

Local housing market finds its new normal

It has been said that all good things must come to an end. While we loved the spark the first-time home buyer tax credit and the expanded tax credit created in the housing industry, we knew the end would come.

In order for the housing industry as a whole to truly stabilize, it will have to hold its own. With the expiration of the tax credit at the end of June, the time has come for the housing market to go out on its own and face the real world. Though the tax credits have expired, it's important to remember that the significance and value of homeownership continues.

There was hope that by the time the tax credits expired the economy would be on the fast track to recovery and that the change in home sales might go unrecognized. However, as the Greater Nashville Association of Realtors released July home sales data earlier this week, we realized we're not exactly on the fast track.

Home sales were down 21 percent from July 2009. This was the first time since July 2005 that there were less than 1,800 closings in the month of July. However, it's important to remember the quintessential real estate phrase: location, location, location. Because of Nashville's diverse economy, we continue to fare much better than other cities around the country.

While sales were down, we don't want to overlook the positives that remain. Three of the major components of the perfect home-buying formula still exist here: good inventory, low interest rates and rea-



LUCY SMITH
 Greater Nashville Association of Realtors

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sonable home prices. For those looking to buy, this is still a great time to do so. Also, inventory levels decreased in the farm/land/lots category, which indicates that land available for development is being purchased.

The market will continue to turn around, both nationally and locally. We will eventually see a return to higher closing numbers and increased home prices. Until the economy fully stabilizes and unemployment goes down, imagining a major upswing or anticipating 2006 numbers would be inappropriate.

In order to appreciate the positives and celebrate the good things that occur, we need to accept this as our new normal. Just as the term "short sale" was nearly foreign to us two years ago, it is now a new normal in our industry. Things that seem to indicate a negative can be positive, as short sales keep sellers from foreclosure and provide excellent buying opportunities for potential buyers.

Though numbers may be different than a year ago, Realtors understand this new normal of our market and remain ready to assist you with your real estate needs and to help you understand the new normal as well.

Lucy Smith is president of the Greater Nashville Association of Realtors. She can be reached at 615-347-8827 or lucy@lucysmith.com.

Don't miss your window of opportunity with buyers

By Beth Raebeck Hall
 TENNESSEAN CUSTOM PUBLICATIONS

Once you stake that "for sale" sign on your front lawn, it's critical to give your home a competitive advantage over other houses on the market. In the eyes of potential buyers, your home should appear spotless. One way to convey that fresh look is with sparkling clean windows.

"When your house is for sale, you must have the whole house perfectly clean, and the windows are no exception," says Beth Molteni, a Realtor with Worth Properties.

If your house has been listed for an extended period of time, Molteni says it may be time to clean the windows again — assuming they were cleaned prior to listing the house. She recommends that home sellers open their curtains, shutters or shades to allow natural light to fill the house, even when no showing is scheduled.

"I suggest keeping the windows open in the daytime so the house is more attractive from the street," says Molteni. "But when the sun shines on windows, they are going to look horrible if they are not perfectly clean."

How often should your windows be cleaned? According to Nate Montgomery, owner of Alpine Window Cleaning & Pressure Washing, there are environmental factors that can affect the need to clean your windows. The trees that surround the house, as well as rain patterns (whether precipitation directly hits the windows), are factors that may determine the frequency of window cleaning.



Clean windows are a big draw for prospective home buyers. JUPITER IMAGES

Molteni cites other reasons, such as construction or roadwork in the area near the home.

"If you are living in a particularly dusty area ... it might be necessary to have (windows) cleaned pretty often to remove the dirt," says Molteni.

Having your windows properly cleaned is the best way to protect your investment and keep windows looking crystal clear, so you may want to consider having professionals do the job. Montgomery advises homeowners to look for established companies with low staff turnover, noting that the company should also be licensed, bonded and insured. He adds that a reputable company will come to your house before quoting a price for the work.

"If someone says they can give you an estimate over the phone without seeing your house, move on — there are way too many factors involved,"

Montgomery says. "If the client has to be there when they do the estimate, it can be an indicator of high-pressure sales tactics."

Pricing a job involves many variables. Screens and storm windows, the type and size of windows, how the panes (or muntins) are divided and the age of the windows will all affect the price. A thorough job will include washing the windows inside and out, but it is possible to do one or the other.

Hard-to-reach windows need to be cleaned, too, Molteni says.

"Many times the large, hard-to-reach, soaring windows are the ones that provide the focal point of an entry foyer and are the most unforgiving if they are dirty or have broken seals," Molteni says.

