

# JANUARY 2010

## Real Estate Update



**JEFF GERBER**

**ABR®, GRI®, SRES®, REALTOR®**

### Hello Everyone,

Welcome to 2010! I am feeling unusually optimistic for this to be a great year for each of us. Here's hoping your year is filled with good health, family, friends and prosperity! Now, on with the show...

You might have noticed the new 'SRES' logo in the upper right corner of this page. I'm now one of the less than 2% of REALTORS who have been trained and tested to be designated a Seniors Real Estate Specialist. A reasonable portion of my business is done with/for those 50 and older. This extra training will help me serve those clients on a better level. I am including a new 2010 calendar with this newsletter. That calendar contains my new business card showing my affiliation with 'The Empowered Team'. I'm continuing in the business with my long-time Broker, Brenda Breit, as part of the Empowered Team. It's a fresh looking new logo and mailing address with many of the same dedicated Real Estate professionals teaming to provide our clients with the best service possible. Eric Carlyle, the other Cirrus Broker, will be scaling back his day-to-day client roster and concentrating more with investor clients and mentoring investors and Agents. I know it will be a successful division of talents that will benefit all involved. For you, as my client, all that changes is the name and logo!

2010 holds a store of changes within the industry. Much of the change will be on the Lender side of the business, but that will effect you and me. The new RESPA laws will bring a new Good Faith Estimate and HUD-1 to each transaction. You, as a consumer, will be provided more information with these new documents, but it will be confusing and slow the pace of a transaction. Lenders are saying that it will take a **minimum** of 45 (instead of the former 30 days) days to move a mortgage loan from start to finish. Fannie Mae has new reg's in place that will not allow investors to make purchase offers on their REO properties for the first 15 listing days. New FHA guidelines should make 'FHA Approved' a new catch phrase in condo development. It will make FHA loans easier for condo buyers. HUD has new rules in effect that will make it more difficult for folks who have been involved in a short sale to get a HUD loan. FHA is saying that they may revise their requirements such that 5% will be the minimum down payment, a higher FICO score will be needed to qualify, Seller contribution amounts will be reduced to 3% maximum and there will be increased insurance premiums. We'll have to wait to see how all of this plays out in this new year. Watch for interest rates to rise to the 6% range over the year. You should see banks working harder to get short sales closed. If you need new appliances, watch for a Cash for Clunkers II program in AZ starting in March. You could qualify for a \$75 to \$400 rebate on energy efficient appliance purchases.

The new Scottsdale luxury retirement community Arte' opens soon. The Classic Residence @ Silverstone and Sage-wood are on schedule to open in 2011. It will be interesting to see how the market will react to these communities. Arte' reportedly charge \$5000 up front and \$3-7,000 per month. The others will have a \$250K to \$400K buy-in with monthly fees around \$5000. A good portion of the 'buy-in' fee is reportedly going to be rebated to the family estate at the time of passing. These are bold business plans in this economy, at least in my opinion.

It's a great time to be a buyer. The \$8000 and \$6500 tax credits are in play. If you, or someone you know is in the market to buy or sell a home, please give me a call. Your referral of family and friends to me are appreciated!!

### Regards,

Contact me anytime:  
Call direct: 602-330-7272  
Email: [Jeff@jeffgerberrealtor.com](mailto:Jeff@jeffgerberrealtor.com)  
Fax: 877-824-7272  
[www.jeffgerberrealtor.com](http://www.jeffgerberrealtor.com)

**Cirrus Realty Group, Inc.**  
**4701 S Lakeshore Drive #1**  
**Tempe, AZ 85282**



Visit my website at: [www.jeffgerberrealtor.com](http://www.jeffgerberrealtor.com)

