

# **A COMPREHENSIVE GUIDE TO BUYING A HOME IN SPRING OF 2024**

## **THE ULTIMATE HOMEBUYER GUIDE**



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# MARTINI

MORTGAGE GROUP

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**MartiniBuyerGuide.com**



# FLIPPING THE HOMEBUYING SCRIPT: LOAN FIRST, HOME NEXT

**“Put the cart before the horse” - this timeless proverb, often cited as a caution against doing things in the wrong order, paradoxically unveils a groundbreaking approach in the realm of homebuying. Pioneered by the Martini Mortgage Group, this innovative strategy flips traditional homebuying on its head: secure your home loan first, then embark on the home search. This approach isn't just a procedural shift; it's a game-changer.**

**Why is this methodology transformative? It brings unparalleled clarity to your financial landscape. By securing a loan in advance, you gain an exact understanding of your budget, distilled to the very last penny. This transparency is crucial, guiding you away from the all-too-common pitfall of setting your heart on homes that stretch beyond your financial horizon.**

**Moreover, this strategy is a masterstroke in time management. It filters out properties that exceed your budget, allowing you to channel your efforts and emotions toward exploring homes that are realistically within your financial grasp. This focused approach not only streamlines your search but also enhances your negotiating power. When you step into the market with a pre-approved loan by the Martini Mortgage Group, you're not just another prospective homebuyer to a seller; you're a serious contender, equipped with the confidence and clarity that comes from knowing precisely what you can afford and are communicating you are making a 'same-as-cash' offer.**

**In essence, the loan-first tactic, a brainchild of the Martini Mortgage Group, empowers you, the homebuyer. It's more than a mere change in sequence; it's a strategic, empowering shift in the homebuying journey, ensuring that you embark on this significant life venture with both your dreams and your budget perfectly aligned.**



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

**YOU MIGHT BE THINKING ABOUT HOW THE LATEST HOUSING MARKET NEWS WILL AFFECT YOUR PLANS TO BUY A HOME THIS SPRING. HERE ARE THE THREE MOST IMPORTANT QUESTIONS YOU SHOULD BE ASKING.**

## **1 What's the Deal with Mortgage Rates?**

Mortgage rates have experienced a slight dip from the heights they reached in autumn 2023.. Looking forward, most experts expect them to decline further over the course of the year, though with some volatility along the way. Kevin Martini, Certified Mortgage Advisor at Martini Mortgage Group, explains:

**“We've observed a slight rise in mortgage rates recently, but there's a silver lining. It's anticipated that, although we may experience some fluctuations, the trend will gently weave towards a decrease throughout the remaining months of the year.”**

It's important to note that even minor adjustments in mortgage rates can significantly influence your buying capabilities. A reduction in rates can lead to lower monthly mortgage payments, making it more feasible for you to secure the home of your dreams.



## 2 What's the Deal with Home Prices?

Even though home prices are rising across the country, some buyers are worried they might drop. You might be one of them.

But experts say prices won't fall, they'll keep rising. That's because there aren't many homes for sale and buyer demand is still high. Those two factors will likely keep upward pressure on home prices as the year continues. As Logan Martini, Senior Mortgage Strategist at the Martini Mortgage Group said:

**“As we look towards 2024 and beyond, it's clear that the desire for homes isn't just going to be strong; it's expected to be incredibly strong, which means that home prices will likely continue to rise. This trend is especially true for many markets, with the Triangle area of North Carolina anticipated to experience particularly significant increases in home prices. It's important for homebuyers and sellers to be aware of this dynamic as it will influence the housing market and everyone involved in it.”**

## 3 Are More Homes Coming onto Market?

In the past year, many homeowners didn't want to sell because mortgage rates were high. They preferred to keep their lower rates instead of selling and taking on a higher rate on their next home. But now, there are signs people are ready to move again.

