The TWIN ADVISERS NEWSLETTER

BERKSHIRE HATHAWAY HomeServices Ambassador Real Estate

health markets

PEOPLE BEFORE PROFITS * CLIENT PROTECTION * COMMUNITY

Hello Friends, Family, and Clients!

It's been way too long since our last newsletter! It's gone from Spring to Fall in just a blink of an eye. It's amazing how quickly this world moves and changes and reminds us of the quote from Lou Holtz, "In this world you're either growing or you're dying, so get in motion and grow."

That's what we've been doing. Making some changes and growing to help better serve our community and clients. Did you notice the name change, more on that in a minute.

But first, since we started working together almost 5 years ago we wanted to be different. One of those differences, we wanted to be a protector of equity. This could be from buying a home and making sure you have upside potential or to providing advice to help extract the most equity from your home based on the market at that time. Either way, creating equity or preserving equity we believe is just as important as looking at your investment accounts each month, is it growing or shrinking? Does it make a difference, absolutely! This could be one of your biggest assets and it's good to know where you stand.

Traditionally, we mailed out a summary of sold homes in your neighborhood once, maybe twice a year. It was great in terms of showing what has sold and maybe give you an idea of what your home might be worth but that's about it. This is why we invested in Homebot, it's a monthly email that we have started to send out to past clients that provides information on your home value, estimated mortgage balance, current equity and other info. We've had several clients find the email very informational. See the attached flyer for screen shots and additional information. If you haven't heard from us yet, our plan is to have you added to Homebot by the end of the year. Can't wait, you can also sign up at www.HomeEquityAdviser.com.

Back to the name change. What, another name change! That's right, we have been Brown Team, we are currently RCI Real Estate Group and now we are moving forward with **Twin Advisers**. The name has morphed over time to reflect how we've grown and what services we are able to provide. The biggest change is that in addition to real estate services we are now both licensed in health and life insurance. In real estate we partnered with Berkshire Hathaway HomeServices because it's a brand that is respected plus they are a leader in the real estate space. For health insurance, we partnered with HealthMarkets because they incorporate the same value we loved having with our support at Berkshire Hathaway and our personal values of people before profits. It just happens, they are one of the largest independent health insurance agencies in the United States.

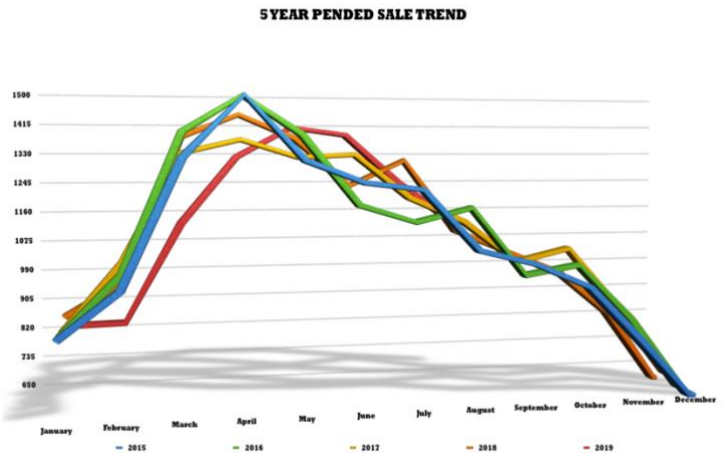
Lots of exciting things happening and more to come! We appreciate everyone's support and if you ever need anything don't hesitate to reach out to either one of us. Lastly, on the back of this page is a memorandum sent to the agents in our office on October 18th from the CEO of BHHS Ambassador Real Estate group on the state of the market in Omaha. We thought you would enjoy the update. We wish you and your family a safe and fun Thanksgiving. Looking forward to serving you and staying in touch.

Jay &

HOW'S THE MARKET?

This time of year, the CEO of BHHS Ambassador Real Estate, Vince Leisey writes a "State of the Real Estate Economy" Letter for our company. I thought I would share most of his letter.

As we are start the 4th quarter and the end of 2019 comes into focus, it is a good time to once again talk about the State of the Local Real Estate economy. Clearly, the devastating flooding in the beginning of the year had a significant impact on the early market - almost as if someone hit pause. It has been a consistent five-year trend that we pend (put under contract) the most sales in March and April and then the market slowly tapers down month over month.



However, 2019 was different; pended sales activity peaked in May and slowly faded over the year. In fact, pended sales in March and April of 2019, were both five-year lows, while pended activity in May and June represented five-year highs. I have attached a graph that shows this interesting pattern.

While it looked like interest rates were going to continue to increase per the 2018 upward trend throughout 2019, they actually have come down significantly. The 30-year interest rate now sits at 3.5% (October 2019) compared to 4.89% in October of 2018 and even lower than the 3.90% experienced in October of 2017. This downward trend clearly helps with affordability for first-time homebuyers as well as increasing buying power for the move-up buyer's in the market, however, the impact will most likely be negligible because of the continue inventory shortage and price point increases in new construction and existing under $275,000.

Low inventory market pressure remains systemic. In August the Omaha Area Board of Realtors had 1,798 active single-family residential listings (down 4.1% over August 2018) and 12,973 year to date (down 6.9% over 2018 YTD). The number of new pending properties in August of 2019 was 1096 versus 1170 in 2018 (down 6.3%). Pending sales YTD is down 6.2% over 2018. In addition, August 2019 closed residential properties were 1290 versus 1484 in August of 2018 (down 7.4%).

New construction has experienced a flat slower market with prices continuing to rise. This remains due to a combination of increased labor costs/shortage of labor available and an increase in material and land cost.

We are starting to see home buyers look at existing homes as an alternative to new construction because of the increased cost. The average closed new construction home price per the MLS sits at $353,050 YTD some $124,348 over the average existing home price (54.37% increase over the existing price). Further, considering that the majority of high-end custom built homes never even go into the MLS, this differential is even greater in reality. Pending new construction sales are down 16.9% YTD and 17% for closed sales. The need for affordably priced new construction for first time homebuyers increases year over year.

When we do a deep dive into the market segments, we have primarily seen a seller's market for most of the year in the price range from $150,000 to $300,000. Between $175,000 and $250,000 sold listings have increased 10.2% over last year but total available houses to buy in this range decreased by 10.4% over last year. Buyers who waited had even less available options than the year before. When we get into the $300,000 to $600,000 price range the market is defined as more neutral in spite of the fact that we actually had a 27% increase in sold listings (and 12% in pended) over 2018. The average sale price decreased 3.1%over last year. Finally, when we get into the higher-end executive market you finally see an actual buyer's market. While inventory still outweighs demand significantly in this segment, we have actually experienced strong sales. Sold listings increased 27% over 2018 and the months of inventory was down 21.2%. However, to sell a house in this range our sellers were having to make some price concessions; with the average sale price being down 4% over last year.

Any questions on the market just let us know. 402-991-4200