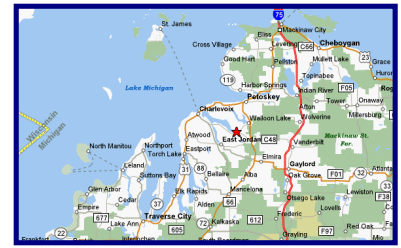


Up North Update



February 2010—A Newsletter Dedicated to People Interested in Northwest Michigan Real Estate

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Can you find the hidden phrase?

Continuing a treasure-hunting tradition, I have once again hidden a secret phrase in this edition of the Up North Update. It relates to the season, and if you are the first one to call me and repeat it, you will win a beautiful set of four absorbent stone coasters with the image of Lake Charlevoix imprinted on them (purchased from the Lake Charlevoix Association). My number is 231-582-3743 – happy hunting. The last winner was Dave Farner – congratulations, Dave!

Web Update

It's always an interesting challenge to keep a fresh, active web presence. In addition to my own website (<http://marthamishler.com>), I have purchased "Featured Homes" ads on Realtor.com, arguably the most widely-used real estate website. Right now, if you were to do a Realtor.com search on Boyne Falls, Boyne City, East Jordan or Charlevoix, you would see my listings in the Featured Properties bar near the top and bottom of the page. This significantly increases the hits on my listings, which in turn enhances the service I provide my clients. In addition to the increased web presence, the service also provides clients with a new iPhone app, www.realtor.com/iphone, which will make listings available to iPhone and iTouch users. The app will even indicate homes for sale near your current location with a GPS enabled iPhone. These are exciting updates. I hope you get a chance to check them out.

Two New Accreditations

I have had the opportunity recently to complete the entire requirement for the designation of Accredited Buyer's Agent, as well as the certification of Short-sale/Foreclosure Resource. I have long believed it is in the best interest of a buyer to have a signed buyer's agency agreement with

a qualified real estate agent, and while I have always provided buyers with the fullest extent of my service and representation, I was glad to have the chance to get additional training and increase my knowledge. I would love to talk to you about buyer's agency – feel free to give me a call!

The Short-sale/Foreclosure Resource designation is a sign of the times, unfortunately. But it's a great certification to have, and the training was very helpful and enlightening. If you are either thinking about selling your property on a short sale, or are contemplating making a short sale purchase, I believe working with an certified agent will be invaluable both in ensuring that the selling party is qualified for a short sale, and in helping to expedite the process (you will learn that "short sale" is anything but!).

Local Market Update

Stats for December and 2009 totals (Total MLS)

	Dec. 2008	Dec. 2009
# of Listings	2024	1877
Monthly Sales	77	91
Sales YTD	1035	986
Average Price	\$299,140	\$204,817
Median Price	\$129,900	\$119,900

Annual Comparisons

	2007	2008	2009
Annual Sales	1014	1035	986
Average Price	\$264,814	\$233,449	\$174,393
Median Price	\$155,000	\$128,882	\$105,000

As you can see from these tables, the number of sales in 2008 was higher than 2007, but they fell back in 2009 (although Dec. '09 sales were higher than Dec. '08). Over the three-year period, comparable sales show that both the average and median prices dropped significantly. Right now, prices are

very attractive and there are a number of buyers out there, and I am grateful to report that I had a great year in 2009. Still, my guess is there are a lot of buyers who are waiting for even lower prices. But the number of listings on the market is beginning to fall, which could potentially drive up prices. Something to think about. As is this next article, which especially focuses on interest rates. A projected increase early in the year may prove to have an influence.

[Current Market Analysis; Timing the Market and Mortgage Rates](#)

Are we there yet?

It sometimes feels like being a parent of small children on a trip. "Are we there yet?" is such a common question from buyers. The "there" they are referring to, of course, is the bottom in this changing real estate market. Of course in any market-driven issue, the bottom is not predictable. It's also impossible to predict how fast prices will go back up after the "bottom" is reached. One thing that can be said is that costs for real estate in our area remain very appealing to buyers.