Lower mortgage rates are encouraging more homeowners to sell their houses. This increase in homes for sale means you might have more choices when looking for a home. According to Kevin Martini, Certified Mortgage Advisor at the Martini Mortgage Group:

**“When mortgage rates fall below six percent, this change would mean a significant number of people could find themselves in a much better financial position, making the idea of moving on from those incredibly low rates they secured a few years back less daunting.”**



# WHAT EXACTLY IS A CONVENTIONAL LOAN?

Imagine navigating a vast sea of mortgage loans. Among the many, the conventional loan stands out. A government entity neither insures it nor is it a government loan. Consider it the all-rounder of the mortgage world, versatile and widely accepted.

Most conventional loans fall under the “conforming” category, meaning they adhere to the guidelines set by government-sponsored enterprises like Fannie Mae and Freddie Mac. These entities play a pivotal role in the U.S. housing market by purchasing mortgages from lenders and selling them to investors. This cycle ensures a continuous flow of funds, making homeownership accessible to many.

## Down Payment

Think of this as your initial investment. For first-time homebuyers, you can enter the market with as little as a 3% down payment. However, this percentage varies based on your profile and the property type. For instance, non-first-time buyers or those with higher incomes might require a 5% down payment, while a second home could command a 10% upfront payment.

## Credit Score

A credit score, typically above 620, is the golden ticket to a conventional loan. This three-digit number is a reflection of your financial behavior and reliability. Debt-to-Income Ratio (DTI): This percentage is the relationship between your monthly debt obligations and your gross monthly income. While approvals can stretch up to 50% DTI, a lower DTI amplifies your chances.

## Private Mortgage Insurance (PMI)

If your down payment is less than 20%, you'll encounter PMI. It's a safety net for lenders in case of loan defaults. PMI costs fluctuate based on your credit score, loan type, and down payment size. But fear not! PMI isn't eternal. Once you hit 20% equity in your home, a simple request can be removed from your payments.

## Loan Size

To qualify as a conforming conventional loan, your loan amount should be within limits set by Fannie Mae and Freddie Mac. For 2024, the benchmark for a single-family home is \$766,550, except in high-cost regions.



# UNLOCK BIGGER DREAMS WITH THE 2024 CONFORMING LOAN LIMIT INCREASE

The 2024 conforming loan limits for Raleigh, North Carolina, and every one of 100 counties in North Carolina, by the Federal Housing Finance Agency (FHFA) have been established. 2024 will bring a \$40,350 increase in conforming loan limits for a one-unit property for one looking to secure a Raleigh mortgage. The new 2024 conforming loan limits are as follows:

