

HOME OFFICE

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Contact us for all your real estate needs!

The real estate market is always changing, and local sales trends vary widely! Before you buy or sell a home, it pays to know the market conditions in your neighborhood. We provide personal real estate consultations without any cost or obligation!

During your consultation, we'll explain the sales activity in your area, and help you find opportunities in the market. You'll get answers to all of your real estate questions, too! Call us today for your personal consultation.

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THE STARCK REPORT

Official Monthly Real Estate Newsletter



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HOLIDAY FUN FACTS



Why do We Put up Christmas Trees?

Decorating your home with evergreens goes back as far as the ancient Egyptians. Protestant Christians first adopted evergreens to decorate with at Christmas because they symbolized eternal life. Wreaths also symbolized the crown of thorns that Jesus wore at his crucifixion. Christmas trees first appeared in Germany in the 16th century where homes were decorated for the holiday using roses made of colored paper, apples, wafers, tinsel, and sweetmeats. In the 18th Century candles first appeared as decorations. After long resisting the custom, the Catholic Church finally displayed a Christmas tree at the Vatican in 1982.



Who was Santa Claus?

The character of Santa Claus is based on St. Nicholas. As per legend, St. Nicholas was a Christian bishop who provided for the poor and needy. He also loved children and enjoyed giving gifts to them secretly. As his story spread, he was called Sinterklaas in Dutch, which later became Santa Claus. Portraits of Santa Clause pictured him wearing many different colors such as green, purple or blue. In the early 20th Century, Coca Cola pictured him in red to match their brand and it stuck.



Why do we say 'Xmas'?

The use of the term 'Xmas' dates back to the 16th century. The 'X' in the word Xmas comes from the ancient Greek language. In Greek, Christ begins with the letter X. So, Xmas simply means Christmas.



What is Hannukah?

Hannukah is known as the Feast of the Dedication or the Festival of Lights and commemorates the rededication of the Second Temple in Jerusalem in 164 BC. Hannukah literally means dedication in Hebrew. The Hanukkah celebration involves the lighting and blessing of a nine-branched candelabra known as a menorah or a hanukkah. On each of the holiday's eight nights, another candle is added and lit. The ninth candle (called the "shamash") is the helper candle that is used to light all the others.

Hanukkah made its first appearance at the White House in 1951, when Prime Minister of Israel David Ben-Gurion gave Harry Truman a menorah as a gift. In 1979, Jimmy Carter became the first American president to recognize the holiday publicly by speaking at a candle-lighting event hosted by the Chabad Lubavitch organization.

SCALLOPED POTATOES

Comfort foods are in! Here is an easy to make and a great-tasting side dish to compliment your holiday dinners.

From Allrecipies.com

INGREDIENTS

- 12 Large Potatoes, peeled and halved
- 2 x 10.5 oz cans of cream of chicken soup
- 2 cups sour cream
- 2 cups shredded Cheddar cheese
- Salt & black pepper

COOKING INSTRUCTIONS

- Preheat oven to 350 degrees
- Place potatoes into a large pot of salted water. Bring to a boil. Reduce heat to medium or low and simmer until tender, about 15 minutes. Drain. Cut potatoes into cubes and place into a large bowl.
- Stir the chicken soup, sour cream, and half the Cheddar cheese into the potatoes until evenly incorporated. Season with salt and pepper to taste.
- Spread potato mixture into a 9x13" casserole dish and sprinkle with remaining Cheddar cheese.
- Bake in the oven until cooked through and Cheddar cheese is melted, about 30 minutes.





WHY ARE INTEREST RATES SO LOW?

The Federal Home Loan Mortgage Corporation, known as Freddie Mac, released the results of its Primary Mortgage Market Survey on November 5, showing that the 30-year fixed-rate mortgage averaged 2.78%, the lowest rate in the survey's history, which dates back to 1971. You might be wondering, why are mortgage interest rates are so astonishingly low?

