

Valley of the Sun Real Estate Update

May, 2007

If the Market is So Bad, Why Should I Buy or Sell?

If you have been following the news about our housing market, you know that we are in the midst of a big slow-down. Overall, this is hardest on sellers, as the record level of inventory means that the time required to sell a home will continue to rise, and prices will continue to ease. But with the shakeups in the lending world and the tightening of underwriting guidelines, many buyers are also experiencing some real problems. With so many stories of trouble, you may wonder if it makes sense to buy or sell at all right now, or if you should just sit on the sidelines for a while until things improve. Let's look at few scenarios.

For first-time buyers, the huge number of homes for sale means plentiful options, and no sense of pressure to act quickly. With prices dropping, you might feel you are getting "paid to wait" if you put off a purchase for several months. However, a decline in pricing can easily be offset by a hike in interest rates, leaving your monthly payment effectively unchanged. And trying to time the market is a notoriously risky strategy. Plus, changes in market conditions in the future may reduce your opportunities to negotiate a good deal on the home you want. So if buying a home now fits with your long-term goals, there are plenty of good reasons to move forward at this time, and to do so confidently.

If you already own a home, and are thinking about a move out of the area, you might be tempted to wait out the current pricing dip and try to sell once the market starts moving up again. The market will do that—eventually. However, we expect to see prices continue to slide for at least the rest of this year and likely well into the next, so this approach will require a great deal of patience (and cash, if you need to make payments on an empty home in the meantime.) Most sellers will see the greatest profit the sooner they can get their homes sold, which requires aggressive action now, not wishful thinking about the future.

What if you already own a home here, but want to move to a new one? Working out the logistics of buying one

home while selling another is always a challenge, as the factors that help you as a buyer hurt you as a seller, and vice versa.

Those issues get magnified when our market is out of balance, but good planning and bit of flexibility can still help you hedge your bets and come up with a successful solution with a minimal amount of frustration.

So, there are plenty of sound financial reasons to consider active participation even in a "bad" market. But perhaps the biggest reason to buy or sell now is emotional: for most of us, plans to buy or sell are tied to other big life decisions, and putting off a move can mean putting off other desires as well. If you want to discuss your own circumstances, give me a call.

On the Home Front



Here she is! Bryn Avery Mayer was born on March 31st, weighing in at a little over 8 pounds and measuring about 21 inches, almost exactly the same numbers Taran had when he was born. She has been a pretty happy little girl so far, and she as been gaining weight very nicely through her first month. We're slowly adapting to the challenges of having another little person at home. When will Taran be old enough to babysit??



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Recipe of the Month Goat Cheese & Sun-dried Tomato Tarts

This recipe comes from the work-horse cookbook at my house, Classic Home Cooking by Mary Berry and Marlena Spieler. It features a great variety of dishes, from simple appetizers to very complicated entrees, organized by sections with pictures of all the meals and grouped by how long they take to prepare and cook. I adapted this one to make it a bit easier to fix quickly, substituting store-bought pastry dough instead of making it from scratch (which also saves on baking time.)

3 packages refrigerated crescent rolls (8 rolls per package)
6 oz sun-dried tomato paste or red pesto
24 slices from a goat cheese log, about 3/8" each
2 large tomatoes, peeled, seeded, and chopped
18 black olives, pitted and quartered
5 garlic cloves, crushed
6 tablespoons fresh grated Parmesan cheese
2 teaspoons dried oregano

1. Unroll the crescent roll dough on a cutting board. Pinch the triangles together if needed, and cut each section in half to form two squares. Put the squares into 2 greased muffin tins, molding the dough as needed to cover the bottom of the cups and at least some of the sides. The dough will expand as it cooks.
2. Place enough sun-dried tomato paste or pesto in each tart to cover the bottom in a thin layer. Add a slice of goat cheese to each tart.
3. In a bowl, mix the tomatoes, olives, and garlic. Spoon equal amounts over the cheese—about a teaspoon per tart.
4. Sprinkle the grated Parmesan over the tarts, covering the pastry edges as well as the filling. Sprinkle the oregano on top.
5. Bake at 375° for 11-13 minutes, until the edges of the tarts are golden brown and the Parmesan is crispy.

Makes 8 portions of 3 tarts each. Serve with a crisp green salad and a bottle of white wine for a nice light summer dinner. You can easily halve the recipe if you would rather make just a dozen tarts, but it isn't much more work to make the full batch so my suggestion would be to chill the leftovers and serve them in the morning with bacon & eggs. Cook them once and serve them twice—sounds like a good plan!

Culture Corner

Quick reviews of some recent favorites

Books: My cousin works for a publishing house, and she was able to get me an advance copy of Martin Cruz Smith's latest novel, **Stalin's Ghost**. Inspector Arkady Renko is back in Moscow, back to annoying his superiors, and still baffled by the challenges of trying to hold together his personal life. (If you haven't read the other Renko books, go back and start with Gorky Park.)

Music: My cousin is also a hockey fan, and when the Coyotes beat the Flyers a while back she made good on a bet by sending me some of her current favorites CDs. Top on my list is **Come On Feel the Illinoise**, a concept album by indie-folk musician Sufjan Stevens. Quirky doesn't begin to describe it, but you have to like a guy who can pay musical tribute to the history of a state and make rhyming references to the great Lincoln/Douglas debates

Movies: First-time director Rian Johnson combines elements of film noir with the familiar cliques of high-school dramas, coming up with an original take on both genres in **Brick**. The dialogue is fast, the plot is twisted, and you'll enjoy the ride to the end.

OOPS, THEY DID IT AGAIN...

When the Post Office raised their rates last year, I wrote a little article about it for the newsletter and sent out a little supply of 2¢ stamps. I got more positive responses to that issue than to all of the clever articles I have written about the local real estate marketplace, so it seemed like a good idea to send along a few more stamps now that the USPS has upped their rates by another 2¢, effective this past Monday 5/14.

Unfortunately, the happenings in the local market are a bit too interesting for me to skip the commentary altogether, but I did want to make sure that you had at least a small supply of stamps to tide you over until you can stock up on the new 41-centers—or even the sure-to-be-popular "Forever Stamps". If you want to review the article I wrote for the last price increase, you can visit the newsletter archive at www.kenmayer.com. Just click the "Newsletter" tab and scroll down to find the January 2006 issue. While you are there, you can browse the old recipes or even read testimonials from past clients. If this internet thing ever catches on, we might be able to give up stamps once & for all!



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:

Stories: _____ Sqft: _____ Beds: _____ Baths: _____ Pool: _____ Garage Size: _____

Other features and upgrades: _____ Condition of home: _____

Send this form back: fax: 480-603-3311 mail: 4040 W Ray Road, #8, Chandler, AZ, 85226 e-mail: Ken@LucasRealtyGroup.com

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