

A young man and woman are shown from the chest up, looking off to the side with expressions of interest and hope. They are wearing warm, autumnal clothing like scarves and coats. The background is a soft-focus street scene with trees showing vibrant autumn foliage in shades of orange, yellow, and red. The overall lighting is warm and golden, suggesting a late afternoon or early morning setting.

# **A COMPREHENSIVE GUIDE TO BUYING A HOME IN FALL OF 2023**

## **THE ULTIMATE HOMEBUYER GUIDE**

# CONTENTS OF THE



# MARTINI

MORTGAGE GROUP

## ULTIMATE HOMEBUYER GUIDE

### 03

WHAT'S GOING  
ON IN THE  
HOUSING MARKET  
RIGHT NOW?

### 06

TWO QUESTIONS  
TO ASK YOURSELF  
IF YOU ARE  
CONSIDERING  
BUYING A HOME

### 08

MARRY THE HOME  
AND FLIRT WITH  
THE RATE

### 10

THE IMPACT OF  
CHANGING  
MORTGAGE RATES

### 11

JUMPSTART YOUR  
HOMEOWNERSHIP  
JOURNEY WITH  
DOWN PAYMENT  
ASSISTANCE

### 14

THINK  
TEMPORARY  
SELLER-PAID  
BUYDOWN, NOT  
PRICE REDUCTION

### 16

WHY  
HOMEOWNERSHIP  
WINS IN THE LONG  
RUN

### 19

THE FIRST STEP TO  
HOMEOWNERSHIP  
IS ALWAYS THE  
HOME LOAN, AND  
THEN FIND YOUR  
PLACE TO CALL  
HOME

### 22

HOMEOWNERSHIP  
HELPS PROTECT  
YOU FROM  
INFLATION

# WHAT'S GOING ON IN THE HOUSING MARKET RIGHT NOW?

**YOU'RE PROBABLY WONDERING WHAT THE LATEST HOUSING MARKET NEWS MEANS FOR YOUR FALL HOMEBUYING PLANS. HERE ARE THE THREE TOP THINGS TO REMEMBER.**

## **1 There Aren't Many Homes Available for Sale Right Now**

Housing inventory is measured by the number of available homes on the market. It's also measured by months' supply, meaning the number of months it would take to sell all those available homes based on current demand. In a balanced market, there's usually about a six-month supply – but today, we only have about half of that. With low inventory, buyer competition is up, which means many homes often receive multiple offers. Working with a professional can help you be more competitive in this kind of market.

## **2 Mortgage Rates Near 6% or 7% Are the New Normal**

Mortgage rates more than doubled in the 2022 calendar year. That's never happened before, and the rapid rise caused some buyers to delay their plans. But since last October, rates have settled roughly at the 6% to 7% range.

It's time to understand that rates around 6% or 7% are the new normal. The rates we experienced a few years ago, like 3%, are now a thing of the past.

### 3 Home Prices Are Going Up Again

If you're keeping up with the news, you might be uncertain about what's happening with home prices and worried that things will worsen. Well, know this: the worst home price declines are behind us, and prices are appreciating nationally.

But it's essential to know that prices differ depending on where you live. Low inventory and relatively strong buyer demand will keep upward pressure on prices. Doug Duncan, SVP and Chief Economist at Fannie Mae, says this about home prices right now:

**“ . . . housing prices continue to show stronger growth than what was previously expected . . . Housing's performance is a testimony to the strength of demographic-related demand . . . ”**

So, with prices increasing again, if you find a home that suits your needs, it's probably not the best idea to wait.



Perception is not reality. Don't let what you think prevent you from finding what is happening — the Fall of 2023 is the moment to explore your options. Connect with a Mortgage Strategist with the Martini Mortgage Group to help with all your questions about the housing and mortgage market. They'll review your goals and what's happening in the market, giving you the knowledge to make a strong and confident decision.





