



2020  
**HOME BUYERS  
GUIDE**



# U.S. REAL ESTATE PREDICTIONS FOR 2020



Housing and real estate experts are out with their 2020 market predictions, and they're well worth a look – especially if you're in the market for a new home next year – or looking to sell one. Let's take a glimpse and see what shots the gurus are calling for real estate in 2020, with these 12 top predictions foremost in the housing market crystal ball.

BRIAN O'CONNELL, TheStreet

## Home Sellers Will Sit 2020 Out

Realtor.com predicts residential property inventory to "evaporate" in 2020. "That will make it more challenging for buyers to find a home despite attractive interest rates," the Santa Clara, Cal.-based company states.

## Millennials Will Get Aggressive About Buying Homes

Realtor.com also notes that one demographic will be big buyers in 2020 – even if inventories are thin. That's the millennials. Apparently, younger buyers are eschewing inner-city living and have their sights set on 1,800 square-foot homes in the suburbs, with good neighborhoods and decent schools. Millennials will take more mortgages than baby boomers and gen-x'ers in 2020, the company predicts. Down payments from millennial buyers will also likely be bigger than ever.

Realtor.com also says millennials – with the oldest members approaching 40 and the biggest cohort turning 30 in 2020 – will surpass 50% of all home purchase mortgages.

## Home Prices Will "Flatten"

"They also predict that U.S. home prices will flatten, increasing just 0.8% nationwide. Prices will decline in more than 25% of the 100 largest metros, including Chicago, Dallas, Las Vegas, Miami and San Francisco, according to Realtor.com.

## The Housing Market Will Be "More Competitive"

"Seattle-based Redfin predicts the U.S. housing market will be more competitive in 2020 as the cool-down that began in the second half of 2018 comes to an end. "Low mortgage rates started to revitalize the market at the end of this summer, but we won't see their full impact on demand for housing until next year," says Redfin chief economist Daryl Fairweather. "In 2020, buyers will have fewer homes to choose from than they have in five years. But the return of bidding wars is good news for sellers who may have been holding out this year as the market stabilized. The competition and faster price growth will tempt more homeowners and builders to list homes, which will help improve the balance between supply and demand by the end of the year."

## Go South, Young Buyer

Redfin also notes that southeastern U.S. states will rule the roost on the home price appreciation price. "Charleston and Charlotte will lead the nation in home-price growth as more people and employers move to affordable Southeast cities," the company states.

## Mortgage Rates Stabilized at the Low End of the Range

Expect 30-year fixed mortgage rates to remain low, hovering around 3.8%, Redfin predicts.

"Faced with slowing economic growth, the Federal Reserve will keep interest rates low," Redfin reports. "Although the housing market is strong, weakness in other sectors, like manufacturing, is pulling down on the economy.

"The company does see some leeway on rates, dependent on the U.S. economy in 2020. Because investors are already bracing for the possibility of a recession, Redfin doesn't expect mortgage rates to fall much lower than 3.5% in 2020 even if the economy weakens. If the economy strengthens, Redfin expects mortgage rates to stay below 4.1%





## **.. But Mortgage Rates Decline Should Be Temporary**

Mortgage rates matter, but the current decline won't last, experts say.

"More than any other factor with the potential to impact home-buying demand through 2020, mortgage rates are viewed by our expert panel to be most significant," says Terry Loeb, founder of Pulsenomics, a housing industry analysis and research firm located in Boston, Mass.

Loeb says that although 30-year mortgages are near 18-month lows and available now at rates below 4%, "the near-term outlook for home prices has actually weakened a bit" from the previous survey in February. "Together, these data suggest that most experts believe the recent rate move is a temporary dip, and that home-buying demand through next year will be dampened by other, more persistent factors that affect affordability, such as constrained inventory and the growth of house prices relative to wages."

## **Expect "Bidding Wars**

"Thanks to low mortgage rates and thin residential housing inventories, sellers can expect bidding wars in 2020, Redfin reports.

"Low mortgage rates will continue to strengthen homebuying demand, but due to a lack of new homes for sale and homeowners staying put longer, there will be fewer homes on the market in 2020 than in the past five years," the company predicts. "More demand and less supply mean bidding wars will rebound in the first quarter."

Altogether, Redfin expects about one in four offers to face bidding wars in 2020 compared to only one in 10 in 2019. "This increase in competition will push year-over-year price growth up to 6% in the first half of the year, considerably stronger than the 2% growth seen in the first half of 2019," the company states. "Supply and demand will become more balanced later in the year as more listings of new and existing homes hit the market and price growth will moderate to 3%."

## **If a Recession Occurs, Housing Won't Be Overly Affected**

There is talk of a U.S. recession next year, although that sentiment is becoming muted after strong economic numbers in December. And if an economic slowdown does occur, the housing market will weather the storm.

"Unlike past recessions, there is now an extremely low inventory of homes," says Dr. Ralph G. DeFranco, global chief economist for Arch Capital Services Inc., in Walnut Creek, Cal. "That's why we expect the price of entry-level homes to once again grow faster than incomes in 2020."

First-time homebuyers are in a difficult spot because builders aren't constructing enough homes at the more affordable end of the market, DeFranco says. "But the positive side is that low inventory and very high mortgage quality will likely limit the severity of a future recession, though we aren't predicting when the next downturn could occur," he says.

## **Hispanics Gain**

According to Realtor.com, Hispanic Americans will gain more wealth from home equity than white Americans for the first time ever. That's because the majority of new homeowners are Hispanic and home values in Hispanic neighborhoods are increasing faster than in white neighborhoods, the company states.

Analysts at Realtor.com point to Texas as a Hispanic homeowner hotspot. There are more Hispanic homeowners in Texas than in any other state and Texas cities are likely to experience strong gains in home values over the next decade as people move there from expensive cities like San Francisco and Los Angeles, Realtor.com predicts.

