

# HOUSECALLS



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TIM MCBRAYER 919-7-4667 Tim@TheTrianglesBroker.com

## Handle a Difficult Conversation with Skill



Talking to someone about a problem is one of the most dreaded conversations. But handled calmly and with respect for the other person, the conversation can lead to an improved state of affairs for everyone involved.

- \* Choose the time and place. Don't talk with a person who is angry or upset.
- \* Don't sugarcoat the problem or mix bad news with good news.
- \* Be prepared for different perceptions of

the problem but keep your own solution in mind. Don't back down.

- \* Let the person tell his story. Don't interrupt.
- \* Consider passive responses, such as saying nothing or playing along for a time.
- \* Show empathy. Usually this leads to a person accepting responsibility.
- \* Always maintain eye contact.
- \* Stay calm when stating the problem or hearing the response.

## Time For a Home of Your Own?

*Today, get all of your needs and most of your wants.*

When it comes to fine kitchens, more bedrooms, storage space, and great features, your chance of getting them all is better than in many previous years. How about a deck and a sunroom?

The recent Housing Affordability Index by the National Association of Realtors is 173.8, or about 40 points lower than in 2008.

### How to Qualify

The average price for a single-family home in the index is \$170,300. To qualify for that purchase at an interest rate of 5.09 percent, buyers would only need a family income of \$34,512.

Another interesting way to look at affordability was shown recently in The Wall Street Journal. The Journal reported that the cost of a home now is equivalent to about 19 months of total income for an average family. Previously, home



prices averaged about 24 months of an individual or family income. That means more buyers can afford a home right now.

While the affordability numbers are a good indication, the number of available homes is also a plus. Home

buyers can find many in their price range to choose from. Why should they pay high rents when they could be accumulating equity?

### What Mortgage Brokers Say

Home-ownership is a smart choice when you have reached a stable situation in your life.

According to mortgage brokers, that means you have decided on a life path and are taking steps to achieve it. Your income is secure.

When you aren't moving to another city in the next several years, and you have savings for a down payment, you are ready to move forward with your housing plans.

An idealized vision of how life should be will help you choose a home, but the mortgage brokers say the basic facts to justify The American Dream should be in place.

### Down Payment Help

Gifts from parents are a popular choice. Or the down payment money could be a loan that will be repaid in the future.

Sometimes sellers will provide all or part of the down payment. In cases where the home is part of an inheritance, or where the home-owner has already moved to another city, they are more likely to consider it. Ask them.



## Ask the Expert

**Q.** We are thinking of buying an apartment house and paying it off before we retire. Would that bring in more income than investing elsewhere?

**A.** It would certainly bring more income than CDs, savings accounts, or many 401k investments.

Though the CDs and savings accounts have guaranteed interest rates, they are small. The 401k accounts are tied to the stock market, which can go up or down at unpredictable times. Owning property puts you in control.

If you are serious about investing in income property, making your move soon is highly recommended. Because of the demand for rental units, prices are rising and will continue to rise.

Financing an apartment building generally calls for a larger down payment. Most banks will make a mortgage for only half of the property's value. FHA and mortgage brokers can do better.

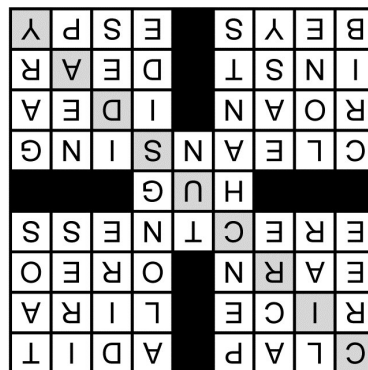
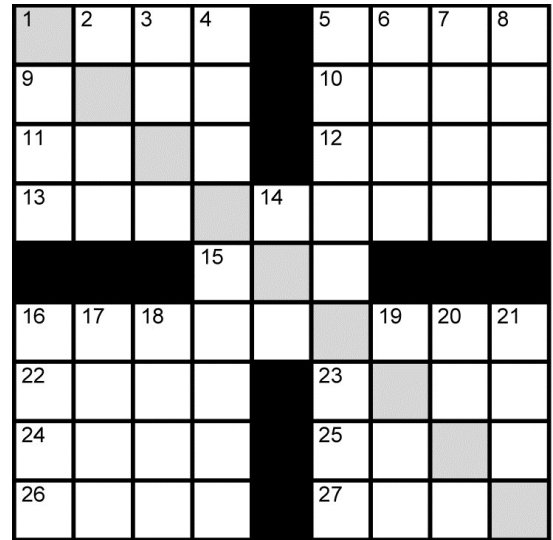
***A few things to consider:***

If the building has four units, consider moving into one of them yourself.

