

# saturday

H O M E S

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## Now is the time to buy a home on Maui

**By TRICIA MORRIS**

President, Premiere Mortgage

The theme of this article is simple and straightforward – now is the time to buy your home on Maui. Whether you are preparing for retirement, looking for a vacation home, or you are a local family that has outgrown your available space – now is the time to buy your home on Maui.

Here are a few facts that have emerged:

The Federal Reserve (the Fed) has increased the interest rate it charges banks to borrow money from the Fed's discount loan window. As a result, despite recent congressional testimony by Fed Chair Ben Bernanke, most observers see a signaling by the Fed that it plans to increase interest rates


**Morris**

as the economy recovers and the central bank unwinds its financial rescue programs.

While unemployment continues to be a problem, it is a lagging economic indicator that begins to come down in the latter stages of an economic recovery. Currently, the rate of economic growth has begun to increase, the rate of job loss and unemployment has begun to slow and manufacturing orders have seen increases in recent months.

Real estate statistics on home prices lag behind the ac-

tual market. This is because of the time it takes to complete a sale and close escrow. The prices you see in real estate reports are perhaps 3-6 months old by the time they are published and available to the general buying public. In a recovering economy that can mean looking backwards and missing true buying opportunities by waiting too long to decide.

In December 2009, Maui Residential Sales posted a 17-month high (90 sales) and Condo Sales rose to 80 units. December's median sales prices for homes rose to \$477,000 while Condos remained nearly steady at \$401,500.

Commenting on a surge in the sale of existing homes in the fourth quarter of 2009, The National Association of Realtors® has concluded that "With inventory levels trending down over the past 18 months, we expect broadly balanced housing market conditions in much of the country by late spring with more areas showing higher prices."

In addition, as winter becomes a fading memory replaced by spring-cleaning and plans for the summer, the second housing stimulus for the U.S. market will provide a strong impetus for sales. As part of its plan to stimulate the U.S. housing market, Congress has passed new legislation that extends the First-Time Home Buyer Tax Credit of up to \$8,000 to first-time homebuyers until April 30, 2010, and expands the credit to grant up to a \$6,500 credit to current home owners purchasing a new or existing home between November 7, 2009 and April 30, 2010.

Taking an inventory of comments from single-family and condo homeowners in early 2000 and the years that followed, I was struck by the number of people who told me, "I wish I had bought in 1998."

However, while prices had bottomed out in about the middle of that year from the economic difficulties of the period, the statistics did not begin to reflect a rise in prices until as much as six months after the increases had begun to occur – and by 1999 we were in a Bull housing market.

This is the time to prepare for your home purchase before this unique opportunity has passed. Meet with a qualified professional local mortgage broker/banker with access to a number of lending partners. Learn how to improve your credit score before you begin to shop. Get pre-approved for a loan. Visit with a Realtor® and learn more about where the homes are that you would like to buy.

Today, interest rates are at historic lows, qualified buyers can get home loans, serious sellers are pricing their properties realistically and government programs are providing direct tax credits to encourage real estate sales. Additionally, there is unconventional financing for buyers who don't qualify with the tighter lending standards and this is generating many more sales as a result.

In the musical hit "Annie," one of its most loved songs includes the words, "The sun will come up tomorrow." That's true. But for those who are watching closely, the sun may have already begun to peek over the horizon and they can see that now is the time to buy their home on Maui.

*Premiere Mortgage, with offices on Maui and Kaua'i, offers extensive loan options, including FHA loans, through both broker and banking services. Tricia Morris may be reached on Maui, in Kihei, at 874-8800, Wailea, at 891-8900, West Maui at 665-8800, on Kaua'i at 808-822-2300, or toll free at (800)-813-7711.*