

JUNE 2010

Real Estate Update



JEFF GERBER
ABR®, GRI®, SRES®, REALTOR®

Hello Everyone,

Here's hoping you had a great Memorial Day weekend and are ready for a fun-filled summer season. The weather's been near perfect in Phoenix this spring. We only had two 100-degree days in May. It looks like that will change in the next few days as we begin to heat up in the desert. As a reminder, my wife and I will be heading back to the Upper Peninsula of Michigan to celebrate the 4th of July. We'll be gone June 29 through July 7. I will be available to you via cellphone and email. Brenda Breit (480-970-0079) will be available to help you locally, if needed.

There really has been more going on in the Phoenix area in the last month than the Suns and SB 1070. Arizona has seen more than 19,500 new jobs created. Mortgage interest rates continue to stay low, generally right around 5%. A new ASU research report says that Phoenix home prices actually increased in April versus last April. The year to year growth was only about 1%, but it's a positive sign for the first time in 3 years. The report goes on to suggest that similar positive news should continue through the rest of the year and into 2011. Translated, that means that home prices seem to have stabilized and we may start to see some increase in the average prices in 2011. Short sales continue to frustrate both Buyers and Sellers. Banks say they are addressing more short sales each month. Hopefully we will see more short sales actually turning into home sales in the near future.

Congrats to new home owner Kendra who closed on her condo at the end of May. We're working really hard with Dave & Jan (relocating from Seattle) to find a great AZ home for them. Let's hope that we will soon be able to find them a home and get a deal put together. I continue to help a number of local and out of the area folks examine the market trying to find something that matches their desires and budget. We just reduced the price on the great home I have listed in Chandler's Andersen Springs. If you know anyone looking for a really nice 3/2/2 at 1800 sq ft with great schools, call me. I have a nice opportunity for someone on an upgraded manufactured home in the Active Adult community of Sun Lakes. I'm just in the process of listing a great fix-up project single-family home on a small lot in Dobson Ranch. I will soon be listing a lovely, updated super cared for home in Gilbert. It's a great first time or downsize (about 1550 sq ft, 3/2/2) home in a desirable Gilbert neighborhood. Thanks for your referrals!

Regards,

Jeff Gerber

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ALL AREAS & TYPES Print	TODAY 4/2/10	ST	LAST MTH 3/2/10	LAST QTR 1/2/10	LT	LAST YR 4/2/09	2 YRS AGO 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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Real Estate For Today



The Empowered Team LLC



Real Estate for Today

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When you understand the process of buying or selling a home, you will be able to make the best decisions. My goal is to provide you with that information. Call me today and I will assist you every step of the way.

As a REALTOR, I know the stress that a home system or appliance breakdown can create for a home seller during the listing period or for the buyer after close of sale. Fortunately, you can prevent that stress with a Home Warranty Plan that provides coverage for both the seller and the buyer!

A Home Warranty Plan is a service contract that protects your home's major systems and appliances for a specified term of coverage. Should a failure occur during the term of the Plan, a qualified contractor is dispatched to repair or replace the covered item for a nominal service call fee. Help is only a phone call away, 24 hours a day, 365 days a year!

For complete peace of mind, I recommend an Old Republic Home Protection Plan for all of my clients. Call me today for more information on how a home warranty can benefit you.

Accessibility and good follow-through: these qualities are instrumental in providing clients with the best in customer care. If you know someone who is selling or buying a home, please refer him or her to me for the best real estate transaction ever.



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

Health & Safety

Summer Water Safety

The summer season is upon us, and with it comes a new safety concern: water safety. Here are a few tips from the American Red Cross to help you safely enjoy the water this summer:

- Swim in a supervised, marked area with a lifeguard present.
- Never swim alone. Even at a public pool or a lifeguarded beach, use the buddy system!
- Never leave a child unattended in the water. Stay within an arm's length of young children and weak swimmers while they are in or around the water.
- Take frequent rest breaks where everyone gets out of the water, drinks water, and reapplies sunscreen.
- If a child is missing, check the pool first. Scan the entire surface, bottom, and surrounding area.
- Post CPR instructions and directions to call 9-1-1 or your local emergency number in the pool area.
- Keep toys away from the pool while not in use.
- Always enter the water feet first.
- If you go boating, wear a life jacket! Most boating fatalities are from drowning.



