



Phoenix Metro

Real Estate News

The Global Approach to Local Real Estate

January/February 2011

A newsletter about Real Estate in the Phoenix, Arizona Metro area, including Scottsdale, Paradise Valley, Carefree, Cave Creek, Mesa, Tempe, Chandler, Gilbert, Queen Creek, Glendale, Peoria, Surprise, Avondale, Goodyear, Buckeye, and surrounding Maricopa and Pinal County markets.

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Contact Me!



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Check out our MLS Search at:

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

Help Build Brendan's Home!

<http://www.brendanmarrocco.org/>

Phoenix-Mesa Area Among Most Affordable in Nation

By Dan Pinson, Designated Broker

In the wake of the housing crash, it's now more affordable to be a homeowner in 72% of major U.S. cities. And the Phoenix-Mesa area is among the most affordable in the nation. Only 8% of America's largest cities are markets where renting is more affordable than buying a home. And 20% of large American cities fall in a grey area where buying may actually be more financially sound even though it is less expensive to rent.

Top 10 Cities to Buy vs. Rent

Rank	City	State	Price/Rent Ratio
1.	Miami	FL	6
2.	Las Vegas	NV	6
3.	Arlington	TX	7
4.	Mesa	AZ	8
5.	Phoenix	AZ	8
6.	Jacksonville	FL	8
7.	Sacramento	CA	10
8.	San Antonio	TX	11
9.	Fresno	CA	11
10.	El Paso	TX	11

Top 10 Cities to Rent vs. Buy

Rank	City	State	Price/Rent Ratio
1.	New York	NY	31
2.	Seattle	WA	24
3.	Kansas City	MO	21
4.	San Francisco	CA	21
5.	Memphis	TN	20
6.	Los Angeles	CA	20
7.	Fort Worth	TX	19
8.	Oakland	CA	18
9.	Portland	OR	18
10.	Albuquerque	NM	18

Statistics courtesy of Trulia.com

"Leaders aren't born, they are made."

Vince Lombardi

Our Services

- Residential Resale including Short Sales and Foreclosures
- New Home & Condo Developments
- Commercial
- Land
- International Real Estate
- Real Estate Consulting

Specializing in Phoenix, Scottsdale, and Paradise Valley markets, and Biltmore, Arcadia and North-Central Phoenix submarkets. See more at:

www.InternationalRealtyPartners.com

Real Estate Troubles?

- Behind on your payments?
- Received a "Notice of Default"?
- Tried to negotiate with the lender without success?
- Want to know if you qualify for a government program?
- Owe more on your home than it's worth?

CALL ME TODAY! In just a few minutes I can help you determine your options.

Buyers

Contact us for more local market information and a **FREE BUYER REPRESENTATION GUIDE**. Get a daily email of homes new to the market by sending an email describing what you're looking for to:

dan@InternationalRealtyPartners.com

Sellers

Contact us for a **FREE HOME VALUATION** and a no-cost, no-obligation, completely confidential short-sale consultation!

Ask Us About Our FREE Seller Short Sale Package

Investors

Call us today for information about:

- **Multi-family bargains**
- **Commercial bargains.**
- **Unlisted Short Sales**
- **Trustee Sales**

Call now to get your

FREE FORECLOSURE LIST.

www.InternationalRealtyPartners.com

Key to Ratios:

- Price-to-Rent Ratio of 1-15: Owning a home is much less expensive than renting in this city.
- Price-to-Rent Ratio of 16-20: The total costs of homeownership in this city are greater than the costs of renting, but it might still make financial sense to buy depending on the situation.
- Price-to-Rent Ratio of 21+: Renting in this city is much less expensive than owning a home.

Methodology

Trulia calculated the price-to-rent ratio for the 50 largest U.S. cities using the median list price compared with the median rent on two-bedroom apartments, condominiums and townhomes. These rankings might change for single-family homes, but I felt it was a good indication of where the rent vs. buy argument stands.

Sample Price-to-Rent Ratio Calculation

- Median List Price: \$140,201.37
- Median Rent: \$1,871.65
- Price-to-rent ratio: $\$140,201.37 \div (\$1,871.65 \times 12) = 6$

Definitions

The total costs of homeownership include mortgage principal and interest, property taxes, hazard insurance, closing costs at time of purchase, and ongoing HOA dues and private mortgage insurance, where applicable. It also includes an offset for the tax advantages of homeownership, including mortgage interest, property tax and closing cost deductions. The total costs of renting include rent and renter's insurance.

Unexpected Costs

There are a number of unexpected costs for both homeowners and renters. The top costs are:

- Owning: Yard Care, Garbage Collection, Pest Control, Security.
- Renting: Laundry, Parking, Moving, Frivolous Spending.

More Information

- For an infographic of the above findings, [click here](#).
- For a full list of **Rent vs. Buy** Index rankings [click here](#).
- For an interactive map of the Rent vs. Buy Index, [click here](#).
- For a list of consumer-oriented tips on the top 5 hidden costs of renting and buying a home, [click here](#).

What does this mean? It means it's affordable to buy in our area right now. Waiting for lower prices will probably be offset by already higher lending costs. C'mon...Jump in.

The Monthly Numbers

For the Metro Phoenix area, as of February 1, 2011. Percentage increases (+) and decreases (-) are the deviation from previous month numbers.

