

Tim's Neighborhood News 2008

Serving Byrum Woods Carlyle at Falls Lake Chatsworth Hawthorne Swan's Mill & Wood Valley 4/08 Issue



Report: Half markets surveyed show prices going up

A recent report by The National Association of Realtors suggests that the housing outlook isn't as grim as is sometimes reported.

The association's 4th quarter report shows that 73 out of 150 -- about half -- of the cities analyzed showed increases in prices during the 4th quarter.

If you look at regions, you do see the housing market droopy in the West, which saw the biggest declines at -8.7 percent. In the Midwest, the market remained relatively stable, although it showed a slight decline at -3.2 percent.

Taking the nation as a whole, home prices in the U.S. declined by 5.8 percent in the 4th qtr. of '07 versus 2006. Tim McBrayer 247-4667

Economic stimulus gets real estate pros talking

As the early days dawn on the new federal economic package, two groups are already pretty stimulated.

Real estate agents and mortgage brokers nationwide are talking about the effects of the \$168 billion package that includes new, but temporary, rules for mortgages.

The stimulus package raised the ceiling on 'conforming loans,' those loans that are backed by the Federal Housing Administration and have a lower interest rate. It used to be that conforming loans could be no higher than \$417,000. In some parts of the country, San Francisco and other parts of California, most homes sell for more than that so many mortgages were expensive, nonconforming, or jumbo, mortgages. The stimulus package will raise the ceiling to \$729,750 for the most expensive housing markets.

Other markets could also have their loan ceilings raised.

This means more people will be able to finance or refinance their homes, even if their credit is poor or they don't have a large downpayment.

Real estate bloggers immediately weighed in on

what the stimulus package will mean.

In the Maryland, Ken Montville wrote:

"If you don't buy a home or refinance your home before December 31, 2008 you are at risk of losing a competitive rate.

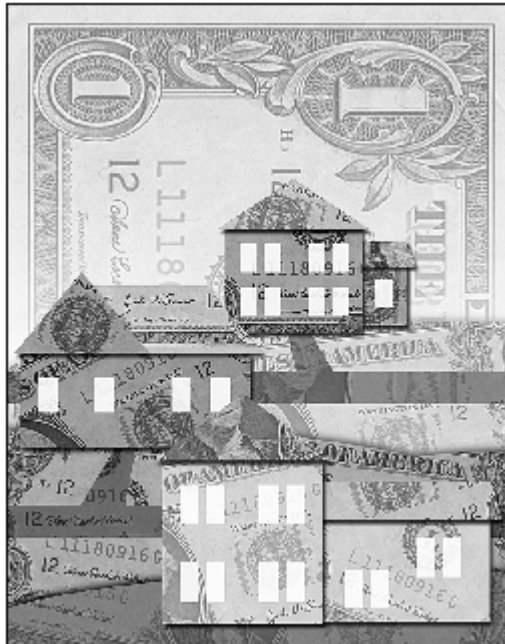
"When your friendly neighborhood Realtor tells you that NOW is the time to buy. You may want to listen to him or her. Because with stable prices, seller concessions and a low, low interest rate (because of the Economic Stimulus package) it is truly the best time in history to BUY A HOUSE."

On the other side of the country Garry Loss of Orange County writes:

"These fixes will give the financial markets time to heal and restore liquidity to the markets in time. It will also allow thousands of homeowners to refinance their loans to more favorable rates and terms. It will take a few weeks before the change will take effect. As a direct result of

the stimulus package, expect demand to increase in Orange County along with a huge refinance boom."

Other real estate bloggers said the government missed a chance to perk up housing (and therefore all other sectors) by tying cash payouts directly to downpayments on new mortgages.



Ask the Expert



By Tim McBrayer

Q Friends have told me that there are some great deals to be had right now in homes offered as a short sale. What is a short sale? Should we be wary of one?

A In a short sale, a buyer pays less than the amount a seller owes the lender.

There are more cases of 'short selling' in markets where home values are dropping.

