

...S FIRST BLACK GOVERNOR FIGHTS THE POWER—OR AT LEAST TRIES TO

UPTOWN

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NYC: Trump Place (Trumpplace.com) on Riverside Boulevard. Below: The building's penthouse, which was recently listed for \$1.895 million (down from \$2 million about nine months ago), according to Michael Mikelic, a board member and president of King Penguin Properties. At press time, this and other penthouse units were still available.



BOSTON: A two-bedroom, two-bath, 1,382-square-foot corner unit in the award-winning loft building FP3 (Fp3boston.com) recently sold for \$649,000. It was listed in 2008 for \$725,000.



CHICAGO: At 400 North LaSalle, select residences that were previously priced at \$339,000 are now \$249,900 (400northlasalle.com).

Window of Opportunity

If you're on the fence about buying a home, the following reasons should persuade you to act now.

By Tara-Nicholle Nelson

If you're under age 40, then you may have experienced a situation like this: A friend invites you to eat dinner or spend the weekend at his parents' place. But instead of arriving at a modest ranch-style house in a quaint bedroom community, you wind up walking through his family's 4,000 square feet of palatial elegance nestled in the town's prime neighborhood, and you think, *Sheesh—they must have paid a pretty penny for this place.* Later you find out it cost them \$60,000 about 30 years ago and shake your head, accepting that you were born in the wrong decade to score killer real estate bargains.

But what if that wasn't actually the case? While landing a palace for such a low price sounds far-fetched today (although at press time, realtor.com listed 585 Detroit homes for sale under

\$5,000), the recent housing debacle has turned back the clock a bit when it comes to home prices. Would-be buyers should definitely take note (and action)—there are at least seven strong reasons why now is the ideal time to shift from procrastinator to property owner:

Reason #1: President Obama offers first-time home buyer credit tax. One of the Prez's first executive acts was to give prospective first-time home owners an \$8,000 tax credit as added incentive to buy in 2009. If your adjusted gross income is less than \$75,000, and you close escrow on or before December 1, 2009, you can actually file an amended 2008 return and get your credit-increased tax refund immediately after closing. Even better, the Department of Housing and Urban Development



CHARLOTTE: Originally listed at \$1.4 million, this home in the Cedar Hall neighborhood sold for \$850,000. For this and similar listings, contact The Valarie R. Brooks Team at Remax Executive Realty (704.482.5458, Valarie@ValarieRBrooks.com).

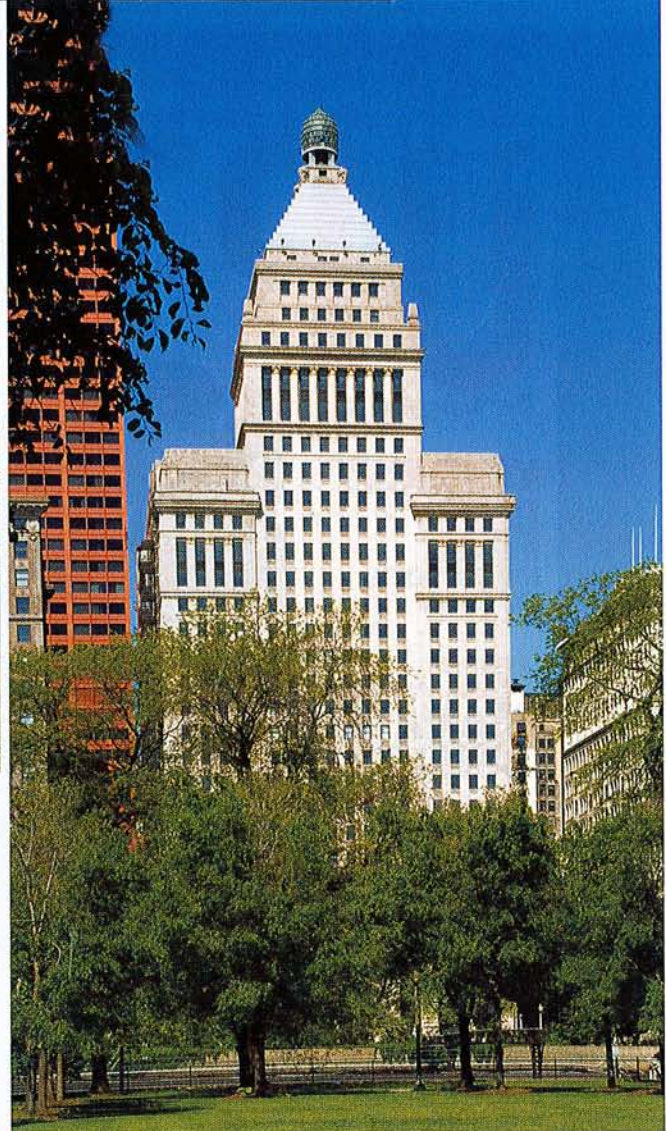
(HUD) recently announced that it has a plan in the works to let Federal Housing Authority (FHA) borrowers use their \$8,000 credit up front to increase their down payment or defray their closing costs.

