

Troublesome Headlines vs. The Real Story

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The Atlantic Coast Connection: Long & Foster Real Estate

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JUST SOLD

- 342 14th St SE, DC
- 2614 22nd St NE, DC
- 5611 5th St NW #25, DC
- 3131 9th Rd N #22 Arlington, VA
- 1439 Whittier Pl NW, DC
- 1225 13th St NW #102, DC
- 4410 Ridgcrest Dr Suitland, MD
- 5714 3rd Pl NW, DC
- 3510 16th St NW #303, DC
- 13831 Tabiona Dr Silver Spring, MD
- 915 E St NW #507, DC
- 4740 Conn Ave NW #402, DC
- 1220 Blair Mill Rd #1209 Silver Spring, MD

UNDER CONTRACT

- 1321 Fairmont St NW #301, DC
- 4555 Macarthur Blvd NW #G5
- 5112 Macarthur Blvd NW #107
- 12 Randolph Place NW, DC
- 1025 First St SE #303, DC

Economic Factors

- Mortgage interest rates are still near historic lows.
- Prices have moderated.
- The selection of homes to choose from above normal
- Historically, the value of your home will increase over time.

Sizing Up the Market Post-Tax Credit

Congress has passed an amendment that will extend the June 30 closing date for buyers who signed contracts on or before April 30. Sixty days may have seemed generous when it was first devised, but the volume of transactions are clearly bottlenecked within the lending, appraisal and title company industries. Many individuals who planned on using the Home Buyer's Tax Credit need additional time for their deals to close, no fault of their own. This is especially the case for those buyers in a short-sale transaction or utilizing VA or FHA loans (where processing time is longer than a 10 or 20% conventional loan).

Real estate analysts are anxious to have the deals closed, so we can more accurately assess the state of the market. All along, critics have claimed that this credit for new and repeat buyers encouraged buyers to act a bit earlier than they might have otherwise, but did not really impact the market long term.

	Washington, DC				Montgomery County, MD			
	4/10	5/10	5/09	+/-	4/09	5/10	5/09	+/-
Units Sold	663	661	505	31%	1,006	1,084	918	18%
Active Inventory	2,802	2,783	3,594	-23%	3,728	3,706	4,958	-25%
Median Sales Price	\$390,909	\$387,000	\$394,950	-2%	\$344,118	\$351,000	\$352,000	-0.3%
Months of Supply		4.2	7.1	-41%		3.4	5.4	-37%
New Listings		921	1,072	-14%		1,466	1,616	-9%
Contracts	992	585	636	-9%	1,791	1,075	1,110	40%
Sales Price to List Price		97.5%	95.2%	1.7%		98.1%	96%	2.1%
Days on Market		49	70	-30%		43	77	-44%

Recently released figures show an optimistic picture of the market in DC and in Montgomery County.

- **Sales (Units Sold)** are up 31% in DC and up 18% in Montgomery County (MC) since last year.
- **Active Inventory (Homes Available)** is down 23% in DC and down 25% in MC
- **Median Sales Price** is \$387,000 (down 2%) in DC and \$351,000 (down .3%) in MC
- **Months of Supply** is down 41% to 4.2 months in DC and down 38% to 3.4 months in MC
- **New Listings** are down 14% in DC and 9% in MC.
- **Current Contracts** are down 9% in DC and down 9% in MC since last May but down 41% (DC) and 40% (MC) since April, 2010. This is clearly a result of the tax credit ending.
- **Sales Price to List Price** is up 1.7% in DC and 2.1% in MC so that sellers received 97.5% and 98.1%, respectively of their asking price.
- **Days on Market** is down 30% in DC to 49 days and down 44% in MC to 43 days.

What does this mean for buyers and sellers? For buyers, it means that prices have been stable enough to generate confidence. For sellers, there is finally good news on many fronts. If priced appropriately, they can list with confidence that their homes will sell in fewer days at a price close to their asking price.

In closing, I would encourage semi-warm buyers to take a serious look at the market (post-tax credit) & consider whether this summer window is something you can afford to pass up. The crowds have died down (but will be back full-force in the fall), interest rates are at all-time lows (but won't stay there forever), and supply is back to healthy levels. Call me — let's grab coffee & chat.

