

# UNDERSTANDING HOME APPRECIATION

## UNDERSTANDING SOUTHERN CALIFORNIA HOME APPRECIATION

Real estate prices are constantly moving up and down. Typically, property values appreciate in the long term. But, in real estate there is always a certain amount of risk. When your house appreciates you have more resources to borrow against, and you'll produce a bigger profit when you sell. Property values in SoCal waiver for various reasons, so how do you know what you're buying now won't depreciate the day after you close?

The economy is believed to be the greatest factor impacting real estate appreciation. Naturally, interest rates, unemployment, job growth, government programs and many other national determinants have a measurable effect on your property's value. However, your property's value and the features that play the most significant role in its appreciation are particular to the local SoCal economy and housing market.

## LOCATION IN A COMMUNITY

Many home buyers choose to live in regions with the most helpful elements for households to do well, like a close proximity to schools, jobs, and work. So when it comes to keeping their value, these regions often appreciate the best.

## THE LATEST HOME SALES

You should receive figures on the recent real estate sales in the districts that you're interested in from your agent. You'll want to learn figures like time on market and seller discounts.

## APPRECIATION HISTORY

Have home prices increased or decreased over the last 5-10 years? Is the area considered

## ECONOMIC FACTORS

Have companies moved into or away from an area? Are local companies hiring? Is there a nice mixture of work in an area, or does it rely upon just one industry? These items play a role.

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