

Real Estate News Update

A real estate news update published monthly by Scott & Christine Glass, as a public service

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Key Interest Rates*

30 Yr Fixed	5.250%
FHA	5.375%
VA	5.500%
Jumbo 30 year fixed	6.100%
5 Yr ARM	call for quote

*As of August 29, 2009; Rates from The Mortgage Advantage

Our business is based on referrals. If you know of anyone interested in buying or selling, please give us a call!

Buyer Hesitation Begins to Dissolve

After four years of declines, home sales on a national basis finally appear to be turning around. Closed sales, which have risen three straight months, and pending contracts, up for five straight months, are at levels above normal spring and summer increases.

First-time buyers in particular have stepped up to take advantage of deeply discounted prices, low mortgage rates, and the buyer tax credit. In a few markets, the rebound has been quite heated, with sales doubling from year-ago levels. In some cases there's even multiple bidding—though mostly over foreclosed and other distressed properties. Nonetheless, it's clear that buyers are returning.

What's more, home prices and mortgage payments in relation to income are comfortably below historical levels, at least in many markets. That suggests home prices have overcorrected downward. Some markets, as a result, could experience a snap back in home prices, with price gains in the high single digits or low double digits, compared with historical average annual price appreciation of 4 percent. Houston, Denver, and San Diego are among the markets on track to have better-than-average price gains in the next two years.

Still, the housing market is far from being out of the doldrums. The economic rebound will be one of the most tepid we've ever seen. Consumers are being extra cautious, saving more to pump up their depleted retirement accounts. The unemployment rate in 2010 is expected to be at around 10 percent. The federal budget deficit will force up mortgage rates next year, though not alarmingly.

But because consumers' view of home values is fundamentally changing, the momentum of rising home sales will likely continue in 2010. Buyers are no longer hesitant about home purchases on the fear of further price declines. And that sets the stage for a steady release of pent-up housing demand. by Lawrence Yun REALTOR.org/realtormag



THE GLASS TEAM

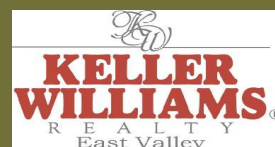
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Call us to set up an appointment for a FREE market analysis on your home!!!



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Featured Home



Stunning 4 bedroom, 3 bath home with loft and a 3-car garage in the gated community of Quail Springs in Chandler. Huge gourmet kitchen featuring granite counters and stainless steel appliances. Beautiful backyard is perfect for entertaining and includes a pebble-tec pool, outdoor kitchen and grass play area for the kids. Spacious master suite with walk-in closet and jetted tub. Ideal floor plan w/master and guestroom/office downstairs, two bedrooms and loft/game room upstairs. North/south cul-de-sac lot and huge private neighborhood park with playground equipment, a basketball court, and ramada with picnic tables and a barbeque. Welcome home.

FOR MORE INFORMATION CALL (480) 229-0333.

The Investors Are Back

Most of the homes on the market today in the Phoenix metro area are distressed sales. There are foreclosures, short sales, auctions and regular sales with very motivated sellers. This situation has brought back the real estate investors.

Some investors are buying to flip the properties, but most are buying and holding, converting the properties to rentals and waiting for the prices to go back up.

Is this a good thing or not? It depends on your perspective. A neighborhood with an unusually large number of rental properties can bring down the value of the neighborhood. Many renters don't take care of the property the way a homeowner would. The grass might not be mowed on a regular basis, weeds might not get pulled, and the house may need painting or repairs. This can be very frustrating for the homeowners in the neighborhood who take pride in their homes and the community and work hard to maintain and increase their property values.

But what if investors weren't buying up these distress properties? Many of these properties are vacant with green pools and dried out landscaping. Some homes are attracting squatters and criminal activity. Many of the investors are putting money into these homes to get them into shape to put on the rental market. They are fixing up the landscaping, updating the interiors with new paint and flooring, and resurfacing and refilling green pools.

People who have lost their homes due to foreclosure or other circumstances will need to have homes to rent. If there are rental homes within their community they can keep the disruption to their families to a minimum. In this market there will be many families in need of rental properties.

While it is difficult to watch a neighborhood that was once a great community of proud homeowners turn to a neighborhood with a large percentage of renters and high turnover, the alternative would likely be worse. If you are interested in investing in rental property, give The Glass Team a call. You'll be glad you did!