

## The Window of Opportunity is Starting to Close- Don't Miss Out

### Good News Numbers

**Sales for May are up 15% from April.** Pendings (properties under contract and closing in the next 30 days) are up and the **total inventory has dropped for the fourth month in a row.** In fact, the numbers for May 2008 are almost exactly the same as they were in July of 2007, when there was a 10-month inventory of properties. This was just before the "perfect storm", when mortgage companies stopped lending under the old rules.

**In Tempe** there was a dramatic **50% increase in properties sold between April and May** and the **inventory is now at just 6 months.** This is no surprise as ASU parents usually start buying homes and condos for their kids about this time of year.

### Short Sales and Bank Foreclosures

There is always a seasonal increase in activity in May and June. Even so, this is a dramatic move considering the market has been flat for six months. **A percentage of these sales are short sales and bank foreclosures.** Therefore, although sales are up and inventory is starting to drop, **the value of homes is still stagnant because the bank sales are keeping prices artificially low.** We hear on the street that the **banks are under pressure to get rid of their inventory as there is still one last wave of foreclosures on the way.** This should cause another up tick in sales.

### Market Stabilization

We continue to hear about **multiple cash offers being made on bank owned properties close to list price.** This means that **the bottom of the market will begin to rise and move up toward retail levels** (In Tempe, bank owned properties are selling for \$110-\$100 per square foot and retail price is \$130-\$140 per square foot). This is just in from Realty Times: "Mortgage rates jumped this week after a number of Federal Reserve officials, most notably Chairman Bernanke and Vice Chair Kohn, expressed concern over a threat of inflation," said Frank Nothaft, Freddie Mac vice president and chief economist. "This led **some market participants to believe that the Fed will raise rates more aggressively over the year than previously thought.**"

## The window of opportunity is starting to close

**Deals are still out there, but are highly sought after and may soon be gone.** If you are thinking about buying a home in the next 12 months then now is the time. Although we don't predict a dramatic increase in prices in the immediate future, **affordability could be affected if interest rates start to climb.** **All indicators suggest that the window of opportunity is starting to close and that home you have your sights on may no longer be affordable.**

**Call us! We are ready to help.  
The Walsh Team**



*And by the way... if you know of someone who would appreciate the level of service I provide, please call me with their name and contact information. I'd be happy to follow up with them and take care of their real estate needs!*



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