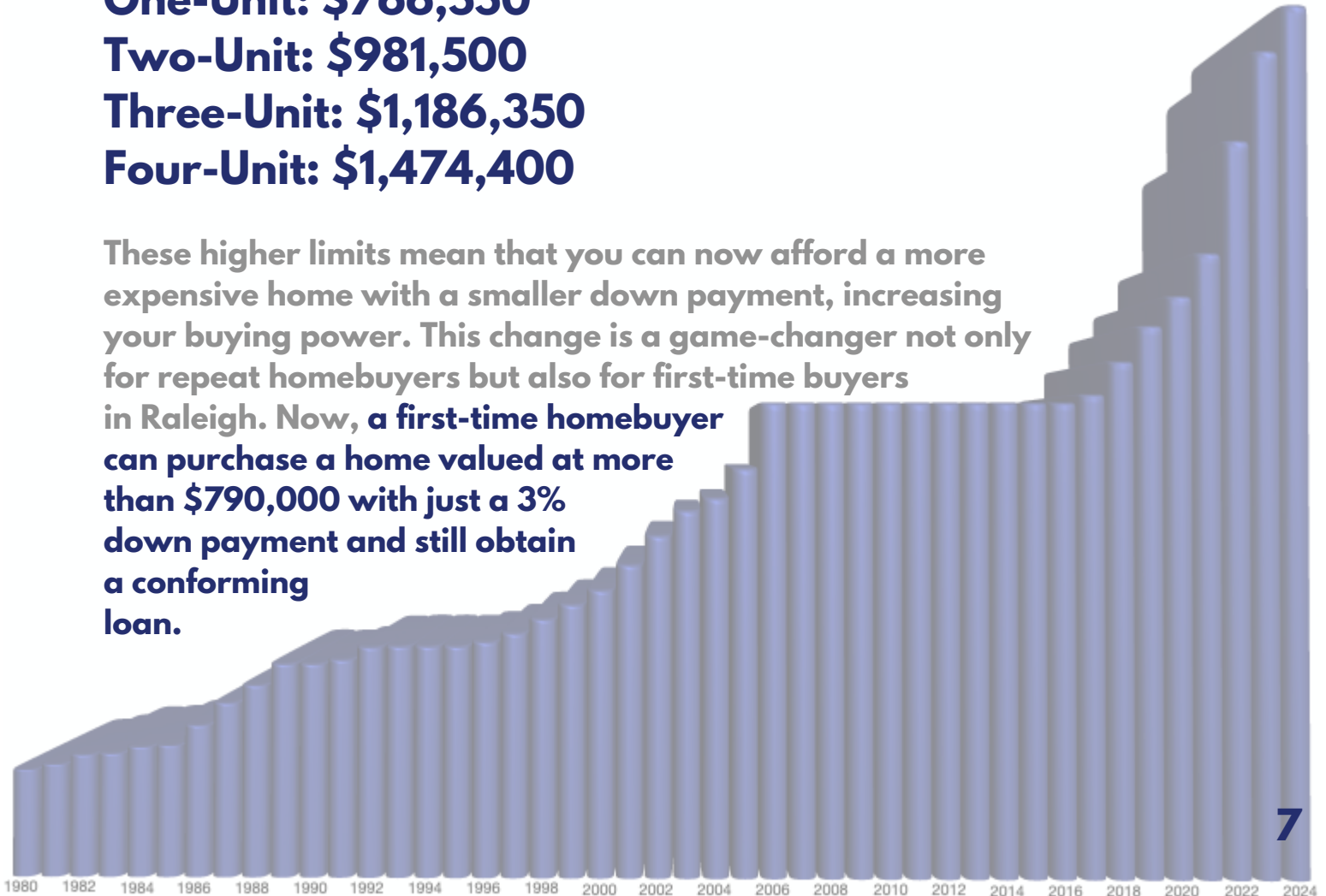
**One-Unit: \$766,550**

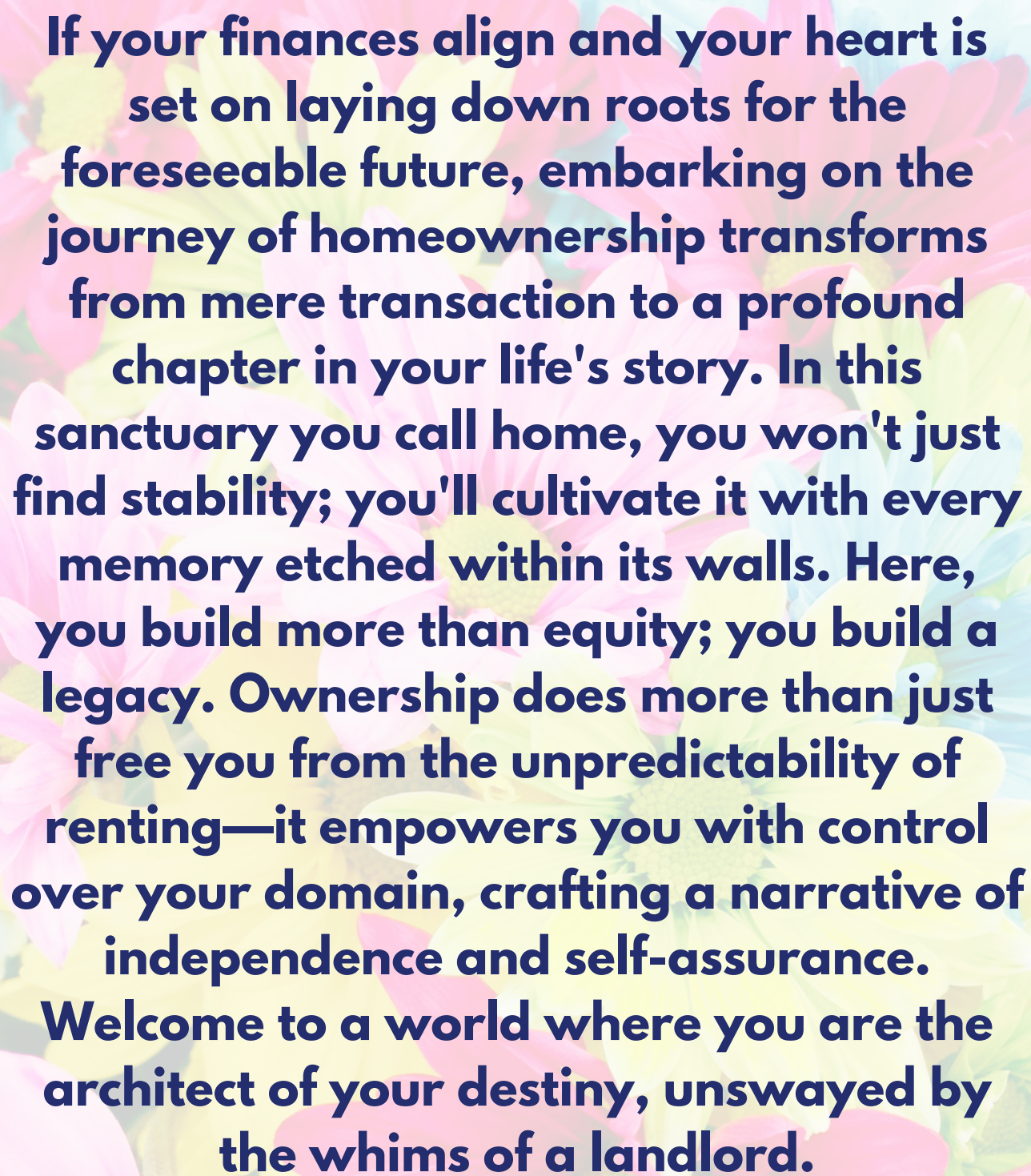
**Two-Unit: \$981,500**

**Three-Unit: \$1,186,350**

**Four-Unit: \$1,474,400**

These higher limits mean that you can now afford a more expensive home with a smaller down payment, increasing your buying power. This change is a game-changer not only for repeat homebuyers but also for first-time buyers in Raleigh. Now, a first-time homebuyer can purchase a home valued at more than \$790,000 with just a 3% down payment and still obtain a conforming loan.





**If your finances align and your heart is set on laying down roots for the foreseeable future, embarking on the journey of homeownership transforms from mere transaction to a profound chapter in your life's story. In this sanctuary you call home, you won't just find stability; you'll cultivate it with every memory etched within its walls. Here, you build more than equity; you build a legacy. Ownership does more than just free you from the unpredictability of renting—it empowers you with control over your domain, crafting a narrative of independence and self-assurance. Welcome to a world where you are the architect of your destiny, unswayed by the whims of a landlord.**