Reason #2: Home sales in some markets are rapidly increasing. By now, we're so used to hearing about the amount of housing inventory sitting on the market that recent inklings of increased buyer activity may have gone unnoticed. In June, home sales were up compared with last year in a number of areas across the states. For example, sales transactions of existing California homes rose 20.1 percent in June alone. From the first to the second quarter of this year, existing home sales were higher in 39 states, 17 of which had double-digit increases, including Idaho (up 67.5 percent), New York (22.3 percent), and Wisconsin (21.7 percent). When buying starts en masse, the market will stabilize and the bargains will again become only a memory.

Reason #3: Prices are creeping back up, too. No need to panic, but from April to May, prices were up 0.9 percent, according to the Federal Housing Finance Agency's monthly index. However, there are about another half-million mortgages that will reset this year, and the lifting of several foreclosure moratoria has spiked foreclosure activity, suggesting that deals can still be struck. But the activity and price increase may signal that the national real estate market might already have bottomed out.

Reason #4: Half-price homes are available. Yes, prices are starting to do the inevitable upward crawl, but nationwide, if you bought in the second quarter of 2009, you paid about 13.8 percent less than last year's price levels. When you compare current prices in these big cities with prices at their 2006 peak, you're looking at a 30 percent discount, on average and, in cities like Las Vegas, Miami, Phoenix, San Francisco, and San Diego, as much as 40 percent discounts from peak 2006 pricing.

Reason #5: Cheap, easy money is yours for the taking. At the moment, FHA loans are the loan du jour, and a 30-year fixed rate FHA loan can be had with a 3.5 percent down payment, a 620



CHICAGO: In the city's Metropolitan Tower (TheMetropolitantower.com), the price of one to three-bedroom residences, many with lake views, has been reduced from between \$364,900 and \$919,900 to \$419,900 and \$649,900.

FICO score, and a couple of years of income documentation—at incredible rates. In March, the average home buyer got a record low rate of 5 percent.

Reason #6: Short sales can bring success. Short sales—transactions in which owners avoid foreclosure by selling their home for less than it's worth—have long been the bane of realtor existence. While these properties are often in better condition than foreclosures, the seller's lender has to forgive some of the seller's debt, and since the beginning of the housing crisis, lenders have been notorious for not playing ball. This year, though, short sale properties have become more likely to close, as lenders realize that they stand to lose much more money by foreclosing on a home they could have unloaded through a short sale. For buyers, that means the universe of properties available to purchase has expanded.

Reason #7: House hunting ain't what it used to be. It takes longer to find a home and qualify for a mortgage than you might expect. If you want to squeeze through the fast-closing window of opportunity and tell your own real estate story to your children's friends 30 years from now, don't wait—activate. ☐

Tara-Nicholle Nelson, M.A., Esq. is an Oakland real estate broker, attorney, and author and the founder and chief visionary of (RE)ThinkRealEstate.com. Tara is also the host of the Drama-Free Real Estate series on HGTV's FrontDoor.com.