Montgomery notes that his staff can complete most jobs in three to four hours, with the customer present only while workers are inside the home.

Whether you hire a professional or decide to do your own window cleaning, when seen from the street, those sparkling windows are bound to catch the eye of prospective buyers.

Do it yourself

If you decide to tackle window cleaning yourself, Nate Montgomery of Alpine Window Cleaning & Pressure Washing offers these tips for long-lasting sparkle.

- Use a squeegee
- Combine 1 gallon of water with 3 tablespoons of mild dishwashing soap (preferably one with degreasing qualities)
- Use a sponge or microfiber pad to remove hard dirt
- Work in sections, finishing each area before it dries
- Work from top to bottom
- The squeegee should be the very last thing to touch the glass

'Keys' open the door to homeownership

"It's a buyer's market?" is a popular headline right now. It's one that's hard to ignore, especially if you've been waiting for the right time to pursue the American dream of owning your own home.

Buying your first home can be scary, but as with anything else in life, the right preparation should bring you good results: a home you want and one you can afford.

If you're ready to buy a home in the next few months, preparation is critical. Thrivent Financial Bank offers the following "keys" to open the door to homeownership.

Check your credit

Review your credit report before starting the home-buying process. This will enable you to dispute any incorrect entries and satisfy any derogatory items on your report. You are entitled to one free copy of your credit report every 12 months. Ensuring that your credit report is accurate is critical, as it is an important element that lenders review to determine your creditworthiness for a loan approval.

Establish a budget

Knowing where you spend your money and how much you are able to set aside each month can help you decide if purchasing a house is a viable choice now or if it is something that will have to wait until later. Establishing a monthly budget also helps determine how much house you can afford, which will help you to zero in on possible homes to look at. If buying the home you want is not in the cards now, use the opportunity to take a closer look at your spending and savings habits and develop a plan to begin setting money aside for a down payment and monthly mortgage payments.

Down payment

Although there are loan programs that will allow you to purchase a home with no money down, making a down payment is almost always a good idea. The most common sources of a down payment are your savings or a gift of cash. The amount you put down has a direct impact on what your monthly mortgage payment will be and will also deter-

mine if you will be required to purchase PMI (private mortgage insurance).

Mortgage options

There are many types of loans available to suit your needs. The following is a list of some of the more common ones.

- Fixed-rate loan: The interest rate is fixed for the life of the loan. The life of a fixed-rate loan can range from 10 to 30 years.

- Adjustable rate mortgage (ARM): The interest rate is fixed for a certain period of time, but once that period expires your interest rate will adjust according to the terms of the mortgage.

- Negative amortization (pay option) loan: The minimum payment is less than the interest that accrued on the loan. In this loan, your principal balance will increase when you pay less than the interest that accrued.

- Balloon: The interest rate is fixed for a period of time. At the end of that period, the entire balance on your loan is due. (Example. With a five-year balloon, your loan is fixed for five years; at the end

of five years, the remaining balance on your mortgage is due.

- Interest only: The minimum payment is just the interest that accrues on the loan.

You can get an estimate of your monthly payments for the various types of mortgages by using the Thrivent Financial Bank mortgage calculators. While these are not meant to replace professional financial advice, they can give you an idea.

Get preapproved

Now that you have done your homework and are ready to purchase a home, you should meet with a personal banker to get preapproved. A preapproval allows the lender to review your circumstances and make recommendations prior to entering any formal purchase contract. The preapproval will establish a limit on the dollar amount the lender will commit to your home purchase.

To begin this process, your loan officer will complete an application with you and check your credit report. After some analysis, the loan



Buying a home is one of the biggest decisions that you will ever make. In your pursuit of the American dream, make sure you follow the keys to success and enjoy this exciting journey. IMAGE LIBRARY

officer will inform you of the programs and the amount that you qualify for. They will also give you a preapproval letter that you can in turn give to your Realtor. This will help them to know the price range of homes they should show you.

To be preapproved, you'll need to submit the following to a potential lender:

- Tax returns and W-2s for the past two years
- Pay stubs to prove that you're currently employed
- Documentation of other

types of income, including investments or a second job

- Recent bank statements

These preparations are just the beginning of your journey to homeownership. You'll also want to do your homework for the next stages such as selecting a Realtor, house hunting, putting in an offer and getting an inspection. But getting your financial house in order is an excellent first step on the road to owning your own home.