**You may want to reconsider if you're considering pausing your home search because of mortgage rates. Right now could be an opportunity to buy the home you've been searching for. The rise in mortgage rates is leading some potential homebuyers to pull back on their search for a new home. So, if you stay the course, you'll likely face less competition among other buyers when you're looking for a home. This is a welcome relief in a market with so few homes for sale.**

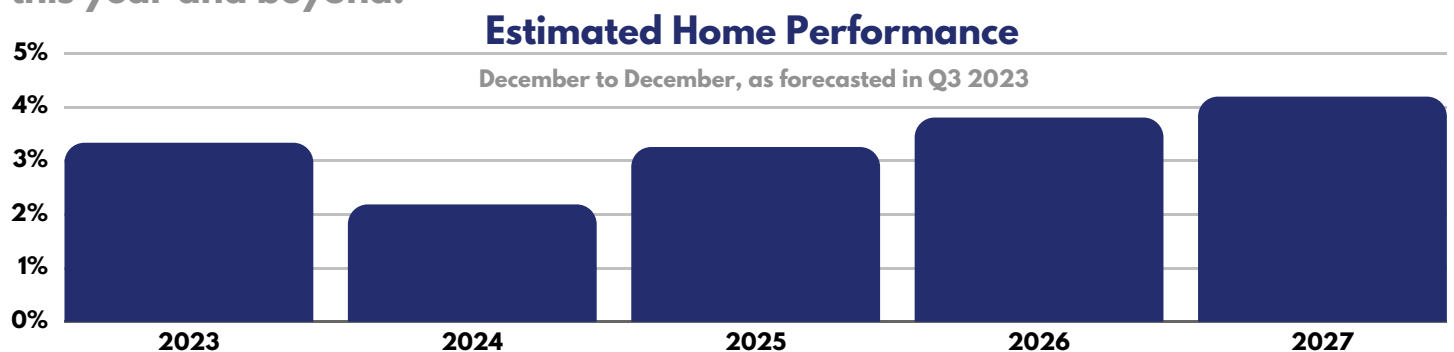
# TWO QUESTIONS TO ASK YOURSELF IF YOU ARE CONSIDERING BUYING A HOME

IF YOU'RE THINKING OF BUYING A HOME, CHANCES ARE YOU'RE PAYING ATTENTION TO HOME PRICES AND MORTGAGE RATES. HERE ARE THE TOP TWO QUESTIONS YOU NEED TO ASK YOURSELF – AND WHAT THE DATA SAYS – AS YOU MAKE YOUR DECISION.

## Where Do I Think Home Prices Are Heading?

One reliable place you can turn to for that information is the Home Price Expectation Survey from Pulsenomics – a survey of a national panel of over one hundred economists, real estate experts, and investment and market strategists. According to the latest release, the experts surveyed project between 2.17% and 4.18% yearly appreciation for the next five years (see the graph below). The worst price declines are already behind us, and prices are appreciating again, poised to make higher highs.

The blue in the graph below shows that prices are expected to keep appreciating this year and beyond.



So, why does this matter to you? It means your home will likely grow in value, and you should gain home equity in the years ahead, but only if you buy now. Based on these forecasts, the home will only cost you more later if you wait.

# Where Mortgage Rates Are Heading?

Based on the latest reports, we know that inflation has moderated from its peak. This is an encouraging sign for the market and mortgage rates. Here's why.

When inflation cools, mortgage rates generally fall in response. This may be why some experts say mortgage rates will pull back slightly over the next few quarters.

Quarter	Fannie Mae	Mortgage Bankers Association	National Association of Realtor	Average
2023 Q4	6.70%	6.20%	6.30%	6.40%
2024 Q1	6.50%	5.90%	6.10%	6.17%
2024 Q2	6.30%	5.60%	6.00%	5.97%
2024 Q3	6.20%	5.30%	6.00%	5.83%

But not even the experts can say with absolute certainty where mortgage rates will be next year or even next month. That's because there are so many factors that can impact what happens. So, to give you a lens into the various possible outcomes, here's what you should consider:

- **If you buy now and mortgage rates don't change:** You made a good move since home prices are projected to grow with time, so at least you beat rising prices.
- **If you buy now and mortgage rates fall (as projected):** You probably still made a good decision because you got the house before home prices appreciated more. And you can always refinance your home later if rates are lower.
- **If you buy now and mortgage rates rise:** You made a great decision because you bought before both the price of the home, and the mortgage rate went up.



