



Real Estate News

Brought to you by: Ryan Kirkpatrick
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Is the Housing Market Healing?

Home values in the Collin County region are holding relatively steady. The median sales price for June was \$182,995, which represents an increase of 0.5 percent from last year. Most markets around the country are experiencing hard price falls, but Collin County's market has avoided this by maintaining a relatively balanced market between buyers and sellers.

The inventory of homes available for sale continues to fall relative to one year ago. In June there were a little under 19,000 homes for sale—a drop of 14.9 percent from a year ago.

The decline in supply has helped offset drops in home sales to keep the month's supply of inventory available to a relatively balanced 6.6 months. This number is much more moderate than the 9.4 month supply nationwide currently. Low prices combined with mortgage rates around 5 percent and an \$8,000 tax credit for first-time homebuyers, have made homeownership more affordable than it's been in decades.

In the last month, I have been in three separate situations where I was either competitively bidding for a client or receiving competitive bids on a property I had listed. Though I can't speak for the macroeconomics of the United States, on a smaller level for North Dallas and surrounding areas, it seems there is pent up demand for quality homes at present. The best advice I can give anybody looking to market their home is to price it correctly. Of course, this is why you need a good agent. With that said, this is very much a buyer's market, and will stay that way for some time. Generally, buyers are still in a position of strength when making offers.



Term	Rate*	APR
30 Year Fixed Rate	5.375	5.375
15 Year Fixed Rate	4.875	4.875
FHA 30 Year Fixed Rate	5.250	5.745
FHA 15 Year Fixed Rate	5.000	5.269
VA – Contact Lender		

* As of 7/21/09 and are subject to change. All Rates are based on a loan amount of \$150,000. Subject to credit and income requirements, all rates and APR assume 80% financing on \$187,500 loan to value and a maximum of \$417,000. A signed loan application is required to lock the rate. APR will change if the loan amount and percentage of the home changes.

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How to Choose the Right Neighborhood

Location, location, location — goes the saying about what's important in real estate.

After this, here are some great starters to get you thinking about what is important to you...

What Are Your Priorities With Home Ownership?

Set priorities about things that matter most to you and your family:

Is safety a prime concern?

Is price appreciation your biggest incentive?

Do you need to live close to work?

The best purchase is usually a trade-off among several desirable elements

Factors

These factors will help to illuminate a neighborhood's style:

Are there good local schools? Whether or not you have children, good schools increase property values.

Is the area close to services such as hospitals, public transportation, shopping, parks, and recreational and cultural sites?

Are people outside their homes, working in their yards or walking their dogs? Neighbors who interact with one another create a safer and more pleasant environment.

Is the area popular? Ask your Realtor, and check the number of "for sale" and "sold" signs.

Guidance

Real estate agents are a valuable source of inside information about how to distinguish two neighborhoods that seem alike.

Why Now Might Be the Time to Get Into the Housing Market

Rising unemployment, sluggish real estate values and uncertain economic times may not seem like criteria for buying a home, but upon closer inspection it could prove to be the winning combination. Here's why.

Tightening Credit Standards: Credit isn't as easy to come by as it once was, and it's expected to get even worse as banks attempt to cut losses. Even if home prices remain stable, rising interest rates could add hundreds of dollars to monthly mortgage payments. Consider locking in prices by obtaining a low fixed-rate mortgage before rates rise. It's one of the best ways to protect your family from an uncertain economic future.

Taxes and Insurance: The lower price of a home benefits buyers in more than

one way: taxes and insurance expenses are also lower. In fact, buying in an area that caps tax increases will likely lead to savings for years to come as you fix the cost associated with home ownership.

Better Negotiation: It's a buyer's market, so sellers are more likely to entertain flexible options or other creative ways to make a deal work. Distressed homeowners are searching for ways to seal the deal, and banks are even getting in on the act. While the media has made a big to-do about private partnerships to help eliminate toxic assets from the banks' rosters, the sad fact is that the average offer from institutional investors is only 30 cents on the dollar. Short sales, option contracts and other lowball offers are increasingly entertained by both sellers and banks.

Quick Quiz

Each month I'll give you a new question.

Just email me at
RyanK@CovenantRealtyCorp.com
or call 972-424-7092 Ext. 7 for the answer.

What is the longest word you can make using only the letters on the top row of a typewriter?

Why Not Pass Me to a Friend?

If you've enjoyed this newsletter and found its information useful, please pass it to a neighbor, friend or co-worker.

And if you have any comments about it, don't forget to give me a call or send me an email!

Can't Afford a Home, Rent a Walk-In Closet

WPTV reports on Sergio Santos, a Florida man who lives in a 75-square foot closet. "It's all about savings. It's about recycling. It's about optimizing my time," he said.

He was having trouble making the payment on a larger pad, so he downsized far more than most people would ever dream of. He spent \$64 furnishing the place, and pays \$150 a month in rent. He did all the work with recycled materials, and even managed to add an "upstairs loft bedroom."

Yes, he actually called his sleeping quarters in his 75-square foot closet an upstairs loft bedroom -- he could well have a future as a New York City real estate agent!

In any case, the clip is quite inspiring -- especially if you're dissatisfied with your current digs.

Worth Quoting

Here's a sampling of some thought provoking quotes, no theme this month:

If someone says: "That's impossible." You should understand it as: "According to my very limited experience and narrow understanding of reality, that's very unlikely"

-Paul Buchheit

"Put your hand on a hot stove for a minute, and it seems like an hour. Sit with a pretty girl for an hour, and it seems like a minute.

