



REAL ESTATE TODAY

For the GREATER ALBUQUERQUE AREA

BUYING in a COOLING REAL ESTATE MARKET

by Amy Hoak, Marketwatch

Real Estate Times (August 2006)

Residential real estate, a shining star of the national economy that seemed unflappable over the past couple of years, has hit a speed bump.

Nationally, home price appreciation is slowing down from the rapid pace experienced by many markets over the past few years. Mortgage interest rates are on their way up. Is this any time to be thinking about investing in a home? Of course it is -- if you're buying it for a place to live, not as a speculative investment, and can afford to take the leap.

"Owning a home is still financially not a bad deal, as long as you have the income to support the cost of homeownership," said Jim Gaines, research economist for the Real Estate Center at Texas A&M University. Another caveat: "You better figure on living there five or six years to make any kind of profit on the thing."

Investors who hope to profit quickly on home sales, known as property flippers, for the most part have come and gone from the market, said Raymond Sierka Jr., vice president and regional sales manager with Harris Private Bank.

At the height of the real estate boom, people would buy houses before they were built at preconstruction rates only to sell the homes for a profit a short time later, often before construction was even complete. Speculators in some markets could often sell the property for a 20% to 30% yield, he said.

A normalized real estate landscape boots out those speculators, said Anthony Hsieh, president of online lender LendingTree.com. "It's just too risky to speculate now," he said.

People now are "buying for the right reasons," said Diana Bull, a Realtor in Santa Barbara, Calif., and a regional vice president for the National Association of Realtors. Sellers no longer hold all the cards, she said, which is creating a more balanced market.

Below are several benefits of home shopping in a cooling real estate market -- the silver lining to news predicting the residential real estate party is over.

More Selection

In a growing number of local markets, buyers have more time to think about a home before they make a decision on whether to purchase it. Last year, that often wasn't a likely luxury.

"Once you as a potential buyer found a house that met your needs, you had to jump on it right away," said Frank Nothhaft, chief economist for

(Continued on Page 3)

Published by



BARBARA MADARAS
CRS, GRI, e-PRO
REALTOR®

Cell: 505.301.1033

Office: 505.292.8900

AnAlbuquerqueHome
ForYou.com



LEGACY

Inside this issue:

- *SPECIAL REPORT: WHY WE THINK the WAY WE DO! Yet another article on the differences between MEN and WOMEN!*
- *CLIPS & TIPS for everyday life in Albuquerque*
- *AVERAGE SALE PRICE of Single Family Homes in Albuquerque*
- *NUMBER SOLD Single Family Homes each Month in Albuquerque*
- *INTEREST RATE COMPARISON—What Happened in a Year*
- *DID YOU KNOW..... First Time Home Buyers are STILL Preferred Clients these days!*

Look for the next
edition of
REAL ESTATE TODAY
coming to you in
November 2006

WHY WE THINK the WAY WE DO!

- Although male brains are larger by about 9%, women have the same number of brain cells packed more densely into a smaller skull.
- A baby girl's skills in eye contact and face studying improve more than 400 during the first 3 months of life. Making eye contact is at the bottom of a boy baby's list of interesting things to do.
- Men use about 7,000 words a day. Women use about 20,000.
- Connecting through talking activates the pleasure centers in a girl's brain providing a major dopamine and oxytocin rush, which is the biggest, fattest neurological reward you can get outside of an orgasm.
- Oxytocin (the "love" hormone) is released in the brain after a 20-second hug from a partner, triggering the brain's trust circuits.
- The sexual desire trigger for both genders is the androgen testosterone. Men have on average 10 to 100 times more testosterone than women.
- Early on, female ovaries begin producing huge amounts of estrogen that marinate the little girl's brain and spur the growth of brain circuits and centers for connection.
- When she's under stress, a woman's desire for sex and physical touch shuts down, perhaps because the stress hormone cortisol blocks oxytocin's (the "love" hormone) action in the female brain.
- The areas of the brain that track emotion and memory formation are larger and more sensitive in the female brain.
- Rejection, it turns out, actually hurts like physical pain because it triggers the same circuits in the brain.
- Men notice subtle signs of sadness in a face only 40% of the time. Women spot them 90% of the time.
- Our brains size up a potential partner, and if he fits our ancestral wish list, we get a jolt of chemicals that dizzy us with a rush of laser-focused attraction.

