



Search Homes in Abilene



Quick Glance - Abilene Housing Market

Here is a quick look at some statistics in the Abilene real estate market. It is still considered a "sellers" market and that presents challenges to buyers who are actively seeking housing. Challenges can be overcome by patience, creative thinking and in some cases a few compromises.

City of Abilene Overview

The current median home price for Resale properties in Abilene was \$217,000 for February and the median price per sqft is at \$130. Looking back at February 2021, the median price was at \$211,250.

In reviewing new construction sales, the median price was at \$278,000 for February 2022 which comes to a median price per sqft of \$176.

Active listings in Abilene was at 218 for the month of February. In 2021, there were 190 active listings so a slight increase from last year. However, in 2020, there were 513 active listings. Over the past two years, this equates to a 57.5% reduction in active listings.

The average number of days a home is on the market is a total of 69 days. This number is broken down as follows: 34 days on the market and 35 days to close on the home. Last year in 2021, homes were on the market for a total of 82 days and in 2020 the number was at 111.

Months of inventory available in Abilene is around 1.1 months and that includes Resale and New Construction. In January of 2021, the number of months of inventory was at 1.0, and in 2020, the number of months was at 3.1.

Breakdown of the price range and the % of available homes is as follows:
\$0 - \$99,999 = 3.6%
\$100,000 - \$199,999 = 43.2%
\$200,000 - \$299,999 = 33.8%
\$300,000 - \$399,999 = 13.7%
\$400,000 - \$499,999 = 3.6%
\$500,000 - \$749,999 = 2.2%
\$750,000 - \$999,999 = 0.0%
\$1,000,000 + = 0.0%

Summary: This is still a "sellers" market in Abilene. Increases in the median pricing, fewer active homes on the market, months of available housing inventory overall is shrinking for the past couple of years, and homes selling faster all support the sellers market we are in today.

When you are ready to purchase or sell a home, give me a call to discuss how to navigate in a sellers market.

Buying or Selling?

Click on the button below to see my video presentations.



Where Interest Rates Are Headed

Here is a summary of the current situation with the Fed, inflation, and interest rates from Mike Harland, VP of Mortgage Lending, with Guaranteed Rate in Georgia.

With inflation running hot at 6%, the Fed stepped up their hawkish rhetoric in the 4th quarter - one of their core mandates is to keep inflation at more manageable levels, closer to 2%. We expect the Fed to be finished with the pandemic bond purchase program by March or April, paving the way for liftoff. At that point, the Fed is expected to raise rates three times this year. I expect to see a similar move in 30yr mortgage rates by year-end, moving rates from the low-3s to around 4%.

While a rise in geopolitical tension would generally cause rates to fall as investors move capital into the safe havens of the bond market, skyrocketing inflation has been pushing rates higher throughout the year as investors brace for the removal of emergency Fed accommodation. St. Louis Federal Reserve President James Bullard stepped up the hawkish rhetoric during an interview on CNBC Monday morning. According to Bullard, "I do think we need to front-load more of our planned removal of accommodation than we would have previously. We've been surprised to the upside on inflation. This is a lot of inflation." Bullard stated in the interview that the Federal Reserve should hike rates by 100 basis points by July 1st, believing that the Fed's "credibility is on the line."

Summary: Interest rates are heading up. This will affect a persons ability to stay in a certain price range. As an example:

If you took the median average of a Resale home in Abilene (\$217,000), with \$0 down payment, for 30 years fixed, at 3.0% interest rate the Principal and Interest payment (only) would be \$915.00.

If you took the same median average home in Abilene, with a \$0 down payment, for 30 years fixed, at 4.0% interest rate then the Principal and Interest payment (only) would be \$1,036.00.

The difference is \$121.00. This may not seem like a large increase, but it just may take a person out of a price range they thought they could afford.

Please note, these examples do not take insurance, taxes or necessary down payments into consideration. Your lender would cover all the requirements that the lending institution has in order to secure financing and close on a loan.

Thanks to Mike Harland at Guaranteed Rate for this information. He can be reached at his office at 912.527.9174 or email at: mike.harland@rate.com

If you are looking to purchase a home this year, please give me a call to get started as the interest rates are climbing. If you know of someone who is thinking it is the right time to start looking, please let me know who they are via the Referral button below and I will make contact with them. Please feel free to forward this newsletter to them as well. Thanks!

I have a Referral

Click the CMA button to request a Comparative Market Analysis on your home.

CMA



HOW YOUR DAILY DRIVE TIME CAN FACTOR INTO YOUR MORTGAGE

It's easy to overlook some of the things that can affect your budget and purchasing power when you're considering a home, and one of the biggest factors that buyers overlook is the cost of their daily commute as we continue to see gas prices on the rise.

We've all heard that real estate is all about "location, location, location," and properties in more desirable locations typically come with a higher price tag than similar properties that aren't in a hot neighborhood.

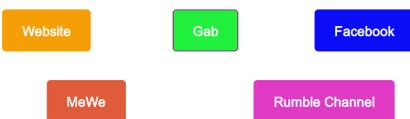
Yet the overall cost of living for choosing one location over another might be negligible when you factor in the commuting costs that are required—gas, vehicle maintenance, insurance—if you purchase a home that is significantly further from your workplace. If your mortgage is \$200 less per month, but you're spending an extra \$200 in commuting costs, are you really saving money?

Commuting costs aren't just about the disposable income left in your bank account, either. It can even affect how much money you can borrow. If you're a long-distance commuter, a loan officer may factor your travel costs into your debt-to-income ratio.

Aside from how commuting affects your purchasing power or disposable income, there's also the question of how it affects your quality of life—no one wants to spend hours a week just getting to and from work.

The real estate market varies greatly from location to location, so the best way to get a complete picture of your purchasing power is to review all the factors that go into your home budget - including commuting costs.

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