

# APRIL 2010

## Real Estate Update



### JEFF GERBER

ABR®, GRI®, SRES®, REALTOR®

Hello Everyone,

It's Easter weekend as I'm writing this and I hope the Holiday was one that was filled with family, friends and good times for you. We'll be enjoying a sunny Easter Sunday with highs in the mid-80's. If you are not in The Valley this Easter, sorry you are missing the great weather.

The 'talk' of the Real Estate industry right now seems to center on tax credits, mortgage rates, Short Sales and Loan Modifications. The current up to \$8000 first time Buyer and \$6500 repeat Buyer tax credits are about to end. To participate, you must have a home under contract by April 30 and close by June 30. There is no talk at the national level of extending this program especially in light of the very small number of participants during the 'extension' period. Mortgage rates have seen a small increase (generally rates are around 5.25% for 30-yr fixed) in the last couple of weeks. The real test is to come. The government program of buying mortgage backed securities ended with the month of March. Now it's up to regular investors to carry the load. Let's hope they respond. Other mortgage news is an increase in the FHA up front mortgage premium from 1.5% to 2.25%. This increase is designed to help the FHA balance their books. For an FHA Buyer, this means that you will have an additional .75% of the gross mortgage amount added at the beginning of your loan balance to cover the upfront insurance. The government has instituted a new program called HAFA (Home Affordable Foreclosure Alternative). This program is designed to move Short Sales along in a much faster timeline. The program offers financial incentives to all parties, except Buyers, involved in the Short Sale. There is also emerging news of a new program being unveiled that will deal with loan modifications. Initial reports indicate that this program will actually allow for the loan balance to be adjusted downward so that the borrower has their mortgage balance reset to approximately 120% of the current market value of the property. I think this idea has real merit.

How about some good real estate news? ASU's Repeat Sales Index released in late March says that Valley home prices are on the verge of stabilizing. They predict the turnaround will be in late spring. The report cited the medial Valley resale price at \$127,000 for February 2010. The Queen Creek area is about to have a new 900 acre master planned community unveiled in the next couple of weeks. New home builders say they expect 2011 to be a good year and are rolling out new communities and re-opening previous communities, especially throughout the SE Valley.

I'm keeping my fingers crossed for Kelly & Jeremy that we will get acceptance of their Short Sale offer on a Baseline Corridor home before the end of the month. I think we are getting close to helping Kendra find her new home. I'm anxious to re-introduce Kathy & Deon from Minneapolis to the idea of a sunny and warm winter escape. I really appreciate the opportunities each of you present to me and greatly appreciate when you refer a friend, family member or co-worker to me. I'm always happy to provide them with great personalized service. Till next month...

Regards,

Jeff Gerber

Contact me anytime:

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**The Empowered Team, LLC**

**Real Estate For Today**



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ALL AREAS & TYPES <a href="#">Print</a>	TODAY	ST	LAST MTH	LAST QTR	LT	LAST YR	2 YRS AGO
	4/2/10		3/2/10	1/2/10		4/2/09	4/2/08
Active Listings	41,851		42,043	38,937		48,343	56,676
Pending Listings	13,202		12,211	9,527		11,416	5,742
Sales per Month	8,777		6,691	7,302		7,784	4,392
Sales per Year	95,475		94,482	92,087		66,449	49,734
Days on Market - Monthly Sales	101		99	91		127	132
Days on Market - Active Listings	144		147	151		164	146
Days Inventory	160		163	155		266	417
Months Supply	5.4		6.0	5.5		7.0	13.9
Active Listings \$/SF	\$149.35		\$151.23	\$156.00		\$175.66	\$203.03
Monthly Sales \$/SF	\$91.93		\$90.54	\$90.93		\$83.37	\$147.88
Appreciation - Monthly \$/SF	10.3%		1.5%	-5.9%		-43.6%	-18.7%
Average Sale Price % List	95.87%		95.61%	96.20%		94.40%	94.76%
Listing Success Rate	63.3%		63.2%	58.6%		51.5%	35.6%
Dollar Volume - Monthly Sales	\$1,561M		\$1,162M	\$1,283M		\$1,237M	\$1,295M
Average Price - Monthly Sales	\$177,837		\$173,668	\$175,686		\$158,934	\$294,772
Median Price - Monthly Sales	\$129,600		\$125,000	\$126,200		\$119,900	\$214,000
Average Sq. Ft. - Monthly Sales	1,935		1,918	1,932		1,906	1,993
Cromford Market Index™	105.6		110.6	119.4		74.5	33.8

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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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# Between FRIENDS

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**S**pring has sprung! If you are planning on selling or buying a home, please contact me. I promise to "spring" into action to make this your most successful real estate transaction ever!

**A**re you in the market to purchase your first home? The time is right to make the move – home prices are beginning to stabilize and interest rates are attractive. And the pride that comes with home ownership...well, that's priceless!

Get peace of mind with your home purchase by including an Old Republic Home Protection Home Warranty Plan. A home warranty will help protect your budget from unexpected repair or replacement costs resulting from breakdowns of your home's heating, plumbing and electrical systems, and most built-in appliances. Optional coverage choices are available to custom-fit the warranty to the unique needs of your new home.

Call me today to learn how you can get your slice of the "American Dream" and added peace of mind with an Old Republic Home Protection Plan, or visit [WWW.ORPH.COM](http://WWW.ORPH.COM) for more information.