- Excerpted from an article by Lucy Silberman (O Magazine, August 2006)

It's SUMMER! Do you know where your house is?

Relative to the market that is!

A realtor can provide you with accurate, informative and up-to-date statistics which will impact your ability to effectively sell or buy a property.

For a Seller, statistics such as Average Sale Price in your area, Average Sale Price per Square Foot and Number of Sales by Month will assist you in listing your property at a price and at a time that will enable a quick and profitable sale transaction.

For a Buyer, statistics such as Average

"A realtor can..... impact your ability to effectively sell or buy a property."

Price per Square Foot and Number of Sales by Month will assist you in more accurately determining your purchasing power when that purchasing power will have the most strength.

Each edition of "Real Estate Today" will have the most up-to-date statistics for your area. Two editions are published — one for the Greater Albuquer-

que Area and one for the Lynnewood Park & Brentwood Hills areas.

And we are always available to work with clients to research other areas.

To receive additional or future copies of either publication, contact us at the information shown on the back cover.

In the meantime.....

Enjoy finding out what YOUR HOUSE is worth! Contact **Barbara Madaras** at **505.301.1033** for a FREE Market Analysis.

This publication is not intended as a solicitation if your property is currently listed for sale with another broker.

BUYING IN A COOLING MARKET (continued)

Freddie Mac. "One thing that we're seeing nowadays -- compared to six or 12 months ago -- is many markets where homes are staying on the market longer."

Home sales are expected to decline in 2006, yet the year should finish as the third strongest on record, according to a midyear report given by Nothaft earlier this month. With fewer sales, more housing inventory is sitting on the market.

It's a change of pace for agents who not long ago didn't have many properties to show their clients, said David Drinkwater a Realtor in Scituate, Mass., and regional vice president for the National Association of Realtors.

"Two or three years ago, there was a great deal of reacting in the marketplace because we had a smaller inventory pool to work with," Drinkwater said. That's not to say that a well-priced property won't move quickly in this environment, he said, but buyers need to educate themselves so they can recognize a housing gem when they see it.

More room to negotiate

Current conditions in many markets also afford consumers a better opportunity to negotiate.

"This market is forcing everybody to slow down and take their time," Bull said. In that time, buyers have more of a say at the bargaining table.

In fact, getting a fair deal is even more of a priority for homeowners who can no longer bank on high appreciation rates to save them if they pay too much, Drinkwater said. If you slightly overpaid in a bidding war at the height of the real estate boom, high appreciation rates helped correct the error, he said. In many markets there is now no such safety net.

Average home value appreciation nationwide should be around 7% for the year, and is predicted to slow even further to 6.2% in 2007, according to Freddie Mac. Local markets vary, however, and even as some markets are cooling, others are still on an upward climb.

Even if you, as a buyer, have the benefit of being more of a haggler than you could have been last year, still remember to look for a place that meets your needs and your budget, Nothaft said. Do the calculations and lay the groundwork before your house hunt ever begins.

Interest rates are still relatively low

It's easy to get caught up in the up-
But take the northward movement

Some people act like "Chicken Lit-
interest rates go up a quarter of a
Center in Texas. Instead, keep it in

Interest rates are still way below
Gaines said. Even if the 30-year hits
should keep in mind the double-digit

The annual average for a 30-year
and worked its way down to 9.25% in
Homeowners may not get rates quite
when the annual average for the 30-year fixed was 5.84%. But relatively speaking, it's still a deal.



ward scooting of mortgage interest rates.
with a grain of salt.

tle" and feel as if the sky is falling when
point, said Gaines of the Real Estate
perspective.

what they were five or six years ago,
7% by the end of the year, investors
rates of yesteryear.

fixed-rate mortgage was 16.63% in 1981,
1991, according to Freddie Mac records.
as low as what they could secure in 2004,

A home is still a good investment

If you're in it for the long haul -- that is, buying a home with the intention to live in it for years -- a home is still a decent investment.

