

Open House: More homeowners likely to move into single family homes

by *Jim_Woodard*

One out of every five homeowners plan to move within the next five years, according to a recent survey. About 43 percent of them want to purchase a home closer to work - up 10 percent from a similar survey last year.

That points to an interesting trend. The high cost of gasoline and increasing problem of traffic congestion (thus extending commuting time and frustration) is motivating more families to move closer to their point of employment and family members. Commuting is becoming less attractive all the time.

For older consumers considering a move to a retirement home, 70 percent place a high priority on a location close to family and friends, it was noted in the new survey conducted by ERA Real Estate and Opinion Research Corporation. For those in the market for a second or vacation home, about 45 percent say they would share the property with other family members.

As for type of home most often wanted, the single family home is the winner. Of the one in five thinking about moving in the next five years, 65 percent indicated a preference for a single family home. That's consistent with a report by the Joint Center for Housing Studies of Harvard University indicating few baby boomers will be looking to downsize in the near future.

In fact, about one-quarter (24 percent) of survey respondents said the reason they would purchase a home would be to upsize their home, compared with 15 percent last year. Of those who currently own single family homes, only 11 percent would now consider purchasing a condo or townhome.

On the other hand, active adult communities are becoming more attractive. Only 2 percent considered such a residence last year. Today, that proportion has risen to 6 percent. It's interesting to note that men are three times more likely to consider a move to an active adult community as are women.

An interesting new question was asked in this year's survey: If you could choose anyone, who would be your ideal neighbor in your new home? Among the U.S. presidential candidates, most preferred neighbors were Sen. Hillary Clinton, Fred Thompson, John Edwards and Senator Barack Obama - in that order. Preferred celebrity neighbors listed were golfer Tiger Woods, Regis Philbin and Ellen DeGeneres.

About 55 percent of senior homeowners (50-plus) say their current residence is their dream home, but in many cases they would like to make improvements in their property. A designer kitchen, outdoor deck and entertainment area are the most desired luxury enhancements. Others want more extensive landscaping, an indoor sauna or hot tub, or a home theater.

"With more than 77 million baby boomers approaching retirement, it's critical that we provide usable real estate information about the real estate market that is going to help them successfully prepare for retirement," said Brenda Casserly, president of ERA Franchise Systems.

Q: What's being done to help consumers who can't handle rising mortgage payments?

A: Federal and state banking regulators are urging lenders and investors to restructure the loans of millions of mortgage borrowers who are at risk of losing their homes as their adjustable-rate loans reset to a higher rate resulting in rising monthly payments. Lenders are asked to "review their borrowers' situations to determine the full extent of their authority to identify those at risk of default and find a way to keep borrowers in their homes."

One of the worst decisions that can be made by homeowners who are experiencing mortgage problems is to pay a fee to companies claiming to immediately free them from the threat of bankruptcy. There are an increasing number of such companies and most are scams. They take the fee and do nothing.

Many mortgage loans are no longer on the books of the original bank or lender, thus complicating the process. They have been bundled with others and sold off as securities in the secondary market. However, the originator often remains the loan servicer, collecting payments on the loan for a fee.

The statement from the regulators doesn't compel lenders and investors who buy loans to restructure those loans, but it does put an added burden on them to try to do so.

The statement was issued by the Federal Reserve, the Federal Deposit Insurance Corp., the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration and the Conference of State Banking Supervisors.

Q: Are pending homes sales falling along with closed sales?

A: The number of pending home sales is at the lowest point in nearly six years, according to a report from the National Association of Realtors. The number of pending sales has fallen about 16 percent in the past year. A pending sale is a home purchase under contract but not yet closed.

A decrease in pending sales is seen in all four major regions of the country. They fell about 13 percent over the past year in the Midwest; 6.6 percent in the South; 21 percent in the West; and 12 percent in the Northeast.

This situation is tough on home sellers, but works to the advantage of today's home buyers. Buyers can now select from a large inventory of available homes in the current market. In many cases, prices have been reduced one or more times in recent weeks, and sellers are very willing to negotiate their price and terms.

Also, low-rate mortgages are readily available to home buyers with good credit. The only problem areas are with subprime and jumbo mortgages (those more than \$417,000). But even those are still possible to obtain.

It's an opportune time to actively seek a home.

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