



**OBSERVATIONS FROM THE DESK OF  
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**How we spend our days is how we spend our lives.**

*Annie Dillard*

**A Golden Year for Housing**

According to Sean Beckett, Freddie Mac's chief economist, "In our latest forecast, total home sales, housing starts and home prices will reach their highest level since 2006. Expect the 30-year mortgage rate to remain very attractive throughout the spring home-buying season, staying below 4 % until the 2nd half of the year." Freddie acknowledges wages and incomes pose a challenge but remains mostly upbeat forecasting the "nation's housing markets should sustain their momentum from 2015 into 2016 and 2017."



**Ranch style homes are back**

Ranch homes are much in buyer demand. Why? More efficient to heat and cool; smaller families; an aging population. Alan Hess, an architect and author of a 20th-century home design book *The Ranch House*, says "Many types of buildings will be popular for a while, then go into decline. The ranch house is now on the upswing."

**Aging-in-Place Options**



More home buyers are looking for homes that allow them to age in place comfortably or homes that they can adapt after they move in. Home contractors note home automation is growing in popularity because it makes life easier, including all-in-one remote controls and smart phone apps. In addition, they get calls to add grab bars, add a ramp, widen doorways, add a first floor bathroom, add lever handles on the doors.

**Real Estate the Best Investment**

A recent Gallup Poll found Americans ranked real estate as the best long-term investment, even over stocks and gold. Real estate has been the top investment choice for the past 2 years.

## Starker (1031) Exchange



Are you looking to defer capital gains on the sale of an investment property? Plan ahead and consider a 1031 exchange. You must identify the replacement property within 45 days from the date the old property is sold. Then purchase the replacement property within 180 days of the first sale. No capital gain until the replacement property is sold. Suppose you want to move into the property? You must wait 2 years. If you are considering this route, do get advice from your attorney and accountant.

## Qualifying for a home—credit and down payment

“Credit scores are a crucial component of the home buying process, impacting everything from the size of a mortgage payment to the interest rate on a home loan,” says Ken Chaplin, senior vice president for Trans Union. This seems to be a big challenge to millennials looking to purchase their first home. Chaplin’s advice:

- ◆ Check your credit report first, before the mortgage lender does it.
- ◆ Start planning early. Build credit.
- ◆ Research mortgages.

Down payment is another challenge for the millennial home buyers. Don’t despair.

- ◆ There are programs allowing smaller down payments and paying mortgage insurance or a slightly higher interest rate.
- ◆ Instead of a traditional registry consider a website geared to saving for a future home—Feather the Nest and Hatch My House.
- ◆ Employer Assisted Housing can assist. Check with Human Resources.



## SBA to Help FL Businesses Hurt by Water Releases

Small businesses, small agricultural cooperatives and private nonprofits in Florida that suffered financial losses as the result of excessive rain; flooding and water released from Lake Okeechobee that occurred in Jan. 2016 may apply for an Economic Injury Disaster Loan from the US Small Business Administration. The low-interest SBA loans may be used to pay fixed debts, payroll, accounts payable and other bills that could have been paid had the disaster not occurred. Apply online at <https://disasterloan.sba.gov/ela>. For information email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

## Vacation and Investment Sales

Second homes and investment properties are much in demand. “Baby boomers at or near retirement continue to propel the demand for second homes,” according to Lawrence Yun, NAR Chief Economist.

Prices are on the upswing for both vacation homes and investment properties.

As to investment properties Yun notes “Steadily increasing home prices and strong rental demand appear to be giving more individual investors assurance that purchasing real estate will diversify their portfolios and generate additional income if they decide to rent the home.”