Helpful Hints

Helpful Garbage Disposal Tips

Kee your garbage disposal clean and running smoothly with these simple maintenance tips:

1. Never allow grease and greasy or fatty foods to go down the disposal or drain. Grease will build up on the interior walls of the pipes, resulting in slow drains and clogs.
2. Feed food scraps into the disposal a few at a time with lots of running water to flush them through the system.
3. Fill the disposal with ice and run a dry cycle once a month to sharpen the blades and chip away stubborn deposits.
4. Don't put anything inside the garbage disposal and let it sit. Acid from the food will cause corrosion inside the unit and damage the flywheel and blades.



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Savor the Flavor

Mango-Apricot-Strawberry Smoothie

Ingredients:

2 medium mangos, peeled, pitted and coarsely chopped

4 ripe apricots, pitted and coarsely chopped

1/2 C. ripe strawberries, hulled and coarsely chopped

1 C. plain low-fat yogurt

1 C. low-fat milk

2 Tbs. fresh orange juice

1/2 tsp. vanilla

4 whole strawberries, hulled (for garnish, optional)

Directions:

Combine mango, apricots, strawberries, yogurt, milk, orange juice and vanilla in the jar of a blender. Process until mixture is smooth. Divide mixture between 4 large margarita glasses. If desired, garnish each glass with a whole strawberry.

Household Tips

Old Appliances: Reuse or Replace?

Are old appliances green because we are reusing, or not green because they aren't as energy efficient as new models? The answer to this and other quintessential eco questions like "paper or plastic?" and "reusable or disposable diapers?" is "it depends." The rule of thumb for appliances is: the older the appliance, the more sense it makes to replace it.



The appliance that may make the most sense to replace is the biggest energy user in your home: your refrigerator. Today's dishwashers and washing machines are also more efficient with both energy and water consumption, using 35 to 50 percent less water and 50 percent less energy per load. Cooking appliances are not Energy Star rated; however, if your stove or oven uses an old-fashioned non-electric pilot light instead of an electric ignition model, it probably should be replaced.

In the end, there is no "right" answer to this question. You must weigh the "garbage guilt" of replacement against the accumulated savings over the years and the "green" benefits to the environment.

Real Estate Today



Home Sellers: Top 5 Home Improvement Projects

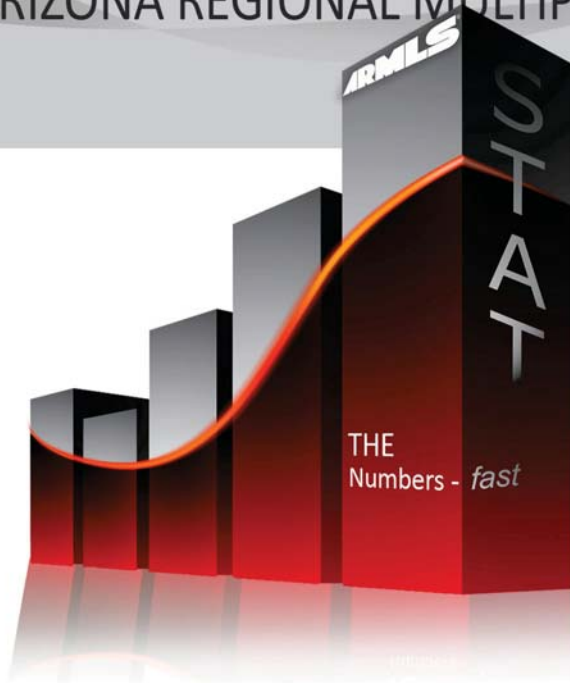
What are the top DIY (do-it-yourself) home improvements that cost less than \$400 and benefit sellers most when they sell their homes? According to a HomeGain.com survey, the top five home improvements that REALTORS® recommend to home sellers based on cost and return on investment (from highest to lowest ROI) are:

1. **Cleaning and de-cluttering**
(\$200 cost / \$1,700 price increase / 872% ROI)
2. **Home staging**
(\$300 cost / \$1,780 price increase / 586% ROI)
3. **Lightening and brightening**
(\$230 cost / \$1,300 price increase / 572% ROI)
4. **Landscaping**
(\$320 cost / \$1,500 price increase / 473% ROI)
5. **Plumbing Repair**
(\$385 cost / \$1,250 price increase / 327% ROI)

Cleaning and de-cluttering continues to rank as the top suggested home improvement, costing less than \$200 and returning a value of nearly \$1,700 to the home's sale price, or an 872% return on investment.

