

*Your Real Estate Guide to the Phoenix, Scottsdale, and Paradise Valley, Arizona markets.*

## In This Issue

- Are you Lazy, Stupid, or do you Just Not Care?
- Get Off the Fence
- Financing Update
- Tax Credit Update
- Metro Phoenix Market Data

## Contact Us!



### Dan Pinson

Designated Broker  
REALTOR® | ABR | GRI | RSPS | SFR  
Master of Real Estate Society

Direct: 602.332.3499

dan@InternationalRealtyPartners.com  
www.InternationalRealtyPartners.com



### Joy Whitneybell

REALTOR® | ABR | GREEN | SFR

Direct: 602.540.6561

joy@WhitneybellRealEstate.com

***We Appreciate Your Referrals!***

## Are you Lazy, Stupid, or do you Just Not Care?

*By Dan Pinson*

What is it with the real estate business these days? It seems like the changes in the market we've experienced over the last couple of years has brought out the worst in all segments of our business.

First there are the mortgage companies. By and large, there have been enough consolidations, bankruptcies, new state and federal regulations, plus the tough market to weed out most (but not all) of the losers, cheats, and thieves. In the "boom" years, if you could flip a hamburger you could also be a mortgage broker. While raising the entry barrier to mortgage lending isn't where I think it should be, the aforementioned restructuring of the industry has mostly left the better quality companies intact.

Next are the banks and lenders who actually hold the property in their REO (Real Estate-Owned) inventory and who approve the short sales. During the sales cycle I often see legal statutes, commissioner rules, and ethical guidelines go out the window. Contract clauses that essentially state the lender can change the deal at any time for any reason or accept a better offer even after a fully-executed contract has been agreed to. What about the buyer, who is probably a first-time purchaser, who has a bank say to them, "even though you spent what little liquid capital you had on things like inspections and appraisals, and had to take extra time out of your life to understand our convoluted contract addendums, we're done with you.....next!"

Then there are the title companies. Most have always done an acceptable job except for the very few that were in cahoots with lenders and appraisers to defraud buyers in years past. But now we have title companies who have sprung up to do nothing but service REO accounts. They have no experience nor do they care about dealing with the general public. Of course, buyers are now stuck with these people who don't care about them. I've actually had escrow officers change the terms of a contract – on their own!

I've also seen some cut-rate title insurance offered by banks and lenders. Cheap for them, but potentially dangerous for the buyer. In these cases, the buyer is well-advised to purchase additional title insurance. Title insurance and title reports are often not given the attention they deserve, seeing as clear title the most important part of the transaction!

Finally, there's the real estate practitioners – agents and brokers – themselves. Not only do I have to wonder about the viability of this business with lower commission rates and plummeting prices, I'm now asking myself of other agents and brokers, "Are you Lazy, Stupid, or do you Just Not Care?"

Here are some of the things that make me ask the title question directed towards real estate practitioners:

- ✓ If you want to give away your client's interests and negotiating position without their permission, feel free. I will use it against you to secure the best deal for my client. But realize it's against all the statutes, rules, and ethics guidelines. And if I get a whiff of anything unsavory, I will call your broker, report you to the Department of Real Estate, or file an ethics complaint with my association.

## Information

Need information on Real Estate matters? Visit our website at [www.InternationalRealtyPartners.com](http://www.InternationalRealtyPartners.com) or call us anytime with your questions. We're happy to help!

## Our Services

- Residential Resale
- New Home & Condo Developments
- Commercial
- Land
- International Real Estate
- Real Estate Consulting
- Brokerage Establishment & Audits

## Buyers

Buyers, contact us for more local market information and a **FREE FORECLOSURE LIST**.

## Sellers

Sellers, contact us for more detailed information and for a **FREE HOME VALUATION**.

## For Agents

Would you like to be a part of our team?

We are looking for motivated REALTORS to join us. We offer two programs:

- Full-time Agents with at least 2 years experience.
- Referral Agents at any level of experience.

Visit our website at:

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

and click on "Join Our Team" for more information on our Referral Program, or contact us for a confidential interview.

