Ruthie Truscott

By Referral Only

31 Years of Real Estate Experience
Top 1% Nationwide

Direct: 949.510.2223

Email: **truscott.ruthie@gmail.com**
Website: **ruthietruscott.com**

LOOKING FORWARD TO 2018

JAN 2018

A very Happy New Year to all of you. I hope the year to come is filled with fun, laughter and good health!

Ruthie

LET'S TAKE A LOOK BACK AT WHAT HAPPENED IN 2017.

ACTIVE INVENTORY: A chronic lack of inventory defined 2017 and the year finished at levels not seen since 2013. The year started with an active inventory of 4,071 homes on the market and ended with 3,560. It was the second lowest start to a year behind 2013. Cutting into this a bit were closed sales.

The active inventory did not really climb much. There just were not enough homes on the market below $1 million and the market remained hot all year long for this range.

In order for the market to start tilting in the buyer's favor, the active inventory not only has to eclipse the 8,000 home mark. Only when there is extra supply will appreciation slow. Until then, we can expect more of the same, slow methodical appreciation.

DEMAND: With historically low interest rates around 4%, demand continued to thrive in Orange County. Investors from around the world continue to invest in long-term government bonds, especially United States treasuries. As a result, interest rates have remained at historical lows and do not appear to be changing much anytim soon. Despite higher prices in Orange County, the low interest rates environment has helped home affordability and buyers have been taking advantage of it.

THE 2018 FORECAST:

More of the same. There have not been many changes to the U.S. economy. That all changed with the new tax bill that was signed into law on December 22nd.

The mortgage interest deduction was lowered from $1 million to $750,000. Equity lines of credit are no longer deductible. State and local property taxes deductions are capped at $10,000.

The cards seem to be stacked against Californians and, more specifically, Orange County residents. Yet, with a chronically anemic inventory and demand juiced by historically low interest rates, the tax bill will not have a major impact on the local housing market like so many fear.

Interest Rates – even with the Federal Reserve raising the short-term rate three times in 2017, it continues to float around the 4% level. The Federal Reserve meets eight times per year and it will most likely pull the trigger on further increases three more times in 2018. Yet, these changes in the short-term rate will not have much of an impact on long-term rates. They do not move together. By year's end, expect interest rates to stretch only to 4.25%.

Active Inventory – the year will begin with an extremely anemic inventory, around 3,500 homes, that will translate to a very hot start for housing. As a result, the active inventory will not reach the long-term 8,000 home average. Expect the inventory to peak in July between 6,500 to 7,000 homes.

Demand – with an anemic inventory and buyers anxious to cash in on historically low rates, demand will be strong throughout the Spring and Summer Markets. Expect appreciation around 4 to 5% for the year. Demand will be strongest, and most appreciation will occur, from April through August, and then will downshift during the Autumn and Holiday Markets.

Housing Cycle - the housing market will follow a normal housing cycle. The strongest demand coupled with plenty of fresh inventory will occur during the Spring Market. This will be followed by slightlyless demand and a continued new supply of homes in the Summer Market. From there, demand will drop further along with fewer homes entering the fray in the Autumn Market.

Bottom line - 2018 will not have enough homes on the market and buyers tripping over each other to purchase. Multiple offers will be the norm for homes priced below $1 million. Buyers will have to be patient in order to isolate their piece of the American Dream.

RE/MAX
Premier Realty
5299 Alton Parkway
Irvine, CA 92604
949-510-2223
Address Service Requested

BY REFERRAL ONLY
30 Years of Real Estate Experience
Top 1% Nationwide

Ruthie Truscott
truscott.ruthie@gmail.com
ruthietruscott.com
CalBRE # 00966844

IDENTITY THEFT & CREDIT CARD FRAUD

Identity theft occurs when someone obtains your personal information, such as your credit card data or SSN, to commit fraud or other crimes. The FTC estimates that 9 million Americans suffer identity theft annually. It sounds like a big number, but it isn't.

Identity theft only touches a sliver of the U.S. population each year (about 3%). One-quarter of those cases are credit-card fraud. Try these common-sense, no-cost measures to protect against identity theft and fraud:

GUARD YOUR INFORMATION ONLINE

• Clear your logins and passwords monthly, especially important if you've been working on a public computer.

• Pay for online purchases with your credit card, which has better guarantees under federal law than your online payment services or your debit card.

• Be alert for phishing, where spam or pop-ups mimic legitimate banks or businesses to obtain your personal information. Always verify that you're on a familiar website with security controls before entering personal data.

MONITOR YOUR BANK & CREDIT CARD STATEMENTS

Check your accounts regularly so you know when something's awry. Verify your mailing address with the post office and financial institutions.

MONITOR YOUR CREDIT REPORT

By law, you're entitled to a free report every year from each of the three bureaus (Equifax, Experian, and TransUnion). Request one every four months, changing bureaus each time, using annualcreditreport.com.

SHRED SENSITIVE DOCUMENTS

Depending on your spending habits, you might want to invest in an identity theft protection service if:

- Do a lot online banking or shopping
- No time to monitor your information on your own

PICKING THE RIGHT SERVICE

Consider the no-cost measures you can take to protect yourself. Remember the odds of having your identity swiped are actually quite low. First, decide whether you'd like to purchase the services of a dedicated identity theft protection firm or one of the products offered by your bank or insurer. LifeLock and TrustedID are two of the most prominent—that market themselves as identity theft protection experts, offering tools to prevent theft.

FRAUD ALERTS

Some identity-theft protectors will place fraud alerts on your files with the three main credit bureaus, whether you've been victimized or not. In essence, it forces any bank or credit agency to balk before approving credit requests in your name. It's not foolproof, though.

CREDIT FREEZES

Freezes are far more effective than alerts. Icing your files prevents any company from accessing your credit unless you already do business with them.

If you detect fraudulent activity, notify the financial institution first so they can freeze your account. You may need to file a complaint with the FTC and your local police department, as well as investigate all of your other accounts. Make sure to keep a vigilant eye on that credit report.

Thank You for reading my newsletter!

My aim is to produce a newsletter than has informative content. Your constructive feedback is always appreciated.