

Al Gage Report

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Issue 72

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**4 Sets of Free Passes This
month by random drawing.**

**Free Movie Night
Count-1454**

From 1999 to 2007 we hosted a free movie night for all of the homeowners in Rancho Santa Fe, Corte Sierra, Sage Creek, and Crystal Gardens, Las Palmeras and Wigwam Creek as well as our past clients. We would love to offer this little payback to our community again but with the price of mail going up and the cost of printing, the only way we can do that is with your help to promote the E-newsletter to the same level of readership as the mailings touched in the past.

Don't Sign that Lease!

For the Seller/Landlord:

Signing that lease can be detrimental whether you are the owner or the tenant. I have recently have several sellers contemplate keeping their existing home as a rental property and purchasing another primary residence. In qualifying for their new purchase, they quickly found out that the rules for qualifying for a home with a rental property in tow have changed. In the past, you have been able to submit a lease on your existing home and for qualifying purposes, the lender would count 75% of the rent towards offsetting the payment on the existing home for qualifying purposes. Not anymore! The full payment of the existing home is counted as debt towards the buyers qualifying ratios unless the property actually appears on the past years tax returns as a rental property. In essence, a person contemplating renting a property and purchasing another, should be prepared to qualify for both payments if they want to retain their existing property.

Although I am a big proponent of holding real estate for investment purposes the following are not strong reasons to retain a property as a rental. One major reason I have heard recently is the buyer/seller does not want to move twice and cannot coordinate the sale of their existing home with the closing of the new primary residence.

Some other clients typically want to hold on to their existing home in an appreciating home for a couple years so they can get more money. This too, is a little risky. In both of these instances an inexperienced landlord is holding an investment property for a short term gain. Any short term investment usually involves more risk and this is no exception. This landlord typically is not as proficient at screening tenants and therefore more likely to accept a marginal tenant which increases the chance of requiring an eviction or major damage to the home. Furthermore, this landlord, not being in the business or for long term, typically does not have the reserves required for this type of investment. Again, I believe in investing in real estate but only as a long term investment. Many investors have made a great deal of money in the short term recently but most of those quick profits have passed at this point and while we are trending upward still, there is no guarantee it will continue to rise.

For Tenants:

I am constantly hearing from buyers who tell me that they will be ready to buy in 11 months because they just signed a new lease or "Surely my landlord will let me out of my lease if I purchase a home!" A lease is a highly enforceable contract. Sometime a landlord will work with you and let you break the lease, but it usually requires a sig-

So here is the deal, if we can get our readership up to around 3,500 per month from our current level of just over 1,000, the savings in mailing and preparation cost will allow us to once again rent the entire movie theatre for our neighbors and clients. To accomplish this we will need each of you to forward the email or website to friends and have them opt in for market updates and eventually the free movie passes. We will keep a running count of the opt ins and when we reach 3,500 emails currently living in the Phoenix, Avondale, Goodyear, Litchfield Park and Buckeye areas, we will fire movie night back up



nificant penalty if the landlord will agree at all.

In a normal market, it would not be disastrous to just wait out the lease. In today's hyper market, waiting 11 months could cost you 30 percent of the price of the home. Even if you are a few months from completing your lease, you may be money ahead to purchase your home now even if it means making double payments for a few months. Remember that if you close on a home on July 3rd, your first payment is not due until September 1st. Also do not forget that in almost every lease, the landlord requires 30 days advance notice even if the lease is expiring that you will be moving. Factor in the fact that in some cases, it is taking 30 to 60 days just to get a buyer under contract, the decision of whether to renew your lease should be made well in advance.

Many tenants are tenants as a result of having to foreclose or short sale in the market crash. Three years from the foreclosure date or short sale date is the magic date with a very few exceptions of 2 years or theoretically no years but I have never witnessed the last one. Most people should start the process at about 2.5 years after the event.

Interest Rates Rise:

Another factor affecting a tenants urgency to purchase as quickly as possible is the fact that interest rates on some

loans have surprisingly gone up almost 1/2 percent in the past month. Although, I don't expect interest rates to skyrocket any time soon, that is not an insignificant change in rates. Admittedly rates in the middle 4's are still very below the long term average, time is not on your side.

We need your home to sell!!
Our goal is:
To get the most money for your home, in the shortest amount of time with the fewest amount of problems.