Typically, when a homeowner can't pay his mortgage because he has suffered some sort of hardship -- loss of a job or divorce for example -- he simply sells his home. But when home values are dropping, this can be a problem. In some cases, a homeowner might find he owes more on his mortgage than his home will sell for. In these cases, lenders will sometimes accept less than the amount owed on the home, assuming the homeowner doesn't have other assets that can be sold to make up the differ-

Sudoku is gaining popularity all across Europe and the United States. Only logic and patience are required. No math is involved. Simply make sure that each 3x3 square region has a number 1 through 9 and that the number only occurs once. Each column and row of the large grid must have only one instance of the numbers 1 through 9.

Here's a tip for playing. We'll call the 3x3 squares "regions." With a highlighter, color in all the rows in the large grid and all the columns in the larger grid that have a 7 in them. We chose 7 because there are several of them in the puzzle. Finished?

Now observe. In the upper right region, what is the only possible location for the 7?

This technique is called "scanning" and you usually do it with your eyes and not a marker.

The Sudoku Seven

3		8		4		2		
								5
		7					1	
							6	1
9					6			
4				5				7
8		9		6	4		7	
6				7	5		8	
					9		2	

The difficulty rating on this puzzle is medium.

1	7	5	3	8	9	6	2	4
6	3	4	2	7	5	1	8	9
8	2	9	1	6	4	5	7	3
4	6	2	9	5	1	8	3	7
9	8	1	7	3	6	4	5	2
7	5	3	4	2	8	9	6	1
5	4	7	6	9	2	3	1	8
2	9	6	8	1	3	7	4	5
3	1	8	5	4	7	2	9	6

ence. The lender then doesn't have to go to the expense of selling the house at auction.

The question you have to ask yourself is: Are you really getting a great deal?

If the house was purchased at the peak of rising home values, then the homeowner might have paid a premium price for the property. If values are dropping today, the lender may only be able to discount the property to current market values. So in that case, you wouldn't really be getting a bargain at all.

You'll have to know what similar houses in the market are selling for to find out if you are get-

Trivia Teaser: Captains Courageous

- In the movie musical "The Sound of Music," Captain Von Trapp was the father of how many children? a-5, b-6, c-7, d-8.
- What hit song for the Captain and Tennille had previously been a minor hit for the trio America? a-"Lonely Night," b-"Muskrat Love," c-"Love Will Keep Us Together," d-"Shop Around."
- What was the name of Long John Silver's talking parrot in "Treasure Island?" a-Captain Kidd, b-Captain Flint, c-Captain Kangaroo, d-Captain Smith.
- Who played the ghost of ship captain Daniel Gregg on the TV series "The Ghost and Mrs. Muir?" a-Edward Mulhare, b-Patrick McGoohan, c-Gavin MacLeod, d-Tim Conway.

Answers—1-c, 7; 2-b, Muskrat Love; 3-b, Captain Flint; 4-a, Edward Mulhare

ting a good deal.

Find out how long the home has been on the market and make sure you get good inspections. A seller who is in financial trouble often can't keep up with repairs. You'll want to have a good idea what has been neglected.

Short sales are tricky legal propositions. You'll want to make sure you have an attorney experienced in this sort of sale. You will also want to know who the lender or lenders are and remember the lender will be looking for a better deal than a short sale will offer so the lender probably will not instantly agree.

Points and the taxman

If you paid points to get a better rate on a home loan, you might be able to get a tax break.

According to bankrate.com, you can deduct points the same year you paid them if the loan you took was to purchase or build the home you live in. Also, the points you paid had to be part of the established business practice of your community and it had to be within the usual range.

You don't get as good a tax deduction if you paid points to refinance your house. The points are deductible, but only over the life of the loan. So if you paid \$2,000 points on a 30-year mortgage, you would get to deduct a little more than \$5.50 per payment you made during the year. If you made 12 house payments, you would get to deduct about \$66 in point payments.

But wait! On the other hand if you use the cash from your refinancing to do home improvements, then you can deduct some of the points (those made directly related to home improvements) in the same year you paid the points.



Keep up with your cost basis

You might be perfectly happy with the building or rental property you own, but it will probably be sold sometime in the future, either by you or by your heirs.

