

## REAL ESTATE REALITIES

### What is the “New Abnormal” in American Real Estate?



### What is the New Abnormal in American Real Estate? “STRATEGIC DEFAULT”

More than a third of Americans are OK with Strategic Default according to the most recent polls by the Pew Research Center. They found that 36 percent of Americans believe the practice of “walking away” from their mortgage payments and their home is acceptable, at least under certain circumstances. To many of us this seems to go against everything we have believed in, but the sad truth is, it is the new reality in today’s real estate market. In the Minneapolis marketplace, we have seen our sales in July drop 37.6 percent compared to last year, and with buyer demand down we do not expect any changes until we see more consumer confidence in the economy. The good news is, we agents feel that we are at the bottom for pricing because we have great interest rates and affordability in homes is well within reach for everyone.

We all can give our opinions on how we got here and whose fault it is, but that does not help families in this situation today. As a full time real estate, who is on the front lines of this housing mess, I can attest to that headline. And it is not uncommon for me, and most agents, to meet with families to talk about selling their house, only to find out that the seller is at a cross roads and needs to get answers on what they should do next.

The sellers find themselves upside down and need to get current information on what their options are. The public used to have the perception that all agents are the same and there has never been a time like now in Real Estate, when clients need a full time EXPERIENCED real estate agent says “Dave Feerhusen – ReMax Broker.” Those years of experience help the home owner see where their home really stands.

I like to compare this process to building a Jig Saw Puzzle. You have lots of pieces and you know they make a picture, but the problem you have is that you don’t know what that picture looks like. Many times I find people can keep their home because they are in a stable job and neighborhood, and even though they are upside down in value it is not really that far off the market value.

I suggest they get their tax value lowered to start saving money and that they actually start saving. If they are extremely upside down then we can put together a plan that fits your goals. Attorneys and accountants can help give the needed advice so the process goes as smooth as possible. If you find yourself in a situation like this please feel free to call. We can have a private conversation and I am sure you will feel more informed about what your options are. There is a light at the end of the tunnel. I would love to help and the best part is, that it is FREE to you.

Thanks Major Bob Beutler (ret) 612-558-7355

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