



SHEW NEWS by

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Sarah Shew, Keller Williams

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## Phoenix Real Estate Market

**Falls, but Less Than Most:** Phoenix-area home prices and sales dropped in October, but the metro performed better than most markets in a recent National Association of Realtors report. Sales have dropped across all U.S. metros and the nation as a whole since October 2009; however, the group last month said a national recovery has begun. The current monthly drop follows two months of gains. The NAR blames tight lending by banks, foreclosure moratoriums that are halting the home sales, and the end of federal home-buyer tax credits, which some say should be brought back.



Six of the 19 metro areas in the NAR report saw median single-family homes prices fall in year-over-year comparisons. Phoenix posted a 4.6 percent decrease. And at \$135,500, Phoenix's median single-family home price is the fifth lowest of the 19 metros. The Valley's prices are still above those in Indianapolis, Atlanta, Cincinnati and St. Louis. At the top are San Diego, Boston and the New York-New Jersey-Long Island. All three metros have median home prices well above \$300,000 and have seen prices rise this year. The changes in Valley's homes prices, however, are mild in comparison to double-digit drops in Atlanta and St. Louis' double-digit drops, but still much greater than the 0.5 percent drop for the country as a whole. Phoenix experienced a 19.7 percent decrease in home sales, the best performance behind only Miami-Ft. Lauderdale's 17.6 percent drop. At more than 40 percent, the Minneapolis area topped the list of sales declines.

A big thanks to Susan Kraemer in my office for providing the foregoing material to all our agents. What does it all mean?

Well, houses here are NOT selling like hotcakes. Lots of people who would take advantage of today's low prices in a heartbeat can't—either because the property they need to sell first isn't selling, or because their credit has taken a hit, or because their employment situation is uncertain, or because the savings they'd counted on has declined (or disappeared). Or, or, or ....

Does that mean that NOTHING is selling? Hardly.

Are prices low? Are interest rates attractive? Will lenders lend? Yes, yes and yes.

If you are considering buying property in Arizona, let's talk about your unique situation and whether this is a good time for you.

And if you need to sell, why wait til January? Let's start marketing today so your buyer can find you soon. Just call me: **623.640.1219.**



## Keeping in Step with the SHEW TEAM



### Special Points of Interest in This Issue

- Phoenix Real Estate
- From the Heart of Sarah
- Positive Positioning
- Velocity of Money
- The Book Club
- Hurry: For Sale



## From the Heart of Sarah



Looking for something to do in December? Let me recommend some Christmas music!

Glendale Christian Church is performing the musical **Christmas Shoes**—and you are invited. It's free!

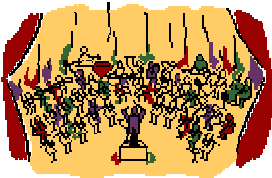


Saturday Dec 11th at 7:00 p.m.

Friday Dec 17th at 7:00 p.m.

Sunday Dec 19th at 10:30 a.m.

Address is 9661 W Mountain View (59th Av south of Peoria)



**Agnus Dei** is performed by the combined choirs and orchestras of

First Southern Baptist Church of Glendale (Saguaro Ranch), 10250 N 59th Av, and Apollo Baptist Church, 11611 N 51st Av. Again, it's free!

Friday Dec 17th 7:00 p.m. at First Southern, and again on Sunday Dec 19th at 6 pm, this time at Apollo.

We got two **short sale approvals** in December. Both took 60 days to get the approval notices—which isn't bad. We're counting on an additional 30 days to get to the closing table, assuming all goes well.

A couple of other short sales were **disappointing**—but at least they were quick! On one, the seller's lender's insurer said "no" - not as

long as it is a performing loan. So, soon it will be a non-performing loan and we're keeping our eyes open for another buyer. On the other, the seller's lenders wanted more money than the buyer was willing to pay—so we let that one go and will look for another. Still lots of properties for sale. And interest rates are still attractive.

I got to spend a couple of days with my friend **Janice** in **Colorado** last month. You can see pictures on my blog: [www.sarahshew.blogspot.com/](http://www.sarahshew.blogspot.com/) The blog is called "**Diary of a Realtor**" and when I remember to put something in it, you might find it of interest.

If you know me at all, you'll know that I take my business seriously. It's important to me that I know what I'm doing, so not only did I get my broker's license, I keep attending classes to make me smarter. It's important that I don't mislead my clients, so I say what I mean and mean what I say. In short, it's important that I do the best job for them that anybody can do. I'm good, and what's more, I care. The hardest part of this business is **finding the business**. I hold open houses. I contact people who have received foreclosure notices. I hold workshops on short sales. **But the very best way for me to find buyers and sellers is through your referrals.** So send your friends and family and neighbors and co-workers my direction, yes?