## **Climate Change Is Now a Buying Factor**

2020 will mark the first decade where climate change will factor into home-buying decisions. "The financial costs of climate change are already becoming more tangible as fire and flood insurance premiums rise," Realtor.com reports. Over the next decade, higher insurance premiums in high-risk areas will make housing even less affordable to more people. And in areas with the highest risk, insurers may stop providing insurance altogether, which means it will be nearly impossible to secure a mortgage in those areas.

## **Overall, U.S. Home Values to Rise in 2020**

According to Matthew Gardner, chief economist at Windermere Real Estate in Seattle, home values will be up by 2.9% in 2020, and that should lead to more buying activity.

"I feel confident that 2019 will end with a slight rise in home sales," Gardner states in his annual real estate prediction list for Windermere. "For 2020, I expect sales to rise around 2.9% to just over 5.5 million units."

Gardner expects home prices next year will continue to rise as mortgage rates remain very competitive. "Look for prices to increase 3.8% in 2020 as demand continues to exceed supply and more first-time buyers enter the market." In the year ahead, Gardner says he anticipates the volume of first-time homebuyers to grow, "making them a very significant component of the housing market."

Gardner says he also expects new home prices to rise by 2.5% in 2020.



# Why Should You Use a Realtor®?



## *6 Reasons You Should Never Buy or Sell a Home Without an Agent*

Realtor.com | By Rachel Stults

### 1. They have loads of expertise

Want to check the MLS for a 4B/2B with an EIK and a W/D? Real estate has its own language, full of acronyms and semi-arcane jargon, and your Realtor is trained to speak that language fluently.

Plus, buying or selling a home usually requires dozens of forms, reports, disclosures, and other technical documents. Realtors have the expertise to help you prepare a killer deal—while avoiding delays or costly mistakes that can seriously mess you up.

### 2. They have turbocharged searching power

The Internet is awesome. You can find almost anything!

And with online real estate listing sites such as yours truly, you can find up-to-date home listings on your own, any time you want. But guess what? Realtors have access to even more listings. Sometimes properties are available but not actively advertised. A Realtor can help you find those hidden gems.

Find homes for sale on

Plus, a good local Realtor is going to know the search area way better than you ever could. Have your eye on a particular neighborhood, but it's just out of your price range? Your Realtor is equipped to know the ins and outs of every neighborhood, so she can direct you toward a home in your price range that you may have overlooked.

### 3. They have bullish negotiating chops

Any time you buy or sell a home, you're going to encounter negotiations—and as today's housing market heats up, those negotiations are more likely than ever to get a little heated.

You can expect lots of competition, cutthroat tactics, all-cash offers, and bidding wars. Don't you want a savvy and professional negotiator on your side to seal the best deal for you?

And it's not just about how much money you end up spending or netting. A Realtor will help draw up a purchase agreement that allows

enough time for inspections, contingencies, and anything else that's crucial to your particular needs.

### 4. They're connected to everyone

Realtors might not know everything, but they make it their mission to know just about everyone who can possibly help in the process of buying or selling a home. Mortgage brokers, real estate attorneys, home inspectors, home stagers, interior designers—the list goes on—and they're all in your Realtor's network. Use them.

### 5. They adhere to a strict code of ethics

Not every real estate agent is a Realtor, who is a licensed real estate salesperson who belongs to the National Association of Realtors®, the largest trade group in the country.

What difference does it make? Realtors are held to a higher ethical standard than licensed agents and must adhere to a Code of Ethics.

### 6. They're your sage parent/data analyst/therapist—all rolled into one

The thing about Realtors: They wear a lot of different hats. Sure, they're salespeople, but they actually do a whole heck of a lot to earn their commission. They're constantly driving around, checking out listings for you. They spend their own money on marketing your home (if you're selling). They're researching comps to make sure you're getting the best deal.



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# House Hunters: 6 Home-Buying Tips for the Current Market



*With fewer homes for sale today, would-be buyers are having to get creative about making their bid stand out.*

*In September 2017, sales of new homes in the United States shot up to the highest level in nearly a decade.*

*The Commerce Department reported an 18.9% increase for the month, during which about 667,000 newly built homes were sold — a figure not seen since October 2007. September's increase also represented the biggest month-over-month percentage gain since January 1992.*

*While such figures may be great news for those monitoring the robustness of the country's housing market, it's not ideal news for buyers of modest means.*

*These statistics mean that Americans, unable to find existing homes, are increasingly turning to new construction. At the same time, however, homebuilders are overwhelmingly focused on creating higher-priced housing, which often shuts out buyers at the lower end of the market.*

*For home hunters who may not have a limitless budget (and that's most of us), the already challenging home-buying process may be getting harder. That doesn't mean you should give up on owning a home. But it does mean you need to bring your A game, be aggressive, and think creatively. Check out these six tips to become a home-buying master.*



## **Don't expect (or waste time looking for) hidden gems**

In rising markets, there's one thing that's fairly certain: the properties for sale have been thoroughly picked over.

"You need to have realistic expectations about what you will find," says Mary Clare Bland of Moving2Madrid.com, a property shopping company that works exclusively with buyers. "If you expect to find a bargain ... you will end up being frustrated and discouraged."

Not only that, she says, but you could waste a great deal of valuable time searching endlessly for that hidden gem.

## **Make the first offer**

When affordable houses are few and far between (and snatched up quickly at that), it's important to stay on top of new listings and be ready to pounce.

Brian Davis, co-founder and lead real estate and personal finance writer for SparkRental.com, suggests that a great way to do this is by creating alerts on property listing sites. That way, you'll be notified when new homes that meet your criteria come onto the market.

