

AI Gage Report

May 2020

How the Housing Market Adapts

I am sure many of you are somewhat uncertain as to what is occurring with the virus and the impact on the real estate market. This article will be about the actual mechanics of buying a home and how the real estate market has already, or is in the process of, adapting to the pandemic. Some of these changes were implemented, or were common, well before the onset of the pandemic, but you may not have been aware of them.

As far as the condition of the market, it is still too early to glean any kind of trend from the recent sales due to a lag time between contract acceptance and closing. **As of the beginning of May, I can see very little impact on home sales in our neighborhood that do not exceed the normal ebb and flow of the market.**

Let's start with the listing process and work our way all the way to closing.

In the past, we have always appeared personally for a listing appointment and that part of the process has not changed. As a real estate professional, I have an obligation to inspect the property for any obvious signs of water, other damage or anything that could be considered to be a red flag. There is no practical way to do that without viewing the home in person. The major difference is that we will break a 40-year-old habit and not shake your hand when we meet you. We will sign papers at that point in person, but maintain social distancing as best as we can.

From this point the process is altered just a bit. When the photographer comes, he will require that the seller not be in the property, access the home via lockbox, take truly professional photos and exit the home without making direct contact. The photographer will require that all lights be turned on and doors to closets and bedrooms be open at the beginning of the photo shoot.

When it comes to showing the home to actual buyers, the situation has changed just a bit for both buyers and sellers. For seller's, we will ask that they not be on the property while the buyer views the home. The truth is that we have been asking seller's to do this for many years but for a different reason. **Buyer's have always felt uncomfortable to speak freely or take their time looking at a home when the seller's are present.** The added benefit of being socially distant, which is now required, only enhances this proposition.

From the buyer's perspective, it will also look a bit different. Traditionally, we have always driven potential buyers around in our car, but the significant change is that now we require the buyers to drive their own car and follow us from property to property.

One of the oddities of this crisis is the increasing number of buyers who are buying properties based on the pictures and/or virtual tours of a home. The major change is, that before the crisis, this practice was somewhat frowned upon by many agents as being a less secure offer for their seller to accept. I believe this perception to be changing, because we just got an offer accepted on a property where our buyer had never toured the home. They viewed the home during the inspection and then proceeded with the transaction, actually incurring no more risk to the seller than normal, because the buyer could have backed out any time during the 10-day inspections period.

Another oddity of this crisis is



Continued on page 2

1 How the Housing Market Adapts

2 Cover Article Continued

Changes!

3 Subscribers Win

Featured Listings

What's My Home Worth?

4 Sales Statistics



AI Gage, P.C

Phone: 623-536-8200
Mobile: 623-694-9004
Fax: 623-536-8222
Email: al@algage.com

www.algage.com

Continued from page 1

a self-imposed spacing of appointments to show a home. In the past, we would approve all showings of a home, especially if it is vacant. We are now instituting a policy of having appointments no more frequently than one per half hour. On very popular listings, this is to avoid a crowd gathering at the door to view the home.

Open houses are one of the services that simply cannot be offered at this time. I stumbled onto a statistic very early in my real estate career that basically said the chance of selling the home being held open via an open house is less than half a percent. I have thought throughout my career that the chance of selling a home via an open house did not exceed the risk of just letting anyone off the street to come in and view a home or in essence case the home. Admittedly, they can do that online with all of the technology available, but one half a percent just does not justify the time and expense. In my entire 35 year career in real estate, I have sold exactly one home off an open house and that was because the actual listing agent had underpriced the home by about \$20,000. It was also my first home.

As far as personal protective gear, we will wear a mask and gloves at either listing appointments or showings upon request. The same as we would with a common request to remove our

shoes when entering a home in the past. We also like to inquire if anyone in the home has any of the risk factors associated with the virus.

The same rules apply for the next steps in the process. The home inspector and the appraiser will require lockbox access to the home and that the seller not be present. When the buyer arrives to go over the home inspection, masks and gloves should be worn by both parties, as they see fit.

All of the paperwork necessary to satisfy all of the other requirements of the transaction can be done electronically, as long as the parties have a valid email, except for the final notarized signatures. The parties, in almost all cases, can complete the real estate side of the transaction without the requirement to be able to physically sign and scan a document.

