

Newsletter

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Newsletter for
Clients and Friends
of SUMMiT Properties

LOCAL NEWS

By Theresa C. Hite, BROKER,
CERTIFIED PROPERTY
MANAGER

- Solano County District Attorney David Paulson recently issued a warning for residents to be wary of increased rental fraud activity. Con men work the scam by changing the locks on vacant homes and advertising the home for rent on an online site such as Craig's List, often at an attractive monthly rate. Once the phony landlord has collected first and last month's rent as well as the security deposit, he disappears. According to Paulson the safest route when renting a home is to deal with a reputable, established company. SUMMiT Properties has been providing homeowners and tenants and safe a reliable means for renting properties for over 30 years.
- The Vallejo Fairfield metropolitan statistical area (MSA), which includes all of Solano County, was one of only three MSAs nationally to show an increase in average rents for the first quarter of 2009. The 0.2 percent annual increase trailed only Houston and Oklahoma City.
- Solano County Chrysler and GM dealers escaped the recent round of dealer closures unscathed. Ironically, despite Ford's relative strength among the nation's auto manufacturers, Ford dealerships in Vacaville, Fairfield and Vallejo recently closed leaving no Ford dealerships in any of Solano County's largest cities.
- Construction activity in Fairfield picked up in the first quarter of 2009 with permits issued for three major projects. Meyer Cookware is adding a \$25.5 million expansion of its existing warehouse, Kiewit Construction is building a 33,400 square foot \$5.1 million office building on Business Center Drive, and Wal-Mart is constructing a new Supercenter on North Texas Street.



TAMING TERMITES

By Marisa Zelaya ,
Maintenance Supervisor

Did you know that termites are considered the top threat to wood-based structures? As a homeowner you should be concerned about the potential damage that termites can cause in and around your home.

Taking preventative actions and identifying the warning signs are keys to protecting homes from termites. The best way to prevent termite infestation is to make sure that wood surfaces on

or around your home are not in contact with the ground. This includes decking for which wood should be placed on a concrete footing several inches above the soil surface. Always stack firewood on a concrete pad and never against your house. Also, avoid using wood chips as mulch for garden areas directly around your house.

Detecting signs of a termite infestation can save you a lot of money and stress. There are two types of termites; Subterranean and Drywood. Subterranean termites live underground and Drywood live entirely in wood. You will need to have a termite specialist identify the species to effectively treat an infestation. Some signs of termite damage include the following.

- 1. Hollow-sounding wood.** Termites may be eating your wood from inside out.
- 2. Groups of winged insects or discarded wings.** Reproductive termites called "swarmers" take flight in groups to create new colonies.
- 3. Cracked/distorted paint on wood surfaces.** Swarming termites can enter your home through openings smaller than an edge of a dime! So monitor and seal any cracks you may find in the foundation.
- 4. Mud tubes on exterior walls.** Subterranean termites build mud tubes on surfaces to provide moisture while they are searching for food.
- 5. Frass.** Drywood termites produce wood-colored droppings called "frass" as they eat their way through infested wood.

Termites pose a serious threat to your biggest investment – your home. If SUMMiT Properties suspects termite activity, we will notify you. We can contact a specialist to complete an inspection report for around \$175.00. A termite specialist will recommend a customized treatment and prevention plan for your entire structure.

HAS THE HOUSING MARKET HIT BOTTOM?

By Theresa C. Hite, BROKER, CERTIFIED PROPERTY MANAGER

Everyone knows that home values and sales have plummeted in the past two years fueled by rising foreclosures. The question on most people's minds is, "has the housing hit bottom?" Opinions vary widely depending on who you ask and what factors you examine. Business gurus Warren Buffet and Alan Greenspan both say the housing market is at or near bottom. The California Association of Realtors takes a mixed view predicting that while sales will continue to rise, median prices have yet to hit bottom.

There has certainly been some positive news. The median home price in Northern California increased nearly 5 percent in April from March reversing the steady month-to-month price declines that have held since fall 2007. April also saw Northern California home sales increase by 13 percent. Inventories are down in most locations and real estate agents are reporting increased buyer competition, especially in the lower priced market. The national economy has also finally shown signs that we are climbing out of our deep recession with many analysts predicting positive growth in GNP by the last quarter of this year. Consumer confidence is increasing, and the drop in home prices has made homes affordable again for many individuals.

Yet behind these positive signs are a number of factors which give a gloomier picture. A healthy housing market requires a delicate balance between demand: the number of ready buyers and supply: the number of houses available for sale. Demand remains soft for several reasons. People who have lost their job are not likely homebuyers and while the overall economy may be on the upswing, unemployment is expected to continue to rise for some time. Tight credit is making it difficult for even those with steady employment to buy a home. Finally, the market has seen a precipitous drop in the number of move-up buyers. Normally people who sell one home before buying another make up about 80 percent of homebuyers. Those wishing to move-up are finding it increasingly difficult to sell their homes at an acceptable price as they compete with large inventories of bargain-basement foreclosures.

The supply side also has some negatives. The number of foreclosures is expected to increase as government imposed foreclosure moratoriums end and banks place more and more of the vast inventory of repossessed homes they own on the market. In addition, foreclosures are expected to increase as upward adjustments in adjustable rate mortgages (ARMs) make monthly payments unaffordable. Finally, many of the increasing number of homeowners who owe more than their home is worth (almost 22 percent in March) are expected to walk away from their investment.

So while it appears clear that the housing market as a whole is definitely improving, it is not certain that we have yet hit bottom. However our "bottom" line advice remains that if you are looking for a good property at a fair price and can afford the longer-term financial commitments, there may never be a better time to buy.

LENDING LINES

By William Hite, REALTOR® / Residential Property Manager

- The Obama administration recently announced new details under its Foreclosure Alternatives Program (FAP) enabling servicers and borrowers to pursue short sales and deeds-in-lieu (DIL) of foreclosure in cases where the borrower is generally eligible for a Making Home Affordable modification but does not qualify or is unable to successfully complete the three month trial period. The program, effective through 2012, requires that prior to proceeding with a foreclosure, servicers must determine if a short sale is appropriate.
- Increased lender scrutiny is making it tougher to buy — and hence sell — condos. Fannie Mae and Freddie Mac, recognizing that foreclosure-related losses have wrecked havoc with condo association budgets, have a new rule that no more than 15 percent of condo residents be behind in their monthly dues for an individual condo unit mortgage. Since these two government-run firms buy only loans that meet their rules, most lenders are reluctant to make loans that do not conform to their rules.