



Pam Bewak

July 2008

REAL ESTATE *Update*

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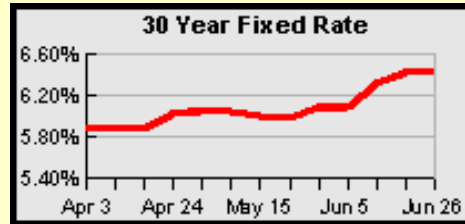
REAL ESTATE Update

Rates Continue to Climb

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage (FRM) averaged 6.45 percent for the week ending June 26, 2008, up from the previous week when it averaged 6.42 percent. Last year at this time, the 30-year FRM averaged 6.67 percent. "Fixed-rate mortgage rates held relatively stable this week leading up to the June 24-25 Federal Reserve (Fed) Policy Committee meeting," said Frank Nothaft, Freddie Mac vice president and chief economist.

Mortgage Rates

Source: Realty Times



U.S. averages as of June 26, 2008:

30 yr. fixed: 6.45%
15 yr. fixed: 6.04%
1 yr. adj: 5.99%

ARM rates, which are typically tied to short-term instruments, rose slightly due to market uncertainty over how the Fed might respond.

Existing-Home Sales Show Modest Gain

Sales of



existing-home sales increased in May with buyers responding to lower home prices, The National Association of REALTORS® (NAR) says. Existing-home sales including single-family, townhomes, condominiums and co-ops increased 2 percent to a seasonally adjusted annual rate of 4.99 million units in May from a level of 4.89 million in April, but are 15.9 percent below the 5.93 million-unit pace in May 2007.

NAR President Richard F. Gaylord says buyers are seeing value in the current housing market. "Home buyers are starting to get off the fence and into the market, drawn by drops in home prices in many areas and armed with greater access to affordable mortgages," he says.

"Today's buyer plans to stay in a home for 10 years, which is a good strategy for building long-term wealth."

The national median existing-home price for all housing types was \$208,600 in May, down 6.3 percent from a year ago when the median was \$222,700.

Lawrence Yun, NAR chief economist, says there's still a lot of inventory in the market.

"The large supply of homes on the market clearly favors buyers, and it should take several months to draw the inventory down," he says. "Stabilization in home prices can only occur with buyers returning to the market, so we are encouraged by rising home sales, particularly in distressed markets."

Copper Is Like Gold These Days



With copper at more

than \$4 per pound, thanks to demand in Asia, home owners should guard the metal like it was gold. "You would never leave gold sitting out in the yard," says OneBeacon Insurance Group executive Charlie Sidoti, who estimates a 300 percent increase in claims of copper theft in the past 18 months. Homes sitting empty are easy targets. Sidoti recommends installing fences, motion-detector lights and security cameras to discourage thieves from ripping out air conditioner coils, plumbing, rain gutters and sprinklers. Meanwhile, 35 states have pending or signed legislation requiring people selling metal to show identification to scrap dealers.

Good Landscaping Draws in Buyers

In this challenging real



estate market, curb appeal is particularly important for a home seller. Here are some tips for hiring a landscaper who will do a good job at a reasonable price.

- Review a portfolio. A neighbor's recommendation is a good starting point, but it is also worthwhile to examine other jobs the landscaper has done.
- Consider maintenance. Asking for a low-maintenance design will ensure that even if the home owner isn't able to spend hours on the task, the lawn will continue to look good.
- Know what good landscaping is worth. It can't hurt to let a potential buyer know what the value of the trees and shrubs are.



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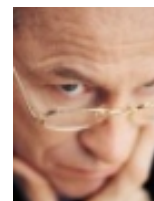
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Sell Faster When You Understand The Buyers Mindset

By Phoebe Chongchua



When most sellers list their home for sale the first thing they think about is how much will I get and that is usually followed by how soon will I get the money. It's certainly understandable that those two concerns are, most often, top of mind. After all, you're likely selling your home to buy another one or invest the money in something else. But, if as a seller, you can get into the buyer's mindset, the sale of your home can come faster and for more money.

Understanding the way buyers think involves seeing things not from your perspective but from your potential buyer's mindset. It can sound easy but actually it's often harder to do than most sellers think. The psychology of buying is driven by emotional experiences, money, and timing. With that in mind, sellers can help create optimal circumstances that literally help walk the buyer through the process and completion of the sale of your home.

It starts with a feeling. When you meet someone for the first time, you form a first impression based on a feeling. That's exactly what happens when buyers set foot into your home. Work with an experienced agent to learn exactly what kind of impression your home is giving off. If it's a small home, make sure it's not overfilled and cluttered.

Pick up all the loose clutter that's floating around. Throw out old magazines. People like to see things that are streamlined or clean or fresh looking. There's nothing worse than walking into a place and seeing a stack of magazines all over the place or an unmade bed. Go the extra step and take care of items that might have been overlooked for quite some time. Steam clean the carpets, the upholstery, the furniture, if that's what's needed. Have the windows cleaned, light fixtures cleaned. Make it feel clean when you walk in.

Go back to basics. You may love your turquoise carpet but do you really think buyers will? Getting inside the buyers mind will help you answer these questions. You can also pick up home décor magazines and see what appeals to the masses. You don't have to change everything in your home, but going back to basics in a few areas will help buyers see how your home can become their home.

As soon as buyers see a really loud red, orange or lemon-green color they automatically think about re-doing. That, of course, means the buyers are already beginning to calculate the amount of money they need to take off of the sale price in order to get the home in the condition they would like it.

If instead you stick with neutral colors such as painting the walls off-white, light beige or Navajo white, you have a better chance in preserving the sale price.

Repair anything that looks torn, worn or broken. If you walked into a retail store and saw a garment that you liked but it was torn or missing buttons, chances are you'd search for another one or ask for a discount if that were the only one of its kind.

That's what buyers will do with your home when they spot torn screens, garage doors that don't open, or broken light fixtures that are hanging out of the wall. Buyers, if at first they don't get completely turned off and walk away from the sale, will first begin to think that there is more damage to the home than what they're able to see and then they start to calculate the cost of repairing those damages. But buyers often exaggerate the amount of money needed to fix the repairs.

