

Valley of the Sun Real Estate Update

January, 2006

Just My Two Cents' Worth....

You may already know that the United States Postal Service has a rate increase scheduled to go into effect this month. The rate for a normal first-class letter is going up from 37 cents to 39 cents, and other services such as postcards & Priority Mail are also seeing modest increases. Please find enclosed here a few 2-cent stamps to help ease you through this transition period—just a small part of my ongoing effort to save you time, money, and hassles!

An increase of a few pennies may not seem like much, but consider for a moment the volume of mail the USPS delivers each year. In 2005, they delivered over 98 billion pieces of first-class mail. While this is a staggeringly large number, and a slight bump up over 2004, it is a decrease from the 103 billion pieces delivered in 2001. Not coincidentally, the decline in volume began in 2002, the last year there was a price increase.

Each time the USPS raises rates, more customers—especially bulk mailers and other businesses—seek out different marketing options. With the continued expansion of email, the internet, and other electronic media, customers are looking for more cost-effective solutions. There's a simple principle at work here: the bigger the price tag something has, the smaller the number of people who will want (or even be able) to pay for it.

After the huge increase in housing prices here in the Phoenix area during 2005, we can apply the same principle to the local real estate market. The median price of a home rose by about 40% from January through December, and while this allowed many sellers to realize significant gains, it has also made the purchase process much more difficult for many buyers. In particular, investors who were attracted to our area's relatively low pricing are now turning their attention to other opportunities. Additionally, many individuals and families have found that increased home prices will require them to put off their

plans for a new home until their income experiences a similar increase. Taken together, these factors have led to a lessening of demand, which in turn has quickly led to an increasing supply of homes on the market, and a rapid moderating of sales prices.

This doesn't mean we should expect any significant decrease in values. Just as the US Mail remains a great delivery option for many people, the Phoenix area remains a desirable destination for businesses & families. Now that the frenzy of 2005 is at an ebb, we expect to see a return to the steady growth the area has enjoyed in the past. If your plans for 2006 might include buying or selling a home, or if you just want to hear the expanded nickel version of my forecast for the coming months, let's find a time to get together and talk!

On the Home Front



We had a fun trip to the zoo last week. Taran didn't pay much attention to the real animals—everything smaller than a rhinoceros escaped his attention, except for the ducks by our lunch table—but he sure had a good time riding the animals on the carousel.



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Recipe of the Month

Chicken with Mustard Cream Sauce

This is a great recipe. It doesn't require any fancy ingredients or equipment—you probably already have most of these items in your kitchen right now—and it is quick & easy to prepare. But the small effort yields big results, with a smooth & flavorful cream sauce to coat your stir-fried chicken strips.

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| 1 Tbsp olive oil | 1 Tbsp flour |
| 2 garlic cloves, crushed | 1 Tbsp coarse mustard |
| 4 boneless, skinless chicken breasts, cut into 1" strips | Salt & black pepper |
| 1 cup light cream | Parsley sprigs for garnish |

1. Heat the oil in a large skillet over medium-high heat. Add the garlic and cook for 2 minutes, stirring regularly. Add the chicken strips, drop the heat to medium-low, and cook for 10 minutes. Continue stirring to be sure chicken cooks evenly.
2. With a slotted spoon, remove the chicken strips from the pan, saving the juices for Step 4. Keep the chicken strips warm by covering them with foil, or placing them in a toaster oven on low heat.
3. In a small bowl, mix a little of the cream with the flour to make a smooth paste. Set aside for Step 4.
4. Pour the remaining cream into the pan and stir into the cooking juices. Bring to a boil over medium-high heat, stir in the cream & flour paste, then drop heat to medium-low. Stir constantly for 2 minutes, until sauce has thickened. Stir in mustard, heating gently (boiling the mustard will yield a bitter flavor.) Add salt & pepper to taste.
5. Return the chicken to the pan, stirring well to coat the strips with the sauce. Serve immediately, garnished with parsley sprigs. Makes 4 servings.

You can dress this dish up with cous cous, fresh vegetables, and a bottle of white wine to serve with company, or just serve it over rice for a quick & tasty dinner parents & kids can enjoy together.

Culture Corner

Quick reviews of some recent favorites

Food: We had take-out from the **Cornish Pasty Company** recently, and we'll be back for more. Located at Hardy & University, they feature a wide assortment of meats & veggies wrapped in a pastry crust and accompanied by flavorful dipping sauces. If you have noshed on this wonderful comfort food in the UK, here's a chance to savor a treat without needing to fly over the ocean.

Food: Here's another winner at Dobson & Warner: **Na Zdrowie**. The name is Polish for "Cheers" and the friendly staff will welcome you with lots of tasty dishes from the Old Country. Try the white borsch, the flaming vanilla blintzes, the hearty entrees, and perhaps one of the 20 styles of beer imported from Poland.

Books: Poor Arkady Renko. The Moscow detective, and hero of a series of novels by Martin Cruz Smith, always seems to be dispatched to the bleakest of crime scenes. In **Wolves Eat Dogs**, he finds his most hazardous case yet: trying to solve a murder in the radioactive wasteland around the Chernobyl power plant. True to form, Arkady faces the situation with keen insights and dark wit.



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Ken, how much is my home worth?



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_____ I'm not thinking of selling my home. I'm just curious about value. Please send me a complimentary current market analysis.

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