-Albert Einstein

"We are not human beings having a spiritual experience. We are spiritual beings having a human experience"

-Pierre Teilhard de Chardin

"Success is not built on success. It's built on failure. It's built on frustration. Sometimes it's built on catastrophe."

- Sumner Redstone Chairman

Did You Know?

Can you fill in the missing words in these well-known phrases and sayings? (Answers below)

Don't _____ Peter to pay Paul.

Make _____ while the sun shines.

A hedge between keeps friendship _____.

He had his _____ in the door.

Ask no questions and be told no _____.

Pull yourself up by the _____ straps.

Young wood makes a _____.

(Answers: rob, hay, green, foot, lies, boot, hot fire)

How to Make Your Home First Choice for Buyers

Thinking about selling your home but worried about the competition?

Whether you live in a cookie-cutter neighborhood where every home looks more or less the same or you simply need a few fresh ideas to help your home stand out from the rest for sale on the same street, use these simple tips to make it the best on the block.

Tackle Trouble Spots

Like every home, yours has a few trouble spots that you have probably learned to live with.

Unfortunately, time might make the heart grow fonder, but unfortunately it rarely helps sell a home.

Have an independent appraisal

performed and pay special attention to needed repairs, deferred maintenance and any “ugly” areas.

Invest in fresh paint, plants and other quick fixes designed to enhance curb appeal.

Find a Focal Point

Make sure there is something memorable about your home from the moment prospective buyers see the front door until they leave.

Avoid candles, fresh flowers or other potential allergy or chemical sensitivity triggers and opt for neutral yet elegant décor or decorations instead.

Every room should capture attention while inviting visitors to explore.

Make It Theirs

Remember, attract – don’t detract. Clear clutter and make sure each room is open enough that buyers are able to envision their belongings in the room – not yours.

Neutral colors, natural lighting and a casual ambiance combined with simple yet inspiring plants, paintings or other props help create a “special spot” they will want to call home.

Price It Right

Buyers will often look at your house only if the price is right. It’s easy for them to compare the price of your house with the prices of others on the street, so it’s essential to make sure yours is priced competitively.

Exercise Tips for Busy People

If you are like most people, time isn’t always on your side, especially when it comes to exercise. Learn how to stay in shape without making a major time commitment with these easy tips:

Bring It Home: Traveling to the gym only adds to the inconvenience. Instead, start an exercise routine in the privacy of your own home and dedicate the time you would have spent traveling to extend your routine. Examples of easy-to-implement exercise ideas include flexibility and stretching, free weights and even spinning.

Multitask: Make the most of walking the dog or spending quality time with your spouse by getting out in the fresh air. Jog, walk or bike to add some much-needed cardio while catching up on the events of the day. It’s not only good for your heart but helps keep you close to the ones you love at the same time.

Play to Win: A little competition never hurt anyone, so why not make it a win-win proposition by joining a team or just getting together with friends and family for a little wholesome competition? Baseball, basketball or other team sports help keep you active and fit, with the added benefit of being fun for everyone.

Birthdays to Remember This Month

William Strunk, who was born on July 1, 1869, is famous as the author of a guide to English usage, *The Elements of Style*. It started as a guide for his students, but subsequent editions went on to sell 10 million copies worldwide.

Ralph Hancock, who was born on July 2, 1893, was a garden designer most famous for his work on the roof gardens of Rockefeller Center in New York.

Some 3,000 tons of earth and 500 tons of bricks were hauled up to the 11th floor to make “The Gardens of the Nations.”

Akhtar Hameed Khan, who was born on July 15, 1914, is credited with pioneering microfinance and microcredit initiatives that furthered rural development in the poorest parts of the world.

Ask the Agent: This Month’s Question

I have the ability to pay all cash for the purchase of my next home. Will this help me secure a better price in the negotiating process?

Yes and No. Let me explain. In the end, the seller is walking away with “all cash” whether the buyer decides to finance the loan or pay cash for it.

The place where it can help you is the time it takes you to close on the property. This could be looked at as a benefit to the seller if they need to move the property quickly. Of course, not having a mortgage can do wonders for your sleep at night as well.

In the event that you enter into a situation where you are competing against other offers, your offer would take precedent. This is mainly because there is no mortgage approval contingency in place, which creates a “cleaner” contract for the seller.



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“If you don’t make mistakes, you’re not working on hard enough problems. And that’s a big mistake.”

Frank Wilczek

NEWS YOU CAN USE

Covenant Realty Corporation

Plano Real Estate Statistics The Pulse of the Local Market Ending in June 2009

Plano	July			Entire Year		
	2008	2009	Change	2008	2009	Change
<i>New Listings</i>	564	469	-16.8%	3,425	2,723	-20.5%
<i>Closed Sales (Reported)</i>	416	315	-24.3%	1,981	1,401	-29.3%
<i>Closed Sales (Projected)</i>	416	353	-15.1%	1,981	1,439	-27.4%
<i>Avg. Sales Price</i>	\$278,560	\$271,881	-2.4%	\$267,326	\$257,302	-3.7%
<i>Median Sales Price</i>	\$215,000	\$218,250	+1.5%	\$218,000	\$217,000	-0.5%
<i>Avg. Days on Market</i>	74	85	+14.6%	89	88	-1.7%
<i>% of Original List Price</i>	95.5%	94.3%	-1.3%	94.9%	94.0%	-0.9%

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