ALL AREAS & TYPES	TODAY 1/3/10	ST	LAST MTH 12/3/09	LAST QTR 10/3/09	LT	LAST YR 1/3/09	2 YRS AGO 1/3/08
Active Listings	39,012	↓	39,742	37,670	↓	52,651	52,885
Pending Listings	9,569	↓	10,864	12,288	↑	5,530	3,175
Sales per Month	7,261	↓	7,677	8,007	↑	5,283	3,367
Sales per Year	92,301	↑	90,321	84,760	↑	59,305	54,144
Days on Market - Monthly Sales	94	↑	91	93	↓	108	127
Days on Market - Active Listings	151	↑	150	154	↓	157	145
Days Inventory	155	↓	161	163	↓	325	357
Months Supply	5.4	↑	5.0	4.8	↓	10.5	15.5
Active Listings \$/SF	\$155.87	↓	\$160.40	\$164.34	↓	\$174.01	\$205.53
Monthly Sales \$/SF	\$90.12	↓	\$90.92	\$88.24	↓	\$95.84	\$155.53
Appreciation - Monthly \$/SF	-6.0%	↑	-12.9%	-21.1%	↑	-38.4%	-11.2%
Average Sale Price % List	96.24%	↓	96.81%	97.14%	↑	94.88%	94.44%
Listing Success Rate	58.3%	↓	65.2%	65.3%	↑	34.4%	23.8%
Dollar Volume - Monthly Sales	\$1,267M	↓	\$1,344M	\$1,383M	↑	\$987M	\$1,055M
Average Price - Monthly Sales	\$174,545	↓	\$175,082	\$172,743	↓	\$186,900	\$313,263
Median Price - Monthly Sales	\$125,900	↓	\$130,000	\$129,900	↓	\$141,000	\$232,900
Average Sq. Ft. - Monthly Sales	1,937	↑	1,926	1,958	↓	1,950	2,014
Cromford Market Index™	119.6	↓	122.3	123.4	↑	53.8	30.1

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SSA1

The table below provides a concise statistical summary of today's residential resale market in the Phoenix metropolitan area.

The figures shown are for the entire Arizona Regional area as defined by ARMLS. All residential resale transactions recorded by ARMLS are included. Geographically, this includes Maricopa county, the majority of Pinal county and a small part of Yavapai county. In addition, "out of area" listings recorded in ARMLS are included, although these constitute a very small percentage (typically less than 1%) of total sales and have very little effect on the statistics.

All dwelling types are included. For-sale-by-owner, auctions and other non-MLS transactions are not included. Land, commercial units, and multiple dwelling units are also excluded.

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Jeff Gerber, ABR, GRI,  
SRES



Tel: (602) 330-7272



Exceeding Your Expectations of Real Estate Service!

Tel: (602) 330-7272, jeff@jeffgerberrealtor.com, www.jeffgerberrealtor.com

**H**appy New Year! With each New Year comes a new beginning! Are you planning to sell or acquire property this year? If so, please call me for expert assistance with your real estate needs!



**D**o you know the difference between a Home Warranty Plan and Homeowners Insurance? **Home Warranties** are *service contracts* that cover the failure of home systems and appliances due to normal wear and usage during the term of the Plan. **Homeowners insurance** *indemnifies* the homeowner against damage or liability which might arise from some unknown or contingent event. Both offer valuable budget protection for the homeowner, and they can work in conjunction with one another. For example, if a water heater leaks and floods the home, the home warranty will replace the water heater, while homeowners insurance may cover the resulting secondary water damage to the structure and/or its contents. For complete budget protection, I recommend that all my clients include an Old Republic Home Protection Plan in their home transaction. Call me today for more information about how a home warranty can benefit you.

**R**eferrals: They are the highest compliment a sales professional can receive from a client. Please pass my name on to friends, family, and acquaintances and I will provide them with excellent real estate service.

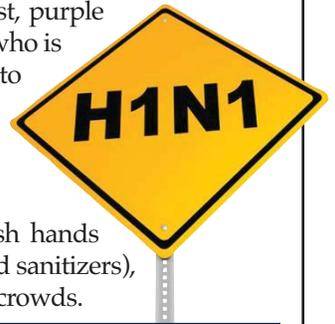


If you are working with another Real Estate Professional, please disregard this notice.

## Health & Safety

### Flu Facts: Seasonal Flu and H1N1 Flu (Swine Flu)

**A**lthough the seasonal flu and H1N1 flu (Swine flu) are two different strains of influenza, they have many similarities. They are transmitted the same way, primarily through coughing, sneezing, and close contact with infected people or surfaces, and both are highly contagious. The initial symptoms are very similar, and include fever, body aches, headache, sore throat, cough, runny / stuffy nose, chills, fatigue, and possibly diarrhea and/or vomiting. If you get these symptoms, stay home and treat yourself with rest, fluids, and over-the-counter medications. Avoid contact with others until at least 24 hours after your fever is gone without the use of fever-reducing medicine. However, with H1N1, it is possible to have the onset of severe respiratory symptoms that can progress to pneumonia or other life-threatening complications. Be alert for signs that you need immediate medical attention (difficulty breathing, pain or tightness in the chest, purple or blue discoloration of the lips). Another big difference is who is impacted: seniors and very young children are most likely to catch the seasonal flu, while children and young adults are most likely to catch the H1N1 virus. People 64 or older appear to have a lower risk of catching H1N1 flu.



