might be now.

Let’s take a closer look at why you should schedule an equity check-up today.



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## Home Prices Have Increased Significantly

As mentioned previously, home prices are projected to have a moderate decrease in 2023. Not in every market, and not at every price point. It is estimated that some markets will still see a slight increase in home values, but the overall economic growth will be a primary factor affecting the housing market in 2023. So why have home prices increased so much? The spike can be attributed to a number of factors, but chiefly:

- **Historically Low Interest Rates** – From 2012 through 2018, the average 30-year fixed mortgage was around 4.35%. That average was half the average from the previous decade. And just prior to the pandemic, in 2019, we saw the 30-year fixed rate fall all the way to 2.5%. Low interest rates along with historic low housing inventory, fueled super high appreciation and inflation. In addition, investors, including i-buyers, began purchasing homes in large quantities. I-buyers accounted for almost 30% of home purchases in markets like Phoenix the past five years. Although the number of distressed properties has dwindled, we are seeing the beginning of an uptick. Although most homeowners have some equity, the millions of people who went through forbearance hasn't surfaced quite yet.
- **More People Looking to Buy Homes**—As the United States economy began to recover, more and more people found themselves in a position to buy a home. At the same time, homes were incredibly affordable. Low interest rates and home prices placed homeownership within the reach of many. The result was that more and more people started to look for homes. And...

## FORECLOSURE ALTERNATIVES

### Under the Magnifying Glass

- **Not Enough Homes to Meet Demand**—While demand increased, the number of homes available remained low. During the housing crisis, the construction of new homes halted, and homeowners who wanted to sell were waiting until they regained more of the price of their homes. Suddenly, those looking to buy a home were competing over the same homes, driving up prices.

Ultimately, these market conditions have driven up home prices nationwide. Chances are, home prices in your market have increased as well!

### As Prices Increase, So Does Equity

As home prices continued to increase, more and more homeowners regained equity in their homes. In fact, for the past few years, the vast majority of homeowners regained equity, according to the National Association of REALTORS.

Yet, as mentioned earlier, many homeowners are unaware of just how much things have improved. Despite recent improvement, many homeowners are still shell-shocked after years of struggling in housing market that seemed like it would never improve. This is why it's crucial to check your equity regularly—you have to know where you stand!

Many homeowners who value their homes today are shocked to learn just how much their homes are worth. For some, it means they are finally able to sell their home after years of waiting for the market to improve. For others, it means they are no longer underwater on their homes, and that when looking towards what comes next, they have more options than ever before.

AS HOME PRICES HAVE INCREASED,  
SO HAS HOME EQUITY

Ask me how I can help you today!

*call me*