As far as the lending side of things, that too can mostly be done with an email address and a credit card. An exception to this, that may require the use of a scanner on the part of the buyer, would be to upload documents such as letters and bank statements that can not otherwise be documented without a paper copy of the document.

Lenders, title companies, underwriters and many other facilitators of the transaction process are also mostly

working from home, as are we! This is not that uncommon of a change, although we do find that sometimes this can lead to a slight delay in the closing process due to bandwidth and/or other complications of items not being performed in an office.

For the actual closing process, you will still likely have to appear before a title officer. Prior to the pandemic, it was becoming more and more common for the signings to be performed by a mobile notary that would bring the documents to your work or home, witness your signatures and then return the documents to the lender. This practice has been widespread for buyers prior to the onset, but is becoming increasingly the norm for sellers as well.

With these few exceptions, and hopefully the real estate market continuing to hold, VERY LITTLE has changed in the real estate market. These changes are a small price to pay for attempting to keep people that you may or may not know safe from this horrible virus!

If you want an agent that can adapt to the changing times and still represent you in a professional, aggressive and ethical manner, give the AI 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

Changes!

All of us are experiencing major changes these days with the "VIRUS". It is definitely disconcerting. In the mortgage industry some of the changes appear to be in the best interests of the borrower. However in some ways, the changes remind me of days before the housing market crash of 2007 to 2009. They seem to ease up on the rules and requirements. Some of the changes that were pending, like making the down payment on an FHA loan higher, did not happen.

As usual, I do my best to be aware of changes and potential changes.

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

PINNACLE CAPITAL
mortgage corporation

RITA MARIE NMLS ID #186758
623-935-4664

Mortgage Advisor
Please leave me a "LOAN"

ritamarie2020@gmail.com
Creative Home Loans, LLC
NMLS ID #132851

16401 N 40th Street
Phoenix, AZ 85032



Subscribe Online & Get Your Subdivision Report!

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



11010 W. Holly St.

Spectacular Home With a Pool

A 2569 S.F., 4 BR, 3 BA huge tri-level home with a pool, spa, 3 Car Garage, huge back yard in Crystal Gardens!

Listed by AI Gage for \$340,000



13014 W. Luchana Dr.

A Bel Fleur Beauty!

This large 5 BR, 3.5 BA has 4457 S.F. with a ton of upgrades including premium flooring, granite counters in a gorgeous kitchen with a dry bar and a huge lot!

Listed by AI Gage for \$470,000



16020 W. Sherman St.

A Beautiful home featuring 4 BR, 3 BA, 3112 S.F. with a pool, fireplace, 3 car garage and much more in Wildflower Ranch!

Listed by AI Gage for \$342,000



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/May2020MarketUpdates.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!



PRSR STD
ECRWSS
U.S. POSTAGE
PAID
EDDM RETAIL

West USA Realty
2920 N Litchfield Rd, Suite 100
Goodyear, AZ 85395

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	April 2020 Sales #s	April 2020 Price/SF	April 2020 Days on Market
Cortes Sierra/Sage Creek/Las Palmeras	1	71	136.47	48.6	68	144.9	36	6.17%	5	166.0	42
Cortes Sierra/Sage Creek/Las Palmeras	Multi	37	118.81	54.6	33	125.3	39	5.46%	1	134.4	5
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	1	85	137.72	41.0	103	146.7	42	6.52%	6	151.4	24
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	Multi	37	115.22	57.0	26	119.1	66	3.37%	2	121.0	16
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	1	45	128.41	54.3	48	141.8	34	10.43%	2	167.4	30
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	Multi	19	109.64	46.8	20	107	61	-3.41%	2	99.3	32
Rancho Santa Fe	1	87	139.05	50.4	83	145.3	50	4.49%	5	155.6	40
Rancho Santa Fe	Multi	26	117.53	43.1	36	126.2	41	7.38%	2	124.7	19
Westwind and Glenarm Farms	1	28	149.87	80.2	24	165.6	47	10.50%	0	0	0
Westwind and Glenarm Farms	Multi	16	118.10	41.2	21	136.4	41	15.50%	1	100.1	11
Wigwam Creek South and Bel Fleur	1	85	135.49	45.4	65	139.8	43	3.18%	5	157.4	34
Wigwam Creek South and Bel Fleur	Multi	45	98.78	60.1	45	101.3	73	2.55%	1	105.3	3