## MAY PUZZLE

Across

1. Applaud
5. Mine entrance
6. Houston U.
10. Milano moolah
11. Make, as money
12. Hydrox rival
13. Verticality
15. Embrace
16. Purifying
22. Horse color
23. "I had no \_\_\_!"
24. Acad.
25. "\_\_\_ me!"
26. Governors in the Ottoman Empire
27. Catch sight of



Down

1. Algonquian Indian
2. Pinocchio, at times
3. "God's Little \_\_\_"
4. Likings
5. Together with
6. Acute
7. Furies
8. New Mexico art community
14. 252 wine gallons
16. Baby holder
17. "The \_\_\_ Ranger"
18. "No problem!"
19. Bad day for Caesar
20. \_\_\_ tide
21. Actor Cooper

A one- to four-unit building that you will live in can be financed through FHA as a single-family home. It requires a down payment of as little as 3.5 percent.

A few years after buying the property, you could move elsewhere if you want to, and the mortgage stays the same.

HUD FHA 223(f) Apartment Loans work for buildings of any size whether or not that you will not be living there. Your mortgage broker can recommend a bank that handles them.

They offer loans of 83 percent loan-to-value (LTV) or 83 percent loan-to-cost (LTC). And

35-year fixed rate mortgages are available. As always, mortgages for 10 or 15 years have lower interest rates from banks and mortgage companies.

With an HUD FHA 223(f) loan, there are no buyer net worth requirements, lower credit scores are considered, and the loan is assumable should you decide to sell.

If you don't mind investing more of your savings, your mortgage broker can connect you with a company that charges reasonable interest rates and takes less time to complete the deal. With FHA loans, it takes 90 to 120 days or more.



## The Complicated World of Credit Scores

Lenders use different credit scores for different purchases

If you have successfully navigated a website that offers to sell you your credit score, you may think you have all the information you need in order to apply for a loan or new credit card.

Not necessarily. The score you received could be quite different from what a lender receives. Different scores are offered for mortgages, car loans, insurance and more.

Under the Fair Credit Reporting Act that took effect

January 1, lenders must either tell those who apply for credit what score was used, or tell them how it was used if the applicant doesn't receive the best terms available.

Here are some reasons why a credit score (a number between 300 and 850)



still won't tell you how a lender evaluates of you:

Some lenders give the best rates to people with a score of 740, others may use 760 or higher. Some give credit to people with scores in the high 500s, but others require 620 or more.

Credit scores don't reflect whether you are making good financial decisions or poor ones.

If you refinance your home at a lower interest rate, inquiries could show up on your report. Inquiries lower a score.

Late payments show up on your score for a couple of years, but paying down a high balance has an immediately beneficial impact.

If you pay your credit card bill in full every month, you don't get a zero balance on your credit report. The report shows the balance at the end of the billing period, before the payment.

Rather than checking your score frequently, you are better off making sure the information on your report is correct. Make your payments on time and reduce monthly balances for a month or two before applying for a loan or mortgage.

## Cash Buyers Getting Big Bargains

Investors in many areas of the United States are snapping up homes in all cash deals, betting that prices are at or near bottom. They are breathing life into some of the nation's most depressed housing markets.

Cash buyers accounted for more than half of all transactions in the Miami-Fort Lauderdale area last year, according to analysts from Zillow.com. In the meantime, Miami prices



rose 15 percent in 2010 from a year earlier.

In Phoenix, the number of buyers paying cash hit 42 percent in 2010, more than double the rate in October of 2008, according to the Raymond James equity research division.

Nationally, 28 percent of sales were all-cash transactions in 2010. The rate was 14 percent in October, according to the National Association of Realtors.

Economists say the jump in real-estate purchases by cash is another sign of the revival of spirits in the U.S. economy.



