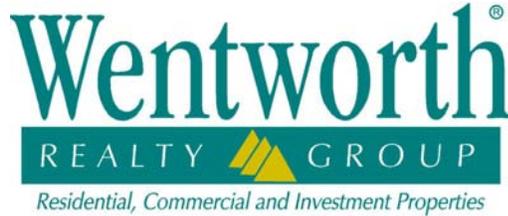




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**5 Real Estate Predictions for 2015 from Freddie Mac**

According to Freddie Mac's chief economist Frank Nothaft, "The good news for 2015 is that the US economy appears well poised to sustain about a 3% growth rate in 2015. Consumers are more upbeat and businesses are more confident, all of which portend faster economic growth in 2015. And with that, the economy will produce more and better-paying jobs, providing the financial wherewithal to support household formations and housing activity."

**Projections for the new year from Freddie Mac economists:**

- Mortgage rates will likely be on the rise, up to 5% by year end.
- Home price appreciation will likely level out at an average 3%.
- Home building is expected to ramp up projected to rise by 20%.
- Single-family mortgage originations will drop because of a decrease in refinancing.
- Mortgage originations for multi-family homes are expected to rise about 14%

**Porch.com**

**A social networking site for homes**

**Have you ever been frustrated seeking competent contractors to tackle your home improvement project?**

**That is what motivated Matt Ehrlichman to establish Porch.com, which offers a clearinghouse of information for home-improvement projects. He describes Porch as "being like LinkedIn, only for helping you find trustworthy workers for your home project." Sounds good to me. Check it out.**



Christmas is not a time nor a season, but a state of mind. To cherish peace and goodwill, to be plenteous in mercy, is to have the real spirit of Christmas.

*Calvin Coolidge*



### Pent-up Buyer Demand

Realtor.com Chief Economist Jonathan Smoke notes “On the sales side, we are not back to normal. We have substantial pent-up demand waiting for the catalysts to enable activity.” He says “Credit access is the key catalyst for early 2015.”

So a financial loosening will stimulate double-digit gains in transactions in 2015 according to Smoke.



### Changing Demographics Impacting Housing Market

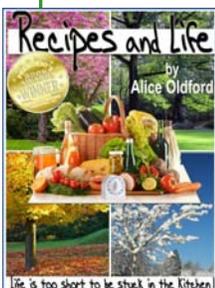
So who is buying and selling? Baby boomers are selling and buying. Millennial, people aged 18 to 33, with the job growth and the economy on the upswing are buying. Lisa Sturtevant, VP of research for the National Housing Conference, says “With Millennials searching for new homes and baby boomers downsizing, an increased demand for smaller, less expensive houses will begin to emerge.”

### Short sale forgiveness?

In a short sale, an owner sells his home for less than the amount of his mortgage with the balance forgiven by the lender. Last year homeowners could move on with any money forgiven by the bank forgotten according to the Mortgage Debt Forgiveness Relief Act.

However, this year Congress has not yet extended the act, which means short sellers could be taxed on the amount forgiven. There is still a short window for Congress to act. I will keep you posted.

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