



### Serving North Wake County Buyers and Sellers 4/09 Issue



## April is a month of exciting changes in housing!

*You could say April is the month of miracles, at least it is this year. In 2009, Passover and Easter fall in the month of April, two ancient religious holidays with miracles at the center of the celebration.*

*But apart of the traditional celebrations, there are a lot of really wonderful things happening out there for people. For one thing, in*

*my business we are seeing many happy buyers, people who are getting the bargain of their lives on wonderful properties. And the new stimulus, and mortgage assistance bills have given many people a new chance to own a home.*

*If you are looking for your own April housing miracle, either to buy or sell, we hope you will give us a call. We can make it happen!*

## Congress smoothes out the road for first-time home buyers

The 2009 economic stimulus bill, passed in February, offers first time home buyers a nifty perk: A 10 percent tax credit up to \$8,000 for home purchases made in 2009.

The tax credit is limited to buyers who have never purchased a home or those who haven't owned a home in three years.

Last year Congress passed a similar tax credit but there is one significant difference between that one and this new credit: You don't have to pay back the new credit.

In addition this new credit is 'refundable.' That means the credit pays for the taxes you owe and if the credit is more than the taxes owed, you get a check for the difference.

The tax credits make the decision of whether to rent or own a much easier one and it seems buyers are making their move.

The most recent home sales figures (from December 2008) show a 6.5 percent increase in home sales.

This surge in home sales, especially in the Midwest and South, suggest that tax credits, plus favorable buying conditions have made home ownership

very affordable.

Right now, interest rates are at 5 percent or lower while home prices are very reasonable. Some experts say the combination has made homes more affordable today than they have been in 20 years. That means you can own a great home sometimes for the same cost as

renting.

Homeownership has been called 'The American Dream,' because homeowners take great pride in owning a slice of America. As a homeowner, you can make your home and your lot into exactly what you want, tailoring it to suit your tastes and life style.

What many non-homeowners do not realize is that a home, and the improvements made on it,

increase in value over time. That is one reason why homeowners have a net worth 35 times greater than the average renter. According to David Bach, author of *The Automatic Millionaire Homeowner*, real estate is the best way to take an ordinary income and expand it.

"As long as you're alive, you have to live somewhere. Why not let where you live make you rich?" Bach writes.



### Homeownership is a path to financial security

Owning a home is a keystone of wealth,  
both financial affluence and emotional security.

Suze Orman

Special Note! I'm now one of only 91 NC Realtors who have earned their EcoBroker certification.

Ask the expert



List price

**Q** Is the 'list price' on a property negotiable?

**A** The list price is never ironclad. A seller is not obligated to sell at the list price even if someone wants to pay it. The final home sales price is usually different that the list price.

If the seller wants to sell and the buyer wants to buy, the price is almost always negotiable. On the other hand, sometimes nothing is. If that seems contradictory, remember that everything depends on circumstances: How many buyers there are in the market; how many sellers there are; the motivation of the seller; the desires of the buyer.

Obviously, in hot markets where houses rarely stay on the market for a month, sellers will be much less likely to negotiate. They usually don't have to negotiate. After all, they think there will be another buyer coming around soon.

On the other hand in

Across

1. Icky stuff
5. Use a Singer
8. Heroic tale
9. Mimicked
11. Affections
12. "\_\_\_ Las Vegas"
13. Embarrassed
15. Dusk, to Donne
16. Sideboard
21. Lady Macbeth, e.g.
22. "\_\_\_ Misbehavin'"
24. Popular fragrance
25. Fine-tune
26. Nth degree
27. Glitch

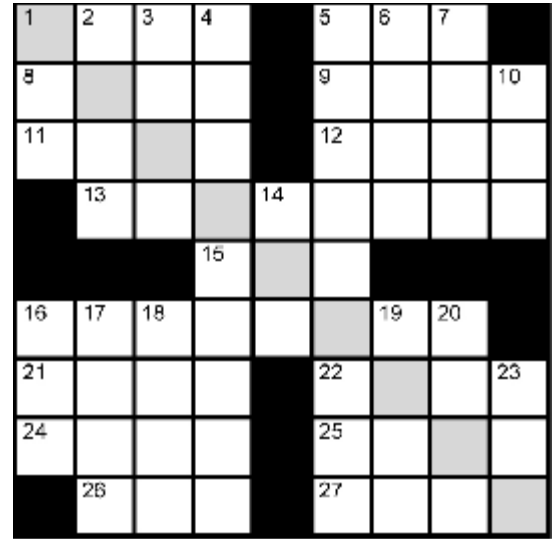
Down

4. A dance for two people
5. Port and river in Georgia
6. "Beowulf," e.g.
7. "\_\_\_ Only Just Begun"
10. "Dear old" guy
14. Charge
16. Computer monitor, for short
17. Ramble
18. Exile isle
19. Utah national park
20. "\_\_\_ Karenina"
23. Two-year-old sheep

Down

1. Govt. property org.
2. Animal shelter
3. Beast

Spring fun in the sun



The headline is a clue to the answer in the diagonal.

TRIVIA CONTEST  
"I Feel Like a Number"

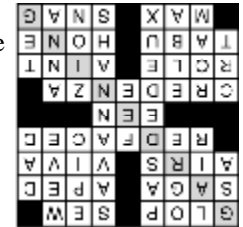
Give the terms of your contest here

1. What actor was offered the role of 007 for The Living Daylights, but lost out due to his contractual obligations for the TV series Remington Steele? a-Colin Firth, b-Tom Selleck, c-Pierce Brosnan, d- Stellan Skarsgard.
2. What number was assigned to the captive title character on TV's The Prisoner? a-2, b-3, c-5, d-6.
3. Zero, Plato and Killer are friends of the title character of what comic strip? a-

"Beetle Bailey," b-"Betty Boop," c-"Little Iodine," d-"Zippy the Pinhead."

