

AI Gage Report



February 2021

Don't Make A Mistake



Imagine if you will, you are driving around on a Sunday afternoon and you just happened to stop by a model home center. You are a little surprised at the activity, but decide to go in and check it out. This may occur when you are going with friends to check out the home they just bought or just as a casual Sunday drive. Of course, you walk into the second model and decide that you just have to have that home! Can you buy it or one just like it?

Probably not! You may ask why? You have great credit, a good job and job history, sufficient down-payment and meet all of the other requirements necessary to get a mortgage or you may be in a position to pay cash! If you can pay cash the answer is now converted from a solid no to a maybe. The new home builder may say *"Perfect! Sign Here! And we will put you in for a drawing or a lottery for that particular home. By the way, the interior colors for that specific lot have already been chosen and you will not be able to change them. Also, if you are not chosen for this lot, we have a price increase coming next week and it will be \$5,000 more for the same home and \$5,000 more the week after that."* You may think this is disheartening and this may occur even if you can pay cash for the home.

1 If you cannot pay cash for the home, because you have to sell your home, they likely will not even let you in the lottery to buy a

new home. Bottom line, you have already made one mistake and at this point the new home builder may urge you towards making another one. They may say not to worry about selling your home, because we have this i-Buyer that we work with and they will buy your home for cash and let you move out when your new home closes.

2 You are about to make your second mistake. You call this i-Buyer thinking that your home is worth about \$275,000. Low and behold, the i-Buyer comes back to you with an immediate offer on the property for \$290,000 with no contingencies except for an inspection and allows you to stay in the home until your new home is ready by delaying the closing date until your new home is ready. Wow! Its more than you were expecting, and it is easy as well. No prep. No showings. No nosy people walking through your home. Most of all, no risk of COVID from having your home shown.

Without any further ado, you sign their offer and proceed to closing on both transactions. **You feel good about your negotiating acumen on the offer and what could possibly go wrong? Plenty!**

3 As you read the details of the offer, you soon realize that there is a service fee in addition to what a likely commission would be, adding up to a total of almost 10% of the sales price. Then they do an inspection and come back with an additional \$20,000 in repairs that they are requesting that you perform. Just to help you out, they are willing to just accept a reduction in the sales price to offset the repairs. Again, but now somewhat more reluctantly, you agree to those repairs.

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featured listings



12771 W. Coronado Rd.

This 1450 S.F. Jerome Model features 3 BR, 2 BA in a cul-de-dac and offers a great room and a huge extended patio in Rancho Santa Fe!

Listed by AI Gage for \$275,000



12128 N. 124th Dr.

This beautiful **Regatta Model** features 4 BR, 2.5 BA, den, almost 3,000 S.F., a 3 car garage, pool on an extremely large lot in Alta Mira of Rancho Santa Fe!

Listed by AI Gage for \$465,000



10874 W. Windsor Ave.

This 1493 S.F., 4 BR, 2 BA in a great room concept with a 2 car garage, sparkling pool and a cul-de-sac lot in Upland Park!

Listed by AI Gage for \$300,000



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/February2021MarketUpdates.html

In 2020, AI Gage successfully represented **125%** more clients than the closest competitor and **283%** 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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Or suppose, five months later, when you are ready to close, the market has now changed. **The i-Buyer is now no longer interested in purchasing the home because of the market change, which actually happened at the start of the pandemic.** Let us assume that does not happen and you end up closing.

You now have made three mistakes and you were not represented by a professional in any of them. Let's look at the same transaction without the mistakes and see if it works out better.



Suppose you remembered reading in my newsletter not to go to the models without having us represent you and attend on the first visit. We registered you on your first visit and now officially represent you with that builder. We cannot alter any of their procedures for lot lotteries and contingencies, but also they can not give preferential treatment to un-represented clients. As a result of consultation with my team, we guide you to another builder

without quite as many restrictions, or if we have to adhere to the no contingency procedure, we quickly get your home on the market at a rapidly changing fair market value.

