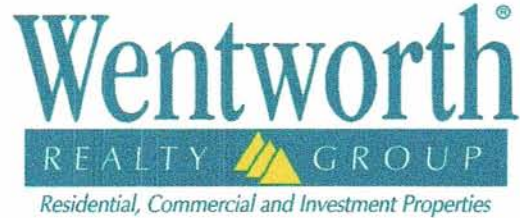




**OBSERVATIONS FROM THE DESK OF
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HAPPY NEW YEAR

What to Expect in 2013

The experts at Redfin, who survey active buyers, say buyers have increasing faith that home prices will continue to rise. At the same time buyers worry about rising prices and low inventory. Buyers also worry about the "fiscal cliff" and possible changes to the tax code's mortgage interest deduction. Good news is there are buyers in the market place to survey.

What else is in store for buyers? Competition, which makes bidding wars more common. So, if you're serious about buying, do be prepared with:

- Mortgage pre-approval
- Realistic, clean offer
- Earnest money deposit money accessible

Buyers may even wish to have a home inspection before making an offer, to help determine a price and waive the home inspection contingency.

Suppose you are a seller? First, the experts are suggesting prices may rise 3.5% to 5% in 2013, which may not be the payday you were hoping for. It is still important to price your home appropriately and offer it in clean, appealing condition to maximize what you can realize from your sale. Be prepared to be responsive to the possibility of multiple offers. Discuss the possibilities with your Realtor when you list.

A year from now you will wish you had started today.-

Karen Lamb

5 Types Of Buyers Will Be Rushing Into The Housing Market In 2013

With the housing market bottoming in 2012, economists and other experts are becoming increasingly optimistic about the U.S. housing market in 2013.

From [John Burns Real Estate Consulting](#): "Assuming our leaders in DC come to some sort of agreement that keeps the economy growing and interest rates low, which seems like the most reasonable assumption, here is what will happen,"

- **Investors:** Investors and, yes, even flippers will continue to grow in numbers as they realize housing is the best risk-adjusted return on their money.
- **Boomerang buyers:** Foreclosed homeowners, who are currently renting homes, will come back in droves. In Phoenix, they are paying \$1,300 in rent for a home whose mortgage payment would be \$1,000. That situation is not sustainable. The Federal Housing Administration and Department of Veterans Affairs have low down payment programs with insurance premiums that push rates near 5.0%. Those payments are still very affordable.
- **Entry-level buyers:** First-time homeowners, who have been sitting on the sidelines waiting for a sign of the bottom, will hear about price increases in their desired neighborhood and rush to become homeowners.
- **Move-down buyers:** Empty nesters and retirees, who have plenty of equity in their existing home, will buy a home that is more suitable to their current lifestyle, which may or may not include adult children as well as their aging parents.
- **Move-up buyers:** The price appreciation that occurred in the last year has already lifted 1 million underwater homeowners above water with future price appreciation to lift them even more.

Home prices are still affordable, and interest rates low. No time to be sitting on the sidelines!



Dream BIG! Hope BIG! Relay BIG!

April 12 & 13, 2013

Lee County Sports Complex

**Be part of this important work — join the team,
donate, attend a fund raiser — something for
everyone**

Check out my Relay website:

**[http://main.acsevents.org/site/TR?
fr_id=49915&pg=personal&px=6576736](http://main.acsevents.org/site/TR?fr_id=49915&pg=personal&px=6576736)**