

Santa Clarita home expert Connor MacIvor radio ([00:00](#)):

Good to everybody. Connor, I ever sent a crew to home experts.com. This is going to be your update February 8th, 2021 year of our Lord, of course, Santa Clarita, home experts.com forward slash blog to get all the real estate information regarding the market. And what else is going on in the news now today, I wanted to bring you something a little bit, a little special having to do with predictions and forecasts of the real estate market. If you look at any of the information that's being conveyed out there by the different trade groups, the association realtors, the basic websites that are really dependent on real estate doing well. You're going to see that everything's green lights ahead, and we have predictions all the way through 2022. Well, I make my livelihood off of representing buyers and sellers. And I want to know if these things are really going to be true, or if there are some unknown variables out there that aren't being talked about.

Santa Clarita home expert Connor MacIvor radio ([00:58](#)):

So I'm going to talk about that unknown variable that I believe should give us a little pause with regard to real estate, but no matter what I do believe that we're going to still continue on a pretty solid course over the next couple of years in real estate, meaning that there might be a few dips here and there, but overall, it's not going to be so overbearing that it's going to create a flux in the market. Like we saw back in Oh six and Oh seven when we had the foreclosure market upon us and an entire economic downturn. Now looking at what NARS talking about and their quote unquote experts in the fields of finance, they are predicting that we're going to still have substantial increases the, with regard to real estate throughout this year. And also 2022. They're also predicting what would appear to be interest rates going up a little bit there around three ish in the twos.

Santa Clarita home expert Connor MacIvor radio ([01:54](#)):

Now going up to three and maybe three and a quarter in 2022, that's understandable, but something to also be watched because that variable, that changes a lot, uh, daily actually it does fluctuate a little bit here and there. So just pay it, pay strict attention to that. But again, even at three and a quarter three and a half or four, money's still very, very cheap and artificially. So a lot of people would say, just watch out and get very good advice before you start embarking on that journey. The other thing that people are looking about looking at, or being investors in real estate, so they found out that you can actually pick up smaller single family residences. I'm here in Los Angeles, California. So you won't find anything for a hundred thousand, but you go into other States, you'll be able to find properties for a hundred thousand dollars or less that you can actually rent those out and cashflow.

Santa Clarita home expert Connor MacIvor radio ([02:46](#)):

And a lot of people are starting to get into that more than were in the past. The things to look for though are going to be cities that have a large, uh, economic footprint, some kind of infrastructure there. That's going to mandate people needed to find rentals, maybe a company they're like a large company that needs to have people relocate to the area that are going to need a rental for awhile. And again, if properties are really that cheap what's to prohibit them from actually purchasing real estate, maybe there's a lot of temp jobs available at these cities. Maybe have an air force base army base, some kind of military installation that's causing people to be there. Maybe it's a factory type of infrastructure, but you want to look at these dynamics to figure out whether or not these are good areas for you to pretend to potentially investing in.

Santa Clarita home expert Connor MacIvor radio ([03:33](#)):

Also right now, the way that the market is and the way that the data drive is it's not difficult for you to see whether or not properties are actually leased or rented out. Everything pretty much is above board, even in the smaller cities, across the United States. So you're going to see data points for different things with regard to, for example, rentals. So if you're going to go buy your first investment property in another state, other than California, again, the price point being the issue. You go to some other state and for a hundred thousand dollars property, you have to put down 20% down, typically as an investor. If you're going to be renting it out, there might be some rehab costs, but let's just say there isn't, it's turnkey. You're able to buy it for a hundred thousand dollars and that's going to require 20% down.

Santa Clarita home expert Connor MacIvor radio ([04:16](#)):

So you have \$20,000, let's say for fun, let's say that particular seller is going to be willing to pick up your closing costs on that property, which probably be three to \$5,000 but being the case. You're actually able to buy it for the \$20,000 down payment and you're financing \$80,000 that payment's going to be relatively low. And then with that, you're able to let's say at the end of it, after everything's said that you've included a home warranties, you've included potentially, uh, paying a management company to monitor the property and keep tabs with the tenant and take care of all their needs. So let's say after everything's done taxes and all whatever fees there might be associated with that, let's say you're a \$500 a month positive on this particular investment. Let's say property prices start to move a little bit. Well then you might be able to leverage that house, that particular rental against itself, drought, some money, maybe add a little bit of money that you've been saving, and then you can buy your second one.