Inexpensive cosmetic home improvements and basic improvements greatly enhance the value of a home, and can increase its salability and selling price. Other DIY home improvements that pay big dividends include: replacing or shampooing carpets, painting interior walls, repairing damaged floors, updating kitchen, painting the exterior of the home, and updating bathrooms.

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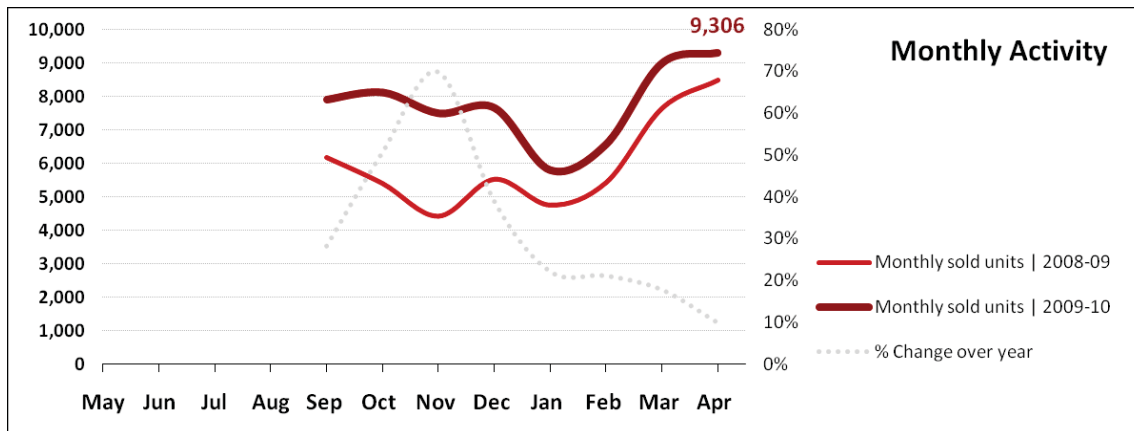


SALES Month over Month

Housing sales continued strong in April with the closing of 9,306 residential transactions, up over 3% from the 8,990 units sold in March. Nationally, housing sales fell fractionally for the same period.

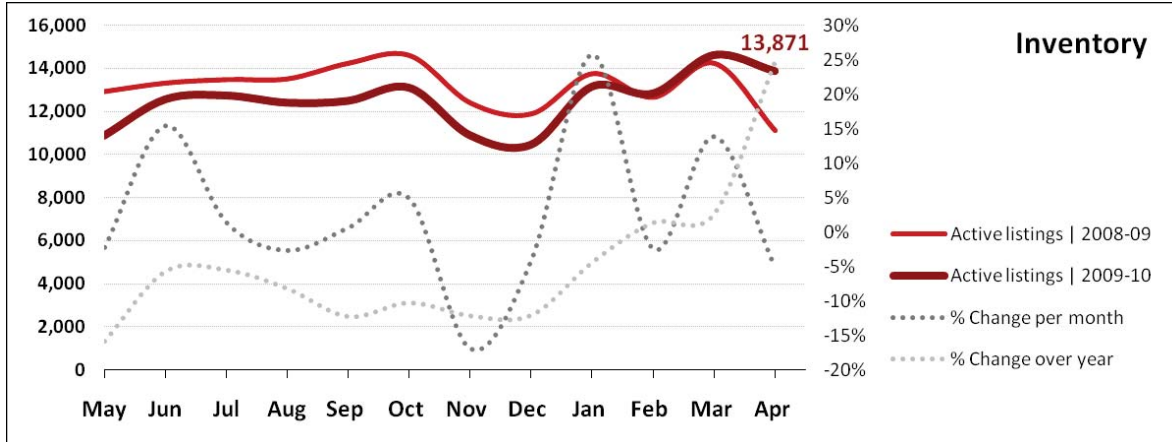
SALES Year over Year

The April numbers were 3.5% higher than April-09 when 8,475 houses sold. This pace far exceeds the national picture which showed only a 2% gain, according to the latest numbers published by the National Association of REALTORS®.