ESA, SRES, ABR, SFR,  
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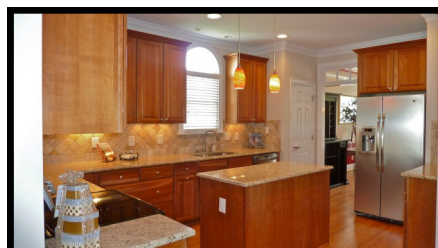
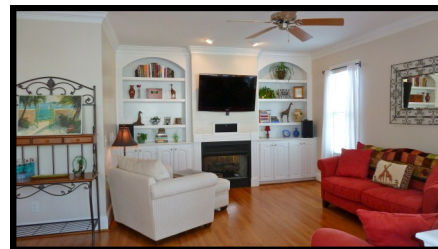
| Sun   | Mon   | Tue               | Wed | Thu  | Fri | Sat |
|---|---|-------------------|-----|--|-----|-----|
| 1<br>May Day  | 2   | 3<br>New Moon ●   | 4   | 5<br>Cinco de Mayo  | 6   | 7   |
| 8<br>Mother's Day  | 9   | 10                | 11  | 12   | 13  | 14  |
| 15  | 16  | 17<br>Full Moon ○ | 18  | 19   | 20  | 21  |
| 22  | 23  | 24                | 25  | 26   | 27  | 28  |
| 29<br>            | 30<br>Memorial Day  | 31                |     |  |     |     |



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**Just Listed In Cary \$375,000**

[www.114RozelleValley.com](http://www.114RozelleValley.com)



Lovely Cary home in popular Carpenter Village with 3,000 SF. 4 Bedrooms & 3.5 Baths on .16 acre lot. Family Room w/see-through FP, Sun Rm, Office/LR, Formal DR, Large Gourmet Kitchen w/Island. Bonus/4th BR via private stairway. 2 Car garage with rear entrance. Master BR suite with tray ceiling, W-I-C, separate Whirlpool tub and shower. Front porch and balcony. Great amenities: sidewalks, lake, tennis, pool, shops.

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<<<< **My Listings as of April 29, 2011** >>>>

Near Bunn Lake in Zebulon on 1.85 acres with view of private pond. 3,000 SF Ranch w/3BRs and 3.5 BAs, 2 story LR & formal DR, Fam Rm w/ FP, eating nook, granite Ctops in kitchen w/island, 2 story foyer, 2 car gar, 2 bonus rms, screen porch



**\$335,000 New Listing!**  
[www.10704Balustrade.com](http://www.10704Balustrade.com)

Great starter home in Garner off Timber Run with 1,435 SF, 3BR, 2 full baths, Family Room w/Gas FP, 1st floor master, fenced back yard, updated baths, large deck and new carpeting.



**\$139,900 New Listing!**  
[www.602Chapwith.com](http://www.602Chapwith.com)

3,430 Sq. Ft. 4BR, 2.5 BAs in Historic Oakwood in downtown Raleigh. 3 Story, with bonus Rm and Guest BR and Full Bath on 3rd floor. Gourmet Kitchen w/island. Family Rm w/ Gas FP, multi-level back



**\$600,000 Short Sale!**  
[www.403Edenton.com](http://www.403Edenton.com)

North Raleigh Contemporary Ranch in Stone Ridge . 4,236 Sq. Ft. 4BRs, 3.5BAs . Updated Kitchen & Baths, Large Garden Rm, Formal LR and DR, Family Rm, Multi-Level Deck, Of- fice, on .92 acre lot.



**\$525,000**  
[www.813ThatcherWay.com](http://www.813ThatcherWay.com)

North Raleigh home in Wakefield. 4BRs, 3.5BAs, 2 Story Great Room, Sun Rm, Gourmet Kitchen w/island, break- fast nook. 1st floor Master Suite with W-I-C, Separate Tub/Shower, twin vanities, back deck, 2 car garage. Formal LR



**\$369,900**  
[www.11904PawleysMill.com](http://www.11904PawleysMill.com)

1,500 Sq. Ft. 2 Bed- room Garden Home with 2 full baths, living/dining area with gas FP. Garden rm with tiled flooring. Kitchen with eating area, & under cabinet lighting. Comes with refrigerator and washer/dryer. 2 Car



**\$254,900**  
[www.4602LudwellBranch.com](http://www.4602LudwellBranch.com)

Beautiful 1.5 story home in Youngsville, w/3,045 SF, 3BRs, 2.5BAs, large kitchen w/island, screen porch, 2 story great room w/FP, bonus room, multi- purpose room off kitchen, hardwoods, fenced back yard, screen porch, 2 car garage and attic storage.



**\$325,000 REDUCED!**  
[www.65Kensington.comm](http://www.65Kensington.comm)

In Falls Landing off Mitchell Mill Rd in N Raleigh off Hwy 401N. 2,220 Sq. Ft, 4 BR, 2.5BAs. Large Family Rm with gas FP, kitchen has lots of cabinet space, w/ island. MBA is large with separate Tub/



**\$200,000 REDUCED!**  
[www.3222LandingFalls.com](http://www.3222LandingFalls.com)