



**OBSERVATIONS FROM THE DESK OF
ALICE OLDFORD**
(908) 310-1335 aoldford@yahoo.com
Www.alice.oldford.com



Need a referral? Please give me a call.



I like to see a man proud of the place in which he lives. I like to see a man live so that his place will be proud of him.

~Abraham Lincoln



Americans prefer real estate to stocks, gold

According to a new Gallup Poll “With housing prices improving across the country, Americans are regaining faith that real estate is the best choice for long-term investments.” Real estate investment is followed by confidence in gold, stocks, mutual funds, savings accounts/CDs and bonds.



This represents a change in opinion from a 2011 poll where Americans surveyed said the most popular long-term investment was gold.

Trending — Buy a college condo when your child is in diapers

Chinese buyers purchase upscale residences in college towns worldwide to meet university residency requirements, give their children an alternative to living in dorms, and even earn money to cover the costs of tuition. Even if the kids do not go to college in that area, the purchasers are likely to make a profit on renting or resale.

A strategy worth considering.

More owners think it's a good time to sell

Good news for sellers and buyers.



“Consumer attitudes about the current home selling environment have improved and now are at the most favorable level we’ve seen in the survey’s four-year history” says Doug Duncan, senior vice president and chief economist at Fannie Mae. “These results are in line with our expectations for increased housing activity and gradual strengthening of the housing market going into the spring and summer selling season.”

Mortgage availability hits 3-year high

The experts agree getting a mortgage is easier than it has been in at least 3 years, which is good news for buyers and sellers.

Many lenders are gradually easing credit standards for primary purchase mortgages. The new rules for lenders and borrowers adopted in January 2014 have not created a measurable reduction in credit availability.

IRS mortgage tax forgiveness is still on hold

The Mortgage Tax Forgiveness Act expired on Jan. 1, 2014. Without it, the IRS looks at the loan money a bank forgives — money the seller agreed to pay when he or she first got a mortgage — as taxable income.

The experts are awaiting Congress to act to extend the Act or pass a compromise bill to offer homeowners who were caught in the downward spiral of real estate values some relief. Although short sales are down, there are still significant numbers of potential home sellers who will not realize enough money on the sale of their home to cover their mortgage indebtedness.



Unwed couples buying a home

Important considerations for unwed couples wishing to purchase a home together:

1. **Swap financial history.** That includes bank accounts, credit cards, student loans, retirement accounts as well as credit reports and FICO scores. Are there any credit blemishes?
2. **Agree on what you can afford.** A good rule of thumb is housing payment should not be more than 28—30% of monthly income. Suppose incomes are not equal? Contribution could be 30% of each person's income.
3. **SIGN A CONTRACT.** Hire an attorney to prepare an agreement which should outline details of how much each person is contributing, whether it's money, taking on a loan or paying to cover maintenance and other costs. Agreement should be very clear. Details should include how the equity is split should the partnership dissolve.
4. **Understand homeownership options.**
5. **Review tax implications.** Mortgage interest payments and real estate taxes are tax deductible. Each partner can take a deduction on their tax return.

Happy house hunting!