**D**o you have colleagues or friends who need assistance with a real estate transaction? Please refer them to me, and I'll put all of my skills and experience to work on their behalf.



## ~~~~~ Health & Safety ~~~~ Houseplants: Beautiful and Beneficial!

**H**ouseplants are more than just an attractive decorative feature in our homes; they also help keep household air clean and pure. It has long been known that plants improve air quality by absorbing carbon dioxide and releasing oxygen through a process called photosynthesis. Now researchers have found many common houseplants also help to purify the air by removing harmful pollutants and toxins such as benzene, formaldehyde and trichloroethylene.



Listed below are some plants that have been found to be most effective in counteracting pollutants that are released into the home environment by man-made building materials and furnishings such as synthetic carpeting, fabrics, and laminated countertops..

- Areca palm
- Reed palm
- Boston fern
- Janet Craig dracaena\*
- English ivy\*
- Peace lily\*
- Rubber plant
- Snake plant\*
- Weeping fig\*

It is recommended that you use 15 to 18 good-sized houseplants to improve air quality in an average 1,800 square foot house. The more vigorously they grow, the better job they'll do for you.

\*These plants are on the ASPCA's list of plants that have been reported as having systemic effects on animals and/or intense effects on the gastrointestinal tract. Exercise caution with placement if you have house pets.

## ~~~~~ Helpful Hints ~~~~

### Healthier, Eco-friendly Paint

**G**ot a painting job on your home improvement list? Then consider a healthier alternative to conventional paint, which contains many volatile organic compounds, or VOCs, that "outgas" and escape into the air for years after application. Indoors, these VOCs can trigger asthma attacks and respiratory problems, and can also cause headaches, nausea, eye irritation, and general discomfort. Outdoors, they contribute to smog and air pollution.



The paint industry has responded to public demand for less polluting paints by creating all natural, low-VOC and no-VOC paint, which is offered in thousands of colors and in standard eggshell, glossy, and semigloss finishes. You can also find low- or no-VOC water-based stains, finishes, and paint strippers.

When you're through painting, be sure to store or dispose of any leftover paint in a responsible manner. To minimize leftovers, purchase just what you need, and recycle leftover paint by donating it to a school, church or community group.



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## ❀❀❀❀ Savor the Flavor ❀❀❀❀

### Scalloped Sweet Potatoes and Apples

#### Ingredients:

- 6 sweet potatoes
- 1½ C. apples, peeled, cored and sliced
- ½ C. brown sugar
- ½ tsp. salt
- 1 tsp. ground mace
- ¼ C. butter

#### Directions:

Place sweet potatoes in a large pot with enough water to cover, and bring to a boil. Boil until tender, then cool, peel, and cut into 1/4 inch slices. Preheat oven to 350 degrees F. Grease a 9x13 baking dish. Arrange half the sweet potatoes in the baking dish. Layer half of the apples over the sweet potatoes. In a small bowl, mix together brown sugar, salt, and mace, then sprinkle half of the mixture over the apple layer. Dot with half the butter. Repeat layers of sweet potato and apple, and top with remaining brown sugar mixture and butter. Bake for 50 minutes, until apples are tender and top is golden brown. Yield: 8 Servings.

## ❀❀❀❀ Household Tips ❀❀❀❀

### Cast Iron Cookware: Back to the Basics

If you want to do top-notch cooking without the health worries generated by non-stick cookware, go back to the basics and get reacquainted with cast iron cookware.

When cast iron is properly "seasoned," which is essentially baking a coat of cooking oil or grease into the surface of the pan, you get "non stick" without PFOA, the nasty chemical that makes Teflon easy to clean but also health-threatening.

Cast iron is inexpensive when compared to other high-quality cookware, and lasts forever. Pots and skillets are routinely handed down from one generation to the next. It is an even distributor of heat, and can go from the stove top to oven without a thought. Cast iron holds the heat really well when cooking, and food stays hot when served in a cast iron pot.

The downside is that cast iron is heavy. Lifting a full cast iron pot takes two hands and a little muscle. Also, it must be hand washed with no soap or a very mild soap to avoid damaging the seasoning, and dried with a towel to prevent rust.



## ❀ Real Estate Today ❀

### Credit Score Basics



Everyone has become more concerned about their credit scores, especially when a better score means lower credit interest rates and payments. A consumer credit score consists of five key components and the respective weight assigned to each component:

**Payment History (35%)** – Types of accounts (credit card, mortgage, etc.), accounts paid as agreed, number of past due accounts, etc.

**Amounts Owed (30%)** – Balances of current loans, debt-to-credit ratio, proportion of installments still owed, etc.

**Length of Credit History (15%)** – Time since accounts opened, last activity, etc.

**New Credit (10%)** – Recent inquiries, new accounts, etc.

**Types of Credit Used (10%)** – Mortgages, credit, retail, etc.

Contrary to popular belief, credit scores don't penalize you for having too much available credit; therefore, it's not a good idea to close credit accounts that show a long length of credit history in an attempt to "clean up" your credit report. It's better to preserve your credit score with years of established credit history and old accounts in good standing. In fact, having fewer and newer open accounts can actually result in a lower credit score! Also, major bank credit cards have more impact on your credit than, say, a department store card.

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