

August 2011

Dear Friends,

I hope you are doing well and having a nice summer, sure would be nice if we had a little more rain. School is starting again so don't forget to go slow in the school zones.

I've added a dog groomer to my left sidebar, Lori. She great and really did a good job with Missy. Please don't forget the small businesses and especially the ones I put on the left. In these hard economic times, it's good to support the little guy.

And thank you very much for those of you who went to google.com and did a review for me, I truly appreciate it. I will take good honest care of anyone you refer to me.

In this Issue:

1) MLS Listings are way down and that's good.

2) How do I compare lenders?

3) Where do I find the best deals?

1) MLS Listings are way down. One sign the market is getting better or at least if we at or near the bottom and it goes back to the old rule of "Supply and Demand". The past few years there has been too much supply for the demand, however, a quick count of what's Active on the market today in MLS shows there are only 19,710 properties on the market and 20,037 are in pending status. In the meantime, investors, first time buyers, snowbird buyers and many others are taking advantage of the low prices and low interest rates and still buying. An average of about 8700 properties a month are currently selling in Metro Phoenix. That's just two months of inventory. I really don't think values are going to go up quickly with all the other economic issues we have but this is a good sign. It's also well known that the banks that foreclosed on properties are not putting all of their inventory on the market. Just how many properties they are holding on is unknown, but if they start flooding the market with them it could change everything.

2) How do I compare lenders?

I always suggest talking to at least two lenders but not more than three. It really can be confusing when they tell you about this fee and that fee and each one can call fees by different names so it's hard to compare apples to apples. Also, most lenders will offer you about the same interest rate since they are mostly based on your credit and debt to income ratio. The best thing to do is add up all the cost for each lender and compare the total. Then consider the interest rate each will charge. If all things are the same, then I suggest you go with the lender you trust. A bad lender can cost you the property you want and even your earnest money so choose carefully.

3) Where do I find the best deals? I often get calls from people who say they want to get a good deal. Not to sound sarcastic but "don't we all". The truth is, most properties on the market are a pretty good deal. I'm not comparing today's values to 2005 or 6, those were inflated prices and have no bearing on the values today. However, when I see a single family home in Central Phoenix in good shape and it's priced at \$50ish a square foot, that's a good deal. You can't build a house for less than \$100. Bank Owned properties and Short Sales are normally really well priced for the market. Privately

owned or investor flips are a little on the high side still but not by much. With values staying low and interest rates still low, there are a lot of good deals out there. The summer is coming to an end in another month and then we have fall, 2 weeks later it will be spring..... OK, not really but for us it feels that way. Enjoy what's left of summer and please let me know if you or any of your friends have any questions about the real estate market.

Best Regards,

A handwritten signature in black ink, appearing to be 'C.L.' with a flourish at the end.

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