



Affinity Title Services, LLC

## Your Title and Closing Specialists!

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*Autumn doesn't always promise that winter will come, but she works hard until every colored leaf has reached its destination.*

# Affinity Title

## What would a Second Wave of Covid-19 mean for the Housing Markets?

Will a second wave of COVID-19 mean “boom” or “bust” for the housing market? With the trends we’re seeing now, there are a couple of possibilities to expect. Most housing economists predicted that the spread of the COVID-19 virus last spring would paralyze housing markets. For about six weeks, they were right. Sellers stopped listing homes, and buyers struggled with the new realities of home buying like virtual house tours and e-closings. By the end of April, a new dynamic emerged. Real estate agents quickly mastered new technology so that homes could still be sold during lockdowns. Thousands of buyers became active, including many millennials who learned to hate their apartments during lockdowns, move up buyers then joined first-time buyers, and seemingly overnight, real estates was booming. In **June and July**, home sales **set month-over-month records**. Suddenly, competition was so stiff that for three straight months, new listings failed to keep up, trailing 2019 levels by 20%. The combination of strong demand and weak supply sent prices soaring. Prices **rose 8.5% in July** after a 3.5% hike in June. Real estate’s recovery was so fast that sales between February and June look like a sharp “V” on a graph.

Since April, the CDC’s Director, Robert Redfield, has warned of a second wave of the virus arriving in the fall or winter. With the colder weather and the flu season, he warned that a second wave could be worse than the first one.

Will that be true for real estate as well? Or will sales recover more slowly than they did in the spring, changing from that sharp “V” to a smoother “U”? There’s a chance that they might fall and not recover anytime soon.

Ralph McLaughlin, the chief economist at Haus and former deputy chief economist at CoreLogic, has a different shape in mind. He expects the first wave will follow the second closely, and the two waves together will create what he calls a “Flying W.”

“You can think of it as really two “Vs” next to each other,” says McLaughlin, referring to the first wave in the spring, “where the initial drop in activity due to the pandemic is sharp and severe, followed by a

rebound to near pre-pandemic levels, and then the process repeats itself until we've recovered sometime next year.”

The spring surge in demand will probably not repeat though interest rates will remain remarkably low. The pandemic economy will take a toll on buyers in the last half of the year; unemployment will still be higher than before the pandemic arrived and many first-time buyers have used their down payment savings to pay monthly bills. Prices will stop rising so quickly but they are already high enough to keep large numbers of first-time buyers out of the market.

The seasonality of real estate markets worked in favor of the spring boom, which began precisely at the time of the year when the spring sales market traditionally opens. In the fall, demand traditionally wanes along with the supply of homes for sale. With just ten weeks before Thanksgiving and the opening of the holiday season, sellers don't have much time to market their properties. Many sellers pull their listings in the fall and wait for spring the following year.

McLaughlin agrees. “On the demand side, we expect uncertainty over the prospects of the U.S. economy, fears overexposure to the virus during the homebuying process, and tightening of credit standards to dampen demand for homes in the short run. At the same time, we expect home sellers—who often are also buyers—to hold back on listing their homes because of concerns over their ability to sell and purchase another home. Our forecasts suggest this reduction in both demand and supply will lead to a reduction of home sales and purchase mortgage origination between about 38% and 45%, respectively.”

