



MAKING A MOVE

2009 The right time for **REAL ESTATE.**

THIS IS THE BEST BUYERS MARKET IN 35 YEARS!!!

- It is viewed to be impossible to perfectly time the real estate market. (Recently economists in December 2008 declared we have been in a Recession since December 2007).
- Homeowners stay in their homes on average between 7 & 10 years. The National Average Annual Appreciation rate for the past 44 years has been 6.47% and 32% leverage with 80% financed.
- Even if you paid Cash for a \$150,000 investment property and leased it for \$1,000 per month, excluding appreciation, your Cash on Cash return of \$12,000 would yield 8% return. In a Recession, where can you get 8% return.
- There is an increase of 3 Million population annually due to births, immigration, longer life expectancy. At an average of 3 per household there is a need for 1 Million new households annually. This increases demand. Homebuilding is off at a rate lower than all record keeping back to 1959. While this reduces inventory, Foreclosures, REO's and Short Sales have increased keeping inventory higher than desired.

- Some areas hardest hit have seen depreciation at a rate of 25-30% since the market peak of July 2006. The St. Louis/St. Charles region is substantially less affected by depreciating at a rate of 8-11%.
- Interest Rates are the lowest in our lifetime nearing 4.5%. In the last two Buyer's Markets rates were 18 to 20% in the early 80's and 11 to 12% in the early 90's. The average Mortgage Rate over 44 years was 9%.
- A 1% increase in Mortgage Rate on a \$150,000 home equates to a \$100 per month increase in house payment or \$1,200 per year and \$36,000 more over the lifetime of a 30 year loan. It is twice that on a \$300,000 home or \$72,000. Waiting has its perils.
- It is proven it is better to "Buy real estate and Wait than Wait and Buy real estate". "Lucky" is when opportunity and preparedness collide. Warren Buffet says "Buy when blood is flowing in the streets" & "Be greedy when others are scared and be scared when others are greedy".
- Wayne Gretzky says "I go where the puck will be, not where it has been".
- Home prices are low, as are interest rates and inventories are plentiful for a wide selection to choose from. This is a true Buyers Market
- 78 Million Baby Boomers are just turning 62 and are considering second homes. The Baby Boomer future era represents the largest transfer of wealth in the History of the United States.

- 2009 has the largest high school graduating class in history.
- 77% of the wealthiest households earning over \$500,000 annually said that real estate currently presents a “real opportunity” and 40% said they are in the market this year.
- St. Charles, St. Peters and O’Fallon have been selected by Forbes & Money Magazines as in the Top 100 cities to live based upon Education, Economy, Environment & Amenities along with a host of other criteria.
- The St. Louis Region is posted by Forbes Magazine as within the top 10 Cities poised for early real estate recovery.
- PPR...Property and Portfolio Research indicates St. Louis Region would be in the top 5 metros to be relative winners from Obama’s Stimulus Plans.
- According to RealtyTrac.com and local tax assessor’s office St. Charles County remains dramatically below national averages for foreclosures and dramatically below counties found in Florida, Nevada & California which are the hardest hit areas.
- NAR-National Association of Realtors indicated the sales turnaround which began in California several months ago is broadening now to Colorado, Kansas, Minnesota, Missouri and Rhode Island. The South was hampered by the aftermath of hurricane Ike.

- Total National & Local Housing Inventories are declining. The Buyers Market has a limited window and will convert to a Sellers Market.
- The St. Louis metro area was noted as within the top 10 large metropolitan areas to retire on a budget by Forbes Magazine.
- The low Gas prices contribute to easing the typical household budget and gives another boost in favor of real estate & affordability.
- According to NAR-National Association of Realtors, First Time Buyers have risen in share of the purchase market and plan to own their homes longer than buyers in the past. According to Lawrence Yun, NAR chief economist, First Time Buyers are much more flexible in entering the market because they aren't concerned about selling a home, and given low home prices, plentiful supply and low rates below 4.9% or lower. It is considered an optimal time for entry-level buyers with long term view.
- The vast majority of Millionaires have utilized real estate as their primary investment to either get them this status or maintain this status.
- Buying a home has been a path to long term Wealth Accumulation.
- 8 out of 10 economists believe real estate will appreciate over the next 5 years.

- The Median Price Home in St. Charles County is \$189,000. The further in price above that price the colder the Marketability and the further below, the warmer the Marketability.
- In Consideration of any product for sale...the only Objections can be classified as either "No Need, No Money, No Hurry & No Confidence". As to real estate, most people agree they have the Need. There is plenty of Money for those who qualify based upon sound underwriting. There is a Hurry because this window of opportunity will be limited in time. Hence, the primary hurdle is No Confidence.
- Barack Hussein Obama is the first African American President and incoming with an 80% approval rating, the highest in history. He must instill Confidence in our Economy, our Country and our Leadership. Confidence, or lack of it, will determine the outcome of the next four years.
- We are in the midst of Historic Times!!!
- The Pessimist sees the difficulty in every opportunity. The optimist sees the opportunity in every difficulty. (Winston Churchill)