Hope. Desire. Expect. Accomplish. — Rachel



Transformation of Tysons Corner Officially Begins

It's confirmed: Tyson's Corner Planned Transformation is now underway. What can you expect? -- well, I would say one of the most vibrant booming urban centers of the country by 2050. Give it 20 years & I expect this "edge city" of DC will likely become it's own national powerhouse in its own right.

It's not a short-process; the 40-year plan to urbanize the area includes 4 new stops of Washington Metro's Silver Line. (The 4 stops are currently on schedule for 2013 completion.) Today's urban planners are also envisioning up to 200,000 jobs and 100,000 residents in the upcoming decades. I'm guessing you know what that means for real estate!

That said, it's not just about sales. The tremendous dedication, time and deliberation put into the planning will be truly appreciated as it comes to fruition. Most individuals are very encouraged with the years of planning; local residents do not want this area become a victim to urban sprawl but rather see it grow into a livable, desirable, and vibrant urban center. Planners have addressed numerous challenges and plans for a greener and more sustainable tomorrow for the residents. They directly addressed the subjects of sustainable growth, energy conservation, environmental protection, affordable housing, safe communities and green open community spaces.

Meanwhile, there is no getting around the temporary inconveniences for those currently living in the area, such as the lane closures along the Toll Road. Nevertheless, the Airport Authority and the Department of Transportation have been very good about posting up-to-date information on their websites. The best up-to-date information on the Metro Silver Line is the official website. (<http://www.dullesmetro.com>.) As the old saying goes, anything worth having takes time, dedication, perseverance & a lot of patience.

I also find it remarkable and commendable how this development team respects the unique natural environment of this Virginia area. Plans include the expansion of usable and publicly accessible open spaces that will increase the quality of life for residents and our environment.

What can we really expect to find in the upcoming decades? If we follow the official plan of The Tysons Corner Land Use Task Force, we should expect to see:

- 75% of all development to be located within an easy walk (1/2 mile) of Metro, lessening dependency on the automobile;
- An urban center that could include 200,000 jobs and 100,000 residents;
- A jobs/housing balance of approximately 4.0 jobs per household; with housing near or easily accessible to the jobs;
- A sustainable Tysons with restored streams, a green network of public parks, open spaces and trails, and green buildings;
- A redesigned transportation system with circular routes, community shuttles, feeder bus service and vastly improved pedestrian and bicycle routes and connections,
- An encouragement to all to focus on a greener tomorrow with green architecture and site development - a future that will leave a better carbon footprint and raise the quality of life.



If you want to keep a pulse of where buyers will want to live, work, and raise families while enjoying life in a great community in the years ahead, just ask Rachel. Many ACC clients are now considering Tysons Corner as the 40-year plan begins. Call the ACC Team any time to explore the exciting new transformation in this market.



\$8,000 Credit is Over—Now What?

Unless you are one of the special people that may still be able to take advantage of the tax credit (Special rules apply to members of the military,

the foreign service and the intelligence community), you may be pretty bummed. Like many potential clients, you may have been thinking about buying a new home in the metro DC area and now find yourself wondering if it's too late or that you "missed the boat" on the tax credit. Are you one of the millions thinking, *"The banks aren't making it easy & now I missed the Federal Homebuyers Tax Credit...can I really still really afford to buy a new home in DC?"*

Let's be honest -- the \$8,000 1st time homebuyer tax credit was very nice (while it lasted). That said, there's no reason to fret. **If you buy within the District's lines, there is still a \$5,000 credit that has been extremely under-publicized.** In addition to the \$5K credit, DC buyers have access to some of the most innovative home-buying programs, bonds and grants available in the entire country.

One factor has remained unbelievably steady throughout this unpredictable economy: buying a home STILL ranks as the big-

gest and most important investments one can make in their lifetime.. It also remains (by far) the best long-term investment the average American will ever make.

In the DC Metro Area, there are numerous programs all working hard to make sure the homeownership dream stays alive and remains attainable. Programs like the Department of Housing and Community Development are hard at work in DC providing a number of opportunities for low-to-moderate income residents seeking to become first-time homeowners in the District.

