



# Home Equity on the Rise

Why post-purchase education matters

# Number of home sales in Wisconsin source: wra.org

Number of Home Sales													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	3,774	4,075	5,282	6,311	8,636	8,787	8,930	9,237	7,494	7,541	6,536	5,782	82,385
2020	4,226	4,147	5,827	6,052	6,675	8,662	9,945	9,581	9,288	9,700	7,766	7,245	89,114
2021	4,760	4,508	6,057	7,179	7,634	9,642	9,571	9,233	8,704	8,675	7,874	7,392	91,229
2022	4,671	4,409	5,744	6,333	7,384	8,744	7,909	8,404	7,602	6,394	5,484	4,923	78,001
2023	3,201	3,242	4,521	4,405	5,917	7,225	6,393	7,055	6,369	6,069	5,416	4,693	64,506
2024	3,506	3,443	4,753	5,632	6,731	6,602	6,795	6,721	n/a	n/a	n/a	n/a	44,183

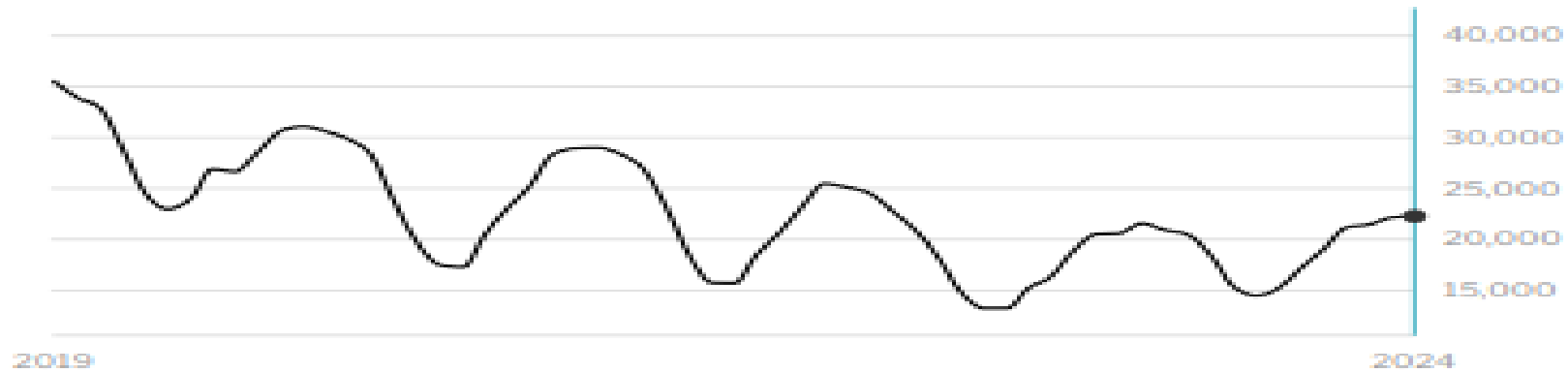


### # of Homes for Sale (All Home Types)

22,295

+3.2% YoY | Aug 2024

1y 3y 5y



Based on Redfin calculations of home data from MLS and/or public records.

Location	Data Aug 2024	Growth % YoY
Wisconsin	22,295	+3.2%

Add Location

## Wisconsin Housing Demand

How competitive is the market?

In August 2024, 43.3% of homes in Wisconsin sold above list price, down 7.7 points year...

[Read More](#)

- Homes Sold Above List Price
- All Home Types

Homes that sold above list price likely received multiple offers. A high or growing percentage of homes selling above list...

[Show More](#)

### Homes Sold Above List Price (All Home Types)

# Equity Borrowing is up

Source [MBA.org](https://www.mba.org)

- Originations of Home Equity Lines of Credit (known as HELOCs) and home equity loans increased 50% in 2022 compared to two years earlier, according to the Mortgage Bankers Association
- Total originations of open-ended Home Equity Lines of Credit (HELOCs) and closed-end home equity loans increased in 2023 by 1.5 percent compared to the previous year, while debt outstandings increased 8.3 percent.
- Lenders expect home equity loan debt outstanding to increase 11.1 percent in 2024 and 7.2 percent in 2025.



# The good news

Source: <https://www.newyorkfed.org/> and ycharts.com



Delinquency rates on Home Equity loans is 0.36% the lowest in at least 5 years



Delinquency rate for open ended equity loans like HELOCs is 3.2% also historically low



