

Al Gage Report

July 2013

Issue 73

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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.

“Real”ity or “Real”ty TV?

I am often asked by both buyers and sellers about something they have seen espoused on one of the numerous “documentary” or “reality” TV shows about real estate. I usually have to chuckle and then explain the “reality” of our current market. For sellers, I am usually asked something like, we were told (which means they watched it on TV but don’t want to admit it) that if we paint the house it would add three times the amount of the paint job to the sales price of the home. Or, if we knock out this wall and remodel this kitchen we can double our money. In my experience, although each of these things will add value to the probable sales price of a home, they usually will not add enough value to cover the cost of these upgrades. A pool is a perfect example. The most value I have ever received for a pool on an appraisal in recent years is \$14,000 and there are few pools that can be installed for less than \$20,000.

Another common misconception that I see portrayed on these programs is that a four bedroom adds \$10,000 to the value of a home over a 3 bedroom. This simply is not true. Although a 4 bedroom may appeal to more buyers than a 3 bedroom, homes with more bedrooms and the same square footage do not sell for more money. In fact, some of the smaller floor plans

where the builder crammed 4 bedrooms into 1400 to 1600 square foot homes do not sell as well because the rooms are too small. This misconception is very common in one of the programs based here in Phoenix. This same program and many others also portrays investors purchasing homes site unseen and then flipping them for huge resale profits. Many of these scenarios are absolutely true but they rarely show the bad purchases where the seller takes a bath on the home and loses a great deal of money or even worse consistently risks a couple hundred thousand dollars to make a profit of \$5-6,000. Basic investment strategy says that the risk is too high for the potential return. In addition, these investments are best designed for individuals with liquid capital to RISK with experience in remodeling homes NOT the average real estate investor. A real estate investor will usually do much better purchasing potential rental property and holding it for the long term or at least an extended period of time. Some of my investors have doubled their overall investment and realized a 300 percent return on their actual cash return in just the past two years. Whether that will continue to be the case can only be found in the infamous crystal ball.

On the buyer’s side, the reality shows often portray a couple purchasing a home with an agent that they have been recently intro-

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 1000, 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



duced. The buyer always has a wide financing range and usually has 3 very different home to choose from. The agent typically either “overacts” for the program or they are the most phony and cheesy agents you have ever met. If you require me to gush over the “lavish” and “extraordinary” 12’ X 12’ master bedroom with a tiny closet even though it is less than average, then I am probably not the agent for you. I would characterize the bedroom as small and the closet as tiny. Maybe that is too straightforward but if I have to sell you on the home, it is probably not the right home for you.

In these shows, the agent invariably allows the buyers to “sleep” on the decision for a few days or at least overnight. This just is not realistic in our current market. We used to have a quotation in our office that read something to the effect of “The home that you looked at and want to think about overnight, somebody looked at yesterday.” This is very much the status quo in today’s market. They also typically go see the loan officer after a purchase contract has been accepted which also is just not realistic in this market.

Finally, I typically hear some bizarre “advice” that both buyers and sellers have received on negotiating techniques that I know come from the TV shows. (I can tell by the 5 year old saying “love it or list it” at every home.) They

commonly act as if there is a common amount that you should offer lower than list price and there should be at least two counter offers. In today’s market, offering below list price (unless the home is overpriced) is frequently a recipe for outright rejection. Many buyers currently have written numerous, over list offers without even a nibble

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 can start FREE MOVIE NIGHT again.

Want a current and local Market Update go to:

www.algage.com/July2013MarketUpdates.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



SOLD



Sale Pending

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

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

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



New Listing



New Listing



Sale Pending

4) 12519 W. Roanoke Ave A Cottonwood model (1290 S. F.) in Crystal Gardens on the Lake Listed by Al Gage for \$250,000

5) 3206 N. 127th Ln. a 1376 (3 BR/ 2 BA) model in Corte Sierra. Listed by Al Gage for\$139,900

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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New Market Updates Specific to your Subdivision

In the past one of the primary attractions to our newsletter was a complete listing of all of the homes that have listed, went sale pending, and sold in a particular subdivision. We are again offering this listing but only on-line due to space conservation. If you go to www.algage.com/AvondaleMarketUpdates save it in your favorites, and then each month you can go to the site around the 1st of each month and look up the past 60 days of closed and pending sales specific to your area. The areas are broken up into the following areas **Rancho Santa Fe, Corte Sierra, Sage Creek and Las Palmeras, Wigwam Creek South and Bel Fleur, Crystal Gardens, Crystal Ridge, Crystal Point, Crystal Park Estates, Donatela Phase One and Upland Park, and Garden Park, Palm Meadows, Palm Gardens and Donatela Phase 2**

When you click on the Avondale Market Updates link it will take you to a menu for market updates, choose May 2013 and then the sub menu for which subdivision you want information about. If that is too cumbersome simply give us a call or drop us an email and we will try to answer your questions. **Better yet, subscribe to the newsletter** and it will contain links directly to the most recent updates available as well as a copy of the printed newsletter and the statistical market report.

With our market currently down to a **6 year low** of **12% Short Sales** and **8% foreclosed homes**, that leaves an astounding **79% of regular or traditional resale homes** (although that figure includes investor flips). This means that we are rapidly returning to a traditional transaction market as the predominant type of sale. Although this promotes a normal market, the buyer numbers are still way out of balance with the seller numbers meaning at least for the very short

To sell your home 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