Another good resource to find available help for funding a new home is **The Official DC Homeowners Guide** that outlines the various local programs available with descriptions and eligibility requirements.

If your dream is to own your own home, you should believe in your dream. That said, PLEASE don't underestimate the importance of working with a top professional to help you navigate the jungle. Whether it's me or another REALTOR, I want you to be protected & have someone looking out for your best interest. If you work with the right Realtor, lender, settlement attorney & accountant, that team will be worth their weight in gold as you work through buying (or selling) your home.

LENDING TIPS:

1. NOT SO FAST! When your home loan is approved, your first impulse might be to order the new appliances and some new furniture.... **Put your plans on hold for a minute!** The new Fannie Mae loan-quality initiative plan requires lenders to re-check credit right before closing to make sure that a buyer's financial situation has not changed since you first applied for the loan. Some lenders have done this all along, but now all must check.

Any new credit requests a borrower makes will be under scrutiny. When the lender "double-checks" credit, they are on the lookout for "hard inquiries" on the report, which indicates that the borrower has requested credit. Example: If they see evidence of a Home Depot credit card application, they must contact the potential creditor, determine whether the credit was granted, and then redo the numbers to see if the homebuyer still qualifies for the loan with the new debt. They must also verify the borrower's Social Security Number and their plans to personally occupy the home.

The result of this "double-check" could be that you must come up with more down payment or lose the loan. ****Be smart — no big purchases, change of jobs or opening new accounts until after closing!****

2. HOW MUCH CASH SHOULD YOU PUT DOWN When you're buying a home, you can put as much or as little of your own money into it as your finances dictate – from as little as 3.5% for FHA loans to all-cash. It depends on your liquidity and the practices of your chosen lender.

A 5%, 10%, or 20% down payment is typical, and if you're shopping for a mortgage, you can bet lenders will more readily commit their money when you commit a healthy portion of yours. Less than 20%, and lenders generally take a harder look at your whole financial situation. They are also apt to require either private mortgage insurance (PMI), or the government backing of the Federal Housing Administration (FHA) or the Veterans Administration (VA) – all good and available options for buyers who simply don't have the 20% cash. ****Under the new tax law, it may be to your advantage to pay the 20%, if you possibly can – especially if you have to buy private mortgage insurance. PMI costs you up front, at closing and again in annual premiums.****

3. RE-FI NOW! Rates are the lowest they have been in 50 years. If your rate is higher than 5.75% and you plan to stay for a 5-10 years, please email me for a list of excellent lenders. They will straight shoot the financial pros & cons of a possible re-fi.



3166 18th Street, NW

OPEN HOUSE

Sat. & Sun. 1-4 PM!

JUST LISTED



Gorgeous 4 BR/2.5 BA Rowhome in the Heart of Mount Pleasant.

Old European elegance – exceptionally stylish turn-of-the-century row home features marvelous original details – sure to impress the most distinguished buyers.

- Meticulously maintained with exceptional renovations
- Four-Stories, 4 bedrooms, 2.5 baths (including master-suite in penthouse)
- Central A/C installed
- Rare original details preserved
- Hardwood floors with inlaid panels
- Brilliant tile foyer entry
- 2 Fireplaces with original mantels
- 12-foot ceilings - main floor
- Completely updated kitchen
- Separate laundry room
- Secluded backyard with patio and large deck over private GARAGE
- Includes the unfinished basement plans to add 1 BR/1 BA



More to see inside. Call for your private showing!

FEATURES

2111 Wisconsin Avenue, NW #117



\$525,000 Gorgeous 2 BR/2 BA Turn-Key Condo in Upper Georgetown. 12 ft balcony overlooking pool!

1239 Vermont Avenue, NW #209



\$364,999 1+ Den (2nd BR) & 2 BA Condo in Heart of Logan Circle! Lowest Price in Neighborhood!

1526 17th Street, NW #102



\$295,000 1 BR/1 BA Coop Corner Unit Looking out over Heart of 17th St. in Dupont Circle!

36 Q Street, NW #1



Investor Alert – \$289,000 4 BR/2 BA Coop with Balcony, EXPOSED BRICK & Extra Storage.!