

## **Santa Cruz County Home-Buying Trends**

While the California market is starting to slow down, more than likely due to changing interest rates, Santa Cruz real estate listings are still going strong. In this beautiful coastal area, there is still demand for housing. The number of houses sold has consistently increased every year, and 2016 was no exception. Trend projections for 2017 show more of the same.

The Santa Cruz area is still popular due to the proximity to Scotts Valley, where international technology businesses have campuses. The technology hiring boom in 2016 has hit the real estate markets in Santa Clara County, the East Bay and San Francisco hard. There are buses that run from nearby Carbonera right to the campuses, so there's no drive to work, gas cost now becomes nil, and you can work while on the commute. All of these things have proven to be a big draw for new hires in the tech industry.

The other subsets of the area that are making an impact are the baby boomers and millennials. Baby boomers are looking to downsize since retiring and/or are buying vacation homes at this point in their lives. Millennials are now in their late 20's. They've been working for a few years and are now ready to get a house of their own, big enough to raise a family in. Both of these segments of the population find the Santa Cruz real estate listings appealing due to location, traditional house styles and proximity to amenities.

Some would say that it's a sellers market right now in Santa Cruz and surrounding areas, which means if you're looking for a house in this popular area, there might be a some competition among buyers. The best way to give yourself an edge is to get pre-approved for a loan.

### **The Pre-Approval Process**

Pre-approval for a loan may sound a little intimidating, especially for a first time buyer, but not to worry! It's a pretty straightforward process. What's actually happening here is the lender of your choice is going to do some preliminary checking to see that your finances are up to snuff and to give you a snapshot of what you can afford. This is helpful in terms of putting in an offer, as it means you can say that someone has looked you over and deemed you generally fit to borrow money.

Now, this does not mean the lender has guaranteed you a loan. What it means is that it looks to them like all your ducks are in a row: your credit score is good, your credit history doesn't have anything negative that jumps out at them and maybe you already have a down payment together. The potential lender then tells you, based on the information they have collected so far, how much they think you can afford to borrow. This will help narrow down your housing search pretty dramatically. No one wants to fall in love with a house only to find out they can't afford it.

Typically, the lender will write you a pre-approval letter that you can include with your offer, which should score you some points with the sellers. As a bonus, some of your house-buying anxiety should decrease, since getting pre-approved means you're on the road to getting a loan, plus you know exactly what you can spend. The house hunt can now become fun and exciting.

### **Finding the Perfect Home**

Once you have your pre-approval letter in hand and an idea of what you can borrow, you can move forward in your search for a home with confidence. Santa Cruz real estate statistics reveal that average sales prices and median home prices climb by double digit percentages every year. To translate: buying a house now means a return for you later if you decide to sell. Nothing is depreciating in Santa Cruz real estate, which means most houses are going to be a great investment.

The Santa Cruz area is rich in outdoor activity opportunities, so make sure you take a good look at what amenities you want to be most convenient to your new home. The park system, beaches and forests are a huge draw, and part of what keeps the home prices steady or climbing from year to year. Schools in the area are graded at seven out of 10 or higher, which will appeal to the high numbers of millennial searching for homes in the area. Additionally, homes in Santa Cruz are averaging 50 days on the market—less than two months!—so don't delay in putting in an offer if you see something you like. Homes don't last long in this market.