

# N e w s l e t t e r

October 2008

Newsletter for  
Clients and Friends  
of SUMMiT Properties

## LOCAL NEWS

By Theresa C. Hite, *BROKER,  
CERTIFIED PROPERTY  
MANAGER*

- Vacaville recently amended their municipal code to deem buildings in the foreclosure process to be an immediate nuisance unless they are actively maintained. The amendment allows Vacaville to take faster action to abate unmaintained properties in foreclosure while ensuring a mechanism for reclaiming all abatement costs upon sale of the property.
- The Vallejo-Fairfield metropolitan area ranked fourth nationwide out of 230 metro areas being tracked in the percentage of homes receiving a foreclosure filing in August. Not surprisingly, California metro areas grabbed seven of the top ten spots with Stockton, Merced and Modesto leading the way.
- The Vallejo-Fairfield metro area fell 123 slots from 22<sup>nd</sup> to 145<sup>th</sup> on this year's Milken Institute/Greenstreet Real Estate Partners 2008 Best Performing Cities Index, the largest drop of any area on the survey. The index measures where America's jobs are being created and sustained.
- Meanwhile, highway construction projects in Solano County are booming. Work is underway from Vallejo through Vacaville to upgrade median barriers and rehabilitate badly worn pavement with completion scheduled for fall 2009. Construction is also underway to add High Occupancy Vehicle (HOV) lanes between Red Top Road and Airbase Parkway in Fairfield. Finally, workers are constructing a second lane on Westbound 12 towards Napa to relieve the morning commute traffic backup on I-80.



## TODAY'S MARKET..... MAYBE?

By William Hite, *REALTOR®,  
Property Manager*

Wow, these sure are crazy times in the real estate industry and country as a whole! California has been hit especially hard with a rising unemployment rate due in large part to the slow real estate sector.

In Solano County the sales price of existing single family homes continued to fall in August with the median price

falling to \$267,500, 34.9 percent below a year ago. With the falling prices came a sales increase of 65.8 percent from August, 2007. Foreclosures played a major role in all of this making up 61.3 percent of the homes sold.

Now is a great time for first time homebuyers and investors to take advantage of low prices and interest rates. But lenders are changing qualifying guidelines almost daily squeezing many people out of the market. Those who could qualify for a loan last month or week may not qualify today.

The California Association of REALTORS (C.A.R.) reports 2008 will be the peak year of adjustable rate mortgage (ARM's) adjustments. This means there will continue be a high amount of defaults/foreclosures in the near future but will decrease in 2009 and trend down in the coming years. C.A.R. predicts 2009 prices to decrease 2 to 6 percent with a 5 to 10 percent increase in the number of homes sold.

All the data is telling me that right now is an excellent time to make an investment! We are at or very close to the bottom of the market with a lot of inventory to choose from.

Contact me with any questions or for help in locating your next investment property!

## PROPERTY TAX ALERT – OWNER RESPONSIBILITY

The December property taxes will be paid in November. Please check your November Profit/Loss Statement to verify that a current month tax payment is shown. If SUMMiT Properties should have made the tax payment and there is NO payment shown in your November Statement please call Bookkeeper Nathaniel Mitchell at 448-8906, Ext. 13 as soon as possible.

## SEASONAL CHANGE & PREVENTATIVE MAINTENANCE

*By Karen Heaney, Homeowner Association Manager*

Fall is in the air and as the weather cools down and we say good-bye to summer now is the time to prepare for the cooler days and nights and coming rainy season. Start by checking windows and doors; sealing gaps larger than 1/8" will cut heating costs up to 15%. Change the heating system air filter and consider having a professional inspect all equipment for proper operation. Have all gutter systems carefully inspected for damage, then cleaned. Leaves or crimped pipes cause water to back up potentially damaging roofs, ceilings, and interior walls. Have a roof contractor examine the roof for missing or out of place tiles. Inspect all trees and shrubs, trimming back and removing branches hitting or rubbing against the roof or siding. Consult an arborist for pruning advice.

Lastly, do not forget about emergency preparedness. With winter storms it is not uncommon to experience a long power outage. If you have a kit, check the expiration date on food, water, bandages, and other first aid items. Experts suggest having enough food and water on hand for three days. If you do not have a kit, check your local Red Cross or your city's web-site for more information.

## SUMMIT STAFF SHUFFLE RESPONSIBILITIES

*By Theresa C. Hite, BROKER, CERTIFIED PROPERTY MANAGER*

I am pleased to announce recent changes in staff assignments here at SUMMiT Properties. Nathaniel Mitchell is now our primary bookkeeper. Nathaniel, who has a degree in Business Administration from the University of Central Florida, has been with SUMMiT for almost a year. Meanwhile Tina Buxa, who has been our primary bookkeeper for the past several years, has decided to devote more of her time to serving customers directly in our expanding Homeowner Association department. She will continue to assist Nathaniel as he transitions to his new responsibilities. In addition, Charlie Peffers will take over Receptionist duties. These changes will provide long-term benefits to our customers. You can expect to receive the same outstanding service you have come to expect from all of our dedicated SUMMiT staff.

## MORE NEWS YOU CAN USE

*By Theresa C. Hite, BROKER, CERTIFIED PROPERTY MANAGER*

- **Californians to Get Refunds from Kickback Suit:** A recent settlement agreement will give hundreds of thousands of Californians a full refund of fees paid to provide fire, flood, earthquake, and landslide hazard reports. Brokers from an array of major companies, including Coldwell Banker, Century 21, ERA and RE/MAX, were accused of accepting \$25 kickbacks for each client they referred to Property I.D. Corp. Customers who purchased these reports from 1996 to 2006 can expect to receive about \$100 each.
- **End of Seller-Funded Down Payments:** The Housing and Economic Recovery Act of 2008 bars the use of down payment assistance from a seller to purchase a house on Federal Housing Administration-backed mortgages. Lawmakers added the provision to the housing relief package because about 40 percent of FHA borrowers who went into foreclosure in the past year received down payment assistance from a seller. The provision was effective on October 1.
- **New Twist on Home Equity Loans:** What if someone offered to loan you \$100,000 without the need to make monthly payments or any interest charges? Sound too good to be true? Under a new breed of investment, some firms are willing to pay homeowners cash now in return for 30 to 50% of your home's future appreciation. Note that there is usually a penalty for homeowners who sell in the first 5 years. In addition, the agreement may limit additional debt on the property and may require additional payments on sale if the house has not been adequately maintained.

## SURVIVING THE STORM

*By Mary Ann Rollison, Commercial Property Specialist*

Vacancies in our market are on the upswing as local and corporate businesses alike are finding it hard to hang in there during this economic hurricane. Phrases like "Rent Concessions" and "Work-out Agreements" are uttered daily. It's simply a matter of survival. Most real estate insiders agree the real estate market won't stabilize before 2010. The economic climate and the increasingly more conservative lending practices are causing cap rates to head upward. While investment opportunities will be good for those who have cash, it is expected that the most activity will be generated by foreign investors.