Use of the word "cost" is intended to include two major factors, price and mortgage rates. Experts indicate that the low interest rates that have been fueling recent buying activity may change soon. If interest rates are important to your "when to buy" timing, the following excerpts will be of interest. They are from December 2009 "Keeping Current Matters" Newsletter and Blog from Steve Harney (www.keepingcurrentmatters.com)

Mortgaging Interest Rates – Rates remained at historic levels this past year because the federal government, realizing they were an important component to any economic recovery, took steps to guarantee they would stay low. The Fed has already announced that the measures they have been taking will come to an end as of March 30, 2010. After that, the private sector will be on their own to set what they believe to be a fair and reasonable rate based on current economic conditions.

Where were rates before the Fed got involved? They were hovering around 7%. We believe there will be a slow climb back to the 6 1/2 – 7% range as the year unfolds. We believed this up-tick would start in late

March. However, after seeing rates rise almost 1/2 point in the last month of 2009, this may occur sooner.

House Sales – We believe that the first half of 2010 will continue to see large numbers of buyers committing to purchasing a home. With rates low and the home buyers tax credit still in effect, it will be hard for some not to jump into the market.

However, as rates begin to rise and the tax credit disappears, we believe buyer demand will weaken. The second half of the year will not be anywhere near as strong as the first half.

The one price tier that we believe will pick up momentum late in spring and carry through the year is the **upper-end range**. As more low and mid-tiered priced homes are sold in the first 120 days, there will be a natural inclination for a percentage of those sellers to take advantage of prices in the high end that haven't been seen in the last decade and may never be seen again.

On October 23rd, The New York Times reported:

"One of those things propping up the market has been the Federal Reserve, which has been buying mortgage-backed securities to keep interest rates low. As the Fed begins to wind down its purchases in the next few months, rates will become less enticing. Analysts expect them to rise to at least 6 percent from the current 5 percent."

If interest rates go up even by one percentage point, to six percent, as the New York Times suggests analysts are predicting, that will raise the cost of purchasing a home. Some buyers are sitting on the fence right now, concerned that prices still might fall. In reality, even if prices fall another ten percent, if interest rates rise one percent, the buyer's monthly mortgage payment will actually be higher. We must help educate the buyer that it is more than just price that makes a good deal. Instead, they should consider cost, which is made up of both price and FINANCING. If a buyer is considering purchasing anytime in the near future, because of this potential spike in interest rates, they should purchase now.

To summarize the articles, it is prudent for buyers to take special note that even a 10% drop in prices won't quite offset a 1% increase in interest rates. Keep that and the March 30, 2010 Fed deadline in mind.

Also worthy of note is that the number of mid-range, Lake Charlevoix waterfront homes on the market is lower than in January of 2009. Many of these "good deals" have been grabbed by savvy buyers. Depending on your circumstance, it might be time to make your move.

NEW! Vacation Rental Management

In the next few days, Pat O'Brien and Associates will be rolling out a new service. We have begun a Vacation Rental Management program, which will provide both property owners and vacationers with the same attention to detail and level of personal service we already bring to our real estate business.

The inquiries we get have convinced us there is a need for a local office, and we believe our knowledge of the area and its lakes make us uniquely qualified to serve our community and clients in this way. If you have a vacation home you are considering putting in a rental program, or if you are looking for a vacation home to rent, now is a good time to get in touch. Call me and say "The snow sparkles like diamonds on a sunny winter day!" to win this month's contest.

We now have a dedicated website with more details:

www.PatOBrienVacationRentals.com. Please feel free to contact me if you have interest or any questions.

Current List of Foreclosed Properties

If you are looking for a great price on a home or property, please send me a note requesting a current list of foreclosed properties. I will get that out to you right away.

To View All of My Current Listings, Please visit <http://marthamishler.com>

Referrals Are Important to My Business

The reason clichés become cliché is because they're true: Nothing is more important to my business as referrals from friends and clients. If you have a friend or family member who is ready to make a real estate move, I would so appreciate your referral. Even if the move is to another part of the country, I would be happy to assist in finding a reputable Realtor.

Please e-mail me at martha@marthamishler.com if I can be of assistance to you at any time. I would love the chance to earn your future referrals!

If you would like to be removed from this mailing, please e-mail me at martha@marthamishler.com and I will honor your request immediately.



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