

# Al Gage Report

April 2014

Issue 81

## 5 Most Common Questions

**Subscribe to our  
newsletter online at:**

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

**4 Sets of Free Passes This  
month by random drawing.**

**Free Movie Night  
Count-1576**

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.

I am asked a series of questions on a regular basis. Here are my typical answers.

Are home prices rising ( stable or going down)? Through October of last year the answer was unequivocally: Yes! Since then our market has slowed considerably to the point where we are very close to a normal market right now. It is no longer a seller's market but neither is it a buyer's market. I have had several recent buyers who simply could not find what they wanted in the first couple of weekends. Our current market time is running just under 90 days which is fairly typical of a normal market. That doesn't mean that it isn't a good time to sell. Many of the homes that are sitting on the market are using old sales as comparables or are (literally) reaching for the stars as a price point. Most of these giant leaps will either reduce their price to the point of sale (true market value) or slide off the market eventually. Again, waiting for that miracle buyer from California that everyone hears about (but never actually materializes) is not good business practice. Do NOT make the assumption that our market cannot decrease again. Although it is not likely, it is not impossible. As far as long term prognosis goes, we will likely see slow but steady appreciation of 3-5% over the coming years and settle into a normal market. Waiting for your home to appreciate only leads to the

home you are purchasing appreciating as well.

I heard on the news that our market was going up, down, crashing or booming. Is this correct? Keep in mind that the statistics that are published on a national basis or for that matter on a local basis, are always based on closed sales. This trend will usually show about a 2-3 month lag in what is actually happening out here in the trenches. For example, national and local media were touting our great market in January based on 4th quarter sales when in fact, January and February of this year were among the slowest I have ever witnessed. All real estate like all politics is local. A national trend rarely correlates with a local county market or more specifically the Avondale area. For the best information, contact your local real estate agent. Hint! Hint!

Does the neighborhood have children?

Although this is THE most common question I receive, it is the one question that under Fair Housing Laws, I cannot answer.

How are the schools? This is a very common question but a difficult one to answer. I do a great deal of volunteer work at several of the local high schools and have a good idea what they are like but there are many other ways to evaluate a local school system. If you believe in standardized testing rankings, that information is available at a num-

So here is the deal, if we can get our readership up to around 3500 per month from our current level of just over 1000, 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 3,500 emails currently living in the Phoenix, Avondale, Goodyear, Litchfield Park and Buckeye areas, we will fire movie night back up



ber of different websites or the Arizona Department of Education. When I look at the reviews posted on both Trulia and Zillow, much like their valuations, I find the information to be inaccurate. In reading these reviews, it is fairly evident that with a few exceptions, every school has some kind of bad parent review which sounds very much like they have an axe to grind over their student. Being heavily involved with some of the schools, I have my own opinion of them but that is based on a very small snapshot of the entire academic environment. My recommendation is to tour the school and interview some of the teachers and make your own decision.

If I do XYZ, how much value will it add to my home?

There are two types of value, perceived and realized. Perceived is the value that the homeowner receives from the enjoyment and use of the upgrade or renovation project. Realized values is the actual differential sales price between a home with and without this specific upgrade. In most cases, the perceived value is a “beauty is in the eye of the beholder” judgment. The realized value is easy to determine with some upgrades and not in others. The easiest example to understand is generally a swimming pool. If a pool costs \$30,000 to install, it has a perceived value of that amount or the homeowner would not put the pool in in the first place. The realized value is calculated based

on otherwise identical models and differentiating those with a pool and without. The difference in prices averaged over several sales determines the realized value of a pool. In our area, a pool can range anywhere from \$10,000 to \$14,000 which is also the range that an appraiser will adjust for a pool. Before you install, a \$40,000 kitchen, even though the guys on “Property Wars” and many others say that a kitchen sells a home, keep in mind that the resale value of that kitchen is probably closer to \$15,000 and these investors are doing renovations at wholesale prices. Of course, they are TV shows so they have to make it look like they are doing something other than buying low and selling high!