Active Inventory

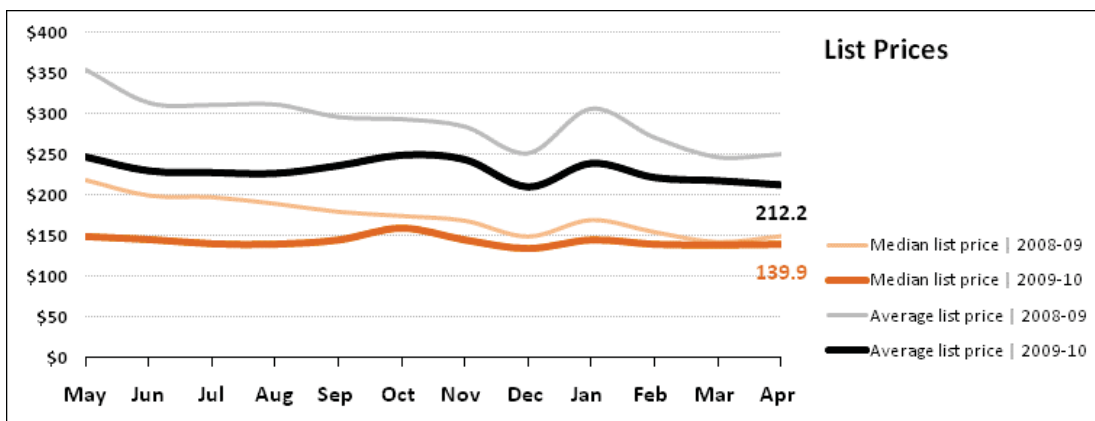
13,871 new residential listings were added to the ARMLS system in April, a 25% increase over the same month last year when 11,118 were listed.



However Active inventory added to the system was down 5% from the previous month, continuing a seesaw pattern of ups and downs evident over the past six months. On an annualized basis, inventory in the most recent twelve months is down 5% from 158,000 to 149,000 homes for sale, slightly ahead of calendar year 2009 when 147,000 homes were listed.

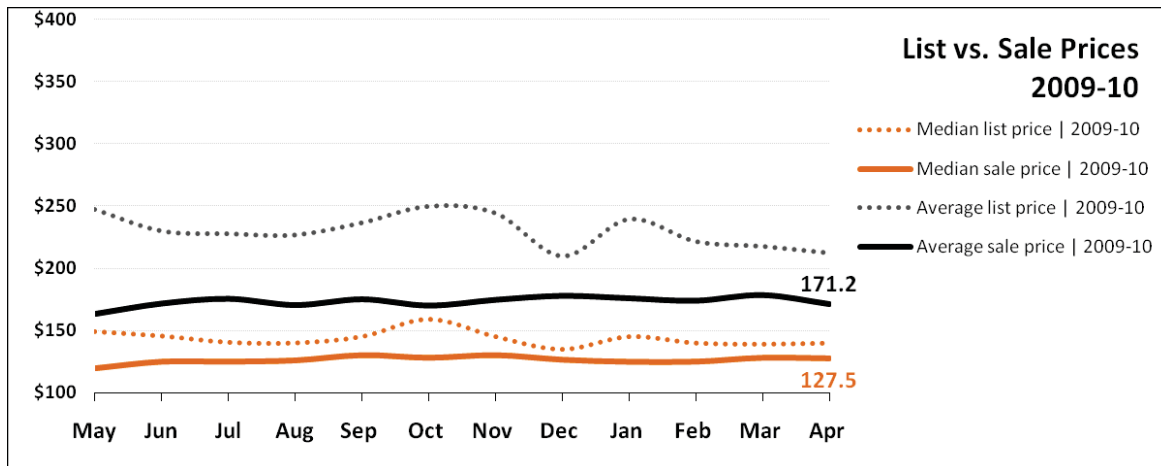
List Prices

Asking prices on new listings continued steady at \$212,250 as the average and \$139,900 as the median price. (The median price is the range midpoint where there are as many listed houses above as below it.) The divergence between monthly average and monthly median continues to narrow. This indicates optimism from sellers who have been waiting on the side lines to put their more expensive houses on the market to test the waters. In January, the average list price was nearly 65% higher than the median. In April, that difference was down to 51% continuing a downward slide trend that we have seen for the past four months.



Sale Prices

Closed sales continued to show signs of recovery, with the Average sale price of a single-family home in the Valley falling by about \$7,000 to \$171,200, down from \$178,200 in March. However, the good news is that April's average was over 7% higher than the previous year average price of \$159,700. This continues the three month trend of year over year price increases substantiating that the market is starting to stabilize and improve.