In 2020, the outbreak of the COVID-19 pandemic caused a stock market sell-off, sending investors retreating to the relative safety of the bond market, causing average mortgage interest rates to fall because mortgage rates loosely follow the yields on 10-year U.S. Treasury bonds. As more bonds were purchased, yields went down, and mortgage rates followed. The stock market has since recovered but in order to keep the economy out of recession, The Federal Reserve has intervened in the bond market, buying up to \$4.5 billion in mortgaged-backed bonds per day. This massive buyback keeps Treasury yields and so also mortgage interest rates low.

So, it is no surprise that these low rates have helped set the real estate market on fire. October mortgage purchase applications were up 24% and refinance applications were up a colossal 44% year over year. Freddie Mac forecasts that interest rates

will remain at or near record lows and that housing prices will moderate throughout 2021.

What does this mean to you, the homebuyer or homeowner? The current market presents an incredible opportunity to buy or sell a home. Rising prices make selling attractive to homeowners and low mortgage rates make buying equally attractive.

Mortgage Facts

- 30-year fixed-rate mortgages averaged 2.78%. A year ago, at this time, the 30-year fixed-rate mortgage averaged 3.69%.
- 15-year fixed-rate mortgages averaged 2.32%. A year ago, at this time, the 15-year fixed-rate mortgage averaged 3.13%.
- 5-year Treasury-indexed hybrid adjustable-rate mortgages averaged 2.89%. A year ago, at this time, the 5-year adjustable-rate mortgage averaged 3.39%.



“One can best prepare themselves for the economic future by investing in your own education. If you study hard and learn at a young age, you will be in the best circumstances to secure your future.”

—Warren Buffett, chairman and CEO, Berkshire Hathaway Inc.

WHAT’S TRENDING?



It’s a great time to sell a home! October was another amazing month for existing-home sales in the Chicago area as closings surged 36% over last year. The average sales price jumped 14.5% year over year as the Chicago area is seeing price appreciation it has missed out on for many years. The available inventory of homes shrank -34%, making it hard to find that dream home. Mortgage interest rates on a 30-year fixed-rate conventional mortgage rose slightly to 2.81%, but are still stunningly low. Future indicators also show the market gaining steam with mortgage purchase applications up 23.5% and pending sales up 22% over October 2019.

Lawrence Yun, Chief Economist for the National Association of Realtors, came out with his forecast for 2021 and he is calling for a 6 to 10% increase in home sales and a 2 to 3% increase in prices. You would have to go back to 2010 to match the national homeownership rate, which is now up to 67.4%.

There are headwinds for the economy. Unemployment is high, with over 10 million Americans out of work and many more underemployed. The rise in COVID-19 numbers also threatens a possible second shutdown, which would have a dramatic effect on the economy. But just this week Pfizer signalled that it had a vaccine that was 90% effective and the stock market soared. Investors are betting that any shutdown would be temporary and would not impact the economy as negatively as that of last March. And we have a new President, which might signal uncertainty. Goldman Sachs and Moody’s Analytical studied President-Elect Biden’s economic policies and estimated that the overall impact would be positive. So, the economy is expected to march on in positive territory.

National numbers are always interesting to ponder, but remember that all real estate is local. Every neighborhood is different. If you would like a thorough analysis of the value of your home, or if you are searching for your next home, please contact us.

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| CURRENT INVENTORY 26,613 | MONTHS OF SUPPLY 2.6 | AVERAGE DAYS ON MARKET 63 |
| 10% Prior Month | 13% Prior Month | 8% Prior Month |
| 34% Year Over Year | 40.9% Year Over Year | 20.3% Year Over Year |
| TOTAL HOMES SOLD 12,244 | AVERAGE SALES PRICE \$345,862 | MEDIAN SALES PRICE \$275,000 |
| 3% Prior Month | 1% Prior Month | 0% Prior Month |
| 35.7% Year Over Year | 14.5% Year Over Year | 14.6% Year Over Year |

All data from MRED. All property types in the Chicago PMSA. Data deemed reliable but not guaranteed. Data from October 2020. InfoSparks © 2020



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Q: *These squeaky wood floors are driving me crazy! What can I do to fix them?*

A: Get some talcum powder and generously sprinkle it onto the floor then sweep it into the cracks. Clean up the excess with a damp cloth. Now you can sneak into the kitchen unheard for that midnight snack!