In today's market people are looking desperately to find out what's wrong with a home so that they can lower the price.

In the buyers' minds, they come up with some kind of incredible price to fix repairs. In their mind, they go way overboard and eventually it affects the bottom line price for the seller.

Don't miss an opportunity to get the word out about your home being listed for sale. It only makes sense to let your neighbors know. By doing this your neighbors can sometimes become great facilitators and supporters of the sale.

Most people are visual buyers. If the home doesn't look clean, spotless, and repaired then the buyer thinks what's behind the walls, how much more money do I have to put into this home.

Remember understanding the psychology of the buyer's mindset can help you sell faster and for the price you really want.



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Mind Your Star Spangled Manners

By Broderick Perkins



It's not surprising that the 4th of July is one of the hottest flag flying days of the year, even though those who regularly pledge allegiance by flying the flag at home aren't always practicing correct flag etiquette.

The correct flag displaying and handling rites are outlined in United States Code, Title 36, Chapter 10 -- in what amounts to codified patriotic behavior, rather than federal law. Any law that imposes penalties for bad flag manners were nulled by a Supreme Court decision in 1990 which struck down as unconstitutional any fines or imprisonment for those convicted of mutilating, defacing, defiling or otherwise desecrating Old Glory.

That makes the code less of a legal mandate and more of a manual of customs for handling and displaying the Stars and Stripes. Hard-nosed patriots, however, still consider it sacrilege to disrespect the flag.

So, according to federal code, here's how to honor those broad stripes and bright stars as you fly them at home on Independence Day and on other flag flying days to come.

The Patriot's Guide To Flying The U.S. Flag At Home

- Many holidays are designated "flag flying days," but you can fly the flag outside only from sunrise to sunset, unless it is illuminated for night time display.
- Do not fly the flag outside during inclement weather unless you use an all-weather flag.
- Do not fly another flag above the U.S. flag, or if the other flag is on the same level, do not fly another flag to the right of the U.S. flag.
- Fly the flag with the "union" (the blue field of white stars) at the peak of the staff (unless the flag is at half staff) when flying the flag from a staff projecting horizontally or at an angle from the window sill, balcony, or front of a building.
- When you suspend a flag over a sidewalk from a rope extending from a house to a pole at the edge of the sidewalk, hoist the flag, union first, from the building.
- When you display the flag over the middle of the street, suspend it vertically with the union to the north in an east and

west street, to the east in a north and south street.

- When you display a flag horizontally or vertically against a wall or in a window, place the union uppermost and to the observer's left or the flag's right.
- Display the flag with the union down only as a distress signal.
- Fly the flag at half-staff (positioning the flag one-half the distance between the top and bottom of the staff) at times specified, often according to presidential instructions.
- When flying the flag at half-staff, it should be first hoisted to the peak for an instant and then lowered to the half-staff position. The flag should be again raised to the peak before it is lowered for the day.
- Never allow the flag to touch anything beneath it, including the ground, the floor, water or other items.
- Never carry the flag flat or horizontally, but always aloft and free.
- Never use a flag as wearing apparel, bedding, drapery, ceiling covering or decorative element. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free.
- Never use the flag for advertising purposes. Don't embroider it on articles, print or impress it on disposable items.
- Don't use a part of the flag as a costume or athletic uniform. A flag patch may be affixed to the uniform of military personnel, firefighters, police, and members of patriotic organizations. A lapel flag pin should be worn on the left lapel near the heart.
- Protect the flag from display, use or storage that will cause it to be easily torn, soiled or damaged.
- Never place things on the flag or attach marks, insignias, letters, words, figures, designs, pictures, or drawings.
- Don't use the flag as a receptacle for receiving, holding, carrying, or delivering anything.
- Aged flags no longer fit for flying -- like those wind whipped ones often found on personal vehicles -- should be destroyed in a dignified way.



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REAL ESTATE *Update*

What You Should Know About A Buyer's Market

By Broderick Perkins



More home buyers have a better chance now than at any other time in nearly a half decade to negotiate a home-buying deal that costs less and comes with some concessions thrown in.

In many locations, buyers will find a glut of new homes, more motivated sellers, foreclosures, auctions, short sales and other market conditions that can make it a really good time to buy.

That doesn't mean throw caution to the wind.

Here's how to begin to navigate today's housing market, step-by-step, and make a good deal without getting taken.

- Begin with making a personal "right-time-to-buy" decision. If you stretch financially beyond your means to go after lower-priced homes, foreclosures or short sales, you could be setting yourself up for failure. Today's housing market is littered with home owners who borrowed more than they could afford.

On the other hand, if you wait for prices to fall further you could miss out on a good deal. No one knows when the market hits bottom until it begins a sustained upward turn and you can look back and actually see bottom.

Buy now because it's the right thing to do for you, because you need a roof over your head, because it's more affordable than renting and because you plan on sticking with the home long enough to make the deal pay off. Buy because homeownership is integral to your budget, your lifestyle and your goals.

- Get to know the many facets of home buying.

You've got a lot to learn, but obtaining a broad base of knowledge about the home-buying process is a relatively easy task, requiring only your time and attention. You should sit down with your REALTOR® for the most effective guidance.

- Next, get to know your local market or the market where you plan to buy, because that's where your action is.

Accept national news for what it is, a broad brush stroke of current events. You want housing news and information that really hits home. Get your housing market information from credible publications and broadcasts covering your local market.

Part of your homework should include learning the boundaries of your buyer's market. Your market can be designated by a ZIP code, a small neighborhood, a greater community or some larger region.

- Whether it's a new home, resale property, foreclosure or short sale, learn the true value of any property you are considering. Uneducated buyers tend to low-ball sellers and ask for too many concessions. That can alienate the seller, especially those less motivated with top-value homes. Likewise, knowledge helps prevent you from spending too much.

Your Realtor is schooled in the history of local market trends and statistics. See comparables, track sale prices in your shopping area, use the local newspaper, online listing and for sale sites and other sources, to keep tabs on asking prices.

