



Buy Now vs Buy Later Prices are low, choices are plentiful, and mortgage interest rates are at historical lows. Is this the time for you to jump into the market? Are we at the bottom? Should you wait another year to see if prices drop even more?

Here's a chart that might help you. Let's say you're considering purchasing a home in Scottsdale. You want to spend about \$500,000 and you're going to purchase the home using conventional bank financing. You'll put down 20% and borrow the rest.

So here's your dilemma. If you purchase now, and if prices continue to drop, you might wish you'd waited. But, if you wait, interest rates may start to climb (they're already up half a point from their lows) and you'll miss these historically low rates.

The chart below shows the monthly payment you'll have to make on your loan, and it shows exactly how this monthly payment is affected by both increases in the mortgage interest rate and by any further drops in home prices.

As you can see, the impact of increasing interest rates far overpowers modest decreases in home prices. There is almost a straight line relationship – for every ½ point rise in interest rates, your dream home must drop in price by 5% in order for your monthly payment to remain the same. So, if you think interest rates are going to be a point or more higher by this time next year, then our housing prices would have to drop by another 10% or more just for you to break even by waiting! This season might just be a good time to buy!!

Questions? Call us if you'd like more information.

		Market Change		
		-5%	-10%	-15%
Sale Price	\$500,000	\$475,000	\$450,000	\$425,000
Amount Financed	\$400,000	\$380,000	\$360,000	\$340,000
Interest Rate %		Monthly Payment		
4	\$1,910	\$1,814	\$1,719	\$1,623
4.5	\$2,027	\$1,925	\$1,824	\$1,723
5	\$2,147	\$2,040	\$1,933	\$1,825
5.5	\$2,271	\$2,158	\$2,044	\$1,930
6	\$2,398	\$2,278	\$2,158	\$2,038

DOS RESTUARANT REVIEWS

When we're in the DC Ranch area after a day showing property or, if we're lucky, playing a little golf, Michael and I like to stop into **Armitage Bistro**.

We've mentioned **Armitage Bistro** before. It is in the *Market Street at DC Ranch*. Great little dining and shopping center. Restaurants, shops, a luxury spa plus their weekend Farmer's Market makes it a close-in haven for DC Ranch residents and a great spot to spend a few hours when you're in the area.

We've been going to **Armitage Bistro** since it opened in 2007. Truly a great wine bar, with wines to suit any palette or budget. Comfortable lounge seating inside, very tastefully decorated in an Old World style, and when the weather is right—as it is most of the year, extensive outdoor patio seating to enjoy a glass of wine while the world passes by.

More than just a wine bar, **Armitage** has a full bar (*Michael seems to think the Martinis are very special*) and a full menu from fabulous cheese boards, to appetizers, to lamb, beef, fish and fowl entrees and wonderful desserts.

Once you settle in the comfy couches or bistro tables, you don't need to go anywhere else, **UNLESS . . . You need to watch football, baseball, soccer or rugby!!!**



Then . . . you just need to go around the corner to the new sports bar opened by the same people who created **Armitage Bistro**. **West Addison** is modeled after that famous Chicago venue and it delivers!!!

Dark wood bars, memorabilia, pool table, wall mounted televisions plus televisions in every booth so you can watch the game that is important to you—*This is the way a sports bar is supposed to look!*

And the food is every bit as outstanding as it's sister restaurant—only different. Ribs, Ahi, Beer Battered Fish, Meatloaf, Spaghetti, Salads, Pizza, Chili, Skins, Wings, Brats, Dogs, Burgers and just about every other kind of sandwich you've ever heard of and incredible desserts if you can make it to the finish line. And all very tasty! For the weekend sports fans they even open at 9:30am for breakfast.

A Wisconsin boy, Michael vacillates between the Wauwatosa Bratwurst and the all you can eat Friday night fish fry, while I stick with my Philly Cheese Steak and root for my Eagles.

Try them both and ENJOY!!!!





MARKET-UPDATE

With the holiday season in sight we are beginning to put together our business plan for 2011—although I'd rather be planning a trip to Napa.

To prepare, we've reviewed this year's transactions, we've networked with other realtors working in the same residential and commercial markets and we've attended presentations and roundtables with bankers,

lenders, title companies, we study the Cromford Report and even met with Fannie and Freddie Economic Advisors. *We are diligently trying to get a grasp on our future!!!*

Interestingly, and somewhat surprisingly – all views seem to be in sync. Most are looking ahead to continued recovery in 2011 albeit at a *much slower pace* than we would like to see.

We're starting the long, slow climb back up but isn't that better to hear than that we are still in the midst of this difficult economy we have experienced for the past few years? We think so.

Interest rates should remain low and housing prices should continue to creep upwards creating a more balanced market. Right now we are in a fairly balanced market with inventory lower than it has been in years. We are moving away from a "buyer's dream come true."

We are seeing buyers making offers on homes only to find that there are already several offers on the same property. Buyers need to understand that after sellers have realized they've lost 50% of the value and then dropped their price another 20% that coming in with an offer another 20% - 30% below list price is not going to be successful.

We haven't seen this phenomenon in quite some time. We continue to say as we have for some time now that homes that are priced well and are staged to show beautifully are moving quickly off the market.

If you are thinking it might be time to make a move, don't allow your property to be priced incorrectly at the start. Most activity occurs in the first 30 to 45 days of a listing. The old "we can always lower the price later" adage is just not viable. ***This is a crucial point for sellers to grasp.***

This is not a market where you can go fishing for a higher offer than the market is dictating. Buyers are making decisions to move onto the next property quickly and are not coming back for a *second pass*. Besides, if there is a loan, the property still has to appraise, and we know the appraisers and lenders are running scared right now.

Call us and take advantage of our 25 years experience in this marketplace to insure that your home does not stagnate on the market. We would love to add you to our growing list of satisfied customers and clients

October/November, 2010



KITCHEN TIPS

With the Holidays here, we're spending more time in the kitchen—which I absolutely enjoy. Every time we collaborate on cutting, mincing, chopping baking, broiling and frying we learn new things.



- ☺ No curly bacon for breakfast when you dip the bacon into cold water before frying
- ☺ Bread will stay fresher longer if a celery rib is stored in the package with it
- ☺ Tenderize pot roast or stewing meat by using 2 cups of hot tea as cooking liquid
- ☺ You can correct greasy gravy by adding a little baking soda to it
- ☺ A dampened paper towel or terry cloth brushed downward on a cob of corn will remove every strand of corn silk
- ☺ Marinate chicken in buttermilk to tenderize it

HOUSEHOLD TIPS

Although I love being in the kitchen, the rest of the house needs constant attention. Here are a few household tips I'd like to share with you . . .



- ♀ A few sticks of chalk in your silverware drawer will help prevent tarnish
- ♀ Coffee filters are great for cleaning eyeglasses
- ♀ Cut yourself shaving?? Dab on a little Chap Stick to stop the bleeding
- ♀ For an inexpensive, non toxic way to remove rust from a toilet, try this: Once a month sprinkle a layer of Tang or Lemon Kool-Aid on the sides of the toilet and in the water. Leave for an hour, brush and flush
- ♀ To remove rust from utensils, stick the utensils such as knives, forks etc into an onion. Pull back and forth on the utensil, then let it sit there so the onion can do its job
- ♀ Salt stains on leather???? Dab on a solution of 3 parts white vinegar to 1 part water
- ♀ Keep cockeyed pictures straight by winding some adhesive tape around the center of the picture wire. The wire will be less likely to slip on the hanger



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