



REAL ESTATE TODAY

KICK for NICK

THIS IS WHERE WE LIVE!

by Barbara Madaras

ALBUQUERQUE IS.....

Among the TOP FOUR Cities for Business (Forbes 2006)

THIRD Smartest Place to Live (Kiplinger's Personal Finance May 2006)

8TH BEST City for Relocating Families (World Employee Relocation Council)

49TH SWEATIEST CITY (Old Spice Deodorant)

#1 Mid-Size Most Creative City ("The Rise of the Creative Class")

#8 Overall Most Creative City ("The Rise of the Creative Class")

10TH Brainiest Large City in America (BizJournals.com)

Among the TOP 25 Largest Metros in the nation for cities with the most college graduates

28.2% of the metro population have a Bachelor's Degree or higher

31.6% of the city population have a Bachelor's Degree or higher

The average Albuquerque resident is 36.4 years old versus the national average of 37.2 years old

OUR HOUSING MARKET IS.....

UP↑ 45% over 2003!

UP↑ 7% over 2006!

The AVERAGE SALES PRICE hit an ALL TIME HIGH in JULY 2007!

The MEDIAN SALES PRICE hit an ALL TIME HIGH in JULY 2007!

The slight slip "backward" in both these figures indicates not so much a degeneration of property values but rather that more people are buying lower priced homes rather than higher priced ones. This makes sense with the tightening of mortgage company policies making it harder for buyers to overextend their borrowing power.

WE'RE DOING GREAT! GO BUY SOMETHING!

Published by



BARBARA MADARAS
CRS, GRI, e-PRO
REALTOR®
Cell: 505.301.1033
Office: 505.292.8900
AnAlbuquerqueHome
ForYou.com



**IT'S
THE BEST
TIME
IN
A LONG TIME
TO
INVEST IN
ALBUQUERQUE
REAL ESTATE!**

Look for the next
edition of
REAL ESTATE TODAY
coming to you in
February 2008

TOP 4 MORTGAGES TO AVOID!

SHOPPING AROUND FOR a mortgage is nothing short of confusing. Thanks to plenty of innovative products on the market, a consumer has more than 50 loans to choose from. "While there is a mortgage out there for everyone, not every mortgage is right for every consumer," says Mark Lefanowicz, president of E-Loan. And now that the real estate market is softening, there's no guarantee that home prices will continue to appreciate -- at least not over the next few years. So buyers need to be particularly wary and not take on additional risk. Here are four popular, yet risky, loans that the average consumer should avoid.

1. The Multiple-Choice Mortgage

Product: The Pay-Option Adjustable Rate Mortgage (ARM)

Why You Should Avoid It: Could end up owing more than you borrowed.

This is considered the riskiest mortgage around. The pay-option ARM offers borrowers a low initial interest rate and then allows them to choose one of four monthly payments. On the more conservative side, homeowners can opt to write a check for both the interest and principal on a fully amortized loan. On the other end of the spectrum, borrowers can make a payment that's so small it doesn't even cover all of the interest due on the mortgage.

While some advocates argue these mortgages are good for people with modest salaries but large bonuses -- think Wall Street -- many average home buyers are taking advantage of them, too. And that spells trouble. It's simply too tempting to make that minimum payment when families have other bills to pay off. The risk? In just a few months a home-

owner could find he's "upside down" in his loan, warns E-Loans Lefanowicz. That means he owes more to the bank than he initially borrowed.

2. Adjustable-Rate Mortgages (ARMs)

Product: 1-Year and 3-Year Fixed-Rate ARMs

Why You Should Avoid Them: Tough on budgets, since the monthly payments are variable in just one to three years.

Call this the high-risk, little-reward mortgage, at least in today's rising interest rate environment. Here's how they work: Borrowers lock in a slightly lower interest rate for the first one to three years. The product then readjusts every year in tandem with highly volatile short-term interest rates. Since 2004, the one-year ARM has increased two percentage points to 6% from around 4%. That means a homeowner with a \$300,000 mortgage is now paying \$4,400 more a year than when he first took out his loan.

