

Valley of the Sun Real Estate Update

March, 2007

House Values, Taxes, and Insurance

If you own a home here in Maricopa County, you probably received a Notice of Valuation in the mail recently. And if you bought the home in the last few years, you may wonder why the value the County lists for your home doesn't seem to match up with what you paid for the house. You may also receive a letter from your insurance company telling you how much your home is insured for, and that may be a completely different number. I've gotten quite a few calls about this, so I thought this might be a good time to explain how these numbers are (loosely) related to each other.

The number homeowners are usually most familiar with is the purchase price they paid. It's a pretty big number that tends to stick in your mind, so it can be disconcerting to get a letter from the Assessor saying that the Full Cash Value of your home is a lot less than what you just paid, especially when their website says that the FCV is supposed to represent the actual market value of your home! But don't panic—the process the Assessor uses to assign values lags well behind the actual market. There are a couple of reasons for this.

First, the County needs to track values for over 1.3 million homes, so it is just plain hard to keep them all current. Second, because they are typically working from projections made 2 years ago, it is difficult to anticipate big jumps in pricing like we saw in 2005, so the Assessor is constantly playing catch-up with our expanding market. The current goal is to have the FCV be about 84% of the "actual" market value, but that can vary widely from house to house. And remember: the Assessor's value is what they use to compute your tax liability, so having a lower FCV actually saves you money. Stop worrying and enjoy it while it lasts!

Figuring out the insured value of your home is a little more complicated. When you buy a home, your lender requires that you get insurance to cover at least the value of the mortgage—often 80% or more of the property value. But that value includes both the cost of the home, which needs to be insured, and the cost of the land, which doesn't. (Even if your house

gets blown away by a tornado, the land is still intact.) There's no simple rule to figure out what percentage of your market value is just for the land, so as time goes on and your property value goes up, you may want to consider what local construction costs are when estimating the actual replacement value of your home. And be sure to talk with your insurance professional about any limitations on your coverage.

If you still have questions about your tax bill, your insurance bill, or the current market value of your home, please give me a call. After all, your home is one of your biggest investments, and it helps to have good information about what it is really worth!

On the Home Front



We'll have to get used to the sight of more kids playing in the yard, as Jill is due to deliver our second child any day now. We're not quite as apprehensive as we were the first time around, but still we are aware of the big changes that are just around the corner for growing family. Happily, Taran is getting more accustomed to his school classes, and we have plenty of grandparents lined up to visit, so we might get a little sleep!



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Recipe of the Month Beef Fondue

Here's another tasty treat from the AZ Republic's food page. This fondue, based on a recipe from the Roaring Fork restaurant in Scottsdale, is pretty quick to prepare and offers a fun change-of-pace for your family dinner. Fondue is also a great idea for a dinner party because you can do all the prep work in advance and spend more time with your guests, and this recipe is easy to scale up or down depending on how many people you need to feed.

2-2 1/2 pounds of beef fillet, cut in 3/4" cubes
8 carrots, peeled & chopped into 1" sections
40 small Crimini mushrooms, washed and with stems removed
32 pearl onions, trimmed & peeled
Salt & pepper to taste
1 Tablespoon corn oil
16 oz beef demi-glace
6 oz crumbled blue cheese

1. Pre-heat oven to 475°.
2. In a sealed bag, toss beef, carrots, mushrooms, and onions with the corn oil and salt & pepper. Place ingredients on a baking sheet (or two, if needed) and roast for 10 minutes.
3. Meanwhile, heat demi-glace to a steady simmer in a medium saucepan. Remove from heat and stir in 4 ounces of cheese.
4. Pour fondue into a serving dish and arrange cooked food on a central platter or several smaller plates. Garnish with remaining cheese and serve immediately.

If you are a bit shy of a few ingredients, or if you just want to satisfy some larger appetites, some chunks of hearty bread will help to stretch the recipe a bit. As a festive accompaniment, try a bottle of red wine or sparkling water.

A note on the demi-glace: This is essentially a rich & fancy beef sauce. It is usually sold at upscale groceries in a concentrated form, so you will need to find a small package to mix with water to make your 16-ounce portion.

Culture Corner

Quick reviews of some recent favorites

Books: Walter Mosley is a great author, who brings rich characterizations and a detailed sense of place to his hard-boiled detective stories. The latest installment in his Easy Rawlins series is **Cinnamon Kiss**, and it is a fine addition to the line. Easy is a captivating narrator, and you will quickly find yourself wrapped up in his adventures.

Movies: It's a Bond movie, so of course there are great stunts, fast cars, handy gadgets, and dangerous women, but **Casino Royal** also features something new: a 007 who gets seriously bruised up, both emotionally and physically. The film re-sets the stage for the Bond franchise, showing the origins of Bond's exclusive "double-oh" status as well as how he got his Aston-Martin.

Food: If you have kids who like airplanes, take them to the **Han-gar Café**, located at the northern edge of Chandler Municipal Airport (just south of the 202 between McQueen & Gilbert). They'll get a kick out of watching the planes go by, and the menu features generous portions of classic American breakfast & lunch food.

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Ken, how much is my home worth?



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