# MARRY THE HOME

# FLIRT WITH THE RATE



**“Marry the home and flirt with the rate” is a strategic approach for homebuyers deployed by the Martini Mortgage Group. This phrase highlights the importance of understanding the long-term value of real estate (marrying the home) and the temporary nature of mortgage interest rates (flirting with the rate).**

**The fundamental principle behind “marry the home and flirt with the rate” encourages homebuyers to prioritize discovering the perfect property that aligns with their long-term aspirations. Simultaneously, it advises them to be astute and seize opportunities, regardless of the current mortgage rate environment, to secure their home investment. This approach is especially relevant as experts suggest that real estate is poised for more substantial growth.**

**It's an undeniable truth that mortgage rates follow cyclical patterns. Once this persistent inflation subsides, mortgage rates will likely trend lower, offering an opportunity to refinance and reduce borrowing costs. This prudent strategy underscores the delicate balance between acquiring a home at today's price point and ensuring long-term financial comfort and stability.**

**For further insights into whether “marry the home and flirt with the rate” is the right strategy for you, we encourage you to connect with a Mortgage Strategist from the Martini Mortgage Group. They can provide personalized guidance and expertise to make informed decisions on your homeownership journey.**



**“In the current real estate market, when I see a real estate sign in the yard, to me, I am looking at a home that has a motivated seller.”**

**LOGAN MARTINI  
SENIOR MORTGAGE STRATEGIST**



# THE IMPACT OF CHANGING MORTGAGE RATES

IF YOU ARE LOOKING TO BUY A HOME, YOU SHOULD KNOW THAT EVEN SMALL CHANGES IN MORTGAGE RATES IMPACT YOUR PURCHASING POWER. THE MATRIX BELOW IS FOR ILLUSTRATION ONLY AND SHOWS HOW RATES GENERALLY AFFECT THE PRINCIPAL AND INTEREST (P&I) COMPONENT OF YOUR MONTHLY PAYMENT.

Home Loan Amount	30-Year Fixed Interest Rate	Monthly Mortgage P&I	Monthly Difference
\$300,000	7.0%	\$1,995.91	---
	6.0%	\$1,798.65	\$206.26
	5.0%	\$1,610.46	\$385.45
\$500,000	7.0%	\$3,326.51	---
	6.0%	\$2,997.75	\$328.76
	5.0%	\$2,684.11	\$642.40
\$700,000	7.0%	\$4,657.12	---
	6.0%	\$4,195.85	\$461.27
	5.0%	\$3,757.75	\$900.10

**“When core inflation gets lower, mortgage rates will, too.”**

LOGAN MARTINI  
SENIOR MORTGAGE STRATEGIST

# **JUMPSTART YOUR HOMEOWNERSHIP JOURNEY WITH DOWN PAYMENT ASSISTANCE IN NORTH CAROLINA OFFERED BY THE**



**MORTGAGE GROUP**





**Are you a first-time homebuyer or a current homeowner planning an upgrade? Are you struggling to pull together that hefty down payment?**

**Say goodbye to your worries because the Martini Mortgage Group is here to help!**


**Together with the North Carolina Housing Finance Agency (NCHFA), the Martini Mortgage Group offers many mortgage products and down payment aid programs. We're determined to make your dream of owning a home in whatever county you are in North Carolina not just affordable but downright achievable.**

## **DOWN PAYMENT AID YOUR HOMEOWNERSHIP DREAM BOOSTER!**

**NC Home Advantage Mortgage:  
They offer up to 3% of the loan as down payment assistance to first-time and upgrade buyers.**

**NC 1st Home Advantage Down Payment:  
An incredible \$15,000 down payment aid for eligible first-time buyers and military veterans.**

**NC Home Advantage Tax Credit:  
Save up to \$2,000 in federal taxes annually. Before a home purchase, an approved Mortgage Credit Certificate (MCC) can seal this deal for you!**

A man with dark, wavy hair, wearing a dark suit jacket over a light-colored shirt, is speaking into a black microphone. He is gesturing with his right hand, pointing towards the right. The background is blurred, showing what appears to be a stage or event setting with warm lighting.