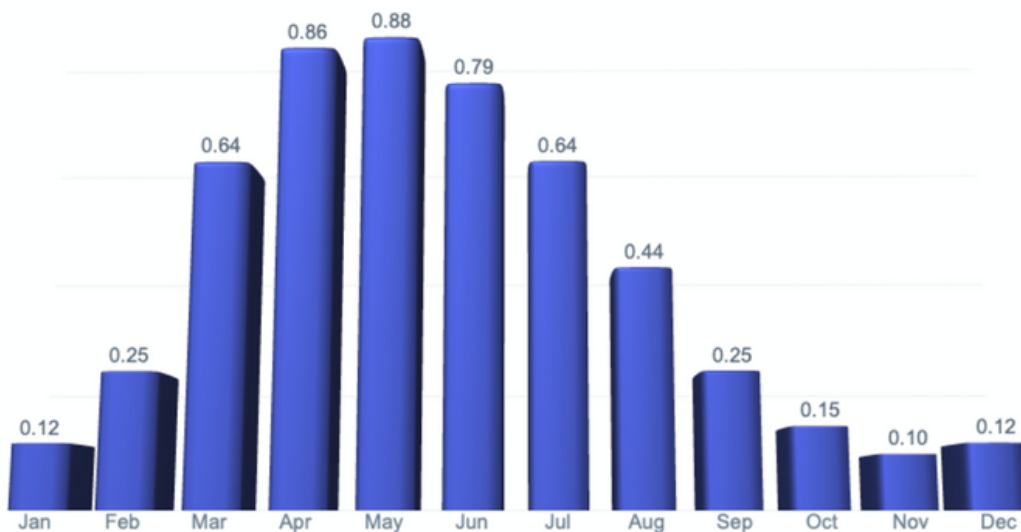
# THE RETURN OF SEASONAL APPRECIATION IN REAL ESTATE

IN THE EVER-EVOLVING REAL ESTATE LANDSCAPE, UNDERSTANDING MARKET TRENDS IS CRUCIAL FOR HOMEOWNERS AND POTENTIAL BUYERS. RECENT OBSERVATIONS SUGGEST A SHIFT IN THE PACE OF HOME APPRECIATION, INDICATING A TRANSITION INTO A NORMAL APPRECIATION MARKET.

## Unraveling the Mysteries of Home Appreciation

The Martini Mortgage Group performed an exploration that spans an extensive 49-year period, from 1973 to 2022, scrutinizing non-seasonally adjusted average monthly price movements. This comprehensive analysis sheds light on the enduring rhythms of the real estate market.

### 49-YEAR AVERAGE MONTHLY PRICE MOVEMENT NON-SEASONALLY-ADJUSTED 1973-2022



# Yearly Appreciation Patterns in Raleigh's Housing Market

## Initial Surge in the New Year:

Each year commences with a rise in Raleigh home prices, a response to renewed enthusiasm in the Raleigh housing market.

## Summit in the Prime Buying Period:

The spring and early summer months, being the prime buying season in Raleigh, witness the apex of home appreciation, fueled by heightened demand.

## Moderation After the Peak Season:

Following the bustling period, the market sees a gradual moderation in appreciation rates – indicative of a healthy market adjustment rather than a decline.

## End-of-Year Market Adjustment:

The year concludes with a slowdown in demand, leading to a further moderation in appreciation rates.

## The Positive Implications of This Real Estate Trend

Contrary to alarming headlines, a slowdown in home price appreciation signals a robust and balanced growth market, offering favorable conditions for buyers.



A wooden 'FOR SALE' sign is mounted on a post. The sign is white with a black border and features the words 'FOR SALE' in large, bold, black capital letters. Below the main text, there is a black rectangular box containing a quote in white text. The background shows a blurred view of a house with a brick chimney and a white picket fence.

