



New homes sold at an annual rate of **476,000** in May 2013, up from a rate **369,000** in May 2012.¹

Are You in the Market for a **New Home?**

The rebound of the housing market has meant a boost to the home construction market. Home construction had nearly come to a halt during the Recession, as building in 2009, 2010 and 2011 was less than one-third of the level it was during the housing boom.² Builders are breaking ground on new developments, which is good news for buyers competing for a limited number of existing homes on the market, as well as those who want a brand new home.

New home construction is up

New homes typically represent **20%** of the housing sales market.¹ Although the number of homes under construction is about half of the annual number necessary for a healthy market, starts are up **28%** from the same time in 2012.³ Single-family housing starts reached **610,000** in March 2013, and are expected to reach a seasonally adjusted annual level of one million by the fourth quarter of 2013.^{4,5}

Developers have started construction on more than one million homes in 2013.⁶

Sources: 1. U.S. Department of Housing and Urban Development
2. The Atlantic
3. National Association of Realtors®
4. Bloomberg
5. Freddie Mac

6. The Washington Post
7. U.S. Census Bureau
8. National Association of Realtors®
2012 Profile of Home Buyers and Sellers

Profile of a new home

The average single-family home is **2,480** square feet in size.⁷

39% of single-family homes had 4 or more bedrooms; **48%** had 3 bedrooms.⁷

62% of buyers who bought a new home bought one located in the suburbs or a subdivision.⁸

The median price of a new home purchased was **\$232,000**.⁸

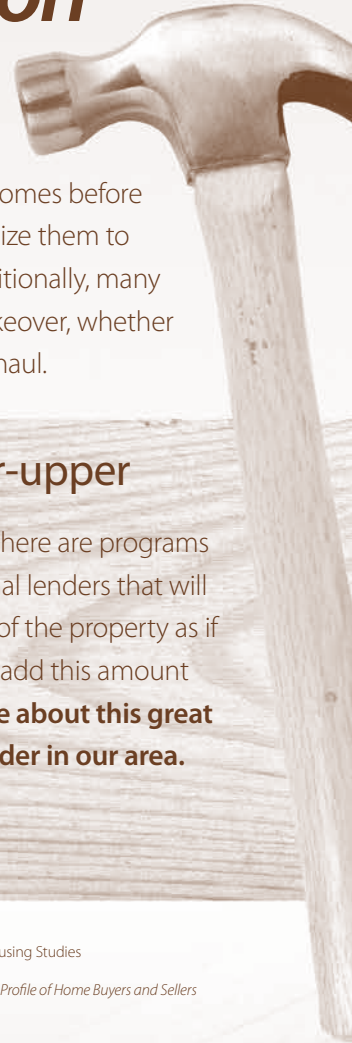
The median size of a new home purchased was **2,100** square feet.⁸

The median expected amount of time that buyers intend to stay in a new home is **15 years**.⁸



Is a *home renovation* right for you?

Home renovations allow people to add value to their homes before putting them on the market, to build equity, to customize them to reflect their style or to make repairs and upgrades. Additionally, many existing homes on the market may be in need of a makeover, whether it's a minor cosmetic improvement or a complete overhaul.



Renovation activity is strong

Homeowners spent an average of **\$11,100** on renovations to financially distressed properties in 2011, and contributed a total of **\$4.2 billion** to the renovation market.¹ **83%** of homeowners who began a renovation project did so to improve the look and feel of their space, and **54%** did so to increase the value of their home, an increase from 2012.² Additionally, **40%** plan to build an addition to their homes or remodel within the next two years.² Fewer people are delaying renovation projects, instead choosing to cut back on vacations and large purchases.²

Don't overlook that fixer-upper

If you're in the market to buy a home, there are programs available through FHA and conventional lenders that will take into account the appraised value of the property as if the remodel has already occurred and add this amount to the loan. **Contact me to learn more about this great opportunity or for a referral to a lender in our area.**

44% of homes purchased in 2011 were built between 1960 and 1999.³

Sources: 1. Harvard University, Joint Center for Housing Studies
2. Houzz.com, *Houzz & Home Survey*
3. National Association of Realtors® 2012 *Profile of Home Buyers and Sellers*

Remodel or move?

If you're unsure about whether you should remodel your home or put it on the market and move, here are some important questions to help you decide.

- How do you feel about your home and neighborhood?
- How much equity do you have in your home?
- Are you "underwater" or would you make a profit if the home sold?
- Will renovating cost less than moving?
- How long do you plan to stay in your home?
- Are homes selling in your neighborhood? If so, how long were they on the market and what did they sell for?