**“In most markets in North Carolina, especially in the Triangle, homebuyers will find that sellers are more willing to negotiate on price or other terms than in recent years.”**

**LOGAN MARTINI, SENIOR MORTGAGE STRATEGIST**



# THINK TEMPORARY SELLER-PAID BUYDOWN, NOT PRICE REDUCTION

A classic tactic home sellers employed in the past is gaining popularity among homebuyers in the current market. When purchasing a home and securing a mortgage in a high-interest rate environment, opting for a Seller-Paid Temporary Buydown can prove more advantageous for the borrower than a straightforward price reduction. This approach directly addresses financing costs, bolsters affordability, provides long-term financial advantages, and provides a competitive advantage in a robust real estate market.

With a Seller-Paid Buydown, the seller pays a fee at closing that substantially reduces the buyer's mortgage interest rate for the first year or sometimes in the first two or three years.

With a 2-1 Seller Paid Buydown, the rate decreases by 2% in the first year and 1% in the second year of the loan term. For illustration ONLY, a buyer gets a note rate of 7%, with a 2-1 Seller Paid Buydown. Because of the Buydown, the monthly payments in the first year are based on a 5% interest rate, the monthly payments in the second year are based on a 6% interest rate, and then rise to the note rate of 7% for the remaining term.

When there is a decrease in mortgage rates, the Seller-Paid Buydown strategy allows homeowners to refinance at these lower rates. It's important to remember that interest rates are cyclical; having a Buydown in place gives homeowners the adaptability to maneuver these economic cycles. In addition, any unused portion of the Buydown is refunded to the borrower.

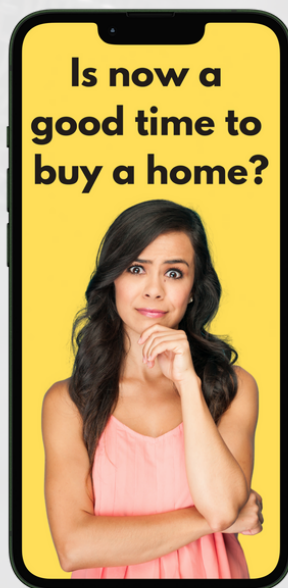
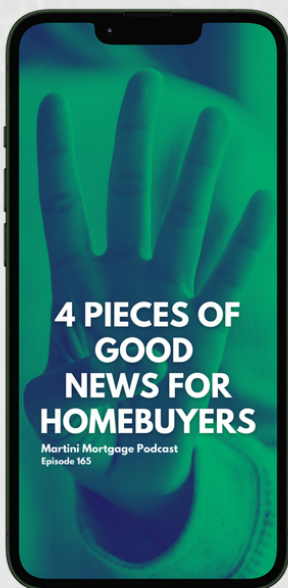




