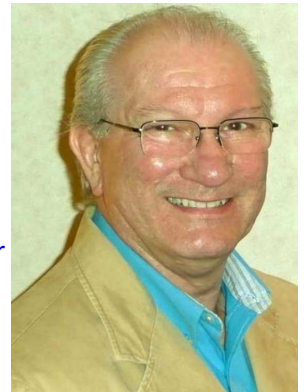




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REALTORS® address Home Valuation Code of Conduct (HVCC).

The National Association of REALTORS® is working to address member concerns regarding problems with appraisals that are causing deals to be delayed or canceled altogether. Efforts are underway to discuss how REALTORS® can work with Fannie Mae, Freddie Mac and lenders to ensure that appraisals are accurate. Learn more about the HVCC issue. Two Congressmen, Rep. Travis Childers (D-MS) and Rep. Gary Miller (R-CA) introduced legislation (H.R. 3044) late last week that seeks to place an 18-month moratorium on the HVCC.

Housing Market Faces New Rules for Appraisals

Realtor Magazine April 20, 2009

The housing industry is facing new national rules for real estate appraisals, which will ban mortgage brokers from ordering valuations and divert more business to third-party appraisal management companies.

Lenders seeking to sell their loans to Fannie Mae and Freddie Mac will have to adopt the

home valuation code of conduct; but they have expressed some concern about the new standard, which took effect on May 1. Lenders can still focus on FHA financing, considering the agency has its own appraisal rules and does not plan to adopt the code of Fannie Mae or

Freddie Mac. *Appraiser Checklist Daily Real Estate News | April 20, 2009 | Help clients understand what to expect during the appraisal process by sharing information on how appraisers reach their property value estimates. By Barbara Ballinger | April 2009 (see page 2)*

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 6/30/09.

PAST # OF MONTHS	24	12	9	6	3	2	1	6 Month Period Trend
# SOLD	2,825	1,241	800	535	340	256	132	↑
TIME to SELL (days)	161	171	178	181	181	189	190	↑
SOLD \$	\$422,786	\$390,366	\$366,411	\$368,939	\$374,430	\$376,453	\$377,073	↑
FINAL ASK \$	\$445,230	\$414,948	\$390,546	\$392,090	\$396,996	\$398,919	\$398,755	↑
Sell \$ to Ask \$	95.0%	94.1%	93.8%	94.1%	94.3%	94.4%	94.6%	.
CHNG TM TO SELL	-	10	7	3	0	8	1	↑
% CHNG TM TO SELL	-	6%	4%	2%	0%	4%	1%	.
CHNG SOLD \$	-	-\$32,420	-\$23,955	\$2,528	\$5,491	\$2,023	\$620	↓
% CHNG SOLD \$	-	-8%	-6%	1%	1%	1%	0%	.
# SOLD PER MONTH	118	103	89	89	113	128	132	↑
CHNG ASK \$	-	-\$30,282	-\$24,402	\$1,544	\$4,906	\$1,923	-\$164	.
% CHNG ASK \$	-	-7%	-6%	0%	1%	0%	0%	.
# CURRENT LISTINGS							1,612	↓
# MONTHS SUPPLY	13.7	15.6	18.1	18.1	14.2	12.6	12.2	↓
	7/07-06/09	7/08-06/09	10/08-06/09	01/09-06/09	4/09-06/09	5/09-06/09	Jun-09	01/09-06/09

Inside this issue:	Pg.
PERNA'S Corner	2
Housing Market Faces New Rules for Appraisals continued	2
"Echo Boomers" next wave of homebuyers	2

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



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Perna's Corner

It is good to see the six month trend in the home market I am tracking with such positive indicators!

Below is a chart of the average selling price of the homes in this market since October of 2007. Yes we're off the peak (no surprise!), but the sales price is up from its bottom and has shown some stability the past few months—good news!

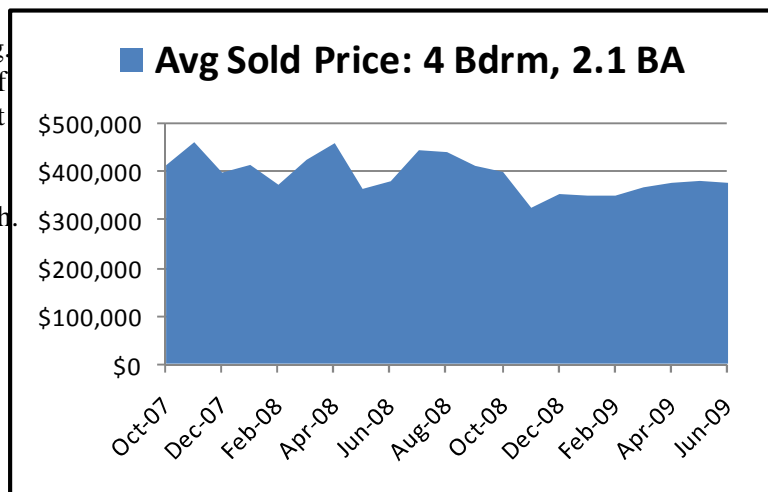
We're on the Web!

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“Echo boomers” next wave of home-buyers.

A new report by Harvard University says echo boomers, the children of the baby boomers, should reinvigorate future housing markets when they begin to buy. Echo boomers, an even bigger group than the baby boomer generation, is expected to keep housing demands strong for the next 10 years

The credit crunch is still ongoing many as half Jumbos are not to get through their default 38% earlier than prime ever Many sources are offering some of doing so only in a very limited process with very stringent requirements.



crunch is I hear as the applied accepted at mission. even tougher Rumor is rate reached this year—sub rate reached! financial not even of Jumbos and those that are

(continued from page 1)

- **Incentives and concessions.** Most of today's buyers expect to pay the lowest possible price and still get some extras. Sellers and home builders are offering money toward closing costs, remodeling and decorating, upgrades, and association dues. The price set initially may not be the final price once concessions are factored out. Appraisers care about that final number.
- **Closing date.** Forget what comparable neighborhood houses sold for a few months back. Appraisers want prices from the most recently closed transactions. If a sale was more than 45 days ago, even 35, the price may be irrelevant.
- **Condition and curb appeal.** Appraisers typically find several properties

- with similar interior and exterior features to determine value. When markets are healthy, blemishes matter less, but when markets soften, problems—a dated kitchen or barren lawn—can reduce prices and deter buyers. The difference in value is not just the repair costs but the time and hassle to make them. It's better for sellers to do work in advance.
- **Foreclosures.** Appraisers technically shouldn't consider neighborhood foreclosures when valuing a home, since foreclosures don't meet the Appraisal Institute's definition of a property reasonably exposed in a competitive market, says Herndon. But when several neighborhood homes are abandoned, it's hard not to caution sellers that this is a troubling trend and may affect home values.
- **Closing date.** Forget what comparable neighborhood houses sold for a few months back. Appraisers want prices from

- the most recently closed transactions. If a sale was more than 45 days ago, even 35, the price may be irrelevant.
- **Changing demographics.** If a house is in an up-and-coming area, the value can be expected to rise. A location that's perceived as safe also may help attract the increasing number of single female buyers.
- **Economic clouds.** If there's an oversupply of comparable homes for sale, or if the local job market is suffering, buyers may be hesitant to invest. Appraisers advise setting prices aggressively from the get-go.
- **Chemistry.** It's hard to account for those times when buyers fall in love with a house, despite a high price, poor condition, or tough economy. Emotional attachment is a factor that can't be predicted. This is what makes it harder to appraise homes versus commercial buildings, where buyers care more about the bottom line."