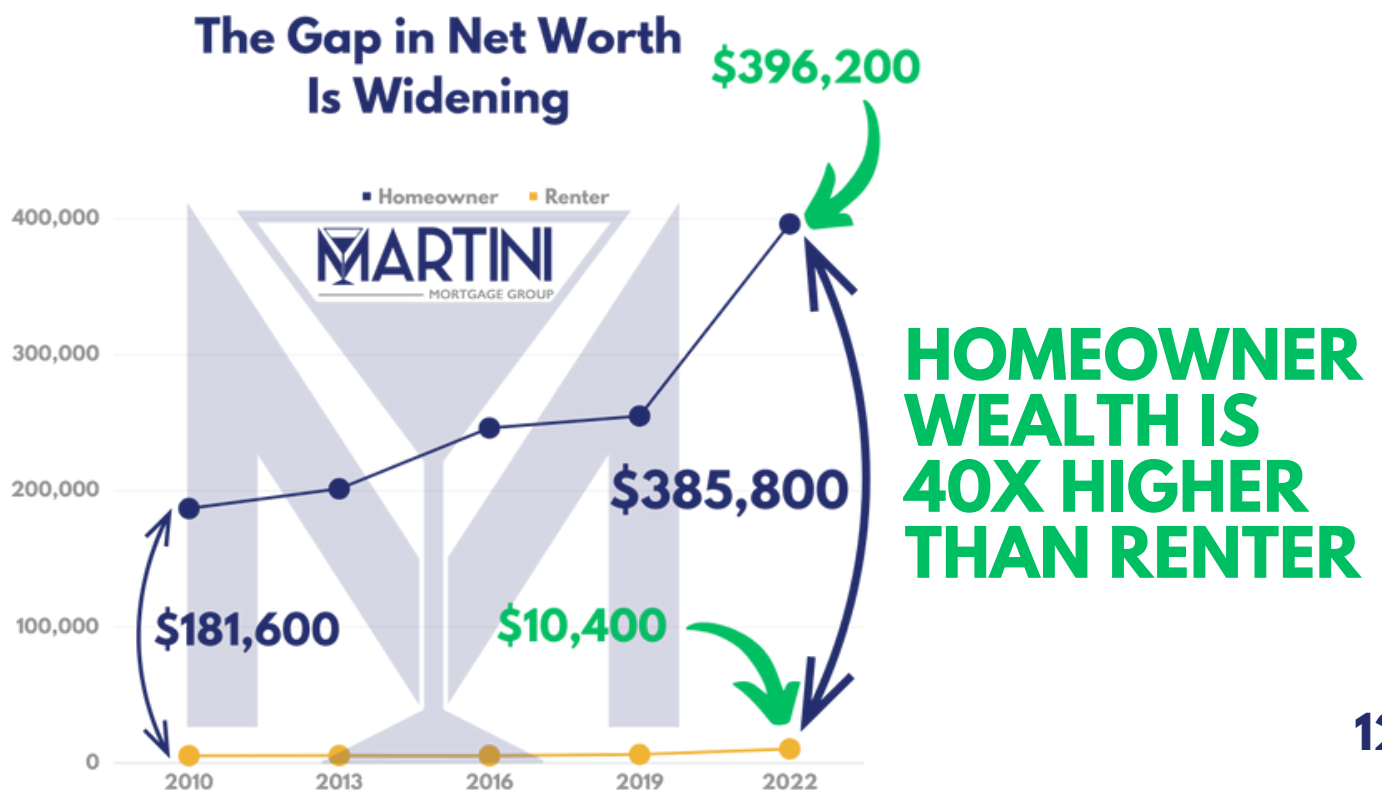
# FOR SALE

**“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  
& RALEIGH MORTGAGE BROKER**

# WHY BUYING A HOME NOW IS A SMART AND SECURE INVESTMENT CHOICE

In this moment of financial decision-making, it's crucial to understand why now is the ideal time to buy a home rather than rent. Firstly, purchasing a home secures you against the uncertainty of escalating rental costs, offering peace of mind and financial stability. Secondly, owning a home means investing in a tangible asset, something you can see, touch, improve, take pride in, and live in. Lastly, and perhaps most importantly, homeownership is a powerful tool for wealth accumulation. Over time, as you build equity in your property, you're not just investing in a house – you're investing in your future, creating a foundation of financial security that can benefit you and your family for years. This is a time of opportunity, a chance to make a decision that can positively shape your financial journey.







## Google Business Review About Martini Mortgage Group



"I recently had the pleasure of working with Logan Martini during the process of closing on my first home. I cannot express enough how grateful I am for his outstanding service and unwavering support throughout the entire experience.

