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SAN DIEGO

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Real Estate

Buying a Home Together...

The Southern California real estate market can be intimidating. We asked the pros to help you successfully navigate the home buying process.



The local real estate market has been red hot for years. Some couples may be buying their first home together, while others are downsizing from two homes to one. *San Diego Bride & Groom* spoke with two experts to take the pulse of the real estate market.

When to Buy

“First-time home buyers look at prices and say to themselves ‘we’ll wait, they’ll come down’ but if time has proven anything, it’s that homes in San Diego appreciate reliably,” says Brian Yui, the CEO of **HouseRebate.com**

That being said, “If you plan to move or sell in the next few years, I would consider holding off and renting. The closing costs incurred when you sell your home could offset any gains you might realize. Generally, staying in your home for four to five years is the break even point in a stable market. In a hot market like San Diego’s, one year has been the break even point of late.”

Saving for a Down Payment

For most couples, the biggest obstacle to home ownership is coming up with the cash for a down payment. One option is to skip the usual wedding presents in favor of a down payment registry. Yui counsels couples to begin by reviewing their financial situation to determine which expenses can be reduced or eliminated. “Open a separate savings or investment account that you won’t tap into until you’re ready to buy a home. Pinch pennies here and there; give up your daily latte, buy in bulk at discount stores, eat at home more often, clip coupons... every dollar adds up,” he says.

How to Finance

Today’s lenders offer a variety of programs that make it easier than ever to buy a home. Traditional fixed-rate mortgages aren’t the best choice for every buyer, and many newlyweds are considering alternative financing, such as interest-only ARMs.

“Interest-only ARMs allow the buyer to pay only interest instead of interest and principal. The upside is that your monthly mortgage payment is much lower, freeing up cash for other investments or allowing you to buy a more expensive house that you could afford with a 30-year fixed-rate mortgage. The downside is that you’re not paying off your mortgage loan balance but you normally have the option of making extra principal payments. The main risk you assume is an increase in your payments on a variable rate loan,” says Yui.

Working with a Broker

Today, as more and more home buyers use the Internet to search for property, the traditional relationship between agents and clients has changed. Companies offering lower commission rates and even rebates to their clients are becoming more common.

“Whether buying or selling, it’s tempting to go-it alone,” says Yui, “but there’s no substitute for an experienced agent. This is the most significant, and likely the largest, financial transaction you’ll ever make. Be sure you get good advice.” He points out that brokers such as HouseRebate.com will rebate 1/3 of their commissions, give clients access to the entire Multiple Listing Service (MLS) with addresses online, while still offering all the guidance you would expect from a traditional broker. Yui cautions, “If you decide to buy or sell without an agent, consult an attorney to protect your interests.”

Something Old

San Diego seems to be growing in every direction; however, the majority of home sales are not new construction. If you’re not in the market for a new home, Yui recommends looking for areas in which homes are being remodeled: it’s a sure sign that a neighborhood is on the way up. Have your real estate agent provide you with housing statistics to see what the pricing trends are in the neighborhood. Always check out the local schools and hire a professional inspector.

Something New

If you’re thinking of building a new home together, Claude Anthony Marengo of Marengo Morton Architects sums it up: “New homes are the reflection of one’s dreams.” He points out that there is no wasted space in new homes. An existing home may have rooms that have been converted and compromised and, Marengo says, the layout frequently doesn’t serve the new owners’ needs.

Home Trends

Marengo says that today’s most common trend in housing is ‘indoor-outdoor’ living. “San Diego’s climate makes it possible to blur the line between inside and outside. Fire pits, or conversation pits, are a strong trend. By strategically placing these pits, the indoor area has a focal point that enhances the living space, while creating the sense of a larger room and dual functionality of the space for outdoor living.”

Looking into the Future

“Couples should plan ahead for 10 years to allow for growth,” counsels Marengo. “Look at how much storage is in your new home and determine whether zoning will allow you to add more rooms.” He continues, “Know what kind of maintenance your new home will need. A home is like a new car and eventually needs work. If you’re not the type who’ll want to maintain the home on a regular basis, go for finishes like stucco that require less upkeep.”

Making the Commitment

For newlyweds, the prospect of home ownership is appealing: A place to call your own, tax benefits and a feeling of security are just some of the lures of home buying. However, be sure that you’re emotionally ready for the leap. “It’s a serious financial responsibility. Owning a home is a big commitment... like marriage,” Yui laughs. “If you’re not ready and want to rent for a while, travel or spend your money on other things, don’t worry: Your dream home will still be waiting when you come around.”