Santa Clarita home expert Connor MacIvor radio ([05:18](#)):

And here we have the beginning of a very nice investment portfolio. That's usually how these things start now. In some cases, it is true that potentially you could walk into a situation, maybe a, some type of probate or other type of distress property sale. Maybe there was a tax lien sale that the sheriff of a small town state and care of you'll want to call up and get that information. But maybe you can purchase properties even less, maybe pennies on the dollar. If you're the only one bidding on a particular piece of real estate in a small town, you might be able to pick it up for a very, very little money. Just don't be tricked into these different entities online telling you that these situations are a dime, a dozen it's easy to do. And unfortunately, in some circumstances, they're looking for you to pay for the course that they're putting on and that's how they make their money.

Santa Clarita home expert Connor MacIvor radio ([06:16](#)):

Just watch out for that. If you need good advice, reach out to a local agent in that local market and find out if they were investing in real estate, hopefully they are. So you'll be able to follow what they're doing and hopefully they'll share it because they're going to be the agent involved. That's kind of the nice thing because you know, having all the money in the world is great, but when you can help other people it's even better because that definitely comes back a lot more than just having money in an account, just sitting there giving part of you. And part of that knowledge really does pay off. All right. So let's talk about the unknown, the unknown variable that we're seeing. And this isn't just in Santa Clarita Valley, but all across the United States is the term forbearance. And I talked about this last time and a lot of the people that are speaking about this, and maybe it's, maybe it's nothing. Maybe it's not a big deal. Maybe whenever the banks kick up again and they decide to, Hey, let's go ahead and, uh, let everybody out of forbearance because COVID is over. Everybody's, uh, there's no issues anymore. The vaccines aren't causing people to become zombies and that sort of thing. Then the next step is what's going to happen with the properties that are in have their mortgage just placed in forbearance, which is a lot. In fact, let's see what I can find online here.

Santa Clarita home expert Connor MacIvor radio ([07:45](#)):

Let's see if, uh, let's see if too, um, so this last week, this is beginning of December via housing wire and the MBA estimates, the number of homeowners and some form of mortgage forbearance increased from 2.7 million to 2.8 million, uh, this past week. And that was reported December 1st. Today's February 8th, you know, hard to say, uh, the share of mortgages and forbearance dropped a 6.93% as of September 13th. Uh, that's according to data from the mortgage bankers association trade group, estimates that roughly 3.5 million homeowners and forbearance, uh, plans that allow them to skip or may through reduce monthly loan payments. So that's kind of where we are. That was September 13th of last year. But apparently that to December did go up to 3.5 million.

Santa Clarita home expert Connor MacIvor radio ([08:50](#)):

Now it says 4 billion, 4 million homes are in. So this, this is the problem that could potentially rear its head. What's going to happen when the banks say, okay, appreciate everybody. Uh, letting we're very thankful that we were able to help. We're thankful that you were able to have your property put into forbearance. Uh, now we need to start your mortgage again. How many people are going to pre beep your pair to start paying their mortgage again? So there's a lot of factors out there, unemployment COVID whole nine yards. So that's gotta be one step, a second step. How many folks have been using, saving whatever they could and not putting that money into something that maybe they shouldn't have, and they should have continued to save. That's another question out there who went out and bought the BMW when they should have been using that money, holding it for their mortgage payment.

Santa Clarita home expert Connor MacIvor radio ([09:46](#)):

What if the banks come back and say, you've, haven't made a payment for a year. We're going to expect you to make this up over time. So not giving us all this balloon amount now for the last year of payments that you've missed at \$3,000 a month, which would be \$36,000 for the year, but we're going to go ahead and start an escrow account for that. We're going to hold that money. And then every month, in addition to your normal payment, you're going to pay us \$200 or \$300 more or \$400 more. What, what that's, what is that going to do that homeowner? And then let's say they say this, I guess, for the homeowners out there, this would be best case scenario. Best case scenario would be if the bank said, listen, Jack, it's okay. We're glad that we were able to help. We're going to take the 12 months, that \$36,000 that you didn't pay us, that you should have been over the last year because of your issues and problems and the impact COVID have on you had on you. And we're going to extend that and put it on the very end of your mortgage. So instead of your maturity date on your mortgage being, so-and-so, it's going to be a year later. Now,

Speaker 2 ([11:00](#)):

The here's the problem

Santa Clarita home expert Connor MacIvor radio ([11:02](#)):

That's called a loan modification because the banks are modifying the loan.

Speaker 2 ([11:09](#)):

Was there language built

Santa Clarita home expert Connor MacIvor radio ([11:12](#)):

Inside of the original lenders contract that said in the event of some kind of a act of God, worldwide pandemic, maybe not act of God, but the bottom line, some kind of pandemic that allows for the terms of a loan to be modified without actually having to be modified with the court and them giving Kevin, uh, needed to be given notice, I guess that could save the fees. But what I'm saying is there's going to be fees involved. If they're going to do this and who's going to pay those fees and how are they going to get paid? This is something that individual homeowner to be able to continue, their mortgage is going to have to pay at this point, or maybe they'll make those modifications necessary at some point in the future. And they'll basically say, if you refinance or sell your residence, then this escrow account that we started that has the five, six, \$7,000 in it, whatever it's going to cost to modify that loan, if even there has to be that part of the process, that that's the question, is it necessary, but they could save that and say, listen, if you sell it or refinance it, then this particular fee gets taken care of via escrow.