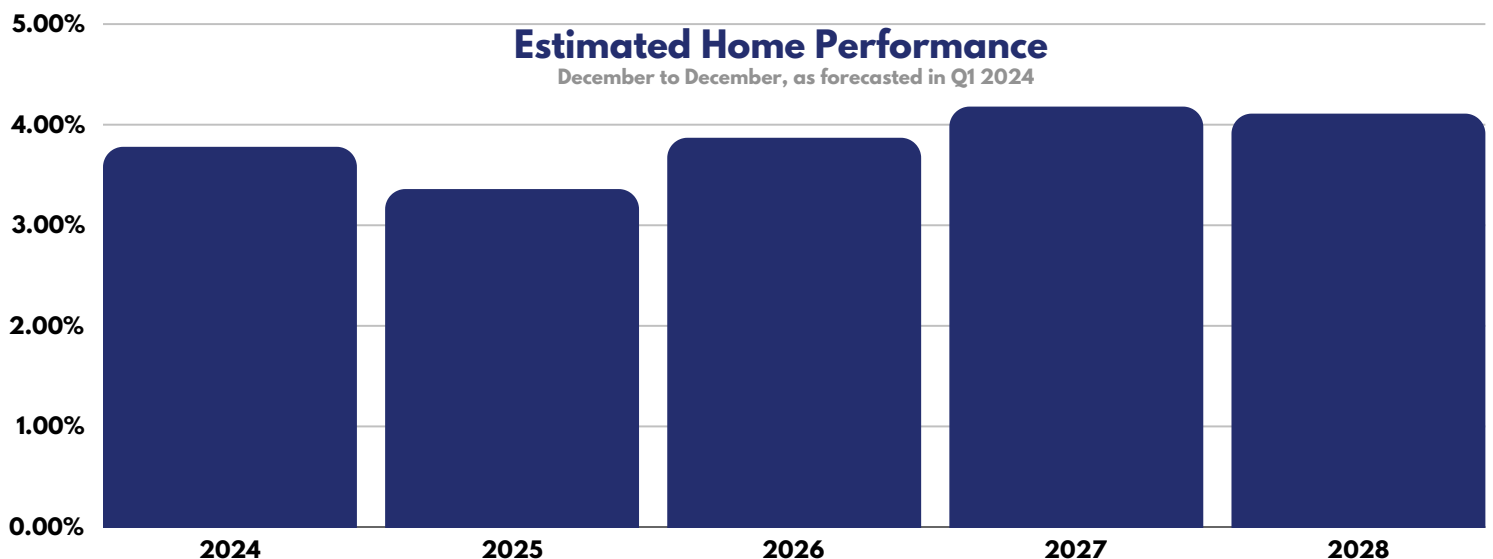
Logan's commitment to customer satisfaction was evident in his willingness to address any concerns or issues that arose. He was always proactive in finding solutions and ensuring that my needs were met. His genuine care for his clients is truly commendable.

I would highly recommend Logan Martini to anyone in need of a reliable and trustworthy mortgage lender. His professionalism, expertise, and exceptional service make him a standout in the industry. I am grateful for his help in making my dream of owning a home a reality, and I am confident that he can do the same for others."

# ASK YOURSELF THIS QUESTION IF YOU ARE CONSIDERING BUYING A HOME

## Where Do I Think Home Prices Are Heading?

A dependable source for predictions on housing prices is the Home Price Expectations Survey conducted by Fannie Mae. This survey gathers insights from more than a hundred economists, real estate specialists, and investment and market strategists. Based on the latest report, these professionals forecast that housing prices will keep increasing at least until 2028 (see chart below):



So, why is this significant for you? Although the rate of increase may not match the high levels of recent years, the key takeaway from this survey is the expectation of rising, not decreasing, prices for at least the next five years. This trend of gradual growth in home prices is beneficial not just for the market, but for you as well. By purchasing a home now, you're likely to see an increase in its value, enhancing your home equity in the forthcoming years. Conversely, delaying your purchase could mean facing higher costs in the future, according to these predictions.



# UNLOCK THE FUTURE OF YOUR FINANCES: HOW TO WIN NO MATTER WHERE MORTGAGE RATES HEAD NEXT!

No one can forecast with absolute certainty the future of mortgage rates, whether it be next year or even the coming month. This uncertainty stems from the multitude of factors that can influence their direction. To provide you with insight into the range of potential scenarios, here's what you need to take into account:

- **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 HOUSE

# DATE THE THE RATE



**“Marry the house, date 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 house) and the temporary nature of mortgage interest rates (dating the rate).**


**The fundamental principle behind “Marry the house, date 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 house, date 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.**





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. 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.



