

Issue 2 | A monthly newsletter about Hawaii real estate and home ownership.

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Hey folks! Recently, I've been getting a lot of mortgage type questions from my past clients, so this month's Rant and Tip of the Month will be dedicated to that topic. Enjoy!

The Rant

The Sky Is Not Falling

I am spoiled ... And so are you, if you purchased a home in the past few years or are in the market to buy one now. In 2006, mortgage rates crept up to the high 6% range and people got bummmmed out. Then, one week before Christmas 2008, mortgage rates dropped through the proverbial floor, turning that frown upside down. =)

Ever since then, rates have been sitting at a ridiculously low level, even dipping down to the low 3.00% range in 2013. Occasionally, rates will jump up a half percent and someone will start yelling, "The sky is falling, the sky is falling!" No, the sky is not falling.

My friend Gary took out a five-year ARM (adjustable rate mortgage) in 1984 with an interest rate of **11.25%**! 1980 - 1984 were the worst years EVER in the history of mortgage rates, but ironically, the median Oahu single family home price rose from \$143,000 in 1980 to \$159,000 in 1984. Who would've thunk that during the highest interest rate market in the past 35 years, home values would go up 11% instead of down? To put things in perspective, I purchased my house last year with the same type of loan with a rate of just 2.875%.



Moral of the story? Even if rates do go up, the sky will not fall.

Tip of the Month

Paying Down Your Mortgage Faster

So you want to be mortgage free sooner than later? Here's a tip! Making one extra payment per year will shave a handful of years off your loan term. Doing this will not only pay it off quicker, but will save you thousands of dollars in interest.



For example ...

\$400,000 mortgage, 4.5% interest, 30 year fixed

- Making 1 extra payment per year will shave off **4 years 6 months** and give you interest savings of **\$57,405!**
- Making 2 extra payments per year will shave off **7 years 9 months** and give you interest savings of **\$97,243!**

By the Numbers

Oahu Housing Stats

	Median Sales Price	% Difference*
Single Family	\$675,000	7.2% ↑
Condo	\$381,500	19.2% ↑

Honolulu Board of Realtors, January 2015

**Versus the same month last year.*

Mortgage Rates

Lender	Rate	Points	APR
Honolulu HomeLoans	3.625%	1.125	3.771%
Wells Fargo Home Mortgage	3.625%	1.25	3.785%
Central Pacific Home Loans	3.5%	1.875	3.722%

Rates as of February 18, 2015. Latest rates, based on 20 percent down, \$200,000 owner-occupant mortgages. The rates and terms may vary; check with lenders for details. Rate information is provided by the lenders (members of the Hawaii Association of Mortgage Brokers and the Mortgage Bankers Association of Hawaii) and compiled, as a public service, by the Honolulu Board of REALTORS®.

On the House

Reglaze Your Bathtub

Does your bathtub make you feel like you're getting dirtier from being in it? Do you grow muscles from scrubbing the mildew that never comes off? Can't afford to remodel your bathroom? Try reglazing your bathtub! It's a quick and cost effective way to give your unsightly bathtub a makeover. A tub reglazer should be able to complete the job in half a day and you'll be back to showering in about 24 hours. Here is a picture of the tub in my old condo being reglazed before I sold it.



Get High Tech

Locations LLC Real Estate Mobile App

Are you searching for properties in a certain area that span more than one neighborhood? Use the "draw" function on the Locations' mobile app to



capture all the listings in your search area. You can search any unique way you want!

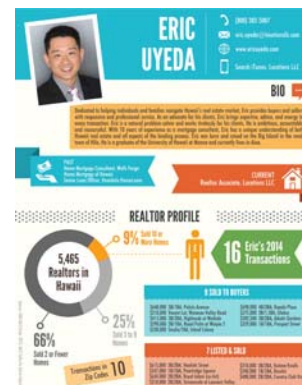


Download the Mobile App

2014 Honors

Earlier this month, I received the President's Circle Award and Client Service Award at the 45th annual Locations LLC awards banquet. Within a company of more than 200 agents, I was honored to have been one of 36 Realtors who received the President's Circle recognition.

For more information about my Realtor stats and my background in the real estate and mortgage industry, click the infographic on the right.



About the Author



Dedicated to helping individuals and families navigate Hawaii's real estate market, Eric provides buyers and sellers with responsive and professional client service. As an advocate for his clients, Eric brings expertise, advice, and energy to every transaction. Eric consistently receives the highest praise from his clients and has been recognized with the Locations LLC Client Service Award in 2012, 2013, & 2014.

Eric is a natural problem-solver and works tirelessly for his clients. He is ambitious, accountable, and resourceful. With 10 years of experience as a mortgage consultant, Eric has a unique understanding of both Hawaii real estate and all aspects of the lending process. Eric was born and raised on the Big Island in the small town of Hilo and is a graduate of the University of Hawaii at Manoa. He lives in Aiea and enjoys shoreline fishing, tennis, and do-it-yourself home projects. Talk to him about tile and you'll be impressed!

Burning question? I'd love to hear from you!

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