In addition, Davis recommends finding an extremely proactive realtor who will make sure you're the first person in the door when a new property is listed, so you can be the first to make an offer.

And one more note about selecting a real estate agent — it's a good idea to look at the firm they work for.

"Often, realtors who work at good firms will give preferential treatment to other realtors who work at good firms because they know that they're more likely to have a professional and smooth transaction," says Kristina McCann, a broker for Alain Pinel Realtors.



## **Consider a multi-family home**

It might not be what you had in mind, but purchasing a multi-family home can be a great way to get a taste of home ownership.

What's more, owning this type of property can be as affordable as renting, says Ray Rodriguez, regional mortgage sales manager for TD Bank.

"Multi-family homes are often priced higher, but if you buy a three- or four-unit home and rent out the other units, your monthly expenditure could be the same as when you were renting," says Rodriguez. "And often, you can use the projected rental income from the other units to help you qualify for the mortgage."

## **Buy during off-peak seasons**

As the winter months and holidays roll in, the market tends to slow down. It becomes more of a buyer's market.

"Sellers are much more willing to negotiate [in the winter]," says Alison Bernstein, founder and president of Suburban Jungle, a firm dedicated to helping young families move from urban to suburban properties. "You are also avoiding the craziness of the spring market with the competitive bidding wars and overall stress."

The most sweeping tax overhaul in three decades will make big changes to how families pay their taxes. The bill lowers tax rates for all income groups, but caps or eliminates many popular deductions. (Dec. 21) AP

## **Search off the beaten path**

Towns and communities with lower public profiles tend to have houses that cost less because they see fewer potential home buyers coming through, says Bernstein, adding, "Don't be afraid to think outside the box with your home search strategy."

## **Be aggressive**

While this has been alluded to already, being aggressive can be a tremendous asset in your housing search. But what does that mean exactly?

Beyond being the first person to make an offer on a property or setting up alerts on real estate listing sites, you need to start conversations, keep your eyes open for potential properties and do some sleuth work.

"If you see an abandoned home, contact the seller," Davis says "Ask in local real estate Facebook groups if anyone is looking to sell. Ask everyone you know if they know anyone looking to sell."

## **And above all, don't give up.**

You can become a homeowner, even with a smaller income — it may simply require some time and patience. Before you start shopping, though, don't forget to get pre-approved for a loan through a bank or credit union, and check your credit before you begin to make sure it's in good shape.



# House Hunters Checklist

Address: \_\_\_\_\_

Price: \$ \_\_\_\_\_

Property Taxes: \$ \_\_\_\_\_

School: \_\_\_\_\_

# Square Foot: \_\_\_\_\_

# Bedrooms: \_\_\_\_\_

# Bathrooms: \_\_\_\_\_

Game Room:    Yes        No

Fireplace:        Yes        No

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

                          Good    Fair    Poor

Lot/Site        \_\_\_\_\_

Location        \_\_\_\_\_

Kitchen        \_\_\_\_\_

Closets        \_\_\_\_\_

Outside        \_\_\_\_\_

Bathrooms    \_\_\_\_\_

Appliances    \_\_\_\_\_

Floors        \_\_\_\_\_

Roof        \_\_\_\_\_

HVAC        \_\_\_\_\_

Overall Condition

1   2   3   4   5   6   7   8   9   10

Things I like Most:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Things I like Least:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Home Ranking:

1   2   3   4   5   6   7   8   9   10

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# Bathrooms: \_\_\_\_\_

Game Room:    Yes        No

Fireplace:        Yes        No

Other: \_\_\_\_\_

Other: \_\_\_\_\_

Other: \_\_\_\_\_

                          Good    Fair    Poor

Lot/Site        \_\_\_\_\_

Location        \_\_\_\_\_

Kitchen        \_\_\_\_\_

Closets        \_\_\_\_\_

Outside        \_\_\_\_\_

Bathrooms    \_\_\_\_\_

Appliances    \_\_\_\_\_

Floors        \_\_\_\_\_

Roof        \_\_\_\_\_

HVAC        \_\_\_\_\_

Overall Condition

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Things I like Most:

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\_\_\_\_\_

\_\_\_\_\_

Things I like Least:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Home Ranking:

1   2   3   4   5   6   7   8   9   10



# PROPERTY SCORECARD

Address:	_____	_____	_____	_____
	_____	_____	_____	_____
1. Price				
2. Location				
3. Curb Appeal				
4. Neighborhood				
5. Lot Size				
6. Driveway				
7. Yard/Landscaping				
8. Livingroom				
9. Family Room				
10. Dining Room				
11. Kitchen				
12. Appliances				
13. Master Bedroom				
14. Master Bath				
15. Bedroom 2				
16. Bedroom 3				
17. Bedroom 4				
18. Bathroom 2				
19. Bathroom 3				
20. Study/Office				
21. Storage				
22. Garage				
23. Deck/Patio				
24. Pool/Hot Tub				
25. Heat/AC				
26. Taxes				
27. School				
28. Condition				
29. Personal Property				
30. Energy Efficiency				
31. Room Sizes				
32. Floorplan				
33. Quality				
34. Personality				



## Five tips every aspiring homebuyer needs to know

### 1. START SAVING EARLY

Find ways to save on expenses like rent so you can have a solid down payment in hand later.

### 2. CONSIDER UNEXPECTED EXPENSES

Plan for unforeseen maintenance costs, and press the seller for as much information as possible.

### 3. CREATE AND STICK TO A BUDGET

It helps to use a system that lets you see all your income, expenses, and savings goals in one place.

### 4. BUY SOONER TO START BUILDING EQUITY

Consider a starter home now. You can always upgrade later, and equity might help you do it.

### 5. BUY A HOME YOU CAN GROW INTO

Shop with the future in mind, and do "scenario planning" so your mortgage won't break the bank as other expenses (like daycare) increase.

