

News

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Top Ten Reasons It's a Great Time to Buy Real Estate!

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1 Selection, selection, selection. There are about 57,000 resale homes on the market in Maricopa county (Arizona). Regardless of the price range a buyer desires, there are plenty of houses from which to choose. Just a few years ago the resale inventory dropped below 5,000 units. A buyer was forced to make compromises if they were going to locate the home of their dreams. There is a great selection of attached homes, condos and townhouses. You can find large lots, small lots and a lot that will accommodate your boat or RV. There are lots of options in this market.

2. No Bidding Wars. In 2005, we had one client who made an offer on ten homes. They lost the first nine to the feeding frenzy that existed. Other buyers bid the properties up substantially from the original listing price. There were escalation clauses

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where buyers authorized their agents to outbid other offers by thousands of dollars. There is no competitive bidding in this buyer's market.

3. You can make an offer. A few years ago when you made an offer, the only question was how high above the list price could the buyer reach in hopes of being the best offer on the table. Today the sell price list vs. price ration is about 96 percent. A seller will not be insulted if you make them an offer they can't refuse.

4. Patience is tolerated. In the hot seller's market that existed everything was rushed. Find a house before other buyers did. Hurry up and make the offer. Today a buyer can take their time. They can look at several homes and think about their decision for a few hours.

5. Due diligence is welcomed. In this market, a buyer is encouraged to obtain a home inspection, termite inspection and appraisal. In 2005, many buyers waived these contingencies in order gain an advantage with multiple offers.

6. There are plenty of specs. In the not too distant past buyers had to play games if they wanted a new home. There were lotteries and waiting lists in order to obtain new construction. Some buyers slept in their cars in order to get to the head of the lines. R.L. Brown estimates that builders have thousands of specs ready for immediate occupancy.

7. Repair requests are welcomed. After a buyer completes a home inspection, they are allowed to submit a repair request to the seller. In the past, a seller might insist the home was sold as is. Many times, there were back-up buyers waiting for a primary buyer to upset the seller whose home was increasing in value almost daily.

8. Few, if any investors. It is estimated that one-third of all sales in 2005 were to investors. These non-owner occupied buyers caused the market to inflate and affordability to decline. Mortgage fraud became commonplace. It's a great time to buy without having to compete with hundreds of prospective landlords.

9. Location, location, location. Today's buyers can find homes closer to work. In the past, buyers flocked to the outskirts in order to find affordable homes. In this market, reasonably priced homes are within biking or walking distance to schools, rapid transit lines and relatives.

10. Real financing is available. The "wink-wink" zero down, no doc, adjustable, sub-prime loans are gone. Fixed rates are back. FHA financing, first-time homeowner bond programs, special loans for teachers and police officers are back in business. It's a great time to buy real estate!♦

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