



Homeowners Urged - Sell Short, Refinance, But Try Not to Lose Your Home

By Jerry W. Jackson, RISMEDIA, January 16, 2009

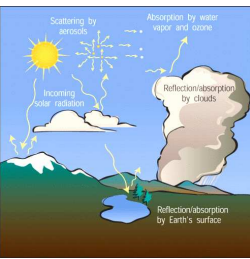
Every day, more people slip into the foreclosure whirlpool and spiral downward toward the day they may have to leave their home. What should you do if you are on the verge of getting a foreclosure notice? First and foremost, industry specialists say, you should resist the natural human tendency to freeze up.

Face the issue head on and prepare for days and weeks of making phone calls and corresponding with people who may be able to help. "Don't assume it's too late to act," said Ralph Roberts, a consumer advocate in Michigan and co-author of Foreclosure Self-Defense for Dummies. "As long as

you are residing in the home, you probably have some opportunity to keep your home." Roberts, a Realtor who lost his home to foreclosure back in the 1970s, said people facing foreclosure have more avenues to pursue than they might realize—certainly more than the typical "pay up or



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Tax credits expand for "green" upgrades. Starting Jan. 1, 2009, per the Emergency Economic Stabilization Act, homeowners can benefit from tax credits for energy efficient home improvements (windows, doors, roofs, insulation, HVAC, and non-solar water heaters). Learn more from [Energy Star.gov](http://EnergyStar.gov).



Lou Perna, CNE, e-PRO, HRC, SRES
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HOMES SOLD IN GREATER CHICAGOLAND AREA NORTH*:

STANDARD HOME = Detached single family 4 bedroom, 2 1/2 baths, basement & attached 2 car garage.

As of 2/28/09:

PAST # OF MONTHS	24	12	9	6	3	2	1	6 Month Period Trend
# SOLD	3,089	1,323	959	463	187	102	42	↓
TIME to SELL (days)	154	171	168	170	174	174	175	↗
SOLD \$	\$439,097	\$410,682	\$407,543	\$371,893	\$352,871	\$355,888	\$350,735	↓
FINAL ASK \$	\$460,242	\$434,746	\$432,036	\$396,468	\$376,177	\$377,595	\$373,191	↓
CHNG TM TO SELL	-	17	-3	2	4	0	1	↑
% CHNG TM TO SELL	-	11%	-2%	1%	2%	0%	1%	.
CHNG SOLD \$	-	-\$28,415	-\$3,139	-\$35,650	-\$19,022	\$3,017	-\$5,153	↓
% CHNG SOLD \$	-	-6%	-1%	-9%	-5%	1%	-1%	.
# SOLD PER MONTH	129	110	107	77	62	51	42	↓
CHNG ASK \$	-	-\$25,496	-\$2,710	-\$35,568	-\$20,291	\$1,418	-\$4,404	.
% CHNG ASK \$	-	-6%	-1%	-8%	-5%	0%	-1%	.
# CURRENT LISTINGS							1,407	↗
# MONTHS SUPPLY	10.9	12.8	13.2	18.2	22.6	27.6	33.5	↑
	3/07-02/09	3/08-02/09	6/08-02/09	9/08-02/09	12/08-02/09	1/09-02/09	Feb-09	9/08-02/09

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*MLS Areas Barringtons, Elgin, Chicago Area North, North Shore, and North West Regions & Lake County.



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2009 is here and well so far it does not look a whole lot different than 2008.

As reported in the Chicago Tribune, January 2008 Chicagoland housing sales were down 24.5% compared to January 2007. The median home price fell to \$185,000 or 22.8% from January 2007. January is often our poorest home sale month of the year and hopefully that will be true this year too. DuPage County has the largest January sales percentage drop at 38.1%. Chicago itself had a January sales drop of 23.5% at a price drop of 28.9% to \$206,250. Below are annual unit and price sales for the past 4 years. 2005 is generally considered to be the "peak" residential sales year this decade, at least so far. 😊

FHA guidelines to change a bit in 2009. Among the changes, the buyer's entire cash investment—as little as 3.5 percent (but up from 3%)—can be a gift from a family member, employer, charitable organization or local government entity. According to NAR, "FHA is interpreting this to mean a 3.5 percent down payment (not including closing costs)."

County	2005 Total Sales	2006 Total Sales	2007 Total Sales	2008 Total Sales	2006 % Sales Chng	2007 % Sales Chng	2008 % Sales Chng	2005 Median Sold \$	2006 Median Sold \$	2007 Median Sold \$	2008 Median Sold \$	2006 % Median \$ Chng	2007 % Median \$ Chng	2008 % Median \$ Chng
Cook	74,529	66,151	52,838	39,229	-11.2%	-20.1%	-25.8%	\$248,500	\$255,000	\$266,000	\$252,500	2.6%	4.3%	-5.1%
Lake	12,120	10,304	7,996	5,920	-15.0%	-22.4%	-26.0%	\$250,000	\$250,000	\$260,591	\$240,000	0.0%	4.2%	-7.9%



Foreclosure filings increase nearly 55 percent in Illinois in 2008 according to Realty Trac's 2008 U.S. [Foreclosure Market Report](#). The nation as a whole recorded an 81 percent increase in total properties from 2007 and a 225 percent increase in total properties from 2006. Illinois is listed among the top 10 states for highest foreclosure rates along with Nevada, Florida, Arizona (top three), California, Colorado, Michigan, Ohio, Georgia and New Jersey. Find foreclosure resources for consumers at www.YourIllinoisHome.com It is estimated that 45% of national sales are of "distressed" properties.

For 2008 home sales were down in Cook & Lake counties 47% and 51% respectively compared to 2005. The 2008 sales price in Cook was up 1.6% compared to 2005, but in Lake it was down 4%.

We keep asking "...is this the bottom?" Or are we really asking "How much lower can it go?" It is hard to find good sales news as the chart on page one supports; but the latest government programs give us some optimism for later this year. A Buyer's market? **For sure!!**

move out" that many people think is their only choice.
Potential solutions include:
- Negotiating a **modification** of the loan.
- **Refinancing** the loan.
- **Listing** the home through an agent for a possible "short sale."
- **Selling** the home to an investor on your

own.
- Declaring **bankruptcy**.
Short sales-in which the lender agrees to take less than is owed on the home, writing off some or all of the loss to avoid the expense of a foreclosure-typically are handled by real estate agents, which at least takes some of the pressure off of a

harried homeowner. Many professional real estate agents are working more short sales these days and have buyers lined up looking for bargains, though the process can be slow and frustrating. "The banks are just not moving fast enough. They are sitting on these, and it's outrageous.

Something's got to be done about that" at the national level, said Ernst Urbainczyk, a veteran agent with Keller Williams Heritage Realty in Lake Mary, Fla. Lenders may also reject short-sale offers, sometimes leaving the seller with little or no time to prevent the foreclosure.