 [FRAMEWORKHOMEOWNERSHIP.ORG/BLOG](https://frameworkhomeownership.org/blog)



# Tax Benefits of Home Ownership



## 1. Mortgage Interest

Interest that you pay on your mortgage is tax deductible, within limits. If you're married and filing jointly, you can deduct all your interest payments on a maximum of \$1 million in mortgage debt secured by a first or second home. The maximums are halved for married taxpayers filing separately. You can't use the \$1 million deduction if you pay cash for your home and later use it as collateral for an equity loan.

If your lender required you to buy PMI (private mortgage insurance, often required when the loan is for more than 80% of the home's purchase price), the PMI premiums are tax-deductible for mortgages taken out in 2007 through 2011. However, the amount of the deduction depends on your income -- if your household earnings are over \$100,000 per year, the deduction starts to phase out.

## 2. Points

Your mortgage lender will charge you a variety of fees, one of which is called "points." One point is equal to 1% of the loan principal. One to three points are common on home loans, which can easily add up to thousands of dollars. You can fully deduct points associated with a home purchase mortgage.

Refinanced mortgage points are also deductible, but only over the life of the loan, not all at once. Homeowners who refinance can immediately write off the balance of the old points and begin to amortize the new.

## 3. Equity Loan Interest

You may be able to deduct some of the interest you pay on a home equity loan or line of credit. However, the IRS places a limit on the amount of debt you can treat as "home equity" for this deduction.

Your total is limited to the smaller of: \$100,000 (or \$50,000 for each member of a married couple if they file separately), or the total of your home's fair market value -- that is, what you'd get for your house on the open market -- minus certain other outstanding debts against it.

## 4. Home Improvement Loan Interest

If you take out a loan to make substantial home improvements, you can deduct the interest, with no dollar limit. However, the work must be a "capital improvement" rather than ordinary repairs.

Qualifying capital improvements are those that increase your home's value, prolong its life, or adapt it to new uses. For example, qualifying improvements might include adding a new roof, fence, swimming pool, garage, porch, built-in appliances, insulation, heating/cooling systems, landscaping, or more. (Keep in mind that increasing the square footage of your home could trigger a reassessment and higher property taxes, though.)

Work that doesn't qualify for an interest deduction includes repainting, plastering, wallpapering, replacing broken tiles, patching your roof, repairing broken windows, and fixing minor leaks. You might want to wait until you're about to sell to do such work, in order to gain the maximum tax benefits.

## 5. Property Taxes

Often referred to as "real estate taxes," property taxes are fully deductible from your income. If you have an impound or escrow account, you can't deduct escrow money held for property taxes until the money is actually used to pay your property taxes. And a city or state property tax refund reduces your federal deduction by a like amount.

## 6. Home Office Deduction

If you use a portion of your home exclusively for business purposes, you may be able to deduct home costs related to that portion, such as a percentage of your insurance and repair costs, and depreciation.

## 7. Selling Costs

If you decide to sell your home, you'll be able to reduce your taxable capital gain by the amount of your selling costs. Real estate broker's commissions, title insurance, legal fees, advertising costs, administrative costs, and inspection fees are all considered selling costs.

All selling costs are deducted from your gain. Your gain is your home's selling price, minus deductible closing costs, selling costs, and your tax basis in the property. (Your basis is the original purchase price, plus the cost of capital improvements, minus any depreciation.)

## 8. Capital Gains Exclusion

Married taxpayers who file jointly now get to keep, tax free, up to \$500,000 in profit on the sale of a home used as a principal residence for two of the prior five years. Single folks (including home co-owners if they separately qualify) and married taxpayers who file separately get to keep up to \$250,000 each, tax free.

## 9. Moving Costs

If you move because you got a new job, you may be able to deduct some of your moving costs. To qualify for these deductions you must meet several IRS requirements, including that your new job must be at least 50 miles farther from your old home than your old job was. Moving cost deductions can include travel or transportation costs, expenses for lodging, and fees for storing your household goods.

## 10. Mortgage Tax Credit

A home-buying program called mortgage credit certificate (MCC) allows low-income, first-time homebuyers to benefit from a mortgage interest tax credit of up to 20% of the mortgage interest payments made on a home (the amount of the credit varies by jurisdiction). The maximum credit is \$2,000 per year if the certificate credit rate is over 20%. (See IRS Publication 530.) You must first apply to your state or local government for an actual certificate. This credit is available each year you keep the loan and live in the house purchased with the certificate. The credit is subtracted, dollar for dollar, from the income tax owed.

Real Estate Deduction Information

For more information on real estate tax laws, visit [www.irs.gov](http://www.irs.gov). You'll find basic information for first-time homeowners (IRS Publication 530) and publications about selling your house (IRS Publication 523), business use of your home (Publication 587), moving expenses (Publication 521), and home mortgage interest deductions (Publication 936).

# HOME DESIGN TRENDS FOR 2020

Amanda Lauren - Contributor, Forbes



If there is one way to describe the interior design trends we will see more of in 2020, it's anything goes. While signature, the looks of 2019 like accent walls and all-white kitchens won't be going away entirely, they will certainly evolve in the upcoming years.



When it comes to design in the next decade, individuality will be extremely important. Those into crafting, DIY design, or commissioning custom pieces, will likely have lots of projects to take on in the New Year.

## 1. OFF-TREND WILL BE ON TREND



Tired of seeing the same styles over and over again? So is everyone else. Los Angeles based interior designer Delta Wright says overall anything "uber-unique" will shine in the upcoming decade. "We will see highly crafted, unusual materials meticulously featured in furnishings and architecture."