For the best protection, get vaccinated for both flus, wash hands often with soap and warm water (or use alcohol based hand sanitizers), avoid touching your eyes, nose or mouth, and avoid large crowds.

## Household Tips

### Get Ready for Chinese New Year!

**I**n the Gregorian calendar, Chinese New Year falls on different dates each year, a date between January 21 and February 20, and celebrations focus on ensuring good fortune and prosperity in the New Year. Here are some things you can do to welcome greater prosperity in the New Year:

- Pay all current bills before the Chinese New Year arrives, and pay down an existing debt. This symbolizes your intention to prosper and become debt-free in the New Year.
- Enter the New Year with a fat wallet, even if it is full of one-dollar bills and pennies – having many pieces of money is more important than how much it adds up to.
- Wear a new red garment or a red accessory on New Year's Day to symbolize prosperity.



Chinese New Year is also a time to celebrate family. It's the perfect time to call your friends and loved ones and tell them how important they are to you. Gung hay fat choy!

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Jeff Gerber, ABR, GRI, SRES

Cirrus Realty Group

4701 S. Lakeshore Drive - Suite # 1

Tempe, AZ 85282

Tel: (602) 330-7272

www.jeffgerberrealtor.com



## Savor the Flavor

### Dried Cranberry and Raisin Muffins

- 1 c all purpose flour
- 3/4 c whole wheat flour
- 1 c old-fashioned oats
- 1/2 c packed brown sugar
- 1/2 c dry Grape Nuts cereal
- 1/2 c dried cranberries
- 1/4 c dark raisins
- 1/4 c golden raisins
- 4 tsp baking powder
- 2 tsp ground cinnamon
- 1/2 tsp salt
- 1 c low-fat milk
- 3 Tbsp butter, melted
- 3 egg whites or 2 eggs, beaten

Dried cranberries combined with light and dark raisins add a sweet-sour bite and bright color to these muffins.

Heat oven to 400°F. Combine all purpose flour, whole wheat flour, oats, brown sugar, Grape Nuts cereal, cranberries, dark and golden raisins, baking powder, cinnamon and salt in large bowl. Whisk milk, butter and egg whites in small bowl until blended. Add to dry ingredients; stir about 20 strokes or just until dry ingredients are moistened. Spoon batter into lightly greased muffin cups. Bake 17 to 20 minutes or until muffins are lightly browned and toothpick inserted in center comes out clean. Cool in pan on wire rack for 10 minutes; remove from pan. Cool completely or serve warm.

## Helpful Hints

### "GREEN" Your New Year's Resolutions

**T**is the season to make New Year's resolutions! By committing to these "green" resolutions, we can also help Mother Earth have a happy New Year.

**Practice the "3 R's" – Recycle, Reduce, Reuse –** **Recycle** plastics, glass and cans to cut down on the quantity of waste going into the landfills. You can further **reduce** waste by buying in bulk, or buying items with little or no packaging. **Reuse** items over and over before discarding, or totally repurpose items you no longer need by finding an entirely new use for them.

**Use alternative transportation** – Resolve to spare the air at least one day a week by carpooling, using public transportation or bicycling. It's a relaxing change; plus, biking helps you fulfill *another* popular resolution: Exercise more.

**Conserve energy** – Get started on those energy-efficient home improvements you've been planning, such as caulking windows and doors or increasing attic insulation. Turn off the lights when you leave a room, and replace worn-out appliances with efficient Energy Star models.



## Brain Teasers

### New Year's Trivia



1. When was the first New Year celebration held in Times Square?
  - A. 1900
  - B. 1901
  - C. 1904
  - D. 1927
2. The tradition of making noise at the stroke of Midnight on New Years Day was started to:
  - A. Ward off evil spirits
  - B. Allow people to act silly one night a year
  - C. Be sure good luck can find you
  - D. Welcome the New Year with a BANG
3. What does Auld Lang Syne mean?
  - A. Sing to the New Year
  - B. Remember old friends
  - C. Forget times past
  - D. The good old days
4. Why do we kiss at the stroke of Midnight on New Years Day?
  - A. To share the moment of celebration with love ones
  - B. To assure the tie of affection will be ours throughout the year
  - C. All the above
  - D. None of the above

ANSWERS: 1-c; 2-a; 3-d; 4-c