- Check your credit. Your credit report is free from AnnualCreditReport.com, the only federally regulated source. You may have to pay a nominal fee for your credit score (a numerical scoring of your creditworthiness) depending upon your state law and other factors. But see both your score and your report. You may need to request corrections or adjust your credit habits to generate the best report and score -- before you start home loan shopping.

- Get your cash in the pipeline. Get approved -- in writing -- for a mortgage. Use your newly gained knowledge to shop around -- a lot -- for a home loan. Shop online and off. Shop mortgage brokers, loan officers, credit unions and other lenders. Shop where you bank, shop where you don't. The key is exhaustive comparison shopping to get the most money at the cheapest rate.



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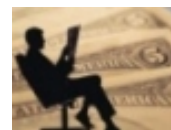
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REAL ESTATE *Update*

Investor Report: Section 1031

By Kenneth R. Harney



Here's some great news for the thousands of real estate investors and brokers who use "Section 1031" (ten thirty-one) tax-deferred real exchanges every year: Congress has backed off its latest plan to narrow the definition of "like kind" for real estate swaps.

That's important because under current tax law, real estate investors have broad flexibility in choosing properties and structuring exchanges. For example, they can exchange a rental house for farmland, an apartment building for a commercial shopping strip. They can even exchange office buildings for mineral rights.

Given the tight statutory timetables to choose qualified properties for exchanges, that flexibility can be crucial.

Other types of investment assets, by contrast, get much stricter treatment under the tax code -- and that difference in treatment opens the door to periodic attempts by green-eyeshade tax reformers on Capitol Hill to raise federal revenues by cutting down the number of eligible real estate exchanges.

If you could only swap a rental condo for another rental condo, cornfields for cornfields or commercial buildings for commercial buildings, there'd be a lot fewer exchanges every year -- and probably a lot more IRS audits of taxpayers to make sure the properties swapped met all the "like kind" requirements.

So when tax reformers tucked away a tiny, technical amendment deep inside the massive federal farm bill pending in Congress, they apparently hoped they could sneak it through with nobody looking. But instead, alarm bells went off among real estate lobbyists who get paid to read through thousand-page bills like the farm legislation to make sure there are no unpleasant surprises lurking for real estate.

That's precisely what they found. The tax reformers had inserted a provision that would have only affected only certain agricultural property exchanges by narrowing the window for what constitutes "like kind."

But any restriction on "like kind" for real estate would be the proverbial "camel's nose in the tent." It would open the door to still further revenue-driven restrictions that could seriously limit the utility of tax-deferred exchanges for all real estate owners.

Linda Goold, chief tax lobbyist for the National Association of Realtors and a leader in the effort to get the 1031 amendment dropped from the final legislation approved by Congress, confirmed the successful deletion. In comments to Realty Times earlier this week, she said:

"Yes, we killed that obnoxious farm bill 1031 provision. (And) it felt good, I might add."

Real estate investors nationwide should share that sentiment.



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REAL ESTATE Update

Paint The Perfect Sale

By Phoebe Chongchua



Every seller is looking for the perfect sale and every buyer is looking for the perfect opportunity to seize a new home or investment property. Getting your home ready to close the deal for the most money, starts with knowing where to begin and, often, that means, quite literally, you need to paint the perfect sale.

"Often times people are selling a home that they've lived in for 30 or 40 years and they're madly in love with the wallpaper but it is extremely dated," says John Peek, President and Owner of Peek Brothers Painting Contractors.

Things like wallpaper and color on the interior and exterior walls of your home can significantly influence buyers. So it is worth carefully looking over your home before you put it on the market to see what areas need touching up or an entire re-do. If you find the wallpaper has to go, then knowing how to make the change is equally important so that you don't end up with an even bigger mess.

"To strip wallpaper can be very time-consuming, expensive, and damaging to the underlying surface making it difficult to paint," says Peek. He adds, "You can paint over wallpaper if you prime it first with an oil-based primer such as Kilz. If you do that, it seals the surface well and then you can go over it with water-based paint. But if you go directly over wallpaper with water-based paint, without priming it with an oil-based undercoat, it will peel up at the edges. So the critical first step is to prime it with an oil-based undercoat," explains Peek.

To paint the perfect sale, Peek suggests carefully looking around your home for the holes that frequently don't get filled after you've taken down family photos and artwork. "I'll often times go into homes and homeowners have put spackle up and they've just smeared a big chunk on the wall and then let it dry," says Peek.

He offers this little trick to get a better outcome. "Take the spackle and put it in the hole and then take a wet sponge and lightly wipe the surface. It removes all excess spackle from around the hole and it just fills the hole itself. Often times you can get by without having to touch it up," says Peek.

Another area of concern is the door -- in particular, doors

that belong to teenagers. Picture this. Your teenager has turned her door into a collage board of photos, memorabilia, stickers, award ribbons, cards -- you name it -- all are stuck on her door, permanently securing her identity to the home you're now trying to sell. Pulling off the memories before listing the home for sale is important, otherwise buyers get caught up in all of your personal stuff and then can't see the home as theirs. Buyers also don't want the headache of having to pull down and repaint the door. And chances are you don't want to have to do that either.

Here's what Peek says sellers with this issue can do. "There are products on the market that will help you to get all that sticky stuff off the door and it's worth a try. There's a product called Lift Off that you can get at the paint or hardware store; it works wonders," says Peek.

Many sellers wonder how to get rid of a stain in the ceiling. Peek says you don't always have to re-paint the entire ceiling. "Say you've had all the leaks fixed in the roof and you still have some stains, sometimes you can by without painting by putting half bleach and half water in a little squirt bottle and lightly spritzing the surface until it's wet," says Peek. He says that you can spray the mixture on the surface of an acoustic or painted drywall ceiling. A second spray of the area will often diminish or completely remove the stain and you might not even need to paint!

If you do need to paint the interior or exterior of your home, Mike Chism, President and Owner of Chism Brothers Painting, says you can avoid painting the whole house by touching up critical areas such as the front door, trim, and fascia board.

"With exterior painting, usually the house doesn't go bad all at once," says Chism. He adds, "Sometimes windowsills or thresholds can get a lot of sun and can be prepared and touched up extending the life of the entire paint job for several years."

Chism also recommends cleaning and pressure washing your home to give it a new and brighter look.