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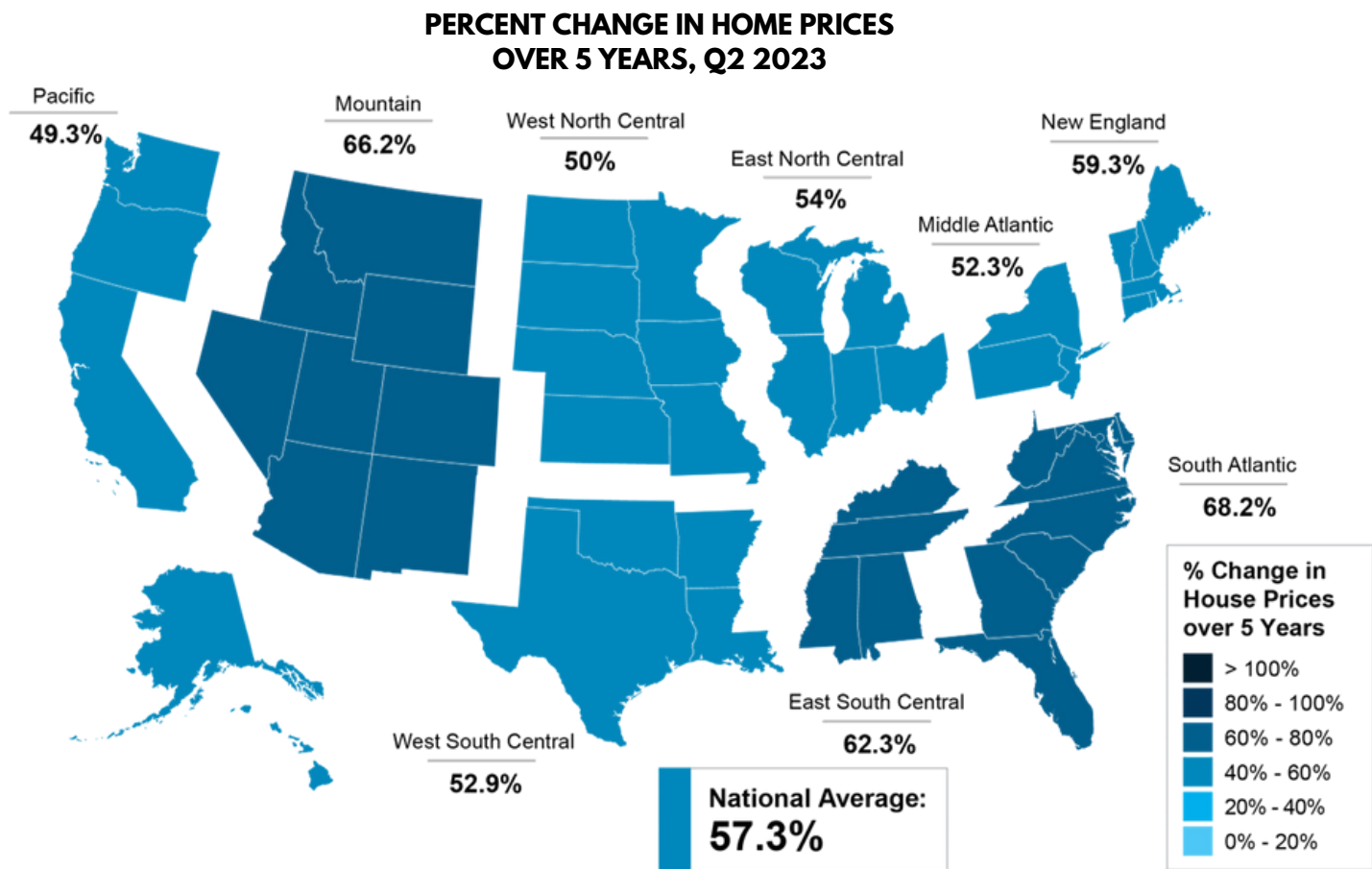
# WHY HOMEOWNERSHIP WINS IN THE LONG RUN

BEFORE DECIDING IF YOU WILL BUY A HOME RIGHT NOW, CONSIDER THE ADVANTAGES IT CAN BRING YOU IN THE LONG RUN.

If you ask current homeowners, you'd probably have a hard time finding someone who regrets their decision to buy a home. That's because home values grow with time. Here's a look at how home price appreciation can really add up over the years.