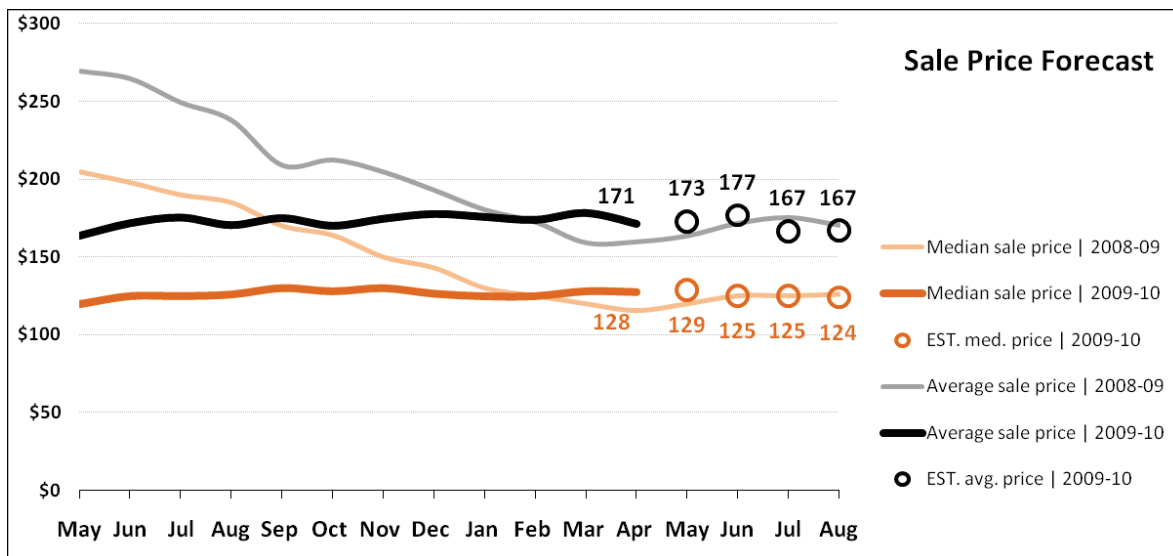


The ARMLS Pending Price Index™

The ARMLS PPI™ predicts future average and median prices based on reports of contracts executed but not yet closed. The ARMLS Pending Price Index is available only through the ARMLS system and has shown to be a strong indicator of future pricing trends.

The average price is predicted to rise in May and June, then settle back in July only to start upward again in August. Year over year, this is a continuing indicator that the short term market remains fairly steady but still uncertain. The market, driven by first time and move-up home buyer tax credits that expired in April, will no longer be bolstered by those incentives. For the summer, all bets are off as the spring market ends, the snow birds leave for cooler climates, and the summer doldrums set in.

The ARMLS PPI for Median prices likewise shows erratic behavior, ticking upward fractionally in May, then falling back in each of the next three months. This would indicate continued activity in the lower price ranges of the market as bank foreclosures continue to dominate the sale picture.



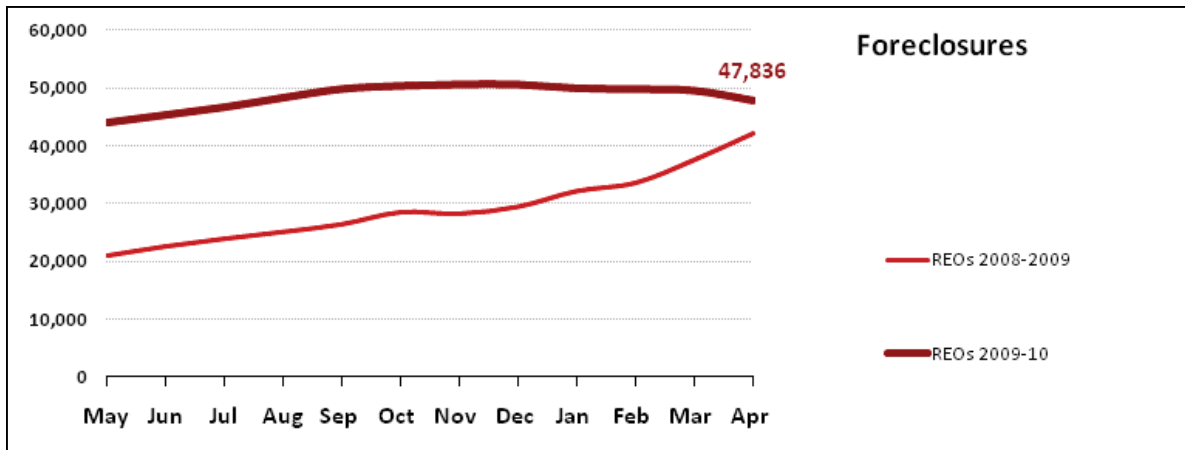
“ARMLS PPI” is a trademark of Arizona Regional MLS.