***We Appreciate Your Referrals!***

## *Are You Lazy, Stupid, or do you Just Not Care? (continued)*

- ✓ Please know what you're doing if you represent a seller attempting a Short Sale. Disclose if there's a separate negotiator. Don't tell me it can get done "right away" if nothing's been done. Buyers don't really like waiting six months to buy.
- ✓ If you're a seller's agent, don't expect me as the buyer's agent to do your work. Don't make me ask for a property disclosure statement or originate a lead-based paint addendum. It's in the contract – supply them in a timely manner. Don't disappear after acceptance, leaving me in the hands of a third-party short sale negotiator to complete a transaction.
- ✓ If you're a buyer's agent, don't expect me as the seller's agent to do your work. No, I will not verbally extend a timeline. No, I won't wait for an earnest money deposit, a signature, or anything else that you know you should have prior to or after contract acceptance.
- ✓ Please take some training! In Arizona, you only need 90 hours plus pass a test to get a real estate license. You need 1800 hours to get a cosmetology license just to cut someone's hair! Holding a real estate license in Arizona allows us the limited practice of law, since we write contracts. Would you trust an attorney or doctor who only graduated with 90 hours of training? Would you trust your largest investment to a real estate agent with only 90 hours of training? When will our state government stiffen the requirements to obtain a real estate license?
- ✓ Please don't treat me like a number. I know commissions are down and workload is up. I feel it too. If you don't do it within 24 hours, I'm calling your broker or your client directly. Treat me and my fully-qualified client like the valuable gem we are.

These are just a few of the things that make me ask, "Are You Lazy, Stupid, or do you Just Not Care?" More than ever you need and deserve professional representation. You deserve the professionals at International Realty Partners.

## Get Off The Fence

There's still a lot of pessimism in the real estate market. I'm not one to beat the constant drum of many REALTORS that "Now Is The Time To Buy," but...

- ✓ Interest rates are near all-time lows, the government is offering incentives, inventories at lower price points are diminishing, and prices are stabilizing.
- ✓ We reached our lowest prices in the lower-priced, first-time buyer market back in April-June 2009. The high end of the market still hasn't recovered.
- ✓ We're seeing a lot of new construction activity on new luxury homes in Paradise Valley after quite a stretch of nearly no building activity.
- ✓ Multi-family housing has been hit hard and is now a bargain, even when you figure in 15% vacancy rates.
- ✓ Commercial property has headed down by over a third here in Phoenix and still has a way to go in my opinion.

This is a great time to buy lower-priced single-family and multi-family properties. All the indications are that interest rates will go much higher this year, wiping out any gains that might be made by waiting for prices to go lower.

## Financing Update

FHA has lifted the 90-day seasoning ban. This means that as long as it remains an arms-length transaction, plus some other modifiers, FHA loans can be done without the seasoning requirements. This is good news for buyers in that they can purchase a property that may have been recently purchased at a Trustee Sale or acquired as a "flip." Visit the FHA website for more information at [www.fha.gov](http://www.fha.gov).

## In Escrow/Just Sold



8526 E. Sandalwood  
Scottsdale, AZ 85260



7550 N. 12 St. 246  
Phoenix, AZ 85020

## Home Sales Data

Home sales as of January 31, 2010:

- New Listings: 13,204
- Total Listings: 41,657
- Sold Listings: 5,770
- Months Inventory: 7.22
- Sales Price/Listing Price Ratio: 95.5%
- Sold Property Cumulative Days on Market: 91
- Average Sales Price: \$175,685

*We Appreciate Your Referrals!*

## Tax Credit Update

Anyone thinking of buying in the next few months should write their contracts prior to April 30, in order to take advantage of the tax credits available. There is a maximum \$8,000 tax credit for first-time homebuyers (those that haven't owned a home 3 out of the last 5 years) has been extended. Also available is a \$6,500 tax credit for current homeowners who have lived in their current primary residence for 5 consecutive years out of the last eight. You can visit the IRS website for more information at: [www.irs.gov/newsroom/article/0,,id=204671,00.html](http://www.irs.gov/newsroom/article/0,,id=204671,00.html).

