

RFG Monthly Spotlight, April 2021

Rosselot Financial Group interviewed several of our local realtors to obtain insight on this wild Housing Market we are currently experiencing. Nate Kosman, CEO & Financial Advisor AIF®, brings the interviews full circle, explaining possible down payment sources that are often overlooked.

Why is the housing market so hot right now? How long will it last?

Pete Kopf, Broker/Owner at Kopf Hunter Haas REALTORS®

Low interest rates coupled with historical low available homes for sale has created a “Seller’s Market.” Demand for housing continues to outpace the available inventory of homes for sale which has pushed the median sale’s price for a single-family home in Greater Cincinnati to all time high of \$199,000. As long as interest rates continue to hover below 4% for a 30-year fixed rate mortgage and demand continues to surpass the supply of available homes for sale, this market will continue on the same trajectory.

Jill Dugan, Real Estate Agent at Comey & Shepherd REALTORS®

The housing market is so hot right now b/c mortgage rates are still so low, money is cheap. National Association of REALTORS® expects rates to average 3.1% and the Mortgage Bankers Association® says mortgage rates will average 3.3% in 2021. These rate estimates are both up from the 3.0% mortgage rate average in 2020 but lower than 2019 average rates.

What is the number 1 tip on be a successful buyer?

Jon Amster, REALTOR® at Comey & Shepherd REALTORS®

Be different! When you make an offer like all of the others, you blend in and get forgotten, only if you are the highest offer will you win. Have a plan and understand what parts of the Contract you can waive to get the Seller’s attention, these include inspections, appraisal, Closing Costs, etc. In addition, make sure you know what financing you are using and who you are financing through before you ever look at a house and include a strong pre-approval letter and a personal letter from you to the Seller with every offer. Be patient for the right home, when it comes up, be aggressive in your offer and approach.

Varun Varma, REALTOR® at Varma Realty Group by Coldwell Banker Realty

Have a great team! It's hard out there to be a buyer. By partnering up with a solid lender, a great agent that can possibly find you off market deals and utilize their network of agents and sellers you can definitely have success in the market. Another tip is cultivating your offer on the house you want to appeal to the sellers as best you can. Obviously, price is important, but net proceeds, and flexibility for sellers to move out is all ideal as well!

What is the number 1 tip on being a successful seller?

Jason R. Smith, REALTOR® at The Tye Group with eXp Realty

Right now, in this market it is fairly easy to be a successful seller, especially if your house has been well maintained. Honestly, the best bet for a seller right now is to find the right agent to price and market the home properly and an agent that knows what should be done to prepare a house for going on the market. People have a tendency of wanting to price the home too high thinking they will get that price no matter what because of how hot the market is. But your house will sit on the market even now if it is priced wrong.

TJ Royalty, REALTOR® at Huff Realty

Being publicly available on the MLS! FSBOs are losing thousands of dollars that they'll never understand otherwise. 80-90% of buyers are working with A REALTOR® shopping on the MLS. Don't miss the demand and lose money because you think you can save money. I personally help my buyers find FSBO homes, but not all or even a lot of REALTORS® do. When I help my buyers buy a home FSBO, they get it at a discount because there's no competition. What does that say for a seller?

Anything else we should know about today's housing market?

Joe Weiner, Real Estate Agent at Pivot Realty Group

Buyers are going in within days of listing, above asking price at times, cash offers. Be prepared to make a quick decision and possibly waive inspection rights.

Nick Motz, Associate Broker at Motz brokered by eXp Realty

Buyers - get ready for the ride of your lifetime. Sellers - get ready for the same...

Overlooked Down-payment sources from a Financial Advisor's perspective.

Nate Kosman, CEO & Financial Advisor AIF® with The Rosselot Financial Group.

In this market you have to have your financing and down payment in line to have a competitive offer. Here are a few creative ways to access cash to purchase your home!

If your money is all tied up in an IRA for retirement one way you can use those funds is to take a withdrawal. While first time homebuyers are afforded some exemption from penalty a withdrawal for a home purchase is still taxable and may come with a penalty if you are under age 59 ½. That is unless you pay the IRA back within 60 days. This may be a strategy for those who have a home selling but won't have the funds prior to close on their purchase. But it is risky!

Make sure you'll be able to repay the IRA within 60 days otherwise you may incur tax and penalty. Also, these "60-day rollovers" are limited to one per year.

Another option may be a 401k loan subject to availability from your employer's plan. Be sure to research your plan's availability and terms.

Lastly, if you have cash value in a life insurance policy you may be able to take a loan against it.

Be sure to discuss these options with your advisor, your CPA or tax preparer and your bank or mortgage broker to find out what the right strategy is in your situation.



If you would like to continue this month's discussion, please do not hesitate to reach out to your advisor directly or contact our office.

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