## **U.S. Home Prices Up a Record 15%**

**National median home price hit a new record of \$320,625.**

**Key housing market takeaways for 434 U.S. metro areas during the 4-week period ending October 4:**

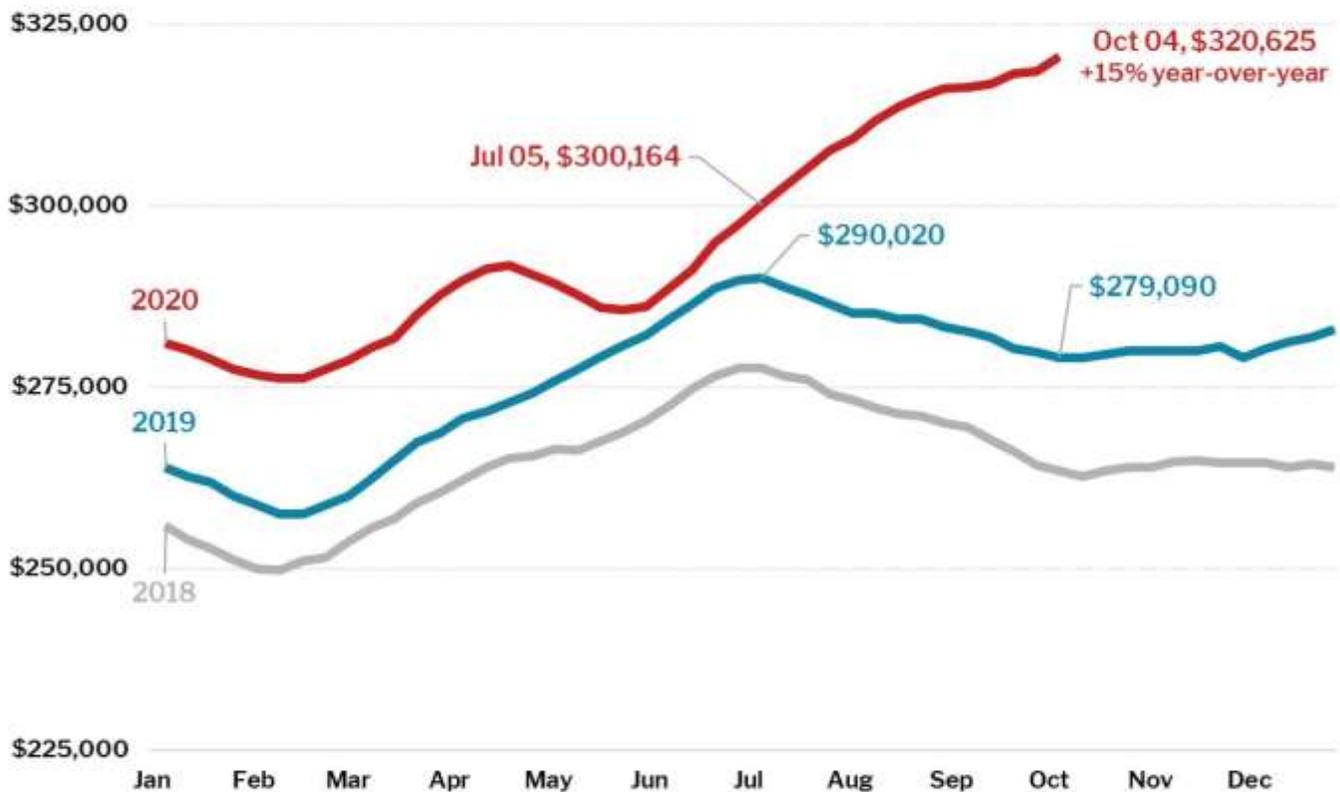
- The median home sale price increased 15% year over year to \$320,625—the highest on record in Redfin's data, which goes back through 2012. Although it uses a different methodology to measure home prices, it is worth noting that the largest increase ever recorded in the Case-Shiller national home price index (which goes back through 1988) was 14.5% in September 2005. In the week ending October 4, home prices were up 16% from the same week a year earlier. Since the four-week period ending July 5, home prices have increased 6.8%. Over that same period in 2018 and 2019, prices declined an average of 4.4%.
- The median asking price of new listings was up 14.0% from a year earlier, an uptick from 12.9% during the four weeks ending September 27.
- Pending home sales climbed 26% year over year, the smallest growth rate since the four-week period ending August 16.
- New listings of homes for sale were up 4% from a year earlier. This is the first time year-over-year growth in new listings have fallen below 5% since the four-week period ending August 16.
- Active listings (the number of homes listed for sale at any point during the period) fell 28% from 2019 to a new all-time low. The rate of year-over-year supply declines has remained consistent at this level for the past few months.
- 45.2% of homes that went under contract had an accepted offer within the first two weeks on the market. This has also held relatively steady for the last 17 weeks.

