

AI Gage Report

October 2020

Market Keeps Charging!

I am often asked "How is the market?" My problem is I am starting to run out of adjectives to describe how good the market truly is for potential sellers right now! **For those of you thinking, "We will just wait and let the market keep going higher", remember, you will not know it is over until after it is already over.** Admittedly, the election in November may have an impact on the market, but let me give you just a few sound reasons why it is NOT likely to have much of an impact.

You would think, with extremely high unemployment and job uncertainty, the market would have slowed a bit over the past three or four months but that certainly has not been the case. I attribute this, in a small part, to the record low interest rates that we currently enjoy; in some cases below 3%. I believe this is a contributing factor, but the bottom line is that the answer is much simpler than that. **Demand grossly exceeds supply!** This will make the prices go up rapidly according to basic economic principles. You may be saying, "Oh No! Here we go again with the housing crisis of 2007-2008." The big difference, having lived and worked through that time and this time, is that the demand in 2007 and 2008 was very artificial. Many buyers were buying solely for speculation purposes and when they found they couldn't make

fast money they rapidly bailed out of the market. This drove us from very high demand to almost no demand in the course of a couple months.

This time does not appear to be the same. The demand we are experiencing now is very real and almost entirely made up of owner-occupied purchasers.

With all of the economic uncertainty, you would think the market would have slowed down. I just noticed yesterday, that since the onset of the pandemic, not a single person has called and said "I have to sell my house because I lost my job or part of my income." This is unusual, over 6 months in any market, but it has not happened. I apologize if you have suffered an economic hardship because of the pandemic.

You may ask **"How are these higher prices meeting appraisal?"** The quick answer is, that in many cases, initially they were not. Since in many cases, the buyers had already written 15-20 offers on property well above list price, the buyers typically were paying the difference in cash, which we are still seeing today. Of late, this has not been much of a problem, because we have seen a few things from the appraisers acknowledging how fast the market is moving in an upward fashion.

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These include significant adjustments to sales comparables for age of sale. In a recent appraisal, the appraiser adjusted \$7500 up for a sale that occurred in May. All the recent sales also help because they have all been at higher prices, as well due to demand.

All of my recent sales have been at or above list price of the home.

Currently, the average amount above list price for the market is about \$4,000. This has come down somewhat in the past few weeks, mostly because the listing agents are catching up with the rise in pricing. A new little shift in the market is for the buyer to give the seller a concession towards their closing costs, perfectly reversing the trend that has been happening for the past 15 years, as an incentive for the seller to select their offer without any appraisal risk. This puts more money in the seller's net without having to have the property appraise for more or the underwriter approving the buyer paying the difference.

If you want an agent that is on top of the current trends in the market, give the AI Gage Team a call at 623.536.8200 or email us at al@algage.com



recent listings



12645 W. Verde Ln.

1827 S.F., **4 Bedrooms**, 2 BA features a huge lot **and a sparkling Pool** in a great room concept with a 2 car garage in Corte Sierra!

Listed by AI Gage for \$315,000



4435 N. 129th Ln.

2296 S.F., **5 Full Bedrooms**, 2 BA features a huge custom kitchen with granite counters, dual wine fridges and a tile backsplash, plus solar and a premium lot in Wigwam Creek South!!

Listed by AI Gage for \$365,000



2203 N 115th Ln

What a Buy! 1514 S.F., 3 BR, 2 BA, lots of cabinets and granite counters in a great room concept with a 2 car garage in Palm Gardens!

Listed by AI Gage for \$260,000



12511 W Honeysuckle St.

Move-In Ready! 1268 S.F., 3 BR, 2 BA, lots of cabinets and an eat-in kitchen in a great room concept with a 2 car garage in Wigwam Creek South!

Listed by AI Gage for \$260,000

RITA'S CORNER

The World Changes!