But to be clear, this is not about having the most unique sofa or one-of-a-kind hand-blown glass bowl, so much as true authenticity. Christiana Coop, who is the co-founder of Hygge & West explains that uniqueness should reflect individuality. "People are designing their homes to reflect their personalities and creating spaces that tell their story. What makes you truly happy is more important than what you see in magazines or on social media."



## 2. TIMELESS LOOKS THAT CAN EVOLVE

In recent years, there has been an emphasis on developing a personal style. So, whether it's a renovation or simply purchasing furniture that they really love, consumers are thinking more long-term than they have in the past. "This is also in line with being more aware of the ecological implications of purchases," says Coop.

She believes that people will be buying fewer, but more high-quality pieces. This could mean that fast furniture and decor may be on their way out.

## 3. SUSTAINABLE MATERIALS

Along these lines, sustainability has become increasingly more important. As society gravitates towards more eco-friendly lifestyles, people are more ecologically conscious and knowledgeable than ever before. "There's an ethical component to their purchasing decisions," says Ben Marshall who is the creative director of Hudson Valley Lighting Group.

This is being reflected in an overall design sensibility as well as a desire to bring warm, earthy elements to a space. "We've answered this demand at HVLG by featuring sustainably harvested materials like acacia and rattan in many of our fixtures," he explains.

## 4. SWAGS AND EASY-TO-USE FIXTURES

"Portables are no longer limited to table and floor lamps. Now, even renters can tailor a space with swag fixtures," says Marshall.

Lighting fixtures do more than brighten up a room—they're a bold detail. This is exactly why wall sconces with optional wire guard will become increasingly more available. These accents are ideal for anyone who wants to invest in statement lighting without the commitment of hardwiring. "If you want great design but are restricted by your existing space, these fixtures hit a sweet spot. Its cultured form meets convenient functionality."

## 5. COUNTRYSIDE CHIC

While the typical farmhouse look is becoming as tired as a Live, Laugh, Love sign, this style will lean towards a more sophisticated, European-inspired look, according to Rebecca Breslin of Wayfair Professional.

"A fresh take on British farmhouse without being stuffy or dusty will be popular in for 2020. Pulling from classic prints and materials while adding whimsy. This trend is all about mixing patterns, antique with new decor as well as paying homage to the countryside with botanicals and muted primary tones," she says.

**6. COLORS WILL BECOME THE NEW NEUTRALS** Neutrals will be replaced by warm colors, saturated hues and jewel tones, according to Coop. “Tiles, cabinetry, and walls all serve as opportunities for more color,” she says.

Dolley Levan Frearson who is the co-founder of High Fashion Home predicts shades of pink (which are a more sophisticated evolution of the millennial pinks we’ve seen in recent years), will be strong in 2020. “I also see a lot of soft peachy corals and terra cotta—colors that feel soft yet grounded in earth tones. I also love golden yellow tones in lush fabrics like velvets to buttery, caramel leathers or leather-look,” she says.

**7. PATTERNED EVERYTHING** Pattern, especially layered patterns are becoming more prevalent for tabletop and textiles designs. The key to this trend is that there aren’t any rules.

“We’ll be seeing more pattern mixing with color tying together patterns of varying origin and scale,” says Coop. “Pattern matching, e.g. where the same pattern flows from the wall to upholstered furniture or bedding, is also becoming more common.”

**8. BOLD TRIM AND CEILINGS** Kelley Mason, stylist at Lulu & Georgia says high contrast design is making a big comeback. “It gives an otherwise more monochromatic room a crispness and a fresher take on neutrals,” she says. “Bold black and white feels fresh yet timeless, especially in graphic or Art Deco inspired patterns.”

Coop notes that this style is easily achieved through moldings and trim. “Make it colorful and contrasting, create a monotone space by matching it to the wall color, or high gloss paint that’s usually reserved for trim to extend to the entire wall,” she says.

Wallpapered ceilings are another way contrast can be incorporated into a room. “There is no better surface for wallpaper because it won’t get damaged and the large expanse of space makes for a truly dramatic feature of any room. We’ve been seeing wallpapered ceilings in powder rooms and expect to see more in bedrooms and living spaces in the coming year.”

**9. NATURAL LUXURY** “We’ll be seeing more natural materials with a luxurious spin like marble finishes in bathrooms and kitchens and also marble accents such as vases, bowls and candleholders. Linen will also be big, but in beautiful jewel tones, with finished edges that feel more polished than the raw edge boho take we’ve seen in the past,” says Coop.

Along the same lines, Justina Blakeney, who is the designer and founder of The Jungalow foresees old-world materials like plaster and lime wash making a resurgence. “We’ll continue to see people look for ways to connect with nature in their homes through houseplants, natural materials like cane, raffia, grasscloths and raw/rustic woods.”

**10. HANDMADE GOODS** While Etsy might have defined the early aughts, Coop believes that there will be a continued focus on handmade goods and having a connection with the maker. “People are seeking out companies and artists whose product has a story and a point of view rather than mass-made items,” she says.

**11. TWO-TONE KITCHENS** According to John McDonald, who is the founder and CEO of Semihandmade, the iconic white kitchens we’ve been seeing so much of will be slowly phased out in favor of two-tone kitchens instead. “From clients, we’re seeing a pretty even mix of two colors (black base and white uppers is common), along with blending wood with color to either lighten what otherwise might be a rustic feel, or to add a bit of pop (like on an island),” he says. Wright seconds this explaining that color and pattern mash-ups, including appliances, will continue to trend.

**12. UNIQUE RUGS** Samantha Gallacher of IG Workshop and custom carpet line, Art + Loom says interesting and unexpected materials in rugs will start to become more mainstream. “Last year we saw an explosion in the market for obscure shaped rugs, that trend is continuing with the addition of unexpected materials being woven into rugs. We (Art + Loom) just launched our own zipper collection of rugs which debuted at Casacor Miami during Art Basel Week.