- The average sale-to-list price ratio, which measures how close homes are selling to their asking prices, rose to 99.4%—an all-time high and 1.2 percentage points higher than a year earlier.
- For the week ending October 4, the seasonally adjusted Redfin Homebuyer Demand Index was up 34.9% from pre-pandemic levels in January and February.
- Mortgage applications increased 5% week over week during the week ending October 2, another indicator that demand remains strong. For the week ending October 8, 30-year mortgage rates were flat at 2.87%. Rates have been below 3% since late July.

“Large, expensive, luxury homes are taking up a bigger share of the homes that are selling, which is driving a high growth rate for the median sale price,” said Redfin chief economist Daryl Fairweather. “Remote work is increasing demand from affluent people, while middle-income people are more often expected to do their jobs in-person, and many have been affected by furloughs and shutdowns.” We will continue to track changes in sellers’ asking prices, which tend to precede trends in overall home price growth. Even as sales continue to experience a typical seasonal slowdown, real estate remains firmly in seller’s market territory.

## Home Sale Prices Up 15% to Another New High

4-week rolling average of the median sale price of homes sold



Source: Redfin analysis of MLS data

**REDFIN**

# 8 Ideas to Create a Safe and Spooky Halloween Experience at Home



As we start the shift into the holiday seasons, there's no doubt that Halloween is the kick off event to fall. People start gathering pumpkins, decorating their homes with cobwebs, and not to mention stocking up on delicious candy to get into the Halloween spirit. Whether you have kids that trick-or-treat or you just want a fun night in on your own, there are plenty of ways to celebrate the Halloween season in the comforts of your home.

## **Paint or Carve Pumpkins**

This is a Halloween classic, and even as an adult it's one of my favorite past times for Halloween! If you're worried about your pumpkins not lasting through the season, you can paint them instead of carving. After you paint them, give them a coat of clear poly to lock in your paint from the elements. If you really want to extend the life of your pumpkins, soak them in a bucket, or sink of a mixture of 1 part bleach to 4 parts water for a couple of hours. Rinse and let them dry out a bit.

## **Movie Night**

Pop some popcorn, grab your favorite Halloween candy, and cuddle up for a night of spooky (or not so spooky) Halloween-themed movies. If the weather cooperates, take the movie night outdoors on your **DIY movie screen**. You could even invite friends or family over to spread out and enjoy a movie or two.

## **Scavenger Hunt**

Make up a list of Halloween inspired items or things found outside, and drive around to look at all the decorated houses to see who can find all the things on the list. You could even break up into groups and do it virtually with anyone. Take a picture and text it to the other group to prove you found the items on the list.

## **Halloween Piñata**

Who says birthday parties are the only parties to have fun?! Make your own ghost piñata and fill it with all kinds of Halloween candy. Or if you're an adult, plastic mini bottles of liquor. Take turns hitting the piñata with a stick and have fun enjoying its contents. Try this fun, **DIY ghost piñata**

## Haunted Gingerbread House

Grab your graham crackers, frosting, candy corn, bubble gum balls, jawbreakers and other fun candies to create your own haunted gingerbread house. Make it even more interesting by having each family member decorate their own and take it to social media and have your friends and family pick their favorite.

It's clear to see that trick-or-treating isn't the only Halloween fun to be had this fall. There are plenty of things to do in and around your home that will make lots of memories for you and your loved ones. All it takes is a little imagination to think outside the cauldron.