Consider this piece of information from the National Association of Realtors: Since record keeping began in 1968, the national median home price has risen every year. In a balanced market, home values typically rise at the general rate of inflation plus 1.5 percentage points. That's to say nothing of the tax benefits that come with owning your own home.

A look at the volatility of the stock market also proves the benefits of real estate as an investment, said Sierka, of Harris. "The downside of real estate is better than the downside on just about anything else."

THE ALBUQUERQUE MARKET IN A NUTSHELL

The Albuquerque Metro Market hasn't slowed, hasn't "flattened". It is simply now like a more traditional market. Buyer's have more to choose from and can take their time making a decision! Seller's have the advantage increasing values.

THE ALBUQUERQUE MARKET IS STILL HOT!

Do you know of anyone who wants to BUY or SELL a property?

**NOW IS THE TIME!
MADARAS & ASSOCIATES is the place!**

We are there for your Real Estate needs.....

BARBARA MADARAS

Kim Brown

Diane Carmean

Karen Warnock

Brandy Stratton (in September)

Rob Stratton (in September)

CHEZ BARBARA

(Recipes for the Culinarly Challenged)



THE ABSOLUTE EASIEST EVER! (BARBARA'S CHOICES from TRADER JOE'S)

WILD MUSHROOM FETTUCINE

(Better than any restaurant—4 minutes in the microwave—add a salad and you have a \$5.00 dinner for two! (Frozen)

MANDARIN ORANGE CHICKEN

(Add a salad with a sweet or oriental dressing and you have a dream meal! (Frozen)

GNOCCHI al GORGONZOLA

(Throw in a few Petite Peas, top with Shredded Parmesan, add a salad with a vinegary dressing! (Frozen)

FLATBREAD PIZZA with CARMELIZED ONIONS, PROSCIUTTO AND FETA CHEESE

(It has a special name in a light green box—light, fabulous flavors, easy—another \$6.00 dinner for two! (Frozen)

TJ's PRE-MADE SALADS

(A full meal for one—great side dish for two—terrific lunches!)

GREEK YOGURT with HONEY

(So different—even yogurt haters will like this one—it's got body, natural sweetness and it's fun to eat!)

