

Al Gage Report

July 2014

Issue 84

A Normal Market?

When I looked at the graph this week for the past years market, it struck me that it appeared to be very close to a “normal” market! In response to that, I looked at some of the market graphs and found that the last time market conditions looked like this was about this same time in 2004, ten years ago. To be more clear, in 2004, the range of prices per square foot on properties in our areas ranged from \$75 to \$92 per square foot. Average market times were 45-60 days and the number of closing was approximately one fourth of the number of active listings. In that market, most homes negotiated approximately 3% of the sales price (if it was priced appropriately to begin with) with buyer’s closing costs normally being more likely than a reduction in purchase price.

Before everyone starts to panic and believe that we are destined to repeat the mortgage crisis all over again, it should be noted that this was before the beginning of the big run up that occurred in 2005 to early 2007.

Taking a look at our current market shows that most homes are negotiating down about 3%, the price is between \$90 and \$110 per square foot depending on size and condition. Furthermore, we are selling around one-fourth of our inventory every month and just like 2004 we are having to fight appraised value on most transactions

to push the market value at all. Which brings me to the crux of the discussion. As I looked through those sales from 2004, I quickly noticed that most of the agents from that time are no longer in the business. This means that many of the agents you have to choose from now have never worked in a normal market scenario so I went back to a questionnaire that I wrote in 2004.

Questions you should ask yourself before listing your home.

Do I want to list with someone with real experience or classroom training? Many of the agents today may have been in the business for 10 years and do not know how to negotiate a contingency or a pre or post possession. My marketing plan has worked for over 1000 home in the Avondale area. No other agent can claim even half that number.

Do I list with the neighborhood expert or my family/friend/co-worker? This is an easy question to answer. If it is a co-worker the answer is obvious because they are clearly not a full time agent. Family or friends can be a little more challenging but the bottom line is I know that when I am dealing with a client that is not a family or friend, the advice is based solely on what needs to be done to get the house sold without consideration of the friendship or family relationships.

Do I list with the agent that sold me the

Subscribe to our newsletter online at:

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4 Sets of Free Passes This month by random drawing.

Free Movie Night Count-1599

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.



So here is the deal, if we can get our readership up to around 3500 per month from our current level of just over 1500, 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 3,000 emails currently living in the Phoenix, Avondale, Goodyear, Litchfield Park and Buckeye areas, we will fire movie night back up

home or the neighborhood specialist? If the agent did a good job for you then determine if they are still in the business and if so how active. Here at my team, we work every single day to get our homes sold as quickly as possible for the highest price (we set 3 new price benchmarks in June) with the least amount of trouble.

Should I list with a large national franchise? In my almost 30 years of experience, I have worked for ReMax, Century 21, and Keller Williams. I found that the difference in costs to me as an agent (which I can pass on to you in the form of additional marketing) was not worth any differences in name recognition (if there was actually a net difference in productivity). There is an old saying that all politics is local and real estate is the same way. It is much more important, in my opinion, to hire the right agent rather than the right company. Although legally, the entire company works for you, the reality is that the specific agent you hire will carry the lion's share of the work.

Should I put the home on the market just to test the waters and if I get my price great and if not then I will wait until I can? Psychologically it is human nature to believe, not just think, that you home is better and worth more than another home. I look at homes every day. I can be objective about what to price your home at and what it will realistically sell for. If you are waiting to get to a certain

price, keep in mind that the home that you are going to buy is likely going to go up as well and if it has a higher price than your current home, you will likely show a net loss between the two transactions by waiting.

Should I list with someone other than Al Gage? Surprisingly, the answer is sometimes yes. If you live in the far East Valley or Northeast Valley and you have a neighborhood expert working in the area then the answer may well be yes. If you live in the Avondale area then, of course, it is best to list with us. We have closed 9 homes in Avondale in just the past 45 days. Many of these are at new high prices for the model (since the 2007 crash). The best stat that I can give you though is, in that 45 days, we had 5 challenged or marginal appraisals. All but one of them appraised for at least the purchase price and the other one was within \$4,000 of the contract price. The PROOF is in the PUDDING!

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/July2014MarketUpdates.html

Over 1,000 homes sold in Avondale!

Home of the Month

12349 W. Sheridan St.

A fantastic Brigata model in Rancho Santa Fe with lots of upgrades including granite counters and laminate flooring on a large north/ south lot and an RV Gate. **Listed by Al Gage for \$234,999**



Featured Homes



Sold

1913 N. 125th Ave. A El Dorado model (3BR, 2 Bath 1649 sf) with a pool and a huge lot with many upgrades in Rancho Santa Fe. Sold by Al Gage for \$190,000



Sale Pending

12848 W. Weldon St. A spectacular Sheraton model (4Br, 2 Ba, 2011 SF) with a pool in Sage Creel with lots of upgrades. Listed by Al Gage for \$225,000



Sold

13010 W. Cheery Lynn Rd. A 1860 model 3 Br, 2.5 bath on a corner lot in Las Palmeras. Sold by Al Gage for \$160,000



Sold

10851 W. Windsor Ave. A 1644 model with a pool in Upland Park Sold by Al Gage for \$165,000



Sold

2017 N. 108th Dr. A spectacular 1573 model (3Br, 2 Ba) on the lake in Crystal Gardens Sold by Al Gage for \$160,400



Sale Pending

2713 N. 125th Dr. A beautiful Cottonwood model 3BR, 2 Bath 1290 SF Great Room) in Rancho Santa Fe. Listed by Al Gage for \$141,500



I'm Gorgeous

12818 W. Edgemont A beautiful Cape Cod (2232, SF 4 BR, 2.5 BA) model with many upgrades in Rancho Santa Fe Listed by Al Gage for \$180,000



Sale Pending

12842 W. Whitton Ave. A Sheraton model (2011 SF 3 BR, 2. BA, 3 Car Garage) with a den in Sage Creek Listed by Al Gage for \$185,000



Sold

12925 W. Monte Vista Rd. A spectacular Carmel model (1611 S.F., 3 BR, 2/5 BA) with a pool in Rancho Santa Fe Sold by Al Gage for \$161,000



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Which way is the market trending?



See Page 1 for an explanation of the trending of the market.

Call Al Gage at 623.536.8200 or email al@algage.com