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# Al Gage Report

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## Is the Housing Market about to Crash?

Sorry for the click bait but I get asked this question a lot. As I look back over the headlines for the past year, I find headlines like “A repeat of 2008” and “Housing Bubble Burst Eminent!” from right around May of this past year. These headlines were written by noted housing authorities and pundits who also predicted that Trump could never win the presidency and it would be another 100 years before the Cubs won the World Series!

In an article today out from Realtor.com (who I trust because it is actually operated by the National Association of Realtors), it states: “We’ve predicted a slight slowdown for the U.S. real estate market next year, but the realtor.com® economic team is forecasting that most of the nation’s hottest markets are going to keep blazing in

2017. And where will it be hottest? Head west! According to our forecasts, the western U.S. will continue to lead the nation in prices and sales.

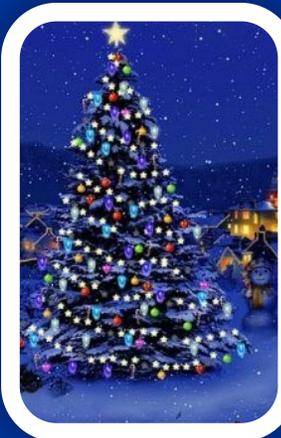
“The top 10 markets all benefit from strong growth dynamics: population, jobs, and households,” says **Jonathan Smoke**, realtor.com’s chief economist, who analyzed the country’s 100 largest metropolitan markets for their growth potential. “They all have low unemployment that’s heading lower, which buoys consumer confidence.”

Amazingly enough, although they predicted a slowdown nationwide (while still projecting appreciation across the country only at a slower rate), **they project that the Phoenix Metro Area will be NUMBER ONE in the country as far as price and sales growth are concerned.** They are projecting a median price in Phoenix at \$300,000 with a price growth of 5.94% and a sales

growth of 7.24% for 2017. **The key here is consumer confidence.** Without confidence in the market, sales dry up very quickly. I can certainly remember the housing crisis of 2008. One of the biggest contributors to that market dropping much deeper than it probably should have was the fact that there was no end in sight for the housing price drops. The local market that we see here today is very different than it was leading up to 2008. 2008 was characterized by wild speculation on the prediction that housing prices were going to continue to go up and people were making 6 figure profits on homes they had only owned for two years. That level of wildness is simply unsustainable.

**Our current market in the Avondale, Goodyear and Litchfield Park markets appears to be very strong and based on a good foundation.** Homes are appreciating at a reasonable rate and even the

**Over 1300  
Homes Sold in  
just in Avondale  
and Litchfield  
Park!**



*In 2015  
Al Gage sold  
72% more  
homes than  
the closest  
competitor and  
240% more  
than the  
average of the  
Top Ten in your  
neighborhood!  
#1 in your  
neighborhood  
two years  
in a row!*



AL GAGE

## What's My Home Worth?

Email Al at [al@algage.com](mailto:al@algage.com) with the address, a list of upgrades, the current condition of the property rated from 1 being terrible condition and 5 being model perfect and he will personally prepare a professional market analysis of your home free of charge. Use "What's my home worth?" in the subject line and also include the purpose of the evaluation in the email. No automated valuations here!

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almost 6% appreciation projected for next year is only up 1% from the average of the last two years. These home buyers are generally working class every day homeowners. While it is true that a lot of homes are owned by investors in the area, most of them are long haul investors who purchased at or near the bottom of the market. There is no artificial demand or speculation driving our local market.

**We are at a slight under supply of homes available for sale.**

If I may use two technical terms (which I just made up) our market is brisk but not rabid. A brisk market is characterized by very short marketing times whereas a rabid market goes back to people standing in line to buy homes and agents stealing keys out of lockboxes so no one else could show the home. Most of our homes will receive a reasonable offer within two weeks of listing their homes. There are not very many bidding wars and most buyers will come to contract on at least the second or third attempt at writing an offer. If you are a seller this

is a good time to sell, despite the traditional slow times around the holidays (a myth I have long held that is perpetuated by real estate agents wanting to be off for the

holidays). If you are a buyer, you may want to get busy before prices go so high that you are priced out of the market.

I went on a listing appointment last week in which, we just could not get to the sales point necessary for this client to be able to make their move. As I was leaving and apologizing for not being able to bridge the gap, they thanked me for being "honest" and "straightforward with them" about the price of their home. At the Al Gage team we are masters at getting the absolute last dollar out of a sale and even correcting errors in value by

appraisers but we cannot manufacture an artificially high price for your home.

The bottom line for the market in our area is all predictions point to it continuing to go up at a reasonable but not a "get rich quick" pace while at the same time maintaining stability and confidence in the market.

**If you want an honest straightforward evaluation or sale of your home give the Al Gage Team a call or email!**

Want a current and local Market Update go to:

[www.algage.com/December2016MarketUpdates.html](http://www.algage.com/December2016MarketUpdates.html)



Sale Pending!

### 12910 W. Alvarado Rd

A Cape Cod Model (2232 S.F., 4 BR, 2.5BA with a loft in Rancho Santa Fe

Listed by AI Gage for 199,900



New Listing

### 4830 N. 126th Dr.

A 1271 Model (1271 S.F., 3 BR, 2 BA) with a pool in great shape in Wigwam Creek South!

Listed by AI Gage for \$185,000



New Listing!

### 16154 W. Devonshire Ave.

A 2106 model (4BR, 2 BA, 2106s.f) with many upgrades in Palm Valley Phase IV

Listed by AI Gage for \$280,000



Sale Pending

### 12605 W. Catalina Dr.

A 1528 Model (1528 S.F., 2 BR, 2 BA with a den) with a pool in Corte Sierra

Listed by AI Gage for \$200,000



Sale Pending

### 5922 N. 180th Dr.

A custom home in Russell Ranch featuring 5 BR, 4 BA, lush landscaping, a pool and over 3500 S.F.

Listed by AI Gage for \$482,000



Coming Soon!

### 12602 W. Catalina Dr.

A 1833 S.F. Model (3BR, 2.5BA) with a pool, granite counters and plantation shutters in Corte Sierra.

Listed by AI Gage for \$225,000



Sale Pending!

### 12718 W. Catalina Dr.

A 2552 model (4 BR, 3 BA) with a downstairs bedroom, pool and built in BBQ in Corte Sierra.

Listed by AI Gage for \$262,000

E-mail us a picture of **YOUR** best holiday house decorations and the top 2 best decorated houses in each neighborhood will win 2 free movie tickets!

\*Must include address in your e-mail



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From my family to yours  
Wishing you Happy Holidays  
and a Prosperous New Year!!!