Free Movie Passes Given Away

We assigned everyone that has signed up for the electronic newsletter a random number and then selected these random numbers until we select the number of people corresponding with the number of passes we are giving away this month. We have sent emails to the lucky winners and mailed their passes to them with the exception of one lucky winner who did not give us their address. As our readership increases we will give more and more passes away until we

Want a current and local Market Update go to:

www.algage.com/June2013MarketUpdates.html

Over 1,000 homes sold in Avondale!



With over 1,000 homes sold just in the Avondale area since 1997, we are positioned to have several advantages over other real estate agents. We did not sell 1,000 homes by getting some big bank contract or HUD contract, we sold them one customer at time. This leaves us with a large data-base of customer exclusively in the Avondale, Goodyear, Litchfield Park area to better sell your

existing home at the highest possible price. We are experienced in short sales and regular sales and have a vested interest in keeping and maintaining the values in our neighborhood.

Especially important in this market is the fact that we are experienced in the area to effectively challenge any low appraisals we may receive.



Driggs Title Agency

Featured Homes of the Month

Just Listed



1) 12741 W. Desert Flower a Cape Cod model in Rancho Santa Fe (4BR w loft) on a large lot and pool. Listed by Al Gage for \$185,000

Just Listed



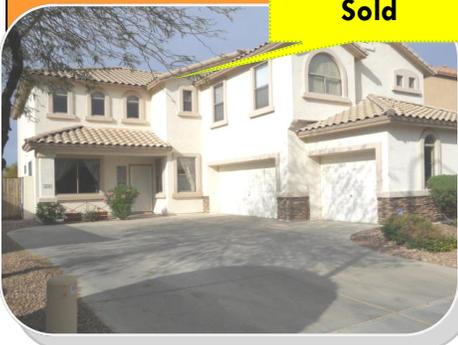
2) 12532 W. Monterosa St. -1524 model (3 BR/2 Ba in Wigwam Creek South. Listed by Al Gage for-\$155,000

Sale Pending



3) 11442 W. Roanoke Ave, A 2131 model in Crystal Point Sale Pending by Al Gage for \$155,000

Sold



4) 11214 W. Cambridge Ave A Cunningham model (2984 S. F.) in Crystal Gardens on the Lake Listed by Al Gage for \$250,000

Pre MLS Listing



5) 3206 N. 127th Ln. a 1376 (3 BR/ 2 BA) model in Corte Sierra with a pool. Coming Soon by Al Gage approximately \$140,000

Sale Pending



6) 12571 W. Monterey Wy., a 1641 (4 BR/ 2 BA) model in Corte Sierra with a pool. Listed by Al Gage for \$150,000

Other Notable Sales of Non Short Sale-Non REO Properties in Avondale

- 12744 W. Roanoke Ave An Azure model in Rancho Santa Fe. Sold for \$215,000
- 12318 W. Wilshire Dr. A Portola model with a pool in Rancho Santa Fe. Sales Price \$186,000
- 3379 N. 130th Ave. A 2832 model in Sage Creek with a pool Sold for \$248,900
- 12683 W. Mulberry Dr. A 2139 model with a pool in Corte Sierra. Sold for \$196,900



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There is hope for our younger generation!

I just finished returning from the state convention of the youth organization that I work with at the local high school. You would not think that a 17 year old could restore your confidence in the next generation but it happens. This young lady, who was a member of my state champion parliamentary procedure (debate) team from last year (we are also state champs this year) gave a presentation as part of her bid to hold a state officer position for the next year which will have her traveling all over the state for the next year representing the organization.

In her presentation, she talked about service to the community and the intangible characteristics of what a true leader should be. Her by line, which she admittedly had borrowed from a presenter at the Arizona Farmers and Ranchers Hall of Fame, was "Not all can be takers, some must be givers." Having worked with this young lady for 4 years, I know that she is a quality individual with exemplary morals and ethics but seeing her express these values to fellow high school students (about 900) professionally and with passion makes me think that there might be some hope for this generation. The students in this organization do not spend their every waking moment with their face pressed to a DS, an I pad, a gaming machine, or a cell phone. They will look you straight in the eye, shake your hand and introduce themselves. Our country needs a lot more of this kind of young person.

I too am a product of this organization, so it comes very easily for me to put in the time and effort to support these students in any way I can. Her closing statement was something along the line that "her generation of leaders would determine the outcome of the world" and she is probably correct. If you would like more information about this program for you children feel free to contact me and remember, in life as well as business, the Golden Rule always applies whether someone is watching or not.

For a regular sale at the highest price, an effective short sale, new home representation or an investment home, Please give the **AL GAGE** team a call or email. (623)-536-8200 al@algage.com