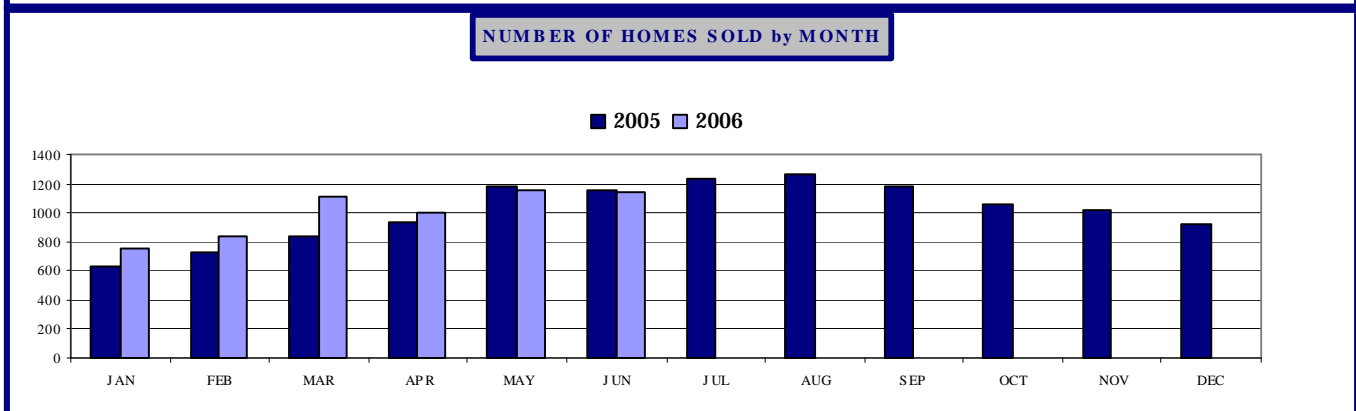
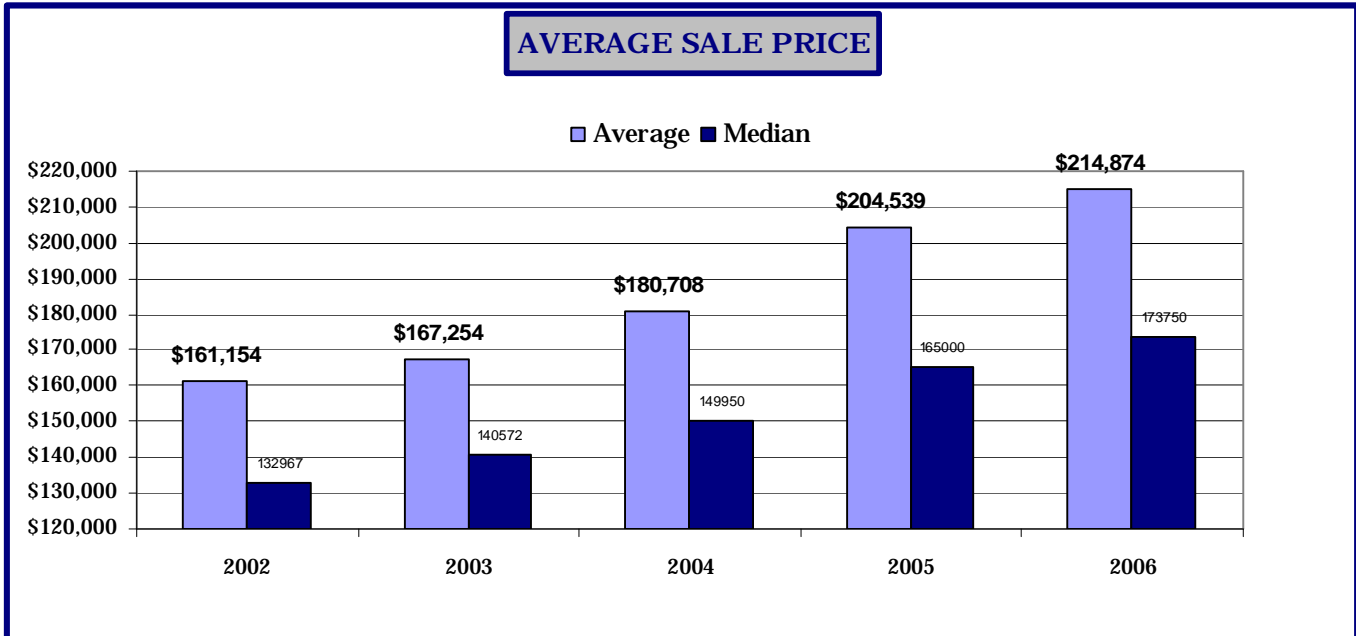
HONEY SESAME STICKS

(A just plain yummy snack!)

(OK, so I've not been cooking much! It's hard to find time when you work 15 hours days!)



SINGLE FAMILY DETACHED HOME SALES (RESALE)



Charts are derived from Multiple Listing Service statistics which are deemed reliable but not necessarily correct.

IF YOU KNOW OF ANYONE NEEDING ASSISTANCE
WITH BUYING OR SELLING A HOME...
IT WOULD BE MY PLEASURE TO BE OF SERVICE TO THEM

Barbara Madaras

Coldwell Banker Legacy
505.301.1033 505.292.8900
AnAlbuquerqueHomeForYou.com BarbMadarCB@aol.com



REAL ESTATE TODAY

For the **GREATER ALBUQUERQUE AREA**

Barbara Madaras, CRS, REALTOR®



8200 Carmel NE
Albuquerque, NM 87122



**IT'S ALWAYS A GOOD TIME
TO
INVEST IN REAL ESTATE**



(and don't forget the free TRAM PASSES!)



Please feel free to distribute this publication to your family, friends and neighbors.

Routine distribution of this publication and/or the Greater Albuquerque Edition is available to anyone upon request. To receive additional or future copies, contact the publisher at the following.....

BARBARA MADARAS, CRS, REALTOR®

505.301.1033 AnAlbuquerqueHomeForYou.com BarbMadarCB@aol.com

COLDWELL BANKER LEGACY 3301 JUAN TABO NE ALBUQUERQUE, NM 87111 505.292.8900

Copyright 2003 Madaras Realty, LLC