A little tender loving care for your home before you list it is a warm welcoming sign for potential buyers.



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Grill Burgers, Not Your Home

By Broderick Perkins



For years, New York City has prohibited propane barbecue grilling on a balcony, terrace or roof. Residents can barbecue with charcoal on a balcony or terrace provided there's sufficient clearance and a source of water to douse any flare-ups.

Last year, Washington State began banning open-flame gas or charcoal barbecues on certain multifamily housing balconies where there's no overhead sprinkler.

And beginning this year, Silicon Valley placed a permanent ban on charcoal and gas fired grills on multi-family housing balconies made of wood or other combustible materials, if there is no sprinkler overhead. Propane tanks heavier than one pound are forbidden on such balconies -- sprinkler or not.

Residential barbecue bans amount to gustatory purgatory for a growing number of barbecue fans who have to wait get their thrill from a grill away from home.

Nearly 80 percent of households own an outdoor barbecue appliance and nearly 60 percent use them year round, according to the Hearth, Patio & Barbecue Association (HPBA).

But firing up a grill with an open flame presents a clear and present fire danger, especially in confined spaces.

The U.S. Fire Administration's National Fire Data Center estimates that barbecuing accounts for more than 6,000 fires, 170 injuries, a half dozen fatalities and some \$35 million in property loss each year.

Grilling responds to our primal longing for fire-kissed feasts, but singeing sustenance into submission comes with another primal directive -- protecting life and property.

The HPBA offers these tips to get you safely through a barbecued meal.

Read the owners manual. As simple as it sounds, many fail to follow instructions in their rush to barbecue heaven. The manual contains specific assembly, use and safety procedures, as well as manufacturer contact information.

Never use a grill indoors. Barbecuing in your trailer, tent, house, garage, fireplace or any enclosed area can become a

carbon monoxide accumulation hazard and kill you. Barbecue smoke can clog your fireplace flue.

Even outdoors, use a well ventilated area. Laws prohibit use on certain small balconies because they don't have sufficient clearance from the building, can produce a back draft into the home and provide limited safe maneuvering space. Set the grill away from buildings, overhead combustibles, dry leaves, brush and swimming pools and swimmers. Beware of wind-blown sparks.

Follow other codes. Electric grills or accessories (rotisseries, etc.) must be properly grounded in accordance with local codes. Place electrical cords out of traffic, walkways or where people can trip over them.

Keep the grill still. Be sure all parts of the grill are level and firmly in place so that it cannot be tipped over. Don't allow play or young children near the grill. Never attempt to move a hot grill. If you stumble and drop the grill, nasty burns are possible.

Use the proper equipment. Use long-handled utensils designed for barbecue work to avoid burns and splatters. Wear clothing that does not have hanging shirt tails, frills, or apron strings that can catch fire, and use flame-retardant mitts when adjusting hot vents.

Keep the fire controlled. To put out flare-ups, either raise the food grid, spread out the coals evenly, or adjust the controls to reduce oxygen and/or lower the temperature. If you must douse the flames with a light spritz of water, first remove the food from the grill. Never leave a grill unattended once lit.

Be ready to extinguish flames. Use baking soda to control a grease fire and have a fire extinguisher handy. Keep a bucket of sand or a garden hose near if you don't have a commercial extinguisher.

Buy a grill pad or splatter mat. Heat resistant pads placed beneath the grill are usually made of lightweight composite cement or plastic and will protect your deck or patio from any grease that misses the drip pan.



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Home Sales May Rise Modestly Before Upturn In Second Half Of 2008



By Realty Times Staff

A modest gain in the level of home sales is possible over the next couple months, and an improvement is forecast for the second half of this year as more buyers are able to access affordable mortgages, according to the latest forecast by the National Association of Realtors®.

The Pending Home Sales Index (PHSI), a forward-looking indicator based on contracts signed in April, rose 6.3 percent to 88.2 from a reading of 83.0 in March. It's the highest index since last October, but remains 13.1 percent lower than April 2007 when it stood at 101.5.

Lawrence Yun, NAR chief economist, said pending sales contracts have picked up notably in areas undergoing significant price drops. "Bargain hunters have entered the market en masse, especially in areas that have experienced double-digit price declines, but it's unclear if they are investors or owner-occupants," he said. "Sharp price reductions are leading to a quicker discovery of price equilibrium points. The West is already seeing year-over-year gains in pending contracts."

The PHSI in the West rose 8.3 percent to 98.8 in April and is 4.0 percent higher than April 2007. In the Midwest, the index jumped 13.0 percent to 83.7 in April but remains 13.1 percent below a year ago. The index in the South increased 4.6 percent to 88.8 but is 22.5 percent below April 2007. In the Northeast, the index declined 1.9 percent in April to 79.3 and is 12.2 percent below a year ago.

NAR President Richard F. Gaylord, a broker with RE/MAX Real Estate Specialists in Long Beach, Calif., said the market may be breaking its holding pattern. "It appears that more

buyers are realizing they can take advantage of a favorable combination of mortgage interest rates, home prices and family income," he said.

"Overall affordability conditions are the best we've seen since the middle of the housing boom in 2004, but with far more choices and much less pressure than buyers experienced four years ago to make an investment in their future. Recent declines in mortgage rates on conforming jumbo loans and a return to sound but not overly stringent underwriting standards will permit more people to qualify for a loan."

NAR's housing affordability index has been trending up this year and is projected to rise 15 percentage points to 128.0 for all of 2008.

Yun said the underlying fundamentals point to a pent-up demand. "Home sales are at about the same level as they were 10 years ago, yet the population has grown by 25 million people and we have over 10 million more jobs," he said. "The housing market has been underperforming by historical standards, partly because buyers were hampered by mortgage availability issues, but that's improved and an upturn is more likely. On the other hand, it's unclear what role consumer confidence will play in the coming months."

Existing-home sales should increase from an annual pace of 5.05 million in the second quarter to 5.83 million in the fourth quarter. For all of this year, existing-home sales are expected to total 5.40 million, and then rise 6.3 percent to 5.74 million in 2009. "Sales gains will be greatest in areas that underwent sharp price declines," Yun said.