## HOME PRICE GROWTH OVER TIME

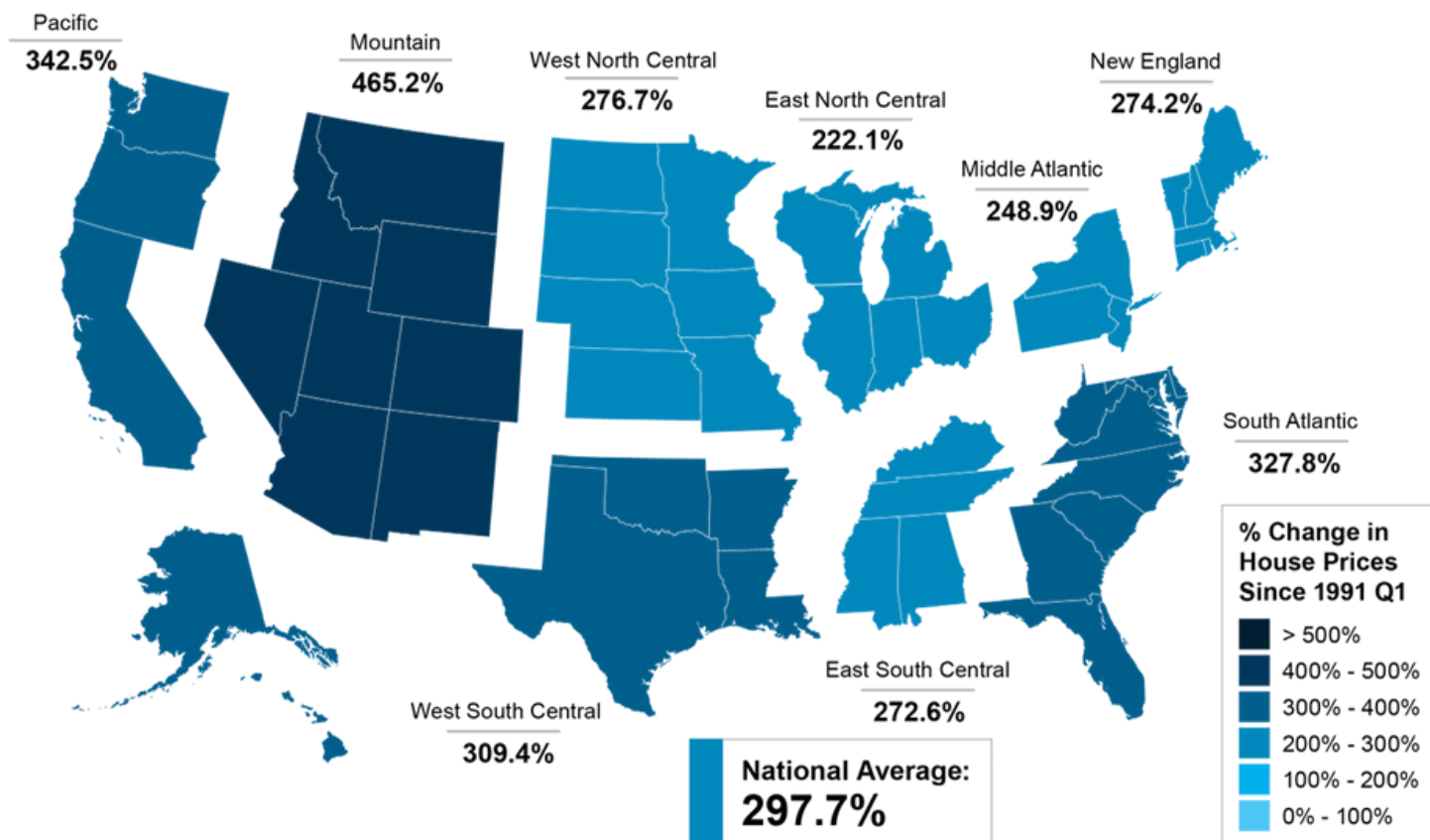
The map below uses data from the Federal Housing Finance Agency (FHFA) to show home price gains over the last five years. The map is broken out regionally to convey larger market trends.



You can see home prices grew on average by about 57% nationwide in a five-year period. Different regions vary, but home prices gained solid ground in a short time.

And if you expand that time frame even more, the benefit of homeownership and the drastic gains homeowners made over the years become even clearer (see map below):

**PERCENT CHANGE IN HOME PRICES  
SINCE Q1 1991, Q2 2023**



**The map above clearly illustrates nationwide home prices appreciated by an average of over 297% over a roughly 30-year span.**

This nationwide average tells you the typical homeowner who bought a house 30 years ago saw their home almost triple in value over that time. That's a key factor in why so many homeowners who bought their homes years ago are still happy with their decision.

