

N e w s l e t t e r

Newsletter for
Clients and Friends
of SUMMiT Properties

February 2009

IS THIS A GOOD TIME TO PURCHASE A HOME?

By William Hite, REALTOR® /
Residential Property Manager

Many people, both renters and existing homeowners, wonder if this is the right time to purchase a home. Many people have stayed clear of the housing market scared off by falling home prices and the general economic downturn. Others may be trying to time the market at the lowest price point. In our opinion if you are in the market for a home, either as a first-time homebuyer or as an investor, this is an excellent time to purchase if you are on firm financial footing.

Why is this the time to buy? First of all median prices have fallen over 50% since their peak in late 2005. With a reported median price of \$215,000 for Solano County homes sold in December 2008 (41.1% below the December, 2007 median sales price), many homes are now well within reach of the average homebuyer. Secondly, interest rates are at or near historical lows with 30 year fixed rate mortgages available around 5% or less. While home prices may indeed keep falling, most economists believe that additional drops will be modest compared to the declines seen in 2008, probably around 6% in 2009. Those who try to time the market to get in at the absolute lowest point usually find that the market has already swung back the other way before they are able to react. Or they may purchase at the lowest price point but still wind up paying more if interest rates have increased.

The bottom line is that if you can afford the continuing financial commitments that come with owning a house there may never be a better time to buy. SUMMiT Properties understands the dynamics at play in the current market, especially in regards to the high number of houses in the market that were previously foreclosed on, and can help ensure you get full value for your purchase.

Please call me at 707-448-8906 or e-mail me at will@summitprops.com so I can assist you in finding a property that's just right for your investment needs.



LOCAL NEWS

By Theresa C. Hite, BROKER,
CERTIFIED PROPERTY
MANAGER

· Sales of existing single-family homes in Solano County soared in December to a rate 185.8% above the number sold a year earlier, the largest percentage increase in the 9 county Bay Area. Of the 623 Solano County homes that sold in December 2008, 67.7% were bank owned "REO" properties, also the highest percentage of any Bay Area county.

- Two firms with large local facilities were named among the 10 best places to work in Fortune Magazine's "100 Best Companies to Work For." Biotech pioneer Genentech, which maintains a major manufacturing facility in Vacaville ranked 7th while Nugget Markets, which operates a store in Vacaville, ranked 10th.
- Solano County Residents can now access aerial photos and background information on their homes by clicking on a new Solano County website, <http://gis.solanocounty.com/solanomaps>.
- **IMPORTANT NEW FLOOD INSURANCE REQUIREMENTS:** Effective May 4th the Federal Emergency Management Agency (FEMA) will implement new Flood Insurance Rate Maps for Solano County. If you have a mortgage from a federally-regulated lender for a property that is designated as being in a flood zone, you will be required to carry flood insurance. You can check to see if your home is now in a newly designated flood zone online at <http://www.map9-m.com/projects/Solano> or by calling the FEMA Map Assistance Center at 877-336-2627. If you do not already have flood insurance and your property is located in a newly designated flood zone, you can save money by locking in a lower-cost grandfathered insurance rate by purchasing flood insurance before May 4, 2009. Contact your insurance agent for more information.

A NEW YEAR BRINGS NEW LAWS

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

• **Debt Relief Income Tax Exemptions:** Starting September 25, 2008 the federal income tax exemption for debt forgiven on a home loan now applies to state income taxes, to a limited extent. Federal law provides a tax exemption for debt forgiveness on a loan incurred for acquiring, constructing, or substantially improving a principal residence up to \$2 million if the debt is discharged from 2007 through 2012. Under the new California law, the maximum qualifying debt is only \$800,000, not \$2 million, and the maximum exclusion is \$250,000. Moreover, the California law only applies to a debt discharged in 2007 or 2008.

• **Pool Drains Must Be Properly Covered:** As of December 19, 2008 all U.S. "public pools and spas" must be equipped with anti-entrapment drain covers. The suction from pool and spa drains can be so strong as to entrap children, and cause injuries or drowning deaths. Under the new federal law a "public pool or spa" includes pools and spas open to the public, as well as those open exclusively to residents of multi-unit apartment buildings or multi-family residential areas (such as condominiums). For more information, visit the Web site of the U.S. Consumer Product Safety Commission (CPSC) at www.cpsc.gov.

• **Tenant Victimized by Domestic Violence Can Terminate Tenancy:** Beginning on September 27, 2008 a tenant can terminate a tenancy upon giving a 30-day written notice to terminate if the notice also informs the landlord that the tenant or a household member has been a victim of domestic violence, sexual assault, or stalking. The tenant must attach to the notice a copy of a temporary restraining order, emergency protective order, or police report issued within the last 60 days. The tenant is also entitled to a proration of the last month's rent if within those last 30 days the tenant vacates and the landlord re-rents the premises to a new tenant. This law will sunset on January 1, 2012.

RENTER OFFERS PRAISE

Because SUMMiT Properties prides itself in offering the area's best service to owners and tenants alike, we were pleased to receive a note from our current tenant Asia Coleman. Ms. Coleman wrote "I've had a couple different property management companies and landlords over the years and so far Summit Properties has really impressed me. You guys have been really on the ball about everything and are super quick to respond - not to mention the friendly staff." Thanks for the positive feedback Asia. We've enjoyed working you, as well.

Green Leases for Multi-tenant Buildings

*By Mary Ann Rollison, Commercial Property
Specialist*

If you are wondering how to increase the economic potential of your building during these challenging economic times, one cost effective solution may be found in coloring your building Green. Not with paint, but with energy efficient and environmentally responsible solutions. Businesses today are seeking out Green site amenities and operational solutions.

A recent CoStar report cited that Energy Star and LEED office buildings command higher rents and occupancy rates than less efficient buildings. Tenants today are realizing that they benefit exponentially from high-performance buildings, through increased worker productivity, increased sales, and healthier work environments.

The solar industry got a booster shot when Congress passed an eight-year extension to the solar investment tax credit as part of the \$700 billion financial industry bailout package last October. The bill included \$128 billion in tax incentives and breaks including a \$18 billion solar energy tax credit that offers 30 percent credit to both commercial and residential solar installations.

**SUMMiT Properties is pleased to report that Mary Ann Rollison was the project coordinator for a recently completed solar project. The December installation, valued at nearly \$2 million, was among four locations owned and occupied by the client. The average payback for these installations is less than 7 years.*

MORE WATER CONSERVATION TIPS

By Marisa Zelaya, Maintenance Supervisor

With last year's drought conditions showing no signs of letting up this winter, here are some additional ideas for conserving ever precious (and increasingly expensive) water:

-Fix that leaky faucet. It may not seem like much, but a faucet that drips just five times a minute may be wasting more than 200 gallons of water a year.

-Turn off the faucet while you brush your teeth. This could save 75 gallons a month or more.

-Replace an old toilet (up to 8 gallons per flush) with a new 1.3 gallon-per-flush high-efficiency model. If you can't afford to replace your old toilet, you can put a brick or some other displacement device in the tank to reduce the amount of water in each flush.

-Replace your washing machine with a high-efficiency model. Many newer washers use half the water that an older washer uses. You can also save water by only running full loads.

-Only water your lawn when it needs it. A way to check is to step on it. If it springs back up it probably does not need to be watered.