



**OBSERVATIONS FROM THE DESK OF  
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**What's Happening in Real Estate?**

According to NAR's latest existing homes report, prices continue to edge up across the country, but sales are not keeping pace. Here are 5 key indicators:

1. Home prices — up nationally 11.7% from a year ago.
2. Home sales — down 1.5% in Sept, but 10.9% above last year's level.
3. Foreclosures and short sales — down from last year.

NAR notes "Lower levels in the share of distressed sales account for some of the growth in median prices."

4. Inventory—for sale inventory is 1.8% higher than a year ago.
5. Days on market—median time on the market is 50 days.

**This is good news — signs of a sustainable market recovery, which is good for everyone.**

**Home Price Gains Slowing**

Zillow reports homes values are not rising as fast as they were. Sherry Chris, CEO of Better Homes and Gardens Real Estate says "It's a market in flux. We are in year two of a long-term recovery, and there will be bumps.

Fewer investors and more inventory are two factors affecting prices.

If you've been waiting to jump into the pond—whether for the first time, moving up, downsizing, or purchasing a vacation property—now is a great time!



**If you are really thankful, what do you do? You share.**

*W. Clement Stone*

## For a better deal, buy a pre-1990 home

Jake Adger, chief economist at Realty Trac says “The challenge of aging US housing supply can be an opportunity for buyers looking for a bargain.” In addition, the FHA 203 (k) program allows owner-occupant buyers to finance, rehab and upgrade an older home. The 203(k) program allows homeowners to roll rehab costs into a refinance.

## Pre-approval vs. Pre-qualification

Mortgage pre-approvals are a written commitment from lenders outlining the loan amount and interest rate that homebuyers qualify for. That gives buyers and sellers confidence that buyer can fulfill a contract to purchase. An increasing number of banks are refusing to issue a pre-approval until they review an appraisal of the home.



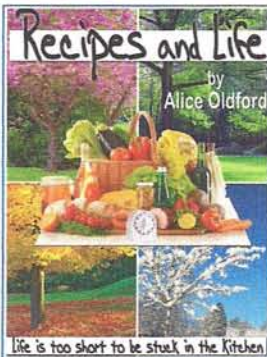
Instead banks are offering a pre-qualification, which tells borrowers the average size of loan they can qualify for based on their income and mortgage rates. This is less formal

## Speaking of Mortgages

The experts are telling us more people are getting home loans with lower credit scores and smaller downpayments, i.e. less than 20%. That is especially good news for first time homebuyers.

Although lenders are reducing some restrictions, the standards remain tight, and appraisals are an important consideration.

For banks, improving home values reduce their risk.



My newest book is soon to be released just in time for the holidays — a great stocking stuffer at \$9.95.



A collection of practical and inspirational stories and kitchen tips from a health conscious mother of five. Add a sprinkling of recipes and voila—some creative ideas as well as old favorites because

*Life is Too Short to be Stuck in the Kitchen*

Gratitude consists of being more aware of what you have, than what you don't. *Unknown*