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July Real Estate Update

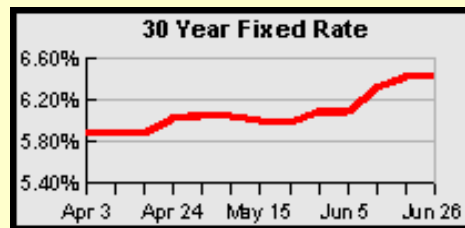
Rates Continue to Climb

In Freddie Mac's results of its Primary Mortgage Market Survey the 30-year fixed-rate mortgage (FRM) averaged 6.45 percent for the week ending June 26, 2008, up from the previous week when it averaged 6.42 percent. Last year at this time, the 30-year FRM averaged 6.67 percent.

"Fixed-rate mortgage rates held relatively stable this week leading up to the June 24-25 Federal Reserve (Fed) Policy Committee meeting," said Frank Nothaft, Freddie Mac vice president and chief economist.

Mortgage Rates

Source: Realty Times



U.S. averages as of June 26, 2008:

30 yr. fixed: 6.45%
15 yr. fixed: 6.04%
1 yr. adj: 5.99%

ARM rates, which are typically tied to short-term instruments, rose slightly due to market uncertainty over how the Fed might respond.

Existing-Home Sales Show Modest Gain

Sales of



existing-home sales increased in May with buyers responding to lower home prices, The National Association of REALTORS® (NAR) says.

Existing-home sales including single-family, townhomes, condominiums and co-ops increased 2 percent to a seasonally adjusted annual rate of 4.99 million units in May from a level of 4.89 million in April, but are 15.9 percent below the 5.93 million-unit pace in May 2007.

NAR President Richard F. Gaylord says buyers are seeing value in the current housing market. "Home buyers are starting to get off the fence and into the market, drawn by drops in home prices in many areas and armed with greater access to affordable mortgages," he says.

"Today's buyer plans to stay in a home for 10 years, which is a good strategy for building long-term wealth."

The national median existing-home price for all housing types was \$208,600 in May, down 6.3 percent from a year ago when the median was \$222,700.

Lawrence Yun, NAR chief economist, says there's still a lot of inventory in the market.

"The large supply of homes on the market clearly favors buyers, and it should take several months to draw the inventory down," he says. "Stabilization in home prices can only occur with buyers returning to the market, so we are encouraged by rising home sales, particularly in distressed markets."

Copper Is Like Gold These Days



With copper at more

than \$4 per pound, thanks to demand in Asia, home owners should guard the metal like it was gold. "You would never leave gold sitting out in the yard," says OneBeacon Insurance Group executive Charlie Sidoti, who estimates a 300 percent increase in claims of copper theft in the past 18 months. Homes sitting empty are easy targets. Sidoti recommends installing fences, motion-detector lights and security cameras to discourage thieves from ripping out air conditioner coils, plumbing, rain gutters and sprinklers. Meanwhile, 35 states have pending or signed legislation requiring people selling metal to show identification to scrap dealers.

Good Landscaping Draws in Buyers

In this challenging real



estate market, curb appeal is particularly important for a home seller. Here are some tips for hiring a landscaper who will do a good job at a reasonable price.

- Review a portfolio. A neighbor's recommendation is a good starting point, but it is also worthwhile to examine other jobs the landscaper has done.
- Consider maintenance. Asking for a low-maintenance design will ensure that even if the home owner isn't able to spend hours on the task, the lawn will continue to look good.
- Know what good landscaping is worth. It can't hurt to let a potential buyer know what the value of the trees and shrubs are.



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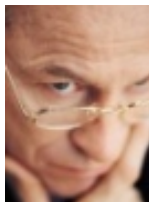
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Sell Faster When You Understand The Buyers Mindset

By Phoebe Chongchua



When most sellers list their home for sale the first thing they think about is how much will I get and that is usually followed by how soon will I get the money. It's certainly understandable that those two concerns are, most often, top of mind. After all, you're likely selling your home to buy another one or invest the money in something else. But, if as a seller, you can get into the buyer's mindset, the sale of your home can come faster and for more money.

Understanding the way buyers think involves seeing things not from your perspective but from your potential buyer's mindset. It can sound easy but actually it's often harder to do than most sellers think. The psychology of buying is driven by emotional experiences, money, and timing. With that in mind, sellers can help create optimal circumstances that literally help walk the buyer through the process and completion of the sale of your home.

It starts with a feeling. When you meet someone for the first time, you form a first impression based on a feeling. That's exactly what happens when buyers set foot into your home. Work with an experienced agent to learn exactly what kind of impression your home is giving off. If it's a small home, make sure it's not overfilled and cluttered.

Pick up all the loose clutter that's floating around. Throw out old magazines. People like to see things that are streamlined or clean or fresh looking. There's nothing worse than walking into a place and seeing a stack of magazines all over the place or an unmade bed. Go the extra step and take care of items that might have been overlooked for quite some time. Steam clean the carpets, the upholstery, the furniture, if that's what's needed. Have the windows cleaned, light fixtures cleaned. Make it feel clean when you walk in.

Go back to basics. You may love your turquoise carpet but do you really think buyers will? Getting inside the buyers mind will help you answer these questions. You can also pick up home décor magazines and see what appeals to the masses. You don't have to change everything in your home, but going back to basics in a few areas will help buyers see how your home can become their home.

As soon as buyers see a really loud red, orange or lemon-green color they automatically think about re-doing. That, of course, means the buyers are already beginning to calculate the amount of money they need to take off of the sale price in order to get the home in the condition they would like it.

If instead you stick with neutral colors such as painting the walls off-white, light beige or Navajo white, you have a better chance in preserving the sale price.

Repair anything that looks torn, worn or broken. If you walked into a retail store and saw a garment that you liked but it was torn or missing buttons, chances are you'd search for another one or ask for a discount if that were the only one of its kind.

That's what buyers will do with your home when they spot torn screens, garage doors that don't open, or broken light fixtures that are hanging out of the wall. Buyers, if at first they don't get completely turned off and walk away from the sale, will first begin to think that there is more damage to the home than what they're able to see and then they start to calculate the cost of repairing those damages. But buyers often exaggerate the amount of money needed to fix the repairs.