A few years ago, these loans appealed to consumers who needed a little extra help making their monthly payments during the first few years of homeownership. But now, there is only a half a percentage point difference between the interest rate on the 30-year fixed and the one- and three-year ARM. While that discount might still appeal to some homeowners, the risk of that mortgage readjusting upward is too great to justify the minimal savings, says Keith Gumbinger, vice president of HSH Associates Financial Publishers. Better to lock in the interest rate on a 30-year fixed-rate product and never think again about what the Federal Reserve will say at its next meeting.

(continued on page 3)

ANOTHER YEAR IS ENDING! 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.

Mortgage Loans to Avoid (continued)

4. Interest-Only Payments

Product: 3-Year, 5-Year, 7-Year and 10-Year Interest-Only Option on an ARM (commonly referred to as the Interest Only Mortgage)

Why You Should Avoid Them: Monthly payments can quickly balloon.

Can't afford a home in today's pricy environment? A mortgage that gives you the option to pay just the interest on a mortgage offers consumers yet another way to slash their monthly payments. As the name implies, borrowers don't pay down any principal for the first three, five, seven or 10 years of their loan.

Now it's time to read the fine print. After the initial "interest only" portion expires, the monthly payments balloon to cover the remaining interest and all of the principal payments on that mortgage. Borrowers are also charged a slight premium on their interest rate, compared with fixed-rate ARMs, since people who take on these loans are more likely to go into default. Add it up and the new payment is likely to break the average family's budget, especially if they could only afford the interest portion to begin with, warns HSH's Gumbinger. At this point many borrowers will either have to spend a few thousand dollars to refinance or sell the house.

5. Fixed-Rate LONG TERM Loans

Product: 40-Year and 50-Year Fixed-Rate Mortgages
Why You Should Avoid Them: Builds equity too slowly.

As the name implies, these long-term vehicles are mortgages that amortize over a period of 40 or 50 years. The selling point is that a homeowner could lower his monthly payments by stretching out the terms of the loans. But when you do the math the savings just aren't that significant. On a \$300,000 mortgage, a borrower would reduce mortgage payment with a 40-year vs. a year fixed rate does a homeowner for that minimal savings? It will take significantly longer to build up any equity in a home compared with a 30-year mortgage, says Lefanowicz. Consumers will also pay a lot more in interest over the life of the loan since the interest rate is typically a quarter of a point higher than the more traditional alternative.



By Stacey L. Bradford, Reporter, SmartMoney.com



CHEZ BARBARA
(Recipes for the Culinarly Challenged)



BORED WITH YOUR MENU?

WISH NEW IDEAS JUST MAGICALLY CAME YOUR WAY?

MAKE SURE WE HAVE YOUR EMAIL ADDRESS!

Every first of the month we are sending a new recipe card to our friends' and clients' email addresses!

The recipes have gotten rave reviews and I concur!

On our third month now, if you haven't been getting them, we don't have your email address!

CALL

MICHELLE at 301-2841

We will update your information and get you started on an epicurean adventure!





THINKING GREEN?
WANT TO THINK GREEN?



BARBARA is PROUD TO ANNOUNCE HER
ECOBROKER® CERTIFICATION



One of only 12 Eco-
Realtors in the Albu-
I can now assist you
"eco-friendliness" of
new education and



Broker Certified®
querque Metro Area,
with evaluating the
your home using her
resources.



INTERESTED? CALL ME!



KICK FOR NICK

A Program to Provide Soccer to the Children of Iraq

TO
HONOR
PFC
NICHOLAS MADARAS
AGE 19
KIA IN IRAQ
SEPT 3, 2006



Nick was an admired soccer player, coach and referee.
His was most respected for his passion as a coach and his whole-hearted dedication to developing his teams to
become outstanding young individuals.
Over a thousand soccer balls have been distributed to the Children of Iraq directly by our soldiers in the field.

YOUR CONTRIBUTION OF A USED SOCCER BALL IN ANY CONDITION WILL HELP CONTINUE THE PROGRAM.

CASH CONTRIBUTIONS ARE USED TO COVER INFLATION PUMPS included in each box, SHIPPING and/or MORE BALLS!