Santa Clarita home expert Connor MacIvor radio ([12:31](#)):

Well, in some cases, there might not be enough equity to be able to do that. So then that money has to come out of somebody's pocket. And if they can't sell their house, but have to, and can't cover that seven or eight or nine or \$10,000, whatever that fee may be, then will they go for closure because they have to sell it anyway. And they don't have \$10,000 to come up with to make that payment. So you see the point, there are some things out there that aren't being talked about now, do I believe that if all of this comes true in the worst case possible, is that going to kill the real estate market? Probably not because there is a lot of equity in this market. There are no a hundred percent loans out there. We had a stated income, a hundred percent loans being offered back before the crash of the last cycle.

Santa Clarita home expert Connor MacIvor radio ([13:19](#)):

Also this time we're seeing appraisers being a lot more conservative. So I don't see that causing an issue in the market. The only thing that's causing this market to go up are buyers and the buyers are willing and putting on paper and their original offer. I mean, in the original offer, they're putting in paper, they're stating, Hey, Mr. Seller, Mrs. Seller, we're willing to pay the difference between what your home is priced for and the amount we offered, no matter what the appraiser says, we're going to inject cash into it, making a bad difference. They're doing this right away. So those are a lot of the offers that are looked at when it comes to people making offers on real estate. So that's the, so that's what we see. Let's look at one more thing as far as local real estate data here in Santa Clarita Valley and all across the United States of America.

Santa Clarita home expert Connor MacIvor radio ([14:13](#)):

And especially here in Southern California real estate, uh, excuse me, real estate inventory has been incredibly low. So we're going to look at this real quick, just so we can get an idea and find out where we are today. Monday, February 8th, 2021 at eight 42, a M my saved searches page to daily inventory. All right. So we're looking at all the cities of Santa creative Valley act and through Oakwood, I'll say up to 194, I think last week we were one 81. So now we have 194 listings that are currently, uh, on the market for sale of those 23 of them. And I think we maybe had 26 last week, 23 are coming soon. Uh, you're not seeing those. If you're on some of the different syndication sites out there.

Speaker 2 ([15:09](#)):

Also, if you are searching

Santa Clarita home expert Connor MacIvor radio ([15:11](#)):

Those systems, please be careful because there's a lot of information that gets sold that belongs to you. So don't give up your personal information. I wouldn't register to view any real estate news. I wouldn't give up your name. You know, if you trust the website, if it's Santa Clarita, home experts.com, hopefully I've proven that I am trustworthy. I don't harass people or add you to a list or sell any of your personal private information. Anybody. I keep it it's my information. I don't give that up. And I keep it within my encrypted sites and nobody else has access to it. And my site is SSL. So, uh, you're not going to see a habitual, the being able to basically track your information. You're not going to have that problem at Santa Cruz, home experts.com, but there you'll be able to at least register for a search.

Santa Clarita home expert Connor MacIvor radio ([16:03](#)):

And if you want those coming soon listings, you can communicate to me through that system and I'll be able to get those. So you see them before they hit the market for sale. Like I said, 23. So we have very low inventory, same thing, multiple offers on properties between the strata points of half a million bucks to 800, \$810,000. Usually multiple offers on those properties. And it depends on the price point. Somebody takes a \$900,000 house, puts it on the market for seven 50, stand back and stand by because there's going to be an overwhelming amount of offers and showings on that particular real estate. I've caught a MacGyver with re max I'm here@santacretahomeexperts.com. When you're ready, please give me a call. Thank you for joining me on this wonderful Monday, about to get a cup of coffee finally, and we'll talk to you soon.

Santa Clarita home expert Connor MacIvor radio ([16:56](#)):

Any questions you want to see any future so's done about a particular topic, please let me know if you haven't subscribed yet. You want notifications. There's, there's a little bell below me and also subscribe a subscribe button here on YouTube. So please feel free to push that. And if you haven't seen our YouTube channel, if you're listening to this on some other podcast network, somewhere where I've stripped out the audio and upload it as a radio short podcast, you're not seeing the real video. You're probably lucky, but I do have a face for radio, but if you do want to, uh, subscribe, just get to our YouTube channel search for Santa Clara, home experts, radio, and you'll find me on the Baldwin. I'm Connor MacGyver. Thanks so much for tuning in. We'll

Speaker 2 ([17:37](#)):

Talk to you soon over and out.