And while you may have heard talk in late 2022 that home prices would crash, it didn't happen. Even though home prices have moderated from the record peak we saw during the 'unicorn' years, prices are already rebounding today. That means your home should grow in value over the next year.





**LOCK UP AND FLOAT DOWN WITH THE MARTINI MORTGAGE GROUP FLOATING LOCK AND EXPERIENCE PEACE OF MINDS AS YOU SEARCH FOR YOUR DREAM HOME.**

**IF INTEREST RATES INCREASE AFTER LOSING IN YOUR RATE, YOU ARE PROTECTED AND IF INTEREST RATES ACTUALLY IMPROVE DURING THE LOCK PERIOD, YOU MAY BE ELIGIBLE FOR AN EVEN BETTER RATE.**

# **THE FIRST STEP TO HOMEOWNERSHIP IS ALWAYS THE HOME LOAN, AND THEN FIND YOUR PLACE TO CALL HOME**

**ONE TYPICAL BLUNDER THAT SOME HOMEBUYERS COMMIT IS  
EMBARKING ON A HOME SEARCH WITHOUT OBTAINING PRIOR  
APPROVAL FOR A MORTGAGE.**

**WHEN YOU SECURE A MORTGAGE APPROVAL THROUGH THE MARTINI  
MORTGAGE GROUP, IT NOT ONLY OFFERS CLARITY REGARDING THE  
PRICE AND ASSOCIATED COSTS BUT ALSO BESTOWS A SENSE OF  
CONFIDENCE TO BOTH THE BUYER AND THE SELLER.**

**WITH A MORTGAGE APPROVAL, A BUYER PRESENTS AN OFFER AS  
GOOD AS CASH.**



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**"The Martini Mortgage Group is hands down the best group to work with when you are thinking of buying a home. Logan, Keith, and Kevin were so great to work with! As first time homebuyers, we knew very little about the process but their team was always quick to respond to all 100+ questions we had and help us through the transaction. We are so thankful we chose to work with the Martini Group and will continue to use them in the future as well! They are all very knowledgeable in this industry and always willing to hop on a phone call to talk through any questions we had. We are lucky to have worked with them and so thankful to have such an amazing team to help us buy our first home!"**



Google Business Review  
about Martini Mortgage Group



Google Business Review  
About Martini Mortgage Group



I highly recommend the Martini Mortgage Group! They are extremely knowledgeable and willing to answer every question I had about buying my first house! I called them several times throughout the process with questions and they were always very quick to answer and willing to help. Kevin, Logan, and Keith all treat you like family throughout the entire process. I recommend talking to them even if you are just starting to consider buying a house! They will walk you through everything!

# HOMEOWNERSHIP HELPS PROTECT YOU FROM INFLATION

**WONDERING IF IT MAKES SENSE TO BUY A HOME TODAY EVEN WHEN INFLATION IS HIGH? CONSIDER THIS: WHEN OTHER COSTS GO UP DUE TO INFLATION, BUYING A HOME HELPS KEEP YOUR MONTHLY HOUSING EXPENSES STEADY.**

**“Purchasing a home today not only kickstarts your journey towards building equity but also offers the comforting assurance when you have a fixed-rate mortgage. This stability means your monthly housing expenses remain consistent over the long term, offering welcome support as other aspects of life become increasingly expensive.”**

**KEVIN MARTINI  
CERTIFIED MORTGAGE ADVISOR**

# Let's Chat...

*I'm sure you have questions and thoughts about securing the proper mortgage with the lowest cost of borrowing and the real estate process.*

*We'd love to discuss what you've read in the Fall 2023 Edition of the Martini Buyer Guide (a.k.a. The Ultimate Homebuyer Guide) and help you buy your new home. Our number is (919) 238-4934, and we look forward to working with you.*



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