As many of you know, I have been doing business with AI Gage for over 20 years. For those who know both of us, you might know that it was not love at first sight. Both of us are aggressive, know a lot about our prospective businesses and are not afraid to let others know. Many times over the years, as I have taken a prequalification, I have discovered that the buyers are a little short on funds for down payment and closing costs. I will then turn around and ask AI to request the seller to contribute towards closing costs. Depending on the market conditions, the seller will or won't make the contribution. Yesterday AI called and told me that he was involved in a transaction where the BUYER was making a contribution to the SELLER for closing costs. I have never heard of that.

Call me for information about this and other available programs. We have a large variety of programs!



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Go to www.ai@algage.com/SubscribeToENewsletter.html or just send us an email with your address and subdivision. We now offer individual subdivision reports. Stay up to date with the current news, right in your inbox. Subscribers are placed in a drawing to win a set of FREE movie passes! 4 sets of passes will be given out this month! Please share this opportunity with family, friends, and neighbors.

featured listings



13023 W. Highland Ave.

Spectacular Home With a Pool

A 2166 S.F., 4 BR, 2 BA home with a pool, spa, 2 Car Garage, huge back yard in Wigwam Creek South!!

Sold by AI Gage for \$350,000



12536 W. Sells Dr.

This 2148 S.F., 3 BR, 3 BA features **Two Master Suites**, a 3 Car Garage with upgraded kitchen cabinets in perfect condition in Wigwam Creek South!!

Listed by AI Gage for \$350,000



2413 N. 123rd Ave.

A Beautiful Brigata Model featuring 4 BR, 2 BA, 2335 S.F. with a pool and 3 Car Garage in Rancho Santa Fe!

Sold by AI Gage for \$365,000

Listed by DPR Realty, LLC



10555 W. Crimson Ln.

A Beautiful home featuring 3 BR, 2.5 BA, 1949 S.F. plus a loft, pool, green belt for a back neighbor in Westwind!

Listed by AI Gage for \$255,000

What's My Home Worth?

Email AI at ai@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!

Want a current and local Market Update? Go to www.algage.com/October2020MarketUpdates.html

In 2019, AI Gage successfully represented 20% more clients than the closest competitor and 214% more than the average of the Top Ten Agents in your neighborhood! #1 in your neighborhood five years in a row!



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U.S. POSTAGE
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Hello.

Interesting And Helpful
Real Estate Info
Just For You

Local Postal Customer

Over 1400 Homes Sold in Avondale and Litchfield Park!

Subdivisions	Home Levels	2018 Sales #s	2018 Price/SF	2018 Days on Market	2019 Sales #s	2019 Price/SF	2019 Days on Market	% Change In Price per SF	Sept 2020 Sales #s	Sept 2020 Price/SF	Sept 2020 Days on Market
Cortes Sierra/Sage Creek/Las Palmeras	1	71	136.47	48.6	68	144.9	36	6.17%	7	172.4	26
Cortes Sierra/Sage Creek/Las Palmeras	Multi	37	118.81	54.6	33	125.3	39	5.46%	4	139.7	37
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	1	85	137.72	41.0	103	146.7	42	6.52%	13	166.9	25
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	Multi	37	115.22	57.0	26	119.1	66	3.37%	4	143.5	21
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	1	45	128.41	54.3	48	141.8	34	10.43%	2	159.2	30
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	Multi	19	109.64	46.8	20	107	61	-3.41%	2	153.8	5
Rancho Santa Fe	1	87	139.05	50.4	83	145.3	50	4.49%	6	170.9	21
Rancho Santa Fe	Multi	26	117.53	43.1	36	126.2	41	7.38%	4	136.9	28
Westwind and Glenarm Farms	1	28	149.87	80.2	24	165.6	47	10.50%	2	156.3	2
Westwind and Glenarm Farms	Multi	16	118.10	41.2	21	136.4	41	15.50%	0	0	0
Wigwam Creek South and Bel Fleur	1	85	135.49	45.4	65	139.8	43	3.18%	3	187.5	6
Wigwam Creek South and Bel Fleur	Multi	45	98.78	60.1	45	101.3	73	2.55%	5	117.4	24