# Real Estate Definitions



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**ABSTRACT** – An abbreviation of the cardinal aspects of all recorded deeds, mortgages, leases and other instruments affecting the title to a particular piece of land.

**AMORTIZATION** – This term has developed through French and Old English from the Latin words “mors” or “mort” meaning death or dead. It is the killing off of an existing debt by regular partial payments. The word “mortgage” is also derived from the same Latin root.

**APR** – Annual Percentage Rate. The yearly interest percentage of a loan as expressed by the actual rate of interest paid.

**APPRAISAL** – An estimate of value of property from analysis of facts about the property; an opinion of value.

**BROKER** – One who acts as an agent for another in negotiating sales or purchases in return for a fee or commission.

**CERTIFICATE OF TITLE** – In areas where attorneys examine abstracts or chains of title, a written opinion, executed by the examining attorney stating that title is vested as stated in the abstract.

**CHAIN OF TITLE** – Beginning with a conveyance out of an original source of title such as a government, each succeeding deed, will or other medium which conveys and transfers the title to succeeding owners constitutes a link in the chain of title. The chain of title is the composite of all such links.

**CLOSING** – In some areas called a “settlement.” The process of completing a real estate transaction during which deeds, mortgages, leases and other required instruments are signed and/or delivered, an accounting between the parties is made, the money is disbursed, the papers are recorded, and all other details such as payment of outstanding liens and transfer of hazard insurance policies are attended to.

**CLOSING DISCLOSURE** – The five-page Closing Disclosure must be provided to the consumer three business days before they close on the loan. The Closing Disclosure details all of the costs associated with their mortgage transaction.

**CLOSING STATEMENT** – A summation, in the form of a balance sheet, made at a closing, showing the amounts of debits and credits to which each party to a real estate transaction is entitled.

**CLOUD ON TITLE** – An irregularity, possible claim, or encumbrance which, if valid, would affect or impair the title.

**COMMISSION** – The amount due a real estate broker, mortgage loan broker or real estate professional for services performed in such capacity.

**CONSUMMATION** – Consummation is not the same thing as closing or settlement. Consummation occurs when the consumer becomes

contractually obligated to the creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction.

**CONTRACT** – Same as “agreement,” but usually more formal.

**COVENANT** – A formal agreement or contract between two parties in which one party gives the other certain promises and assurances, such as covenants of warranty in a warranty deed.

**DEED** – A written document by which title to real estate is conveyed from one party to another.

**DEFAULT** – Failure to perform a promised task or to pay an obligation due.

**DEFECT** – A blemish, imperfection or deficiency. A defective title is one that is irregular and faulty.

**DEPRECIATION** – Loss in value occasioned by ordinary wear and tear, destructive action of the elements, or functional or economic obsolescence.

**EARNEST MONEY** – Down payment or a small part of the purchase price made by a purchaser as evidence of good faith.

**EASEMENT** – A right held by a person to enjoy or make limited use of another’s real property.

**ENCROACHMENT** – The extension of a structure from the real estate to which it belongs across a boundary line and onto adjoining property.

**ENCUMBRANCE** – A claim, right or lien upon the title to real estate, held by someone other than the real estate owner.

**ENDORSEMENT** – Addition to or modification of a title insurance policy that expands or changes coverage of the policy, fulfilling specific requirements of the insured.

**ESCROW** – Technically, this term strictly refers to a deed delivered to a third person to be held by him until the fulfillment or performance of some act or condition by the grantee. In the title industry, it means the depositing with an impartial third party (typically an escrow agent or title company) of anything pertaining to a real estate transaction including money and documents of all kinds. The money and documents are to be disbursed and delivered to the rightful parties by the escrow agent or title company when all conditions of the transaction have been met.

**ESCROW AGREEMENT** – A written agreement usually made between buyer, seller and escrow agent, but sometimes only between one person and the escrow agent. It sets forth the conditions to be performed incident to the object deposited in escrow, and gives the escrow agent instructions with respect to the disposition of the object so deposited.

**EXAMINATION** – In title industry terms, to peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

**EXAMINER** – Usually referred to, in title industry terms, as title examiner. One who examines and determines the condition and status of real estate titles.

**EXCEPTIONS** – Insurance policies include a list of items excluded from coverage. Items excluded from coverage can be found in section two of Schedule B of the policy.

**FIRST MORTGAGE** – A mortgage having priority as a lien over any other mortgage or lien on the same property.

**FORECLOSURE** – A legal proceeding for the collection of real estate mortgages and other types of liens on real estate, which results in cutting off the right to redeem the mortgaged property and usually involves a judicial sale of the property to pay the mortgage debt.

**GENERAL WARRANTY** – A warranty provision in a deed or mortgage or other real estate instrument containing all of the common law items of warranty. Also known as a full warranty.

**HAZARD INSURANCE** – Real estate insurance protecting against fire, some natural causes, vandalism, etc., depending upon the policy. The buyer often adds liability insurance and extended coverage for personal property.

**HEIR** – A person who inherits or who is entitled to inherit real estate by provisions of law or under the provisions of a will.

**LIEN** – The liability of real estate as security for payment of a debt. Such liability may be created by contract, such as a mortgage, or by operation of law, such as a mechanics lien.

**LOAN ESTIMATE** – A three-page Loan Estimate must be provided to the consumers no later than three business days after they submit a loan application for most mortgages. The Loan Estimate provides information about key features, costs and risks of the mortgage loan for which the consumer is applying.

**LOAN POLICY** – A policy of title insurance issued to the mortgage lender insuring against loss by defects in, liens against, or unmarketability of title.

**MARKET VALUE** – An average between the highest price that a buyer, willing but not compelled to buy, would pay and the lowest price a seller, willing, but not compelled to sell, would accept.

