

Trending Renovations for the New Year

If you're looking to update your home before listing, here are some predicted trends for 2018.

2018 is a year full of new trends. Though timeless classics provide security in home remodels, these new trends are expected to increase the appeal of your home to potential buyers.

1. Kitchen

Adding more color to the kitchen and removing the sterile white appearance is said to provide a level of personality and warmth that invites individuals into your home. On a more practical application, it also allows cooking-related mishaps to blend in a bit better. So put down the Magic Eraser™ and pick up a paint brush. It's time to make a splash.

In addition to removing the neutral whites from the walls, consider removing it from the sinks as well! Houzz® is expecting custom sinks made of stone, concrete, granite, and copper to become (or return to) popular in 2018.

While your working on the sink replacement, consider a trough or bucket style sink for bathrooms shared between children, and for laundry rooms!



2. Accents

While the timeless classics include soft blue-greys and white shiplap, 2018 is expected to bring back floral prints and concrete accents, as well as richer colors throughout the home with furniture and decorative items.

3. Walls

Pallet art made a dramatic entrance in 2017, bringing life to plain walls, study nooks, and laundry rooms. It's expected to continue in 2018, with designs etched in wooden walls becoming popular in both the kitchen and bathrooms.

4. Bedroom Ambiance

For years research has shown the psychological appeal of blues for relaxation. It is predicted that 2018 will bring you relaxing bedrooms full of minimalist designs and soothing colors.

5. Lighting

Similar to sink trends, 2018 lighting fixtures are expected to include copper, pendants, Einstein bulbs, and other retro lighting options.

6. Backsplashes

From subway tiles to yellow flowers, backsplashes are a dead giveaway for the age of a home (or it's last make over). 2018 will be no different. It is expected that intricate tiling designs will take accent walls and goof-proof cooking to new heights—reaching from counter tops to ceilings. More damage-resistant than wallpaper, we are looking forward to this happy medium for the kitchen.

PLATINUM TIPS	PAGE 2
ARTICLE	PAGE 2
ARTICLE	PAGE 3
CURRENT MARKET STATS	PAGE 4
PLATINUM EVENTS	PAGE 4



Adam Pray
Owner/Broker
785-650-1029



A.J. Preisner
785-639-1725



Brady Reed
785-299-0190



Crystal Wolf
785-656-4259



Marcie Pray
785-259-0289



Rick Claiborn
785-259-0690



Tyler Reed
785-259-3177

Housing Predictions for 2018

2018 is expected to be a blend of emotion for the housing market, providing wonderful opportunities as well as some challenges for buyers and sellers alike.

The 2018 market will pose some challenges carried over from 2017, with **supply and demand** being the largest of these challenges. By the forth quarter of 2017, nearly half the homes for sale were in the top 1/3 of pricing, providing minimal opportunities for starter homes. With an influx of houses hitting the market, we still expect that there will be a shortfall of homes for the demand. In short, buying a home on a dime will become a bit of a race for the proactive.

In addition to the availability of starter homes being low, it is predicted that the low-end pricing will begin to migrate upwards. The result is entry-level homes becoming tempting for fixer-upper developers looking to turn a quick profit. This will only **fuel the competitive nature of the starter home** market.

Adding to the competitive market place of homes already in scarce quantities will be the disadvantages, or lack of incentives, of purchasing in urban areas. Traditionally homes on the outskirts of town appealed to individuals looking for a quieter life, those ready to settle down, and retired folk who needed less access to the big city. It is believed that in 2018 we will see a **dramatic shift in the purchasing demographics** of these homes, with millennials making the sacrifices of commute for the incentives of suburban living.

Financially, preliminary reports stated that 2018 home values will increase by over 4%, but Realtor.com is now suggesting a closer rate of 3.2%. With the **typical inflation** of 3% annually, this slow growth will cause opportunity for those buying. For those looking to increase the value of their homes– sit tight. The **value of currently owned homes will not increase** much with this 3.2%.