## Metro Phoenix Market Data (from ARMLS as of 2/1/2010):

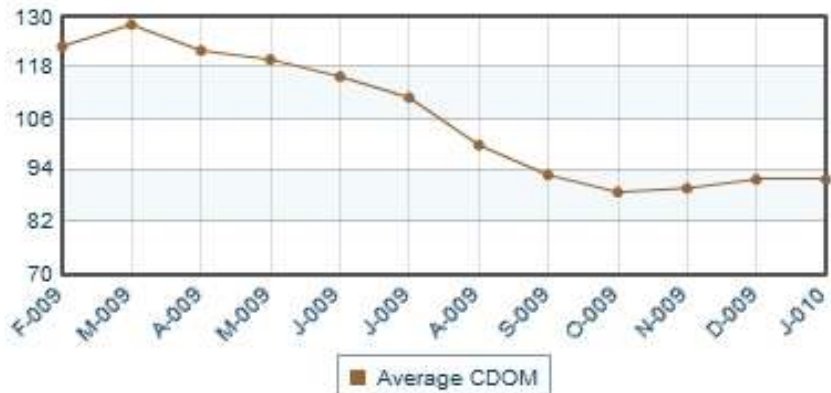
### Inventory



### Prices



### Days On Market



## Mortgage News

### 90-Day Delinquency Jumps at Banks

Fueled by a 64 basis point jump in 90-day delinquency, late payments on residential loans rose at U.S. financial institutions. Late payments also increased on commercial mortgages.

### FHA Activity Deteriorates

The monthly volume of Federal Housing Administration originations tumbled, while serious delinquency was up more than 200 basis points from a year ago.

### Delinquency, New Foreclosures Decline

Seasonally adjusted residential delinquency improved as new foreclosure filings declined. But the inventory of foreclosed properties grew.

### 2010 Originations Expected to Fall 20%

The forecast for residential production has been cut, and U.S. originations are expected to fall by one-fifth this year.

### Record Home Loan Lates

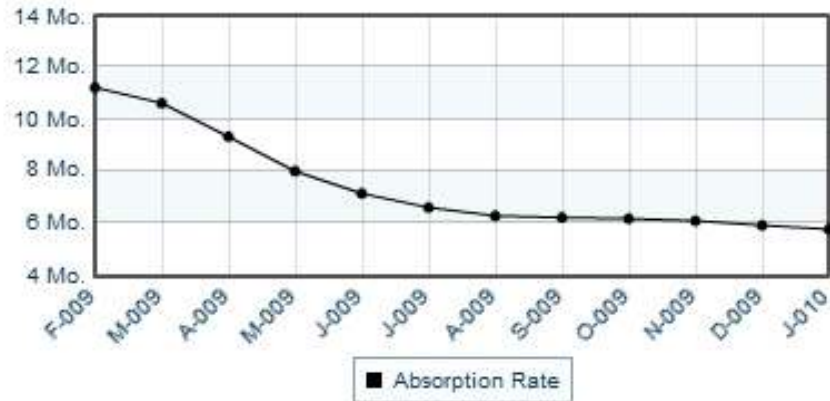
Quarterly delinquency climbed to the highest level on record as the rate of increase accelerated. Still, there were pockets of the country that saw an improvement.

*This newsletter is for informational purposes only. Real estate laws, market conditions, and local customs frequently change. Consult an attorney specializing in real estate law before buying or selling. Consult with your CPA as to the tax ramifications of any real estate transaction. Be sure to perform ALL of your due diligence. Only deal with reputable real estate agents, developers, CPAs, and attorneys.*

Market data courtesy of Arizona Regional MLS and MortgageDaily.com

**We Appreciate Your Referrals!**

## Absorption



## Volume



## Sold Price to List Price Ratio



*Editor's Note: We're late with this month's issue due to computer problems. The market data this month is from the Arizona Regional MLS, as The Cromford Report also had a fire that destroyed all their computer equipment. We hope to be on time with our delivery of MarketWatch in March. Thanks for reading!*