

THE ALPINE Advisor



Alpine Mortgage Planning
Your Dreams. Our Expertise.

MARCH MARKET MADNESS

How to Win the Home-Buying Game This Spring

Around the time your lawn thaws and beckons you to mow it for the first time each spring, you're likely to see some of your neighbors planting "For Sale" signs in their yards alongside their blooming daffodils.

If those signs catch your eye, you're not alone — the housing market starts to perk up around this time every year, which makes March a great month to pin down your homeownership strategy for 2014. Is it the right time to buy? Should you still wait and play it safe? Or have you missed your chance to find a great deal? Read on for our take on the state of the housing market this spring.

WHAT TO EXPECT THIS YEAR

The most dominant characteristic of this season's market is its low inventory. This lower supply of homes and higher demand from buyers has slowly driven up house prices, and prices are expected to keep increasing. Lower inventory also means buyers have fewer options and more competition.

Although this might sound like bad news, there are a couple silver linings. The first is that prices are only expected to increase about 5 percent this year. While that amount is significant, it's not crippling for most buyers, and it's also not high enough to move the market toward another housing bubble — which means buying a house is still a relatively safe investment.

Second, higher prices might drive more sellers to list their homes, increasing inventory and adding more options to your search.

If you're not a first-time buyer, you may also be able to strike a good balance this year between finally feeling like it's worth it to list your current house, and still being able to take advantage of historically low prices and interest rates.

So, if you're a hopeful buyer, where does all this leave you? To sum it up, we think some great homes will be arriving on the market soon — and if you find the right place and are financially ready, 2014 is still a great time to buy.



HOW TO SAVE IN A STABILIZING MARKET

With prices climbing and competition building, how will you go about finding a good deal on a house this spring? Here are some pointers:

DON'T PANIC

Yes, prices and mortgage rates have increased — but remember that compared to the last few decades, these numbers are still historically low. You don't need to rush into a buying decision in order to find a reasonable price on a home.

BUT DO BUY AS SOON AS YOU'RE ABLE

You can prioritize buying a house without turning it into a chaotic scramble. If you're ready to buy, don't assume the good prices will stick around for the next couple of years — they won't.

PUT MORE MONEY DOWN

With a larger initial payment and smaller loan amount, you'll not only be more attractive to a seller or lender — you could also save money. More down can mean a lower monthly mortgage payment and a lower interest rate that will set you up to save in the long term. Paying 20 percent or more will also exempt you from a private mortgage insurance premium.

EXPAND YOUR SEARCH

With less inventory available, you may need to sort your search criteria by "must have" and "nice to have" items. Don't settle to the point that you'll regret your purchase, but do be realistic about your options. You may be able to save by looking in a different ZIP code, re-evaluating your square-footage needs, or finding a house that could use a few updates.

LOOK INTO ALL YOUR LOAN OPTIONS

Talk to your mortgage lender about all the loan types you may qualify for. A custom-written loan can help you save money where you need it most, whether that means paying less each month or saving more in the long term.

A SPRINGBOARD FOR YOUR FINANCES

With the second quarter of the year fast approaching, spring is a great time to revisit your financial goals. Maybe the lower risk of a more stable market appeals to you, and you're ready to buy a home before prices go up. If that's true, now is a perfect time to sit down with an Alpine mortgage advisor to talk about how homeownership might fit into your greater financial picture. Pretty soon, you might be uprooting that unsightly "SOLD" sign from your brand-new front yard.