**MORTGAGE** – A temporary conditional pledge of property to a creditor as security for the payment of a debt that may be cancelled by payment.

**OWNER'S POLICY** – This policy is purchased for a one-time fee and protects a homeowner's investment in a property for as long as they or their heirs have an interest in the property. Only an owner's policy protects the buyer should a covered title problem arise with the title that was not found during the title search. Possible hidden title problems can include errors or omissions in deeds, mistakes in examining records, forgery and undisclosed heirs.

**POWER OF ATTORNEY** – A legal instrument authorizing one to act as another's agent or attorney.

**PRELIMINARY TITLE REPORT** – A report prepared prior to issuing a title insurance policy that shows the ownership of a specific parcel of land. It includes information about liens and encumbrances that will not be covered under a title insurance policy.

**PREMIUM** – The amount payable for an insurance policy.

**PROBATE** – A legal procedure in which the validity and probity of a document, such as a will, is proven.

**PROMISSORY NOTE** – A written promise to pay or repay a specified sum of money at a stated time, or on demand, to a named person. In addition to the payment of principal, a promissory note usually provides for the payment of interest.

**QUIT CLAIM DEED** – A deed that does not imply the grantor holds title, but which surrenders and gives to the grantee any possible interest or rights that the grantor may have in the property.

**RECORD TITLE** – The aspects of a title that appear in the public records as distinguished from unrecorded title aspects and interests.

**REFINANCE RATE** – When referring to title insurance, the refinance rate is the reduced rate for a loan policy issued on the new loan in a refinance transaction, in which the original loan was previously insured within some period of years.

**SEARCH** – A careful exploration and inspection of the public records in an effort to find all recorded instruments relating to a particular chain of title.

**SECOND MORTGAGE** – A mortgage ranking in priority immediately below a first mortgage.

**SETTLEMENT** – In some areas called a "closing." The process of completing a real estate transaction during which deeds, mortgages, leases and other required instruments are signed and/or delivered, an accounting between the parties is made, the money is disbursed, the papers are recorded, and all other details such as payment of outstanding liens and transfer of hazard insurance policies are attended to.

**SPECIAL WARRANTY DEED** – A deed that warrants the title only with respect to acts of the seller and the interests of anyone claiming by, through, or under him.

**SURVEY** – (1) To determine the location, boundaries, area, or the elevations of land and structures upon the earth's surface by means of courses in relation to the North Star, and the measuring of angles and distances by using the techniques of geometry and trigonometry. (2) The map or plat drawn by a surveyor that represents the property surveyed and shows the results of a survey.

**TAX LIEN** – The lien that is imposed upon real estate by operation of law that secures the payment of real estate taxes

**TITLE** – (1) A combination of all the elements that constitute the highest legal right to own, possess, use, control, enjoy, and dispose of real estate or an inheritable right or interest therein. (2) The rights of ownership recognized and protected by the law.

**TITLE COMMITMENT** – An offer to issue a title insurance policy. The title commitment will describe the various conditions, exclusions and exceptions that will apply to that particular policy.

**TITLE COVENANTS** – Covenants ordinarily inserted in conveyances and in transfers of title to real estate for the purpose of giving protection to the purchaser against possible insufficiency of the title received. A group of such covenants known as "common law covenants" includes: (a) covenants against encumbrances; (b) covenant for further assurance (in other words, to do whatever is necessary to rectify title deficiencies); (c) covenant of good right and authority to convey; (d) covenant of quiet enjoyment; (e) covenant of seisin; (f) covenant of warranty.

**TITLE DEFECT** – (1) Any possible or patent claim or right outstanding in a chain of title that is adverse to the claim of ownership. (2) Any material irregularity in the execution or effect of an instrument in the chain of title.

**TITLE EXAMINATION** – To peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

**TITLE INSURANCE** – Is insurance that protects purchasers of real estate and mortgages against loss from defective titles, liens and encumbrances.

**TITLE PLANT** – (1) In many areas, synonymous with abstract plant. (2) A geographically filed assemblage of title information which is to help in expediting title examinations, such as copies of previous attorneys' opinions, abstracts, tax searches, and copies or take-offs of the public records.

**TITLE SEARCH** – A search and perusal of the public records for recorded instruments that affect the title to a particular piece of land. (See also Abstract and Examination.)

**UNDERWRITER** – An insurance company that issues insurance policies either to the public or to another insurer.

**WARRANTY DEED** – A deed containing one or more title covenants. (See Title Covenants.)

# PRE - CLOSING CHECKLISTS

In order to make sure your closing goes smoothly, we've outlined a few things that will help prepare you for the big day and beyond.

- If the parties to the contract have agreed to use a prior survey, present it to Austin Market Realty for review when the contract is receipted.
- Request HOA information. This helps us support you in meeting contract deadlines.
- It will be necessary to bring your spouse to closing, even if they are not on the loan. They will still have a few things to sign the day of closing. If there's been a divorce or remarriage during the ownership period, please inform your escrow officer.



- We will have to have a U.S. issued valid id. This includes driver's licenses, identification cards issued by the department of public safety, or a U.S. passport. It must be current, have a picture and signature.
- If you have special circumstances, ie: Foreign language, hearing impaired or unable to attend closing, we must be notified immediately.
- If using a power of attorney, your lender and title company must be notified immediately to obtain approval of use. We'll need the original document at closing and are legally required to contact the person granting the power of attorney on the day of closing.
- Inform your closer if the transaction is linked to another closing, e.g., if the Sellers need the proceeds quickly for a purchase, or if the Buyer's funds are coming from another closing.
- If you will be unable to attend the closing, we will make arrangements for a notary service to come to you. The fee for this service is generally around \$150 per signing depending on the state. WE MUST HAVE THE ORIGINAL SIGNED DOCS BACK IN OUR OFFICE ALONG WITH ANY BUYER FUNDS AND LENDER FUNDS BEFORE FUNDING.
- When possible, avoid planning your closings for the last few days of the month. You will enjoy more options as to closing appointments and last minute changes or issues will be easier to take care of.
- Any money necessary for closings costs will need to be in the form of a wire or cashiers check.