**Opting for a buydown isn't merely a financial decision; it's a forward-thinking move that empowers you to embrace tomorrow's financial certainty today, ensuring your peace of mind.**

# 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

**“A buydown allows a buyer to secure tomorrow’s rates today.”**

LOGAN MARTINI  
SENIOR MORTGAGE STRATEGIST

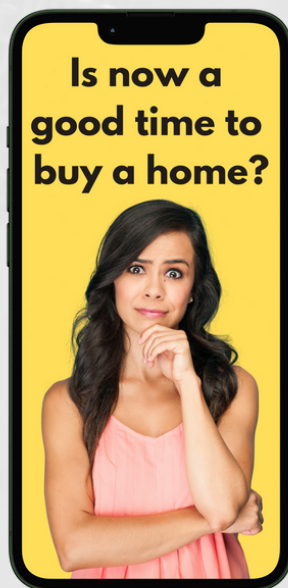
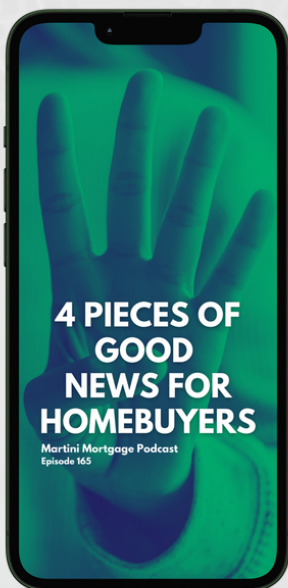




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 **Spotify**<sup>®</sup>



**MartiniMortgagePodcast.com**



# **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!**





FLOATING LOCK  
**MARTINI**  
MORTGAGE GROUP



**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 BECAUSE THEIR OFFER IS 'SAME-AS-CASH'.**



## LOGAN MARTINI

Senior Mortgage Strategist | NMLS 1591485  
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## Google Business Review About Martini Mortgage Group



I cannot begin to tell you how AWESOME this team and family was to me in my very stressful and rushed ordeal of buying my new home. I had a difficult situation in which time was not on my side. Logan and Keith were instrumental in that I was explained everything in layman's terms, that I could understand all my options and the best direction to ensure I was getting the optimal deal. This team puts the customer first every step and inch of the way. 100%. Communication was 5 out of 5. It could not have been better! I would and will recommend this family-owned team to ANY of my family or friends in the future and if you are smart, you will want this team on your side, too! No question about it. Top notch from beginning to end. From the bottom of my heart, I am very grateful many times over for their help and superior services. Most definitely a cut way above the rest.



# ARE MORE HOMEOWNERS SELLING?

**IF YOU'RE IN THE MARKET FOR A NEW HOME, THE GENERAL DECLINE IN MORTGAGE RATES IS BENEFICIAL AS IT ENHANCES AFFORDABILITY. ADDITIONALLY, THIS TREND OFFERS ANOTHER ADVANTAGE – IT COULD ENCOURAGE MORE HOMEOWNERS TO LIST THEIR PROPERTIES FOR SALE.**

## The Mortgage Rate Lock-In Effect

Over the past year, one factor that's limited the options for your move is how few homes were on the market. That's because many homeowners chose to delay their plans to sell once mortgage rates went up. Certified Mortgage Advisor Kevin Martini with the Martini Mortgage Group explains:

**“The scarcity of available homes has been significantly influenced by what's known as the ‘Mortgage Rate Lock-In Effect’. Essentially, as interest rates climbed, many existing homeowners found themselves less motivated to sell their homes and purchase new ones. This decrease in incentive has led to homeowners feeling 'locked' by their current rates, contributing to the limited housing supply.”**

These homeowners chose to remain in their current homes, valuing their existing lower mortgage rates over the prospect of relocating and facing higher rates on a new property.

## Early Signs Show Homeowners Are Ready To Move Again

Data indicates a notable increase in homeowners listing their properties for sale, referred to as new listings, in January 2024 compared to January 2023. This development is particularly significant because it marks the first time since 2019 that there's been a rise in new listings at this time of the year. This may suggest that the 'Mortgage Rate Lock-In Effect' is beginning to lessen somewhat, offering a glimmer of hope for the housing market's dynamics.

# 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 Winter 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.*



**Kevin Martini**

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**Logan Martini**

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Equal Housing Lender

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