There will be some percentages making **drastic increases** this year though. Unfortunately for all, those are interest rates. The scariest of bears in homebuying, it is expected that interest rates will continue to steadily climb as they did in 2017, with an expected reach of 5% for 30-year fixed loans to be achieved by the end of 2018 according to the Mortgage Bankers Association. Should this prediction come true, it will be the **highest interest rate we have seen since 2011**.

Lastly, throwing salt on an open wound are the new **tax plan effects**, limiting the tax deductions on homes, and thus increasing tax payout for homeowners.

All in all, the housing market will be a well-shaken 8-Ball by the end of 2018, will the possibilities of change being truly endless. Hang in there, keep track of your current market trends, and keep in touch with your mortgage advisor and real estate agents– they will be the most up-to-date resource on current trends, and will get you through the year.

OPEN HOUSE ANNOUNCEMENTS

Visit our website at:
www.platinumgrouphays.com

For the most up-to-date
schedule of open houses.



Platinum Tips

Real Estate Harmony

Happily ever after is always possible with a well cared for credit score. Remember that the higher the credit score, the lower your monthly payments. Here are some helpful tips for raising your credit score.

Check your credit score for discrepancies 6 months before you begin looking for a new home.

Mix It Up!
Old credit and new credit, as well as different types of credit.

Eliminate Debt

Avoid excessive credit inquiries
(cell phones, cars, furniture loans, etc.)

Pay Bills On Time
(30 %)

Home Buyer Finances

A quick finance lesson on interest rates & down payments

Platinum Group participated in the Hays Area Young Professionals event “Real World 101”, hosted by Fort Hays State University. Speaking to the basics of home buying, there was a generalized conclusion from the audience that a large sum of money was required for investing in a home, and most were aware that interest rates were increasing.

Working in small groups, we showed participants the differences between down payments and interest rates, and what it means for monthly payments, and we will show you the same thing.

When you begin looking for a home, there are several things to consider. Amongst the largest of considerations are how much you can afford monthly, and what loans you qualify for. Different loans provide different interest rates, and therefore result in different monthly payments.

The amount that you can put towards a down payment on a home will help determine which loans you qualify for. Let’s take a typical home here in Hays, valued at \$150,000. If you make an offer for the value of the home (the full \$150,000), your down payment will be a percentage of this value. Don’t forget that you will also need to take into consideration closing costs such as title fees, inspections, and appraisals. A 20% down payment will provide you with options such as eliminating Mortgage Insurance, something that is required for smaller down payments. It will also provide options for lower interest rates. For example, based on a 700+ credit score, an interest rate of 3.90% could be expected. This makes the principal and interest approximately \$573 per month, with an estimated \$240 property tax, and \$64 for homeowners insurance to protect your home. This makes your monthly payment approximately \$878.

Let’s say though that 20% is a bit out of your reach. A 10% down payment of \$15,000, with the same house as mentioned above, and a credit score of 700+, will make the interest rate approximately 4.00%, increasing the principal and interest by only \$72 a month to \$645. However, because of the lower down payment, you will now be required to have mortgage insurance, an additional \$143 a month. Also reflecting the higher loan amount, your monthly payment will be a bit larger, around \$1,093.

A 5% down payment with the same interest rate will provide a principal and interest payment of \$680 (\$35 increase), a mortgage insurance rate of \$150 (\$7 increase), and a monthly payment of \$1,135. Notice that because the interest rate of 4.00% did not change, the monthly payment has minimal change.

Transitioning from a 30-year fixed rate, to a FHA, you will receive more flexible requirements for your loan, which is backed by the government, but will need to invest a bit more in interest to attain these incentives. An interest rate of 4.15% and a minimum down payment of 3.5% will leave a monthly payment of \$1,146.

On the opposite end of a 20% down payment is a 0% down payment, typically associated with the highest of interest rates, a required mortgage insurance payment, and a hefty principal and interest payment each month. This \$150,000 home is going to be around \$1,178 a month.