**Bless your hearts!**



## Positive Positioning

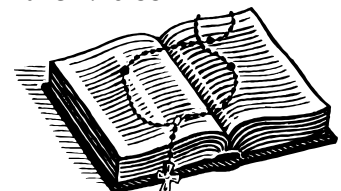
# Christmas

### Mary's Song

And Mary said:

"My soul glorifies the Lord and my spirit **rejoices** in God my Savior, for **he has been mindful** of the humble state of his servant. From now on all generations will call me blessed, for **the Mighty One has done great things** for me— holy is his name. His **mercy** extends to those who fear him, from generation to generation. He has **performed mighty deeds** with his arm; he has **scattered those who are proud** in their inmost thoughts. He has **brought down rulers** from their thrones but has **lifted up the humble**. He has **filled the hungry** with good things but has **sent the rich away empty**. He has **helped his servant Israel, remembering to be merciful** to Abraham and his descendants forever, just as **he promised** our ancestors."

Luke 1:46-55





## What is the Velocity of Money and How Does it Impact Home Loan Rates?



If you've been watching the economic news, you've probably noticed that market experts and traders have been keeping a close eye on the Commerce Department's Personal Spending and Personal Income reports. Obviously, those reports provide insight into the health of our economy, but did you know they also influence home loan rates? That's right, personal spending can actually influence the interest rates that are available when you purchase or refinance a home.

Here's why. It has to do with something called the velocity of money. Even though the government keeps pumping money into the system, nothing happens until that money is spent or lent – and passes from one hand to another or one business to another. The speed at which this money passes between parties is called the velocity of money.

With the job market still sluggish, consumers aren't spending much money these days, and businesses are reluctant to spend money to make investments in their business. With the present velocity at low levels, inflation remains subdued and that's good for home loan rates. That's because rates are tied to Mortgage Bonds and inflation is the archenemy of Bonds, so low inflation is good for Bonds and rates. However, once velocity increases, excess money in the system will cause inflation – which is bad for rates, since even the slightest scent of inflation can cause home loan rates to worsen.

While we certainly want to see better economic recovery news in the near future, we have to remember that there's an inverse relationship between good economic news and Bonds and home loan rates. Weak economic news normally causes money to flow out of Stocks and into Bonds, which helps Bonds and home loan rates improve. Strong economic news, on the other hand, normally has the opposite result.

Currently, home loan rates are at a historically low level, but that situation won't last forever. That means now is an ideal time to purchase a home or refinance before the velocity of money – and rates – change. If you or anyone you know would like to learn more about the current economic situation and how to take advantage of historically low home loan rates, then please contact me.

**Geoff Rooker**, Branch Manager

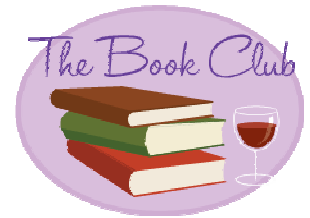
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I'm reading **Generation Ageless** by J. Walker Smith and Ann Clurman. This is interesting insight on how 78 million baby boomers (of which I am one) have influenced and will continue to influence the world we live in.

Not that we're all alike—far from it— but to a large extent our goals at this stage of our lives are not much like the goals that our parents had.

Just one short quote from 215 pages of text: *"The mistake has been to assume that Boomers would 'mature' as they got older. In fact, Boomers have always tried to age without getting old. They want to keep their youthful edge no matter what their age."* I like that.

Send Bob your current favorite book title at [sarah@sarahshew.com](mailto:sarah@sarahshew.com).





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REALTY

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### EXPRESS!

Did you hear the one about the lady in the six-items-or-less express lane at the grocery? She was minding her own business when someone pushed into the express check-out line in front of her with a cart piled to overflowing with groceries.



The cashier made her day as she smiled and, looking into the overflowing cart, asked the offender sweetly, "So which six items would you like to buy?"

# FOR SALE



**10549 W Bayside Rd  
Sun City**

This 2100+ sf three bedroom, two bath home in Sun City has a private courtyard, enclosed AZ room and **its own private dock**—and pontoon boat—**on a lake**. Sun City is an age 55+ retirement community—with seven recreation centers, golf courses and an active live style. Priced to sell. NOT a short sale or foreclosure.



**11950 W Larkspur Rd  
El Mirage**

This two bedroom, two bath 959 sf home with two-car garage is priced at only **\$46,000**. Can you believe it? Well maintained but not fancy—you can add your own special touches, and at this price, how can you not? Who do you know who wants to be a home owner in El Mirage? Bring them on—and let's see if we can make this a successful short sale.



**9020 W Magnolia St  
Tolleson**

Do you know anyone looking for a home in Tolleson? We'd had an offer on this one—but the seller's lender's investor would not agree to the price, so we need a qualified buyer willing to pay **\$75,000**. At 91st Av and Lower Buckeye, this home is close to I-10 and to the 101—great for commuters and sports fans. Three upstairs bedrooms. 1634 sf, 2.5 baths, 2 car garage. Private yard. Call me to show.