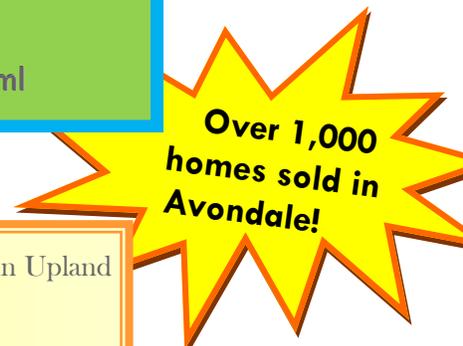
**Need help deciding when to make a move?  
Call us for a free market analysis and timing  
to make that crucial move.**

**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/April2014MarketUpdates.html](http://www.algage.com/April2014MarketUpdates.html)



10851 W. Windsor Ave. A 1644 model with a pool in Upland Park Listed by Al Gage for \$170,000

**Homes of the Month**

2017 N. 108th Dr. A spectacular 1573 model (3Br, 2 Ba) on the lake in Crystal Gardens Listed by Al Gage for \$166,500



### New Builds

As new construction becomes more and more a part of our housing market (and there are some great ones including full RV Garages), it is important to keep a few things about new construction in mind. Most importantly, remember that the agent at the new construction site works exclusively for the builder. Although I cannot commonly negotiate a better deal or terms on the price of the home if I am brought in to represent the buyer, I can be very helpful in other areas. These areas include:

1. Discounting the sales commission on your existing home. Remember that in most cases I must accompany you on your first visit to the model homes so make sure to contact us before you start looking.
2. Saving you time and energy in searching for the new builds that best suit you. We have access to new home searches that will greatly narrow your searches and find the best values.
3. Advice on the best financing available in your current situation. Even though in most cases, you will be using the lender provided by the builder (not required but usually incentives preclude effectively using another lender), there are many different financing programs available with many pro's and con's to each.
4. Negotiating contingencies and clearly identifying the refundability or point of no return in any real estate contract situation.
5. Advising for and against different options offered. The \$5,000 cabinet upgrade will probably not bring \$5,000 in resale value any time soon. You need to have some idea of what the resale value of the options you are choosing will bring.

## Featured Homes

**Just Listed**



10834 W. Alvarado Rd. A 1240 model (3 BR., 2BA) in Crystal Gardens Listed by Al Gage for \$129,900

**Pre-MLS Listing!**



2357 N. 123rd Dr. A spectacular Portola model (3Br, 2 Ba, 1805 SF) with a den in Rancho Santa Fe Coming Soon by Al Gage

**Sale Pending in 2 days**



12871 W. Vernon Ave A spectacular Brady model (3Br, 2 Ba, 2313 SF) with a den in Rancho Santa Fe Listed by Al Gage for \$189,900

**Just Listed!**



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**



12925 W. Monte Vista Rd. A spectacular Carmel model (1611 S.F., 3 BR, 2/5 BA) with many upgrades in Rancho Santa Fe Listed by Al Gage for \$170,000



## Al Gage Report

Welcome Home Realty  
2920 N. Litchfield Rd. Ste. 100  
Goodyear, AZ 85395

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



PRSRT STD  
ECRWSS  
U.S. POSTAGE  
PAID  
EDDM RETAIL



*Al Gage, P.C*



Local Postal Customer



**IMPORTANT NOTICE: WELCOME HOME REALTY AND AL GAGE P.C. IS NOT ASSOCIATED WITH THE GOVERNMENT AND OUR COMPLIMENTARY SHORT-SALE NEGOTIATION, IF NEEDED, IS NOT APPROVED BY THE GOVERNMENT OR YOUR LENDER. EVEN IF YOU ACCEPT THIS OFFER AND USE OUR COMPLIMENTARY SERVICE, YOUR LENDER MAY NOT AGREE TO CHANGE YOUR LOAN. IF YOU STOP MAKING PAYMENTS ON YOUR MORTGAGE, YOU COULD LOSE YOUR HOME AND DAMAGE YOUR CREDIT RATING**

## Free Services Provided by Al Gage

1. **Free Market Analysis of your home.** This service includes accurate valuation by a local expert with intimate knowledge of pricing variations based on lakefront property, lot size differentials, subdivision differentials and the like. This is not a computer generated model with wide-spread deviations in value.
2. **Free portal of homes for sale** specifically matching you price range, area schools, subdivisions and other features desired. This also eliminates most of the missing information from commercial sites and provides instantly updated accurate information about availability and types of financing accepted.
3. **Free analysis of your current financial situation** including recommendations on how, where and what type of loan best fits your criteria. Expert agent in the area of financing with a team of lenders and escrow officers to best suit your needs.
4. **Free analysis of rent versus buy or rent versus sale** options for homeowners or homebuyers.
5. **Free ongoing market report of Avondale area** markets including the listings and sales specific to your subdivision on a monthly basis. Also includes a chance at free movie tickets drawn monthly.

Call Al Gage at **623.536.8200** or email [al@algage.com](mailto:al@algage.com)