At that time, you will want to calculate the cost all the improvements you made over the entire time you owned the property in order to reduce taxable gain. The improvement could be a new roof or anything that is attached to a wall such as a mirror, medicine cabinet or light fixture.

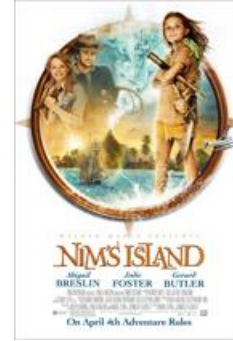
Because the claimed improvements could be checked by an IRS auditor, you should know the cost of each item. Having a receipt would be even better.

It's important to keep a running tab on additions and improvements to the property that includes dates and costs. If you try to remember them all in years to come, you won't be able to. If the property is sold by heirs, they wouldn't know about them.

Free Family Flicks

Don't forget to go to www.FreeFamilyFlicks and register to attend our

Family Flicks. show a favorite at **Carmike 15** Springs Rd. in Seating is very register today. All **10:30am.** You pass for free ad-on **April 19th**



monthly **Free** Each month we'll kids and family movie **Cinema** on Atlantic north Raleigh. limited so be sure and movies start at must bring your guest mission. This month we'll be showing

My Co-Sponsor **Waddell & Reed**

Nim's Island

is **Shawn Orcutt** of **Financial Advisors**

Adventure Landing & Healthtrax .

Working to protect the tree cover in cities

It shouldn't take a law to do it, but some cities are passing legislation to make "tree abuse" illegal. It sounds a little extreme, but they are doing whatever is necessary to protect their vital tree cover.

The number of trees in cities across the country is declining. Analysis by American Forests, a Washington D.C.-based nonprofit, shows that most cities have lost one-quarter of their tree canopies since 1972.

Protecting trees makes sense. Where streets are tree-lined shoppers spend an average of 12 percent more time shopping. A 1995 study even showed that city apartment buildings that were surrounded by vegetation were safer and the residents more civil.

Trees save energy with their cooling shade in summer and their windbreaks in winter. And homes with trees are more desirable.

Cities including New York and Los Angeles are adding millions of trees to their streets. Others have given blanket protection to all trees. In one California city, extreme pruning is a misdemeanor.

Whether or not trees are protected in your neighborhood, you can protect them on your own property.

Here's some advice from Ainsley Caldwell, Atlanta's arboriculture manager:

* Avoid hatracking. Lopping off major branches to reduce overall size damages the structure of the tree.

* Don't top a tree. Cutting the main upright stem of a tree to prevent it from growing taller will kill most trees.

* Flush cutting is dangerous to tree health. Trimming one limb too close to the main trunk leaves it susceptible to insects and disease. It will survive a single flush cut, but several can kill.

* Tipping, or trimming the tips of branches to shape a tree is discouraged. The tree will survive but won't be as healthy.



Tim McBrayer
 12505 Bayleaf
 Church Road
 Raleigh, NC 27614
 247-4667



April 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Cancer Control Month		1 April Fool's Day April 1, 2008	2	3	4	5 NCAA Final Four
6	7 Kentucky Derby Festival Apr 1-5, 2008	8 Japan: Flower Festival	9 Former POW Day	10 D.A.R.E. Day	11 French Quarter Festival, New Orleans, 11-13	12
13		15 Income Tax Due	16 Holiday in Dixie, 11-20	17 Azalea Fest, 12-30	18 Fiesta San Antonio	19 Free Family Flick Nims' Island
20	21 Boston MARATHON Apr 15, 2008	22 Earth Day	23	24	25 Arbor Day	26
27		29 Japan: Showa Day	30 Earth Day Apr 22, 2008			

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.

Are You Thinking About Buying or Selling Real Estate?

Even if you aren't actively looking to sell or buy I hope you will take advantage of the FREE Services I will be happy to provide you.

- My Agent Online*
- My Home Online*
- Market Snapshots*
- Coldwell Banker's Home Tracker Tool*
- Lowe's Home Improvement Tips & Tricks*
- HPW New Home Community Video Tours*
- www.TheTrianglesBroker.com

Tim McBrayer
 12505 Bayleaf Church Road
 Raleigh, NC 27614