4. Who played the former Borg, Seven of Nine, on Star Trek: Voyager? a-Jeri Ryan, b-Roxann Dawson, c-Jennifer Lien, d-Suzie Plakson.

5. Who played Number Two, the head henchman of Dr. Evil, in the Austin Powers movies? a-Will Patton, b-Bill Campbell, c-Robert Wagner, d-Samuel L. Jackson.



normal times, sellers who have to change jobs or buy a bigger house might have to get a buyer quickly. In those situations, sellers might be willing to negotiate the price on their house.

But there is always the issue of whether the negotiation is a good deal. That's why sellers need an experienced real estate agent. The agent can do a market comparison of properties in the area. This helps to give the seller a good idea of whether a buyer's offer is reasonable or not.

Agents will also have experience with the dozens of factors that can change the terms of a deal. Some of these factors include: The amount of

cash the buyer puts down; the terms of the loan; the appraisal of the property versus the price the buyer wants to pay.

Every negotiation to buy a house is unique and is a result of buyer and seller coming together to agree on the property. If you see a house that you love, but it seems to be a bit out of your price range, don't hesitate to ask your agent about it. You can always make an offer and, who knows?, you might end up with the home of your dreams at a dream price!

## House hunters scoop up the bargains

Drawn by the real estate opportunity of a lifetime, thousands of small investors are stepping back into the market, say the experts quoted *Fortune*.

They're not the only ones drawn by bargain prices on everything from single-family homes, to duplexes and apartment houses. In December, there was a 6 percent increase in the sale of existing homes. (In January, new home construction figures were rising as well.)

Here's how to get the best deals:

\* Work with your real estate agent.

The agent will be familiar with available properties and circumstances of the sellers. It's important to know how long properties been on the market, which properties are entering foreclosure proceedings, and which homes are in good condition.

\* Your real estate agent will be up-to-date on current government offers for home buyers and mortgage interest rates.

What you can do to help:

\* Be prequalified by your lender in order to close a loan quickly.

\* For properties in foreclosure, be prepared with a cash down payment.

\* Consider a "short sale." Your real estate agent can negotiate on your behalf with a bank and a homeowner about to go into foreclosure. It allows you more time to arrange financing. Since the lender has fewer costs, you could get a better price.



## Today's investment puzzle: Is a Roth IRA right for you?

With the value of most traditional IRAs lowered because of stock market problems, this could be a great time to convert to a Roth IRA.

Each dollar you convert is taxed as ordinary income, so fewer dollars mean less tax. If you are under age 50, you can contribute \$5,000 a year to a Roth. If you are 50 or over, it's \$6,000.

Contributions to a Roth can be withdrawn without penalty at any time.

Distributions, interest and dividends are tax-free if you are at least 59 1/2 and the account has been established

for longer than five years.

You can contribute after age 70 1/2 as long as you have earned income. There are no required minimum distributions during your lifetime.

Another benefit of the Roth: Tax-free distributions can be passed to your beneficiaries.

It's easy to open a Roth IRA. It can be done online at Wachovia bank and many others.

You can choose from a full range of investments, including stocks, bonds and mutual funds.

## Housing affordability is highest since 1988

A new index by the National Association of Realtors shows that many more people can afford to buy a home today, more people, in fact, than in more than the previous 20 years. It recently set the affordability index at 158.8.

That means a household earning the median family income of \$61,058 would have 158.8 percent of the qualifying income to purchase the median-priced existing single-family home (\$174,700) with a 20 percent down payment.

When buying that particular home, after a 20 percent down payment, the monthly payment on a 30-year mortgage at 5 percent interest would be about \$750 per month.

When buying a home for \$100,000 with a 20 percent down payment, the monthly payment on a 30-year mortgage at 5 percent interest would be about \$430 a month.

Many homes in various parts of the country could be purchased for \$75,000. With a 20 percent down payment, the monthly payment on a 30-year mortgage would be only \$322.

Homes can often be purchased with a down payment of less than 20 percent, but the buyer would have to take mortgage insurance, which raises the amount of the monthly payment.

Still, there hasn't been a better time to buy a home in many years.





**Tim McBrayer**  
 Realtor/Broker  
 12505 Bayleaf  
 Church Road  
 Raleigh, NC 27614  
 247-4667  
 QSC, SRES,  
 ePRO, ASP,  
 MBA



# April 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 April Fool	2	3	4
5 Palm Sunday	6	7	8	9 Passover	10 Good Friday	11
12 Easter	13	14	15 Income Tax	16	17	18
19	20	21	22 Earth Day	23	24 Arbor Day	25
26	27	28	29	30		

Disclaimers: All real estate information deemed reliable but not guaranteed and should be independently verified. All properties are subject to prior sale, change, or withdrawal. Neither listing broker(s) nor this company shall be responsible for typographical errors, misinformation, misprints and shall be held totally harmless. If your property is currently listed with another real estate broker, this is not a solicitation of that listing.

**Would You Like To Have  
 Regular Reports on Real  
 Estate Activity In and Around  
 Your Neighborhood Delivered  
 Right to Your Inbox?**

Even if you aren't actively looking to sell or buy you may want to see what's going around where you live. Or you can pick **ANY** neighborhood in the Triangle and monitor real estate activity.

This Exclusive Service Is Called A  
**Market Snapshot Report**

**And It's Free**  
 Just Register At

[www.TheTrianglesBroker.com](http://www.TheTrianglesBroker.com)

**Tim McBrayer**  
 12505 Bayleaf Church Rd  
 Raleigh, NC 27614