If we look at the value of our 20% down, paying \$878 a month, and compare it to our 0% down, paying \$1,178 a month, with an interest rate of 0.35% higher.

The point is this— though interest rates are increasing, you can offset your monthly investment with a larger down payment. Alternatively, you can invest a bit more monthly and still qualify for a wonderful home, when 20% is not an option.

If you would like to talk to one of our agents about your options, call our office, or our staff on the front page. We would love to help you find a way to afford your dream home.... Today.

Down Payment / Loan Type	Payment (\$)	Loan Amount (\$)	Interest Rate	Principal & Interest	Property Tax	Mortgage Insurance	Homeowners Insurance	Total Monthly Payment
0%; USDA Fixed	\$0	\$151,500	4.25%	\$723	\$240	\$150	\$65	\$1,178
3.5%; FHA Fixed	\$5,250	\$144,750	4.15%	\$691	\$240	\$150	\$65	\$1,146
5% 30-Year Fixed	\$7,500	\$142,500	4.00%	\$680	\$240	\$150	\$65	\$1,135
10%; 30-Year Fixed	\$15,000	\$135,000	4.00%	\$645	\$240	\$143	\$65	\$1,093
20%; 30-Year Fixed	\$30,000	\$120,000	3.90%	\$573	\$240	\$0	\$65	\$878

Estimated Monthly Payments for a \$150,000 on a 30-year term

Current Market Statistics

City of Hays		December		
Current Month				
Summary Statistics		2017	2016	Change
Home Sales		14	20	-30.0%
Active Listings		118	120	-1.7%
Months' Supply		8.4	6.0	40.5%
New Listings		14	23	-39.1%
Contracts Written		7	21	-66.7%
Pending Contracts		7	15	-53.3%
Sales Volume (1,000s)		3,311	3,269	1.3%
Average	Sale Price	236,486	163,473	44.7%
	List Price of Actives	205,508	218,957	-6.1%
	Days on Market	168	133	26.5%
	Percent of List	95.0%	95.8%	-0.9%
	Percent of Original	90.2%	90.2%	-0.1%
Median	Sale Price	217,750	143,500	51.7%
	List Price of Actives	181,998	187,200	-2.8%
	Days on Market	127	77	64.9%
	Percent of List	95.0%	97.0%	-2.0%
	Percent of Original	93.2%	94.5%	-1.4%

A big piece of understanding the value of your home is understanding the market that your home is in. The Hays Board of Realtors publishes market statistics on a monthly basis for the previous 60-90 days. With comparison to the previous year, you can see trends in the market surrounding your home.

In December of 2017, there were 14 homes sold, which was down by 6 from December of 2016 when 20 homes were sold. However, the value of homes are on the rise, with the average sale price being \$236,486, an increase of 44.7% from 2016. From 2016 to 2017 there was little change in list percentages and original percentages, meaning what homes are listing for is what they are going for, within 5%-10% on average.

The median (middle number) sale price for Hays in December of 2017 was \$217,750, with an average sale price of \$236,486. That's an increase of 44.7% on average and 51.7% on median. While this may not be the best of news for home buyers, it did provide a bit of a holiday bonus for those selling their homes in December.

As for those still trying to sell their homes, the total number of listings was down just 2, from 120 in December of 2016 to 118 in December of 2017. In short, though quantity of sales was down in December of 2017, both from the previous month, and from December of the previous year (2016), we are seeing an increase in the sale prices of homes, and thus a rise in the housing market.

Make sure to follow us on Facebook and check out our website frequently to see the latest

homes for sale in the Hays area, as well as the upcoming open houses. If you have any questions, are ready to start buying, or are looking to sell, give us a call. We are here to answer any questions you may have.

Summer Bash

The Summer Bash was a HUGE Success! Everyone had a great time.

Thank you so much to everyone who attended, and who made this event possible!

