



## OBSERVATIONS FROM THE DESK OF ALICE OLDFORD

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**Need a referral? Please give me a call.**



**Be patient and calm; no one can catch a fish with anger.**

*Herbert Hoover, President 1929-1933*

### **Trump impact on housing?**

Of course there are mixed opinions, but here is a preliminary outlook.

- **Less government regulation including streamlining Dodd-Frank.**
- **Privatization of Fannie Mae and Freddie Mac.**
- **Homebuilders' regulatory costs could be reduced. But skilled labor is in short supply.**
- **Affordability? Mortgage rates are rising.**
- **Mortgage interest deduction? Possibly capped.**
- **Little impact on home ownership rates.**

On the whole experts in the housing and mortgage industry are optimistic citing the housing market as "healthy."

### **Higher inflation a good reason to buy now**

Inflationary pressures are on the rise compared to last levels from a year ago. Interest rates have risen, and Yellen projects 3 more gradual hikes in 2017. Still a good time to buy.



### **Low-ball offers?**

Not in 2017. Everyone wants to get the best price. Be smart with your offer.

1. **Seller's market.**
2. **Be realistic about price. Don't look at homes outside your price point.**
3. **Do your homework. If the home has been listed longer than average, perhaps seller is feeling more motivated. Any problems with the house?**
4. **Get mortgage pre-approval up front.**

Set yourself up for success.

### **When to Lock Mortgage Rate?**

Why? It helps protect homebuyers from rate fluctuations for a certain period of time. Reduces stress. No surprises down the road.

1. **Lock when property is under contract.**
2. **Lock when rates are trending higher.**
3. **Lock when rates are volatile as they are today.**
4. **Lock when buyer may not otherwise qualify.**



### **Homeowners Associations**

If you're considering a home in a community with a homeowners association (HOA) do check out the restrictive covenants. I have heard the HOA rules described as "voluntarily abdicating your rights as a homeowner in favor of an Association board." Be aware that the nature of the Board determines whether the rules are a positive or too restrictive. The good news is the covenants can insure that the property looks beautiful year after year.

Do review the covenants at the time of contract so you know what you are getting into.

### **Millennials willing to buy fixer uppers**



Millennial first-time homebuyers "are strong believers in being able to afford their dreams as they achieve them and not over-stretch themselves," according to a Better Homes & Gardens report. Eighty-five percent of these buyers consider homeownership a sound investment. Their housing wish list emphasizes kitchen and bathroom renovations as well as deck or patio space.

### **Kitchen Features of the Future**

- ◆ Smart appliances. Can you imagine a refrigerator with a Family Hub with a touch screen that syncs family calendars and displays notes and texts? How about a camera that photographs refrigerator contents?
  - ◆ Visible food storage in IKEA's 2025 concept kitchen.
  - ◆ Intelligent cook tops. A smart table serves as a prep surface and cooktop in one.
- Wow. Fun and useful features.

### **Sell or rent your original home?**

Should you sell your existing home and use the cash toward your next home, or should you rent the existing home? Hmmm . . .

Here are some questions to ask yourself:

- Can you afford to own 2 homes? There may be some tax benefits. Do the math.
- Will your existing home appreciate? Perhaps it makes more sense investing the money elsewhere.
- Can you effectively manage the rental?
- Will you ever want to return to your original home? Sometimes a move for a relocation may be temporary.



### **Projects for Biggest Return on Investment**

Remodeling magazine conducts an annual survey comparing the cost of upgrades with the return at resale.

- ◆ Focus on the exterior. Curb appeal. Offer a positive first impression with garage and entry door replacements up-dated siding.
- ◆ Energy efficiency. Insulation tops the list. Upgrades like window replacements and new doors impact energy efficiency as well as a home's façade.
- ◆ Bigger is not always better. Simpler, less expensive changes may give a better return. However, the ROI for a kitchen remodel or a new master suite is up over last year's survey.

The magazine emphasizes whatever you do be sure it fits the neighborhood and manage routine maintenance first.