# POST - CLOSING REMINDERS

- File for your homestead exemption Jan. 1st thru April 30th. You will need to have your driver's license address match the property address.
  - You will receive a letter in the mail stating pay them \$35.00 to file for your homestead. It is FREE to do this so please don't pay anyone to do it for you.
  - You will receive a letter from the county that looks very official asking you to tell them what you paid for the house. Do not fill this form out and send it back to them. They can raise your taxes if you paid more than what they have it appraised for.
  - You will get something in the mail asking you to pay to get a certified copy of your deed. Do not pay this. We will give you the original and if you ever need a certified copy it is \$24.00 at the county.
  - Once you are settled remember if you know anyone buying or selling to refer them to your agent. They worked hard to get you into your dream home.
- Enjoy your NEW HOME!!!**



If you have any questions about any of the items listed above, please contact Austin Market Realty. If you would like additional information pertaining to taxes, utilities, relocation resources or anything else please visit our website at [www.austinmarketrealty.com](http://www.austinmarketrealty.com).

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# MOVING Checklist



## Several Weeks Prior to Move:

- Have a garage sale to dispose of unwanted items.
- Donate unwanted clothing or household goods to charitable organizations. Obtain receipts showing the items' approx. value for possible tax deductions.
- Begin to use up supplies of canned goods, frozen foods and other household items. Buy only what will be used before moving.
- Return library books and anything borrowed from friends or neighbors, and collect things you may have loaned.
- Review your relocation package if you have one, and determine what expenses will be paid by your company.
- Start a log of moving expense receipts (some may be tax deductible).
- Get written estimates from moving companies. Check the limits of insurance they offer, and if it covers replacement cost.

## Prior to Moving Day:

- Confirm with your employer that you're scheduled to be off on moving day.
- Purchase supplies like packing tape, bubble wrap and furniture pads, Boxes, boxes, boxes!
- Drain fuel from your power mower and other machinery.
- Pack "Open First" Boxes. For each room you pack, set aside one box that contains everything you'll need the first few days in your new home.
- Finish taking apart furniture that needs to be disassembled.
- Sort out any plants you're taking.
- Check that all the paperwork related to your house sale/purchase is complete.
- Close bank accounts if necessary.
- Finish your major packing.
- Pack up your computer and electrical equipment. Write down serial numbers.
- Make sure all boxes are clearly marked/labelled.
- Start cleaning the house as you go.
- Make sure you have all the documents related to your move on hand.
- Check in with the movers and confirm the start time of your move.

## And Don't Forget to:

- Defrost freezer/refrigerator. Place charcoal to dispel odors.
- Have appliances serviced for moving.
- Plan special care needs of infants, children, seniors, pets and potted plants.
- Clean out club, gym and school lockers; pick up all dry cleaning.
- Check all closets, cabinets and rooms to make sure you didn't leave anything. Take out the garbage. Lock the windows.
- Leave all keys and garage door openers needed by new owner. Leave a note with your contact information for the new owners.

## And On Moving Day, Don't Forget:

- It's easiest to load the truck if you have everything organized in a predesignated order. Load first items you need the least, and load "Open First" boxes last.
- Carry currency, jewelry, and documents yourself, or use registered mail.
- Check thermostat and make sure temperature is set appropriately.

## At New Home:

- Be on hand to accept delivery. If you cannot be there personally, be sure you authorize an adult to be your representative to accept deliver and pay charges.
- Place a floor plan of your new home by the entrance to help movers determine where each piece of furniture should go.
- Give the kids a job to do - let them start on their rooms. Usually, the kitchen and the kids rooms are the best to set up first, as it helps them feel at home.
- Supervise moving crew on location of furniture and boxes. Begin unpacking necessary basics first - basic kitchen utensils, bath toiletries, etc.
- Check to make sure all utilities are on and working properly.

## Send Change of Address to:

- Alumni associations
- Attorneys
- Banks (auto loans, checking accounts, credit cards, home equity, mortgage, safe deposit box, savings account)
- Cell phone provider
- Child care/daycare
- City/County Tax Assessor
- Credit bureaus
- Credit card issuers
- Department of Motor Vehicles
- Dry cleaning pick-up and delivery
- Employer
- Family members
- Health: medical, dental, prescription histories. Ask doctor and dentist for referrals, transfer needed prescriptions, x-rays. Contact pharmacies.
- House cleaning service and lawn care
- Insurance coverage: life, health, fire, and auto.
- Magazine and newspaper subscriptions
- New business cards
- Passport
- Pet sitter/ dog walker/ pet day care
- Post office (give forwarding address)
- Professional organizations
- Retirement plan holders
- Schools/Parent-teacher association (ask for copies or transfer records.)
- Social Security Administration
- State/Federal Tax Bureaus and accountant/tax preparer
- Swimming pool maintenance/memberships
- Utility companies: gas, light, water, telephone, fuel and cable
- Veterinarian (pet licenses, vaccinations, tags, etc)
- Veterans Administration

Begin making a "Survival Box" for the move. This should include paper, pens, stamps, envelopes, cellophane & heavy duty tape, scissors, tape measure, paper cups, ziplock bags, paper plates & towels, plastic utensils, facial & toilet tissue, instant coffee or tea, cream/sugar, soap, moist towelettes, aspirin, bandaids, can opener, bottled water, travel alarm, flashlight, small tools kit, trash bags, snacks or drinks, children's games, address book, spare car keys, phone books for the city you are leaving and your destination.