

The Real Estate Bulletin

NEWS

Western WA

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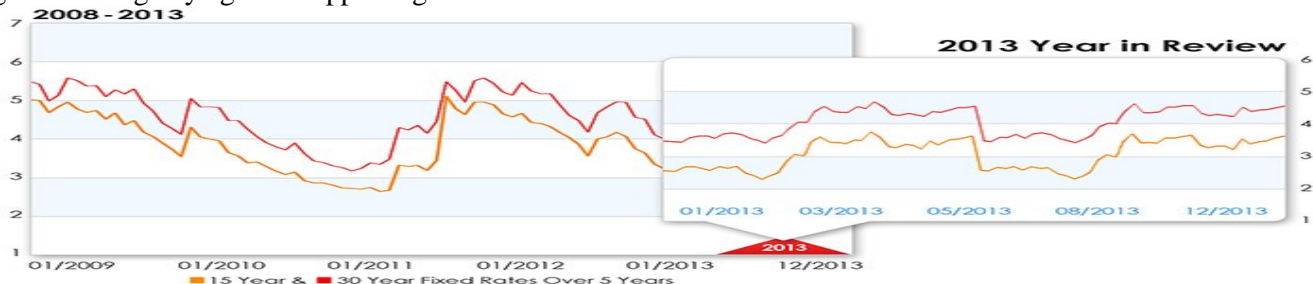
First Quarter, 2014

10 Real Estate Predictions for 2014



Searching for a comprehensive list of what real estate will look like in 2014? Look no further, because I've culled together top predictions from around the web for you right here. with insights from Trulia.com, Zillow.com, Forbes, the NAHB and NAR.

- 1. Unemployment will stabilize** between 6.9 percent to 7.2 percent as people re-enter the labor market and start looking for jobs.
- 2. Affordability will get worse**, although price increases will slow from the unsustainable pace of 2013.
- 3. Expect mortgage rate increases** next year. Don't expect major hikes to scare markets and buyers, but anticipate small upward rate increases as the Fed tapers further.
- 4. Move-up buyers will be less discouraged** by rising prices and interest rates than investors or first-time buyers.
- 5. Gains in housing will hold up** and even continue in 2014, but more moderately in all sectors: new homes, existing homes, and building starts. Growth, however, will be uneven across states.
- 6. Higher prices will encourage listings** for homeowners whose homes were underwater; buyers will face less competition from investors who scale back from buying as prices rise.
- 7. Existing -home sales will climb 4 percent** to 5.2 million, a 7.5 percent increase from 2012. New-home sales may climb by another 16 percent to 580,000 next year (2013 saw an amazing 36 percent increase over 2012).
- 8. Areas with inventory shortages** should cool, but watch rising mortgage rates (see #3). Sales in California and Arizona will be rapid, while New York and Florida will continue to deal with gluts.
- 9. Prices could slow for the wrong reasons**, too, if there's another government shutdown to dampen consumer confidence, which hurts both demand and pricing.
- 10. Looser credit may help renters become new owners.** With fewer foreclosures, single-family rentals will tighten making buying more appealing.



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Robbyn Adelsman, Broker, **President** -South King County Women's Council
of Realtors 2013 and 2014

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