



Perna Properties Group October 2007

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Featured Property



MLS#: 06517261
City: Libertyville
Beds: 4
Baths: 5
Price: \$999,000
[> Click for more info](#)

Featured Property



MLS#: 06627263
City: Hainesville
Beds: 2
Baths: 2
Price: \$247,900
[> Click for more info](#)

It Pays (Literally) to Work With a Professional

Everyone's heard the old saying, "If you want something done right, you have to do it yourself." While this is true in many circumstances, it might not be the best practice to follow when selling a home. Handling complex legal issues, offering security when dealing with strangers in a home, properly staging a house for sale and effectively marketing the property are all tasks best executed by a knowledgeable real estate professional that has the expertise, and more importantly, the time to do these things well.

Using a professional real estate sales associate can bring big rewards. According to the National Association of Realtors® (NAR), the median "for sale by owner" (FSBO) selling price of a home was 20 percent lower in 2003 than the median sales associate-assisted selling price.

NAR charts the most difficult tasks encountered by individuals selling their homes on their own.

Task	%facing difficulty with task
Getting the right price	24%
Understanding paperwork	22%
Preparing / fixing up home for sale	24%
Attracting potential buyers	10%
Enough time to devote to all aspects of the sale	5%

Source: 2004 National Association of REALTORS® Profile of Home buyers and Sellers

FYI: Home Tracker Now Live on coldwellbanker.com

Home Tracker is part of the new Personal Retriever® section of coldwellbanker.com and will be promoted to consumers starting in mid-October.

The new Home Tracker on coldwellbanker.com lets consumers keep tabs on any home's value, maintenance, improvements, and more. Home Tracker is an on line hub for tracking the value of any home, managing a home's maintenance needs, and even estimating what home improvement project will add the most value to a home. It's the best way to keep track of a home.

Some of the Home Tracker features include:

1. **Home Value Estimation Tool** - Tracks the estimated value of a home over time
2. **Improvement Calculator** - Modifies the value of any home based upon actual or hypothetical home improvements.
3. **Maintenance Log** - Log various improvements and maintenance projects, including photos and vendor information.
4. **Alerts** – Set reminders for maintenance projects, changes in a home's value and more via this email alert feature.
5. **Notes & Documents** - Upload documents about a home (blueprints, disclosure statements, receipts, etc.) for future reference.

Perna's Corner

Our Coldwell Banker Grand "Grand Opening" party seemed to go very well. Thank you to all who attended.

Doris recently attended a training class on Home Staging. She is now a qualified Home Staging Consultant. Doris continues growing her skills as a member of the Council of Residential Specialists as she recently completed another week of training.

Lou completed training and received certification as a Senior Real Estate Specialist.

As of January 1, 2007 Carbon Monoxide detectors are required in every Illinois home. They must be located within 15' of every bedroom.

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FYI: As of January 1, 2008 Illinois law will require Sellers to give a pamphlet to Buyers regarding Radon. Call me if you need a pamphlet or more information.

I hear that the Veterans Administration mortgage loan limit has been raised to \$625,000 (terrific!). Can the FHA be far behind?

Every day is a news day in the housing market. Is the market going to get worse, get better? When? I can't predict the future (darn!), but I like to speculate too.

What has caused the current situation? Subprime loans? Adjustable loans? My favorite choice is Adjustable loans (ARMs). Why? Classic subprime loans are a small part of the mortgage market. ARM's on the other hand are not. The home sale boom in the 1st half of the 2000's set the stage for an explosion in ARM's as the mortgage industry gained players bent on making their fortune. The housing boom peaked in 2005 (a new record). The 3 year ARM's sold in 2004 1st rate change hit this year. Many of these loans were sold to people who had to stretch to make the initial teaser rate monthly payments (these people would not qualify today and shouldn't have then) by newly formed mortgage companies. Many cannot make the newly adjusted monthly payment. 1.6 million foreclosures occurred this year prior to September and another 1.6 million were in pre foreclosure status – mostly ARM's. (Illinois foreclosures though were down 9.6% from August of 2006.) Good news, Presidential jawboning on subprime loans has led to the FHA putting a sort of floor out there for the subprime loans (should indirectly aid ARM's too), banks are exercising their flexibility on mortgage loan payments, Bank of America loaned Countrywide (our largest home mortgage provider) \$2 billion and the Fed's move on rates last August seems to have done the intended. Obtaining conventional loans for qualified people are no problem; jumbo loans are still somewhat feeling the effect of the credit squeeze. Mortgage rates are still considered to be historically low. Oh, and many of the subprime players are now out of business. National Association of Realtors Vice President of Research, Dr. Lawrence Yun noted that 2007 will be the fifth highest year on record for existing-home sales. One out of 16 American households is buying a home this year.

Because of the credit market changes noted above, 2008's home market should be better. However, the new home construction hang over is expected to dampen home sale prices as inventory is unloaded.

Locally:

HOMES SOLD IN GREATER CHICAGO LAND AREA NORTH*:

Home: Detached single family 4 bedroom, 2 1/2 baths, basement & 2 car garage.

As of 10/17/07:

MONTHS AGO	24	12	9	6	3	2	1**	Comment re: Last 12 Mnths to 24
# SOLD	4,026	1,708	1,335	817	264	101	14	Down 26%
TIME to SELL(days)	110	135	134	128	140	151	132	Up 23%
SOLD \$	\$456,033	\$460,216	\$466,349	\$466,837	\$450,875	\$430,525	\$367,324	Down 6%
FINAL ASK \$	\$471,111	\$479,539	\$485,450	\$486,680	\$472,145	\$451,538	\$392,783	Down 4%
CHNG TM TO SELL	-	25	-1	-6	12	11	-19	
% CHNG TM TO SELL	-	123%	99%	96%	109%	108%	87%	
CHNG SOLD \$	-	\$4,183	\$6,133	\$488	-\$15,962	-\$20,350	-\$63,201	
% CHNG SOLD \$	-	101%	101%	100%	97%	95%	85%	

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

**Partial Month & not considered in my comment.



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