In today's market people are looking desperately to find out what's wrong with a home so that they can lower the price.

In the buyers' minds, they come up with some kind of incredible price to fix repairs. In their mind, they go way overboard and eventually it affects the bottom line price for the seller.

Don't miss an opportunity to get the word out about your home being listed for sale. It only makes sense to let your neighbors know. By doing this your neighbors can sometimes become great facilitators and supporters of the sale.

Most people are visual buyers. If the home doesn't look clean, spotless, and repaired then the buyer thinks what's behind the walls, how much more money do I have to put into this home.

Remember understanding the psychology of the buyer's mindset can help you sell faster and for the price you really want.



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Mind Your Star Spangled Manners

By Broderick Perkins



It's not surprising that the 4th of July is one of the hottest flag flying days of the year, even though those who regularly pledge allegiance by flying the flag at home aren't always practicing correct flag etiquette.

The correct flag displaying and handling rites are outlined in United States Code, Title 36, Chapter 10 -- in what amounts to codified patriotic behavior, rather than federal law. Any law that imposes penalties for bad flag manners were nulled by a Supreme Court decision in 1990 which struck down as unconstitutional any fines or imprisonment for those convicted of mutilating, defacing, defiling or otherwise desecrating Old Glory.

That makes the code less of a legal mandate and more of a manual of customs for handling and displaying the Stars and Stripes. Hard-nosed patriots, however, still consider it sacrilege to disrespect the flag.

So, according to federal code, here's how to honor those broad stripes and bright stars as you fly them at home on Independence Day and on other flag flying days to come.

The Patriot's Guide To Flying The U.S. Flag At Home

- Many holidays are designated "flag flying days," but you can fly the flag outside only from sunrise to sunset, unless it is illuminated for night time display.
- Do not fly the flag outside during inclement weather unless you use an all-weather flag.
- Do not fly another flag above the U.S. flag, or if the other flag is on the same level, do not fly another flag to the right of the U.S. flag.
- Fly the flag with the "union" (the blue field of white stars) at the peak of the staff (unless the flag is at half staff) when flying the flag from a staff projecting horizontally or at an angle from the window sill, balcony, or front of a building.
- When you suspend a flag over a sidewalk from a rope extending from a house to a pole at the edge of the sidewalk, hoist the flag, union first, from the building.
- When you display the flag over the middle of the street, suspend it vertically with the union to the north in an east and

west street, to the east in a north and south street.

- When you display a flag horizontally or vertically against a wall or in a window, place the union uppermost and to the observer's left or the flag's right.
- Display the flag with the union down only as a distress signal.
- Fly the flag at half-staff (positioning the flag one-half the distance between the top and bottom of the staff) at times specified, often according to presidential instructions.
- When flying the flag at half-staff, it should be first hoisted to the peak for an instant and then lowered to the half-staff position. The flag should be again raised to the peak before it is lowered for the day.
- Never allow the flag to touch anything beneath it, including the ground, the floor, water or other items.
- Never carry the flag flat or horizontally, but always aloft and free.
- Never use a flag as wearing apparel, bedding, drapery, ceiling covering or decorative element. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free.
- Never use the flag for advertising purposes. Don't embroider it on articles, print or impress it on disposable items.
- Don't use a part of the flag as a costume or athletic uniform. A flag patch may be affixed to the uniform of military personnel, firefighters, police, and members of patriotic organizations. A lapel flag pin should be worn on the left lapel near the heart.
- Protect the flag from display, use or storage that will cause it to be easily torn, soiled or damaged.
- Never place things on the flag or attach marks, insignias, letters, words, figures, designs, pictures, or drawings.
- Don't use the flag as a receptacle for receiving, holding, carrying, or delivering anything.
- Aged flags no longer fit for flying -- like those wind whipped ones often found on personal vehicles -- should be destroyed in a dignified way.



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What You Should Know About A Buyer's Market

By Broderick Perkins



More home buyers have a better chance now than at any other time in nearly a half decade to negotiate a home-buying deal that costs less and comes with some concessions thrown in.

In many locations, buyers will find a glut of new homes, more motivated sellers, foreclosures, auctions, short sales and other market conditions that can make it a really good time to buy.

That doesn't mean throw caution to the wind.

Here's how to begin to navigate today's housing market, step-by-step, and make a good deal without getting taken.

- Begin with making a personal "right-time-to-buy" decision. If you stretch financially beyond your means to go after lower-priced homes, foreclosures or short sales, you could be setting yourself up for failure. Today's housing market is littered with home owners who borrowed more than they could afford.

On the other hand, if you wait for prices to fall further you could miss out on a good deal. No one knows when the market hits bottom until it begins a sustained upward turn and you can look back and actually see bottom.

Buy now because it's the right thing to do for you, because you need a roof over your head, because it's more affordable than renting and because you plan on sticking with the home long enough to make the deal pay off. Buy because homeownership is integral to your budget, your lifestyle and your goals.

- Get to know the many facets of home buying.

You've got a lot to learn, but obtaining a broad base of knowledge about the home-buying process is a relatively easy task, requiring only your time and attention. You should sit down with your REALTOR® for the most effective guidance.

- Next, get to know your local market or the market where you plan to buy, because that's where your action is.

Accept national news for what it is, a broad brush stroke of current events. You want housing news and information that really hits home. Get your housing market information from credible publications and broadcasts covering your local market.

Part of your homework should include learning the boundaries of your buyer's market. Your market can be designated by a ZIP code, a small neighborhood, a greater community or some larger region.

- Whether it's a new home, resale property, foreclosure or short sale, learn the true value of any property you are considering. Uneducated buyers tend to low-ball sellers and ask for too many concessions. That can alienate the seller, especially those less motivated with top-value homes. Likewise, knowledge helps prevent you from spending too much.

Your Realtor is schooled in the history of local market trends and statistics. See comparables, track sale prices in your shopping area, use the local newspaper, online listing and for sale sites and other sources, to keep tabs on asking prices.

