

Valley of the Sun Real Estate Update

June, 2006

Buying & Selling: Options, Risks, & Solutions

With the Phoenix marketplace continuing to slow, and the number of homes for sale continuing to rise, we are seeing homes stay on the market for much longer than we did last year. This is good news if you are planning to buy a home later this year, but not so good if you are trying to sell one. And if you plan to sell your current home as well as buying a new one, you will face some hard choices about how to proceed.

One option is to just go ahead and buy your new home, and worry about selling the old one later. The benefit of this approach is securing your new home as quickly as possible, but many people can't do this without using the equity in their old home. Even if you can get approval for the loans on both homes, you face the prospect of double payments until the old one sells. Also, if your home eventually sells for less than expected—a real risk in today's market—you may find your finances stretched beyond your comfort level.

Another option is to use a home-equity loan to free up the cash you need to make a purchase. This eliminates the need to sell your old home right away, but still requires a loan approval for both homes, and still leaves you with two homes to pay for. Additionally, most lenders won't give you an equity loan if your home is already on the market, so this choice requires some more advanced planning than the others.

Option #3 is to make your offer to purchase the new home contingent upon getting your old home sold first. This eliminates the need to carry two homes, but brings new risks. Sellers can be hesitant to accept contingent offers, because they are more prone to fall out of escrow. And if you have trouble getting your old home sold in time, you may need to drop your list price dramatically or risk having your purchase fall through. That can be both emotionally & financially draining.

The last option is to focus on getting your current home sold before pursuing a new one. In a declining market such as we see now, this is a great risk-management strategy. By selling first, you will know exactly what your purchase budget can be, and having cash in hand from the sale will ease

the purchase process so you can close quickly on a new home when you find it. The risk is that you may have to find a short-term rental if you don't identify your new home soon enough, but the huge inventory of homes available now gives you every opportunity to find what you want in a timely fashion.

You can mitigate that risk even further by taking advantage of the ERA Guaranteed Sale Program. When you sign up for this 6-month program, ERA will make an offer for your home based on an initial appraisal, and you have the balance of the time to get a better offer on the open market. That way you will know your budget at the start, and you can begin house-hunting right away, increasing your chances of finding the perfect home to move in to. If you are considering a move later in the year, I would be happy to talk to you about the details of the program, or any other aspects of the buying & selling process that might interest you.

On the Home Front



Taran has had a busy month. He finally figured out how to stand up, and now he's walking everywhere he can. He went to Colorado with Jill to visit his grandparents—her he is with Jill's dad, showing off his newest trick. After they got back, we all had a good time at a Diamondbacks game.

Jill has been busy, too. In addition to re-starting her medical billing business, she just celebrated her birthday. We had a relaxing night of dinner & a movie—and a babysitter!



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Recipe of the Month

Cod with Pine Nuts & Garlic Spinach

This is a great summertime recipe from Health Magazine. It's light meal for a hot evening, it only takes one pan to prepare, and it's filled with flavor. It's even pretty good for you!

- 1 Tablespoon butter
- 3 Tablespoons pine nuts
- 3 tablespoons lemon juice, divided
- 4 cod fillets, about 5 oz each
- 1/2 teaspoon salt
- 1/4 teaspoon black pepper
- 3 teaspoons olive oil, divided
- 2 garlic cloves, minced
- 2 (10-oz) packages of fresh spinach, washed & trimmed

1. Melt butter in a large non-stick skillet over medium heat. Add nuts & 2 Tbs lemon juice, then stir for 1-2 minutes until nuts are golden brown. Remove from pan & set aside.
2. Season fish w/salt & pepper. Add 2 tsp oil to pan, raising heat to medium-high. Add fish, cooking 2 minutes on each side until it flakes. Transfer to platter, place nuts on top of fish, and cover to keep warm.
3. Wipe skillet clean with a paper towel (careful—it's hot!) and warm remaining oil over medium heat. Add garlic & spinach; cook for 3-4 minutes until spinach wilts. Add remaining lemon juice & cook another minute to stir to blend flavors.
4. Divide spinach onto serving plates and top with fillets. Garnish with lemon wedges & serve immediately. Serves 4.

You can substitute sole or other whitefish if you don't have cod. For a heartier meal, pair with a side dish of rice or cous-cous. Goes well with a crisp, tart white wine.

Culture Corner

Quick reviews of some recent favorites

Drink: If you have trouble making up your mind, you might enjoy a visit to **Kazimierz World Wine Bar**, in downtown Scottsdale. They offer a hefty assortment of wines by the glass, or arranged in flights that allow you to sample & compare different vintages from around the globe. Add in the soft leather couches, funky décor, and tasty food, and you may find yourself staying a long time.

Movies: The latest animated release is **Over the Hedge**, and the movie works on enough levels to satisfy parents, kids, and movie fans in general. It features a strong story, an all-star voice cast, top-notch animation, and a string of references to classic movies of the past, from "A Streetcar Named Desire" to "Superman".

Food: We recently had a great breakfast at the **Morning Glory Café**, part of the beautiful Farm at South Mountain complex. Tucked into 12 acres of trees, gardens, and fields at 32nd & Southern, the Farm has several different eateries as well as a flower shop, antiques store, and more. The tasty food & peaceful setting make this a one-of-a-kind destination.



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Ken, how much is my home worth?



If you would like a free Current Market Analysis of your home, please fill out this form:

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

_____ I'm thinking about selling my home. Please send me a complimentary current market analysis plus a Home Seller's Handbook with information about ERA Lucas Realty Group, our "Common Sense Commission Plan", "Aggressive Marketing Plan", and other money-saving tips.

Home Description:

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