Foreclosures

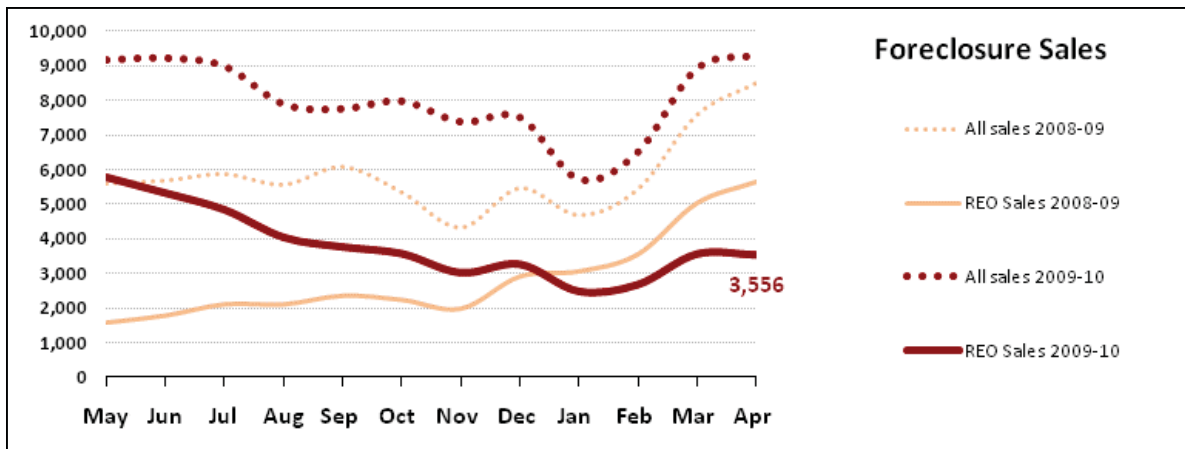
The foreclosure inventory continues to plague the resale market by saturating the MLS with bank owned properties offered at below market rates. The average asking prices for new listings dropped in April to \$212,200, down \$5,000 from the previous month.

Currently 5,029 or 12.3% of the 47,836 active listings in the ARMLS system are bank owned/foreclosures. However, in the previous month of April, 3,538 of the 9,306 closed sales were foreclosures. With 38% of the closings being bank owned foreclosures, the downward pressure on prices is formidable. ARMLS expects this trend to continue until the economy begins to recover and unemployment abates.

In the Pending Listing class, 4,760 of the 14,855 of pending listings, or 32%, are bank owned properties.



For the eighth straight month, the number of pending foreclosures has hovered within 1% either side of 50,000, according to the Cromford Associates LLC, the market research affiliate of ARMLS. As they have since August, 2009, banks continue to file foreclosure notices of trustees sales at a rate of 200-250 per day, a trend that is not expected to change for quite some time.



Market Time

All of this activity has its effect on market time. The average days on market of a sold property in April was 97 days, down four days from the previous month. But this is down from a high of 135 days the market experienced just two years ago in May 2008. Homes now are selling on average 25% faster than they were just twenty-four months ago.

Commentary

The most recent 12 months show record sales, with March and April leading the charge. Active inventory added to the market continues downward, putting positive pressure on supply and demand, a necessity if prices are going to rise.

The housing market continues to try to make a meaningful recovery, but is hampered by continuing unemployment and economic uncertainty on the national level. ARMLS is seeing mixed signals from month to month since last October, but positive gains are mixed with losses. This is a classic pattern that markets make in gaining traction toward recovery.

ARMLS continues to see glimmers of hope, but no long term, reliable indicators that the market recovery is imminent. We continue to be hopeful, but must at the same time remain objective and realistic. This recovery is going to take a long time to develop and probably won't mean a normal housing market will return for at least two or three more years.

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