DROP OFF BALLS OR CASH AT ANY COLDWELL BANKER LEGACY LOCATION

CONTACT: Barbara Madaras 505.301.1033

View the history of the program at www.cbsnews.com, Video, Search: Madaras

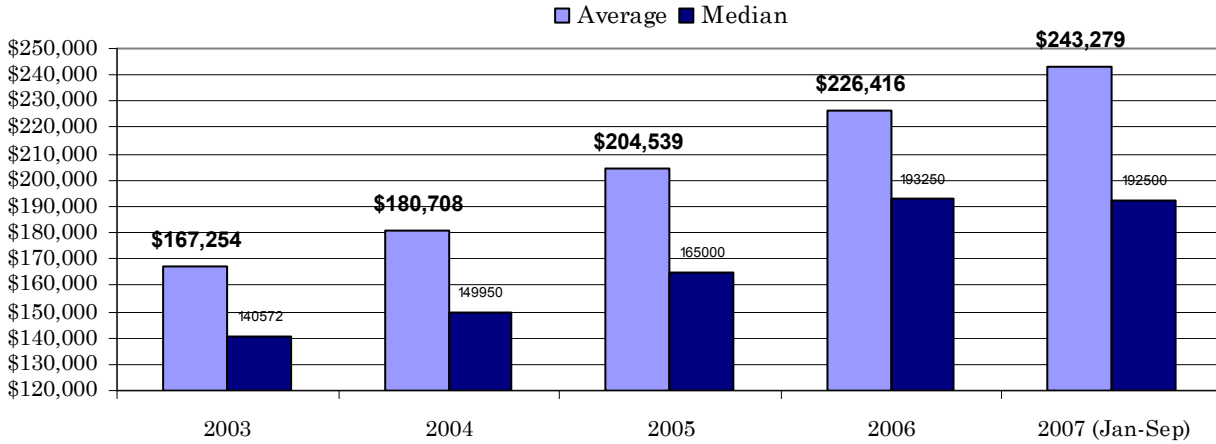
**OUR COMMITMENT IS TO SEND TO NEW MEXICO RELATED SOLDIERS FIRST!
IF YOU KNOW OF SOMEONE WHO WOULD LIKE TO RECEIVE A BOX OF BALLS, CALL US!**



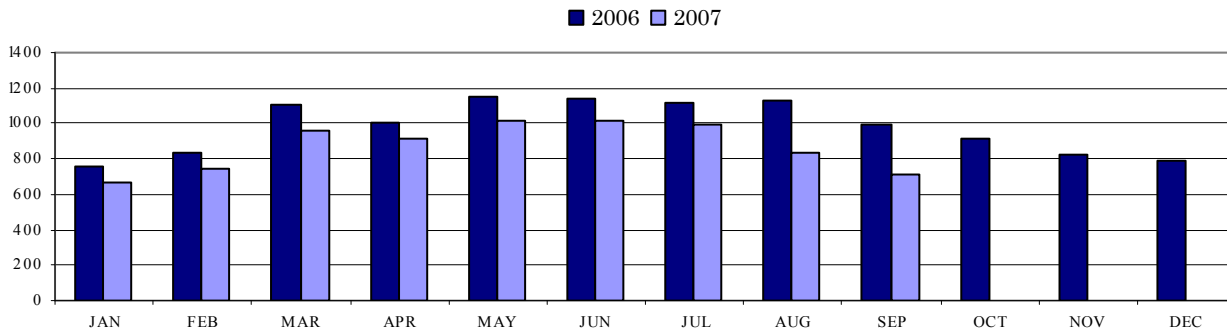
SINGLE FAMILY DETACHED HOME SALES (RESALE)

Greater Albuquerque Area

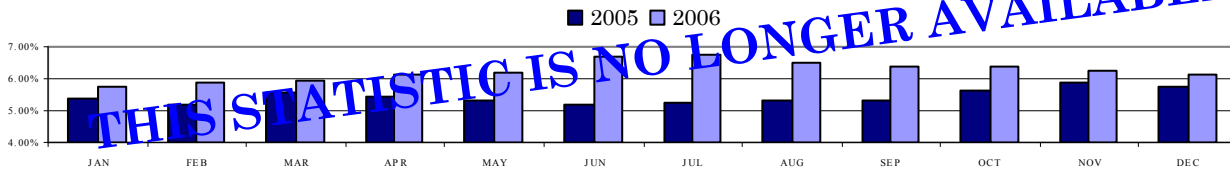
AVERAGE SALE PRICE



NUMBER OF HOMES SOLD by MONTH



INTEREST RATES by MONTH



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 THE BEST TIME
IN A LONG TIME
TO INVEST IN
ALBUQUERQUE REAL ESTATE**



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