After we review the market value of your home, we determine that your home should be listed for \$300,000. We put it on the market and after 26 showings in two days, I present you with an offer of \$322,000 waiving the appraisal contingency and not asking for closing costs. The buyer is willing to close and let you lease the property back for the new mortgage payment which is actually \$140/ month less expensive than you current mortgage. So let's do the math. You received \$32,000 more for the house and save \$140/month for 6 months or \$840 Net to you is a plus \$32,840. Got your attention yet?

But there is more, remember that extra fee for their service. That goes away, netting you an additional \$11,000. Not done yet! This new buyer does their inspection and finds the same exact findings as the i-Buyer. This buyer has written 40 offers and been rejected 39 times. They let several items go and know that to return to the market and find another home will cost them even more money. They instead come to a

negotiated settlement on the repairs, either done in person or as a concession, in the amount of \$2500, which saves you an additional \$17,500. Some of this willingness to negotiate is also benefited by my team of contractors who save both parties thousands on repair costs almost every time. **By eliminating the three mistakes of not being represented on the new build, selling to an i-buyer and not at least consulting with your neighborhood specialist, you saved over \$61,000.** You don't get to make many financial mistakes of this magnitude in your life.



For great service and professional representation, give the Al Gage team a call at 623.536.8200 or email us at al@algage.com

Find us on  [/AIGagePC](https://www.facebook.com/AIGagePC)

RITA'S CORNER

Mortgage Loan Statistics!

I am not sure why, but the mortgage market is on fire. Here is a headline designed to scare you:

The average contract interest rate for 30-year fixed-rate mortgages backed by FHA increased to 2.94% from 2.88%. I am not soliciting anyone to obtain a new loan, I am just amazed at the market. It's unbelievable, as I reflect on that young woman who was trying to solicit loans and the interest rate exceeded 16%. I was a little scared as a speaker from Fannie Mae screamed from the podium that the days of fixed interest rates were OVER. I sure am glad that I resisted the temptation to run from the room and go back to my waitress job.

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

PINNACLE CAPITAL
mortgage corporation

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Hello.

Interesting And Helpful
Real Estate Info
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Local Postal Customer

Over 1400 Homes Sold in Avondale and Litchfield Park!

Subdivisions	Home Levels	2019 Sales #s	2019 Price/SF	2019 Days on Market	2020 Sales #s	2020 Price/SF	2020 Days on Market	% Change In Price per SF	Jan 2020 Sales #s	Jan 2020 Price/SF	Jan 2020 Days on Market
Cortes Sierra/Sage Creek/Las Palmeras	1	68	144.9	36	61	167.3	23	15.45%	0	0	0
Cortes Sierra/Sage Creek/Las Palmeras	Multi	33	125.3	39	31	138.7	36	10.69%	0	0	0
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	1	103	146.7	42	99	162.1	35	10.50%	10	190.6	12
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	Multi	26	119.1	66	32	135.3	37	13.60%	1	173.1	19
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	1	48	141.8	34	29	156.3	27	10.23%	0	0	0
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	Multi	20	107.0	61	17	120.5	30	12.62%	0	0	0
Rancho Santa Fe	1	83	145.3	50	68	160.2	29	10.25%	2	206.4	14
Rancho Santa Fe	Multi	36	126.2	41	36	136.0	28	7.77%	5	150.3	48
Westwind and Glenarm Farms	1	24	165.6	47	15	168.3	44	1.63%	1	224.6	18
Westwind and Glenarm Farms	Multi	21	136.4	41	12	128.2	44	-6.40%	1	130.8	7
Wigwam Creek South and Bel Fleur	1	65	139.8	43	76	159.2	22	13.88%	2	186.6	31
Wigwam Creek South and Bel Fleur	Multi	45	101.3	73	37	116.0	35	14.51%	2	113.0	24