

# Al Gage Report

August 2020

## This Market Is On Fire!

This market is absolutely out of control! We are in such an undersupply of homes that the market is extremely brisk. If you are thinking about maximizing your sales price of an existing home, the time is now! Many of you may be thinking, well if I sell my home now, then I just place myself in the buyer pool to buy another one and will have the same difficulty as everyone else. While true, we are countering that at the moment with mostly selling existing homes and purchasing new builds with lease backs on the existing homes to avoid a double move.

Here is what you can expect:

**AS A SELLER:** You can expect multiple offers over list price within just a few days of placing your home on the market. This may seem like a panacea for sellers and you can just ask whatever you want for your home, but that is not necessarily the case.

Many agents treat this scenario much like an auction and let the home continue to get bid up like would normally happen at an auction. They do this by the use of multiple offer forms which gives multiple buyers the opportunity to sign off on the best offer and then ultimately the seller makes a decision based on the strength of the offers. This invariably essentially ends in a tie among many buyers leaving the seller little guidance on which one to accept. At our team, I believe in allowing each buyer



submitting an offer to improve their offer to their highest and best offer and then choosing from among those best offers. I prefer this method because it is a positive approach rather than a negative approach. Many times, if you ask all of the buyers to sign a multiple offer dictating terms, one or more of the strongest offers will not agree to those terms, so now you are forced to choose from among weaker candidates who, in their desperation to buy a home, have agreed to the inflated terms. The method of asking for highest and best, lets the buyer feel comfortable that the offer submitted is what they are willing to agree to as a maximum. They generally are expecting multiple offer situations in today's market so they remain in the negotiations

Even with this massive and overwhelming deluge of offers and buyer demand, the home generally does still have to appraise. I have often touted my ability to improve appraisals by supplying information to appraisers that justifies the higher prices. At the current time, it is my belief that while the appraiser may be influenced by the excessive demand, the market and/or appraisers simply cannot keep up with the rapid appreciation of homes we are seeing in the current market. Many offers choose to waive the appraisal contingency which is a quite effective way to get the offer accepted, but it remains to be seen if they will either actually complete the transaction or even have the real ability to do so.

With regard to the marketing time of homes, we have statistically seen the market time cut in half for all of our neighborhoods in the last month. They have generally shrunk from 20 days to

- 1 This Market Is On Fire!
- 2 Cover Article Continued
- 3 Qualified Mortgage  
Subscribers Win
- 4 Featured Listings  
What's My Home Worth?  
Sales Statistics



Al Gage, P.C

Phone: 623-536-8200  
Mobile: 623-694-9004  
Fax: 623-536-8222  
Email: [al@algage.com](mailto:al@algage.com)

[www.algage.com](http://www.algage.com)



Continued from page 1

around 10 days on the market. That statistic doesn't accurately reflect the actual conditions of the market. Many agents leave a home on the market for 4-5 days before beginning the multiple offer process, usually resulting in 40 or more offers. They then begin the multiple offer process which can also take several days. In addition, this figure is also inflated because of the way MLS calculates Days on the Market by continuing to count days for a home that has an accepted offer, but is still listed as taking back up offers instead of as Pending.

The bottom line as a seller is that you will be able to maximize your price in the current market! This is not without some pain, there will be an absolute parade through your home for the few days it is actually on the market with agents standing in line at your door.

Please resist the temptation to pick an agent based on the lowest price, because this will only attract the weakest buyers and agents in an otherwise robust Market. You need the professional and experienced guidance to wade through all of these offers and successfully negotiate the maximum return.

**FOR BUYERS:** There is obviously not much solace here for buyers. I am

currently working with one buyer who has written more than ten offers on properties. All of the offers were over list price by at least \$10,000 and not asking for any concessions or other perks. All of these offers have been out bid. Here are a few tips to improve your chances.