- Check your credit. Your credit report is free from AnnualCreditReport.com, the only federally regulated source. You may have to pay a nominal fee for your credit score (a numerical scoring of your creditworthiness) depending upon your state law and other factors. But see both your score and your report. You may need to request corrections or adjust your credit habits to generate the best report and score -- before you start home loan shopping.

- Get your cash in the pipeline. Get approved -- in writing -- for a mortgage. Use your newly gained knowledge to shop around -- a lot -- for a home loan. Shop online and off. Shop mortgage brokers, loan officers, credit unions and other lenders. Shop where you bank, shop where you don't. The key is exhaustive comparison shopping to get the most money at the cheapest rate.



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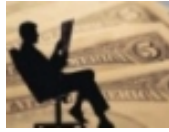
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Investor Report: Section 1031

By Kenneth R. Harney



Here's some great news for the thousands of real estate investors and brokers who use "Section 1031" (ten thirty-one) tax-deferred real exchanges every year: Congress has backed off its latest plan to narrow the definition of "like kind" for real estate swaps.

That's important because under current tax law, real estate investors have broad flexibility in choosing properties and structuring exchanges. For example, they can exchange a rental house for farmland, an apartment building for a commercial shopping strip. They can even exchange office buildings for mineral rights.

Given the tight statutory timetables to choose qualified properties for exchanges, that flexibility can be crucial.

Other types of investment assets, by contrast, get much stricter treatment under the tax code -- and that difference in treatment opens the door to periodic attempts by green-eyeshade tax reformers on Capitol Hill to raise federal revenues by cutting down the number of eligible real estate exchanges.

If you could only swap a rental condo for another rental condo, cornfields for cornfields or commercial buildings for commercial buildings, there'd be a lot fewer exchanges every year -- and probably a lot more IRS audits of taxpayers to make sure the properties swapped met all the "like kind" requirements.

So when tax reformers tucked away a tiny, technical amendment deep inside the massive federal farm bill pending in Congress, they apparently hoped they could sneak it through with nobody looking. But instead, alarm bells went off among real estate lobbyists who get paid to read through thousand-page bills like the farm legislation to make sure there are no unpleasant surprises lurking for real estate.

That's precisely what they found. The tax reformers had inserted a provision that would have only affected only certain agricultural property exchanges by narrowing the window for what constitutes "like kind."

But any restriction on "like kind" for real estate would be the proverbial "camel's nose in the tent." It would open the door to still further revenue-driven restrictions that could seriously limit the utility of tax-deferred exchanges for all real estate owners.

Linda Goad, chief tax lobbyist for the National Association of Realtors and a leader in the effort to get the 1031 amendment dropped from the final legislation approved by Congress, confirmed the successful deletion. In comments to Realty Times earlier this week, she said:

"Yes, we killed that obnoxious farm bill 1031 provision. (And) it felt good, I might add."

Real estate investors nationwide should share that sentiment.



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Paint The Perfect Sale

By Phoebe Chongchua



Every seller is looking for the perfect sale and every buyer is looking for the perfect opportunity to seize a new home or investment property. Getting your home ready to close the deal for the most money, starts with knowing where to begin and, often, that means, quite literally, you need to paint the perfect sale.

"Often times people are selling a home that they've lived in for 30 or 40 years and they're madly in love with the wallpaper but it is extremely dated," says John Peek, President and Owner of Peek Brothers Painting Contractors.

Things like wallpaper and color on the interior and exterior walls of your home can significantly influence buyers. So it is worth carefully looking over your home before you put it on the market to see what areas need touching up or an entire re-do. If you find the wallpaper has to go, then knowing how to make the change is equally important so that you don't end up with an even bigger mess.

"To strip wallpaper can be very time-consuming, expensive, and damaging to the underlying surface making it difficult to paint," says Peek. He adds, "You can paint over wallpaper if you prime it first with an oil-based primer such as Kilz. If you do that, it seals the surface well and then you can go over it with water-based paint. But if you go directly over wallpaper with water-based paint, without priming it with an oil-based undercoat, it will peel up at the edges. So the critical first step is to prime it with an oil-based undercoat," explains Peek.

To paint the perfect sale, Peek suggests carefully looking around your home for the holes that frequently don't get filled after you've taken down family photos and artwork. "I'll often times go into homes and homeowners have put spackle up and they've just smeared a big chunk on the wall and then let it dry," says Peek.

He offers this little trick to get a better outcome. "Take the spackle and put it in the hole and then take a wet sponge and lightly wipe the surface. It removes all excess spackle from around the hole and it just fills the hole itself. Often times you can get by without having to touch it up," says Peek.

Another area of concern is the door -- in particular, doors

that belong to teenagers. Picture this. Your teenager has turned her door into a collage board of photos, memorabilia, stickers, award ribbons, cards -- you name it -- all are stuck on her door, permanently securing her identity to the home you're now trying to sell. Pulling off the memories before listing the home for sale is important, otherwise buyers get caught up in all of your personal stuff and then can't see the home as theirs. Buyers also don't want the headache of having to pull down and repaint the door. And chances are you don't want to have to do that either.

Here's what Peek says sellers with this issue can do. "There are products on the market that will help you to get all that sticky stuff off the door and it's worth a try. There's a product called Lift Off that you can get at the paint or hardware store; it works wonders," says Peek.

Many sellers wonder how to get rid of a stain in the ceiling. Peek says you don't always have to re-paint the entire ceiling. "Say you've had all the leaks fixed in the roof and you still have some stains, sometimes you can by without painting by putting half bleach and half water in a little squirt bottle and lightly spritzing the surface until it's wet," says Peek. He says that you can spray the mixture on the surface of an acoustic or painted drywall ceiling. A second spray of the area will often diminish or completely remove the stain and you might not even need to paint!

If you do need to paint the interior or exterior of your home, Mike Chism, President and Owner of Chism Brothers Painting, says you can avoid painting the whole house by touching up critical areas such as the front door, trim, and fascia board.

"With exterior painting, usually the house doesn't go bad all at once," says Chism. He adds, "Sometimes windowsills or thresholds can get a lot of sun and can be prepared and touched up extending the life of the entire paint job for several years."

Chism also recommends cleaning and pressure washing your home to give it a new and brighter look.