## Tips for Secure Video Conferencing

Due to the COVID-19 pandemic and social distancing requirements, organizations pivoted to widescale remote work and online collaboration. Video conferencing emerged as a tool for business continuity and sustained social connection. However, these tools opened the door to increased cyberattacks.

Amid the unanticipated exponential growth and unprecedented popularity of these platforms, many video conferencing users have not implemented necessary security precautions—or might be unaware of the latent risks and vulnerabilities.

The U.S. Cybersecurity and Infrastructure Security Agency (CISA) has established principles and practices that individuals and organizations can follow to enhance video conference security.

### Connect Securely

The initial settings for home Wi-Fi networks and many video conferencing tools are not secure by default, which—if not changed—can allow malicious actors to compromise sensitive data while you work from home, according to CISA. Here are some quick tips to ensure a secure connection:

- Change default password to strong, complex passwords for your router and Wi-Fi network.
- Choose a generic name for your home Wi-Fi network to help mask who the network belongs to, or its equipment manufacturer.
- Ensure your home router is configured to use WPA2 or WPA3 wireless encryption standard at the minimum, and that legacy protocols such as WEP and WPA are disabled.
- Avoid using public hotspots and networks.
- Only use video conferencing tools approved by your organization for business use.
- Enable security and encryption settings on video conferencing tools; these features are not always enabled by default.

### Control Access

CISA says uncontrolled access to conversations may result in disruption or compromise of your conversations, and exposure of sensitive information. To mitigate this risk, companies should check their tool's security and privacy settings, enable features that allow control of who can access video

chats and conference calls. When sharing invitations to calls, ensure that you are only inviting the intended attendees.

Here are additional tips from CISA to help control access to conversations:

- Require an access code or password to enter the event. Try not to repeat codes or passwords.
- Manage policies to ensure only members from your organization or desired group can attend. Be cautious of widely disseminating invitations.
- Enable “waiting room” features to see and vet attendees attempting to access your event before granting access.
- Lock the event once all intended attendees have joined.
- Ensure that you can manually admit and remove attendees (and know how to expeditiously remove unwanted attendees) if opening the event to the public. Be mindful of how (and to whom) you disseminate invitation links.

### **Manage File and Screen Sharing, and Recordings**

CISA says mismanaged file sharing, screen sharing, and meeting recording can result in unauthorized access to sensitive information. Uncontrolled file sharing can inadvertently lead to users executing and clicking malicious files and links, which could, in turn, lead to system compromise. To alleviate this potential problem, CISA recommends disabling or limiting screen and file sharing to ensure only trusted sources have the capability to share. Users should be aware of sharing individual applications versus full screens. Here are some simple tips for controlling file and screen sharing:

- Toggle settings to limit the types of files that can be shared (e.g., not allowing .exe files).
- When recording meetings, make sure participants are aware and that the meeting owner knows how to access and secure the recording. Consider saving locally rather than in the cloud. Change default file names when saving recordings. Consult with organizational or in-house counsel regarding laws applicable to recording video conferences.
- Consider sensitivity of data before exposing it via screen share or uploading it during video conferences. Do not discuss information that you would not discuss over regular telephone lines.

### **Update to Latest Versions of Applications**

Outdated or unpatched video conference applications can expose security flaws for hackers to exploit, that could result in a disruption of meeting privacy and potential loss of information, according to CISA. The agency recommends these tips to keep applications updated and secure:

- Enable automatic updates to keep software up to date.
- Develop and follow a patch management policy across the organization that requires frequent and continual application patching.
- Use patch management software to handle and track patching for your organization.

In addition, CISA recommends organizations become familiar with security settings and capabilities of their preferred video conferencing platform(s). Here’s a list of several popular products:

\* [Zoom](#)

\* [Go To Meeting](#)

\* [GoToWebinar](#)

\* [Microsoft Team](#)

\* [Cisco Webex](#)

\* [Adobe Connect](#)



## HAVE A HAPPY HALLOWEEN!

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