Equity borrowing seem to be slowing from a peak in late 2022/early 2023

# The concerning news



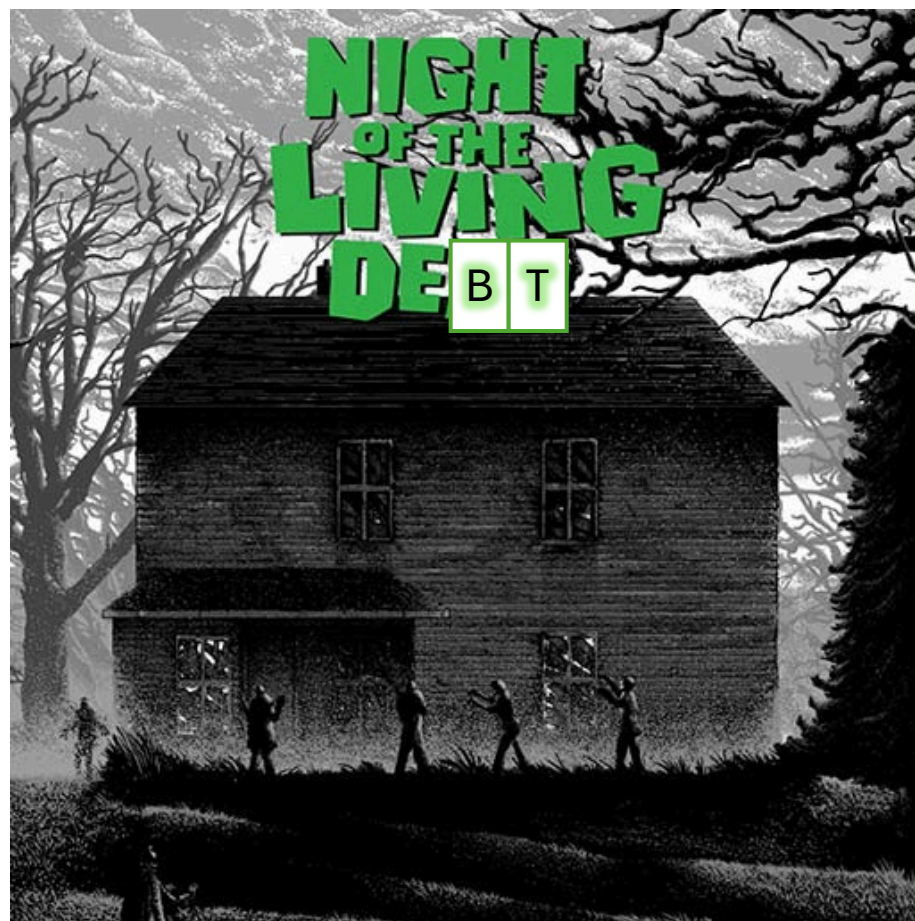
Mortgage balances rose by \$77 billion from the previous quarter and reached \$12.52 trillion at the end of June. HELOC balances increased by \$4 billion, representing the ninth consecutive quarterly increase since Q1 2022, and stood at \$380 billion. This is a \$63 billion increase from the series low reached in Q3 2021



Source [newyorkfed.org](https://www.newyorkfed.org)



# The scary news



# Secondary pressures



PROPERTY TAX  
INCREASE



PROPERTY INVESTORS



INFLATION



# How do we address all this?



We want to get out  
in front of this as  
much as we can



Equity counseling



Repair and  
improvement  
programs



Tool loan programs



Repair classes

# Course Topics

- Know Your Tools - Hand tools
- Power Tools
- Right Tool for the job
- Preventative maintenance
- Preventative maintenance Pt II
- Home safety tips
- Basic Home Safety (contd)
- Emergency and First Aid
- First Aid (Contd.)
- Healthy Housing
- Home Maintenance Decision Tree
- Planning Your Projects and Selecting A Contractor
- Exterior Assessments
- Basements and Crawlspace
- Plumbing Systems
- Electrical
- Types of Flooring
- Home warranties
- City Services (DPW & MMSD)



## Preventative Maintenance

“...one small detail can lead to disaster.”

Seasonal clearing of rain gutters around our home. Cost: Free

If this maintenance is not performed:

- Leaves and debris will settle in gutter
- Downspouts will become clogged
- Gutters back up and become heavy

Consequences:

- The weight of gutter causes it to push away from the roof line or fascia boards
- The boards then separate from roof line
- Rain and melting snow into exposed roof line
- The roof boards become weak and rotted
- Water drains through deteriorated
- Mold settles in
- Interior ceiling has visible water damage

Repairs Needed:

Remove and replace gutter system \$200-\$1,500

Remove and replace fascia board \$300-\$700

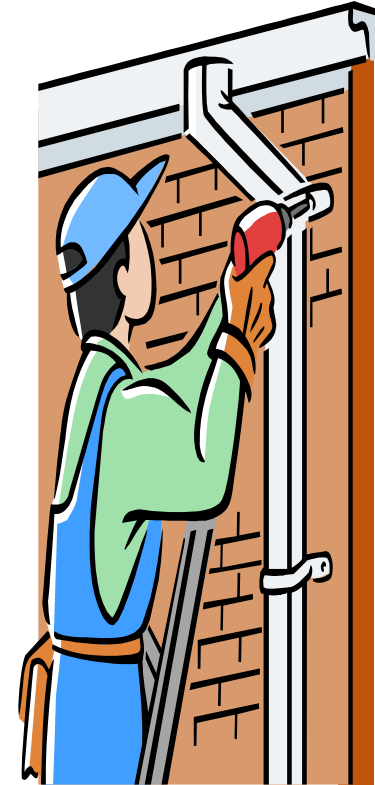
Paint fascia board \$100 \* DIY

Replaced water damaged roof boards and roof tiles \$500-\$1,200

Cut out/Replace water damaged ceiling, texture and paint \$1,200-\$3,500

“The satisfaction that comes from taking care of the little things to stave off larger repair costs....priceless”

Keeping the American Dream pg 87



Cost to correct:

## Preventative Maintenance Part II

Controlling Trees and Roots:

Tree Branches can damage exterior components of the home. Prune or Trim Trees to keep them from damaging siding, roofing and gutters.

Tree roots can damage the foundation of property.

Remove all trees that are next to home and kill or stump grind the roots.

Note: Before any major digging be sure to call 811 to locate any underground utilities that may exist on your property.

Disconnect downspout from sewer drain if this is doable. (Rain Barrels or extensions maybe used to divert water away from home).

Snake out all clean-out once every two years as preventative maintenance. (main drain)



### Home Maintenance Decision Tree