A little tender loving care for your home before you list it is a warm welcoming sign for potential buyers.



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Grill Burgers, Not Your Home

By Broderick Perkins



For years, New York City has prohibited propane barbecue grilling on a balcony, terrace or roof. Residents can barbecue with charcoal on a balcony or terrace provided there's sufficient clearance and a source of water to douse any flare-ups.

Last year, Washington State began banning open-flame gas or charcoal barbecues on certain multifamily housing balconies where there's no overhead sprinkler.

And beginning this year, Silicon Valley placed a permanent ban on charcoal and gas fired grills on multi-family housing balconies made of wood or other combustible materials, if there is no sprinkler overhead. Propane tanks heavier than one pound are forbidden on such balconies -- sprinkler or not.

Residential barbecue bans amount to gustatory purgatory for a growing number of barbecue fans who have to wait get their thrill from a grill away from home.

Nearly 80 percent of households own an outdoor barbecue appliance and nearly 60 percent use them year round, according to the Hearth, Patio & Barbecue Association (HPBA).

But firing up a grill with an open flame presents a clear and present fire danger, especially in confined spaces.

The U.S. Fire Administration's National Fire Data Center estimates that barbecuing accounts for more than 6,000 fires, 170 injuries, a half dozen fatalities and some \$35 million in property loss each year.

Grilling responds to our primal longing for fire-kissed feasts, but singeing sustenance into submission comes with another primal directive -- protecting life and property.

The HPBA offers these tips to get you safely through a barbecued meal.

Read the owners manual. As simple as it sounds, many fail to follow instructions in their rush to barbecue heaven. The manual contains specific assembly, use and safety procedures, as well as manufacturer contact information.

Never use a grill indoors. Barbecuing in your trailer, tent, house, garage, fireplace or any enclosed area can become a

carbon monoxide accumulation hazard and kill you. Barbecue smoke can clog your fireplace flue.

Even outdoors, use a well ventilated area. Laws prohibit use on certain small balconies because they don't have sufficient clearance from the building, can produce a back draft into the home and provide limited safe maneuvering space. Set the grill away from buildings, overhead combustibles, dry leaves, brush and swimming pools and swimmers. Beware of wind-blown sparks.

Follow other codes. Electric grills or accessories (rotisseries, etc.) must be properly grounded in accordance with local codes. Place electrical cords out of traffic, walkways or where people can trip over them.

Keep the grill still. Be sure all parts of the grill are level and firmly in place so that it cannot be tipped over. Don't allow play or young children near the grill. Never attempt to move a hot grill. If you stumble and drop the grill, nasty burns are possible.

Use the proper equipment. Use long-handled utensils designed for barbecue work to avoid burns and splatters. Wear clothing that does not have hanging shirt tails, frills, or apron strings that can catch fire, and use flame-retardant mitts when adjusting hot vents.

Keep the fire controlled. To put out flare-ups, either raise the food grid, spread out the coals evenly, or adjust the controls to reduce oxygen and/or lower the temperature. If you must douse the flames with a light spritz of water, first remove the food from the grill. Never leave a grill unattended once lit.

Be ready to extinguish flames. Use baking soda to control a grease fire and have a fire extinguisher handy. Keep a bucket of sand or a garden hose near if you don't have a commercial extinguisher.

Buy a grill pad or splatter mat. Heat resistant pads placed beneath the grill are usually made of lightweight composite cement or plastic and will protect your deck or patio from any grease that misses the drip pan.



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Home Sales May Rise Modestly Before Upturn In Second Half Of 2008

By Realty Times Staff



A modest gain in the level of home sales is possible over the next couple months, and an improvement is forecast for the second half of this year as more buyers are able to access affordable mortgages, according to the latest forecast by the National Association of Realtors®.

The Pending Home Sales Index (PHSI), a forward-looking indicator based on contracts signed in April, rose 6.3 percent to 88.2 from a reading of 83.0 in March. It's the highest index since last October, but remains 13.1 percent lower than April 2007 when it stood at 101.5.

Lawrence Yun, NAR chief economist, said pending sales contracts have picked up notably in areas undergoing significant price drops. "Bargain hunters have entered the market en masse, especially in areas that have experienced double-digit price declines, but it's unclear if they are investors or owner-occupants," he said. "Sharp price reductions are leading to a quicker discovery of price equilibrium points. The West is already seeing year-over-year gains in pending contracts."

The PHSI in the West rose 8.3 percent to 98.8 in April and is 4.0 percent higher than April 2007. In the Midwest, the index jumped 13.0 percent to 83.7 in April but remains 13.1 percent below a year ago. The index in the South increased 4.6 percent to 88.8 but is 22.5 percent below April 2007. In the Northeast, the index declined 1.9 percent in April to 79.3 and is 12.2 percent below a year ago.

NAR President Richard F. Gaylord, a broker with RE/MAX Real Estate Specialists in Long Beach, Calif., said the market may be breaking its holding pattern. "It appears that more

buyers are realizing they can take advantage of a favorable combination of mortgage interest rates, home prices and family income," he said.

"Overall affordability conditions are the best we've seen since the middle of the housing boom in 2004, but with far more choices and much less pressure than buyers experienced four years ago to make an investment in their future. Recent declines in mortgage rates on conforming jumbo loans and a return to sound but not overly stringent underwriting standards will permit more people to qualify for a loan."

NAR's housing affordability index has been trending up this year and is projected to rise 15 percentage points to 128.0 for all of 2008.

Yun said the underlying fundamentals point to a pent-up demand. "Home sales are at about the same level as they were 10 years ago, yet the population has grown by 25 million people and we have over 10 million more jobs," he said. "The housing market has been underperforming by historical standards, partly because buyers were hampered by mortgage availability issues, but that's improved and an upturn is more likely. On the other hand, it's unclear what role consumer confidence will play in the coming months."

Existing-home sales should increase from an annual pace of 5.05 million in the second quarter to 5.83 million in the fourth quarter. For all of this year, existing-home sales are expected to total 5.40 million, and then rise 6.3 percent to 5.74 million in 2009. "Sales gains will be greatest in areas that underwent sharp price declines," Yun said.



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