- Active Listings: 45,733 (-5%)
- Sold Listings: 6,477 (-17%)
- Phoenix Median Resale Price: \$109,380 (-0.6%)
- Average Price per Square Foot (All Areas, All Types): \$ (+1.0%)
- Sold to List Price Ratio: 89.1%
- Absorption Rate: 6.61 months (+15%)
- Average Days on Market (Sold Listings, All Areas, All Types): 104.4 (+1%)
- Residential (all types) Year over Year Appreciation: -11%
- Months of Supply:
 - Ahwatukee: 6.6
 - Apache Junction: 5.0
 - Buckeye: 7.1
 - Camelback Corridor: 8.2
 - Cave Creek: 8.7
 - Desert Ridge: 6.0
 - East Valley: 5.9
 - Fountain Hills: 10.0
 - Luxury over \$1M: 28.4
 - Northwest: 6.3
 - Paradise Valley: 13.5
 - Peoria and Glendale: 5.9
 - Scottsdale: 9.1
 - Southwest Valley: 5.3

Market data courtesy of Arizona Regional MLS and The Cromford Report.

Call now to find the home of your dreams!

I Appreciate Your Referrals!

Loss of Fannie and Freddie, plus FHA Reforms will Raise Cost of Financing

Is the demise of Fannie and Freddie imminent? Will FHA become more or less relevant? As the government looks to rid itself of Fannie and Freddie and reduce FHA's role in the nation's mortgage lending, loan costs are sure to rise.

The government created Fannie Mae and Freddie Mac about 70 years ago to help Americans secure long-term, fixed-rate mortgages, by purchasing them from lenders and securitizing them, all with the unofficial guarantee of the federal government. Fannie and Freddie combined now guarantee about 90% of all home loans in the US.

The Federal Housing Authority (FHA) would survive under the government's plan, but its role will be greatly reduced. FHA has become the subprime substitute and the dominant mortgage player over the last few years. But plans call for FHA fees and down payments to rise, effectively reducing the pool of qualified mortgage applicants. I'm no mortgage guy, but it certainly looks like FHA will become less relevant.

What is the effect of all this? As the shift from government-backed loans to the private sector takes place, it will surely result in rising loan costs and reduced access, not a good sign in an already struggling economy.

MARS Changes Affect Homeowners

A new rule for the "Mortgage Assistance Relief Service" (MARS) program issued by the Federal Trade Commission is intended to protect homeowners. The MARS rule bans providers of mortgage foreclosure rescue and loan modification services from collecting fees until homeowners have a written offer from their lender or servicer that they decide is acceptable. For more information, go to <http://www.ftc.gov/opa/2010/11/mars.shtm>.

Update on Brendan's New Home

I've written a couple times about a Great American, Brendan Marrocco. Brendan is the only U.S. soldier to have survived the loss of all four limbs. Please help this Great American by going to his website, reading his incredible story, and making a donation to help build Brendan's home, which is nearing completion. A link on our website (www.InternationalRealtyPartners.com) will take you to Brendan's site. Brendan literally gave his all for all of us. **Thank you Brendan.**

"Lead me, follow me, or get out of my way."
General George Patton

Sale Pending

MLS#4521803



\$130,000

43911 N. 13 Ave. New River, AZ
2 BR/ 1 BA, 1+ acre

Closed Lease

MLS#4398715



\$900/mo.

"Hacienda Casita" – 1 Bedroom, 1 Bath
5702 E. Camelback Rd., Phoenix, AZ 85018

Closed Lease

Not on MLS



\$950/mo

"Spanish House" – 1 BR + Den, 1 Bath
5702 E. Camelback Rd., Phoenix, AZ 85018

COMING NEXT MONTH:

Exclusive Panama City Penthouse for sale

I Appreciate Your Referrals!

Metro Phoenix Market Data

(from ARMLS as of 2/1/2011):

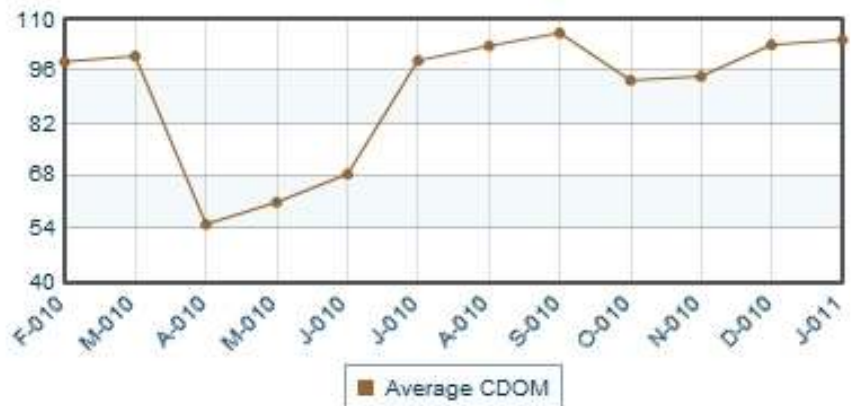
Inventory



Prices



Days On Market



*"A man who wants to lead the orchestra
must turn his back on the crowd."*

Max Lucado

Be Part of Our Team

We are looking for motivated REALTORS to join our dynamic firm:

- **Full-time Agents** with at least 2 years experience. We work on a modified team concept – high splits, no transaction, E&O, or monthly fees. Also participate in our Large Accounts transactions.
- **Referral Agents** at any level of experience. Participate in our Referral Program and Earn **25%** on referrals plus up to **\$10,000** in annual bonuses!

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IRP Property Search



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Absorption



Volume



Sold Price to List Price Ratio



“That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.”

Abraham Lincoln