There is an inherent preference in the way that agents, and therefore sellers, view the various types of offers. They prefer a cash offer over a conventional loan. They also prefer conventional loans with their larger down payments over FHA/VA loans. There may be a slight sliver of truth statistically of the ability to close in this order, but I am not sure it is significant enough to justify the preference.

A buyer should offer around \$10,000 more than the list price, pay their own closing costs and home warranty and

comply with any other terms that the seller has requested, such as closing dates and/or title company.

The more earnest money you can put down, the stronger your offer appears. This does not put any more of your funds at risk, unless you change your mind or waive some of the contingencies that are inherent in a standard purchase contract. If you really want a particular home and have the capability to pay the difference in what the home appraises for and the purchase price in cash, a buyer can waive the appraisal. I do not recommend combining large earnest money deposits AND waiving appraisals as anything less than a desperate strategy.

**If you want an agent that has plied these waters of an incredibly hot market before, who will get the most for your home as far as the actual closing price...**



Give the  
Al Gage Team  
a call at  
**623.536.8200**  
or email us at  
[al@algage.com](mailto:al@algage.com)

Find us on  
/AlGagePC 

## RITA'S CORNER

### Qualified Mortgage

This term came to be about 3 years ago when the rules for mortgage were being modified and changed. Like most changes, the new rules were intended to be for the benefit of the borrower. In some cases, the intentions were met. Qualified mortgages or QM, cannot be adjustable, cannot have a balloon payment and borrower must be able to provide documentation such as paycheck stubs and tax returns. Non QM loans have pretty much disappeared in the last 3 or so years. No more stated asset or stated income. There is, however a non QM loan that uses 2 years of bank statements and calculates an average monthly income based on deposits. The interest rate is a little higher but worth it for borrowers, most of whom are self-employed. Self-employed borrowers take advantage of business expenses being able to be written off.

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.al@algage.com/SubscribeToENewsletter.html](http://www.al@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!!

**Listed by Al Gage for \$350,000**



**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 loft!

**SOLD by Al Gage for \$465,000**



**12406 W. Virginia Ave.**

A Beautiful Azure Model featuring 4 BR, 2 BA, 2277 S.F. with a pool, BI BBQ, 3 car garage and much more in Rancho Santa Fe!

**SOLD by Al Gage for \$337,500**



**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 Al Gage for \$255,000**

## What's My Home Worth?

Email Al at [al@algage.com](mailto:al@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/August2020MarketUpdates.html](http://www.algage.com/August2020MarketUpdates.html)*

*In 2019, Al 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!*



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	July 2020 Sales #s	July 2020 Price/SF	July 2020 Days on Market
Cortes Sierra/Sage Creek/Las Palmeras	1	71	136.47	48.6	68	144.9	36	6.17%	5	170.8	20
Cortes Sierra/Sage Creek/Las Palmeras	Multi	37	118.81	54.6	33	125.3	39	5.46%	3	138.1	10
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	1	85	137.72	41.0	103	146.7	42	6.52%	7	161.1	19
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	Multi	37	115.22	57.0	26	119.1	66	3.37%	1	168.4	34
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	1	45	128.41	54.3	48	141.8	34	10.43%	3	145.5	22
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	Multi	19	109.64	46.8	20	107	61	-3.41%	4	117.2	5
Rancho Santa Fe	1	87	139.05	50.4	83	145.3	50	4.49%	7	149.0	34
Rancho Santa Fe	Multi	26	117.53	43.1	36	126.2	41	7.38%	6	140.5	31
Westwind and Glenarm Farms	1	28	149.87	80.2	24	165.6	47	10.50%	1	171.6	21
Westwind and Glenarm Farms	Multi	16	118.10	41.2	21	136.4	41	15.50%	4	141.6	23
Wigwam Creek South and Bel Fleur	1	85	135.49	45.4	65	139.8	43	3.18%	11	158.4	20
Wigwam Creek South and Bel Fleur	Multi	45	98.78	60.1	45	101.3	73	2.55%	5	118.5	29