



Arizona Real Estate Informer * Print Edition * 2007- Quarter 4



Sales Volume:
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David Roney
Designated Broker, President
GRI, e-PRO, AHWD, MRE Society

Lindsay West
REALTOR®, Transaction
Coordinator

Mary Roney
REALTOR®, ABR

Taryn Stanley
REALTOR®

The above agents represent The Roney Group. For a complete list of company agents, please visit our website.

Office:
(480) 443-8500
Facsimile
(480) 948-6468
E-mail

Agent@ValleyProps.com

Website
ValleyProps.com

3219 East Camelback Road
Suite 482
Phoenix, Arizona 85018



Introducing Our New Company!

After years of being subjected to marketing and advertising constraints placed on us by other brokers, we decided to take our innovative ideas and unfettered entrepreneurial spirits to a whole new level by starting a new real es-

tate company.

We are very excited to announce **Roney & Associates Realty!**

Roney & Associates Realty offers everything the other guys do, and so much more. We strive to take

our clients to the next level in their real estate experiences, both with service and value.

We hope you join our excitement, and help spread the word that there is a new way to do business.

Everyone's Buying Stocks...Buy Real Estate!

Those of you who've been reading my newsletter for a few years know that I was a stock broker at Merrill Lynch for several years. That experience has helped me understand the constant pendulum swing between equities and real estate.

A few years ago in this very newsletter I discussed the importance of owning a diversified portfolio of both stocks or mutual funds and real estate. The reason for this is simple, when one of the two zigs, the other usually zags.

If we all look back to the internet bubble bursting in 2000, people were pulling money out of the stock market and pouring it into other investments, namely

real estate. It was that transference of cash from one to the other that led to the rise in real estate values across the nation in 2004 and 2005.

Looking at the two markets today, it's easy to observe that the stock market is once again hitting all time highs while the real estate market is enduring a correction.

If you ask your friends where to put your money now, the typical answer will probably be that you should put your money in the stock market, because that is what everyone else is doing.

I beg to differ. Most successful investors earn their money by making

the contrarian play. That is, buy what everyone else has dumped and left for dead. Smart players understand that markets are cyclical and that each market will have its day of glory. Thus the question for you is do you want to get in at the bottom, or when it's once again nearing the top? Most people do the latter, because it makes them more comfortable doing what everyone else is doing.

Arizona still has a great economy with very low unemployment. Builder permits are at a decade low with 10,000 people moving here each month. Basic deduction tells me now is the time to buy real estate. - David

Democrat Congressman Seeks to Eliminate Home Interest Deduction!

An influential committee leader in the House of Representatives is planning a post-summer surprise for millions of Americans whose houses contain 3,000 square feet or more of interior space: A proposal to take away their mortgage interest deductions.

Calling homes of that size "McMansions,"

Rep. John D. Dingell (D-Mich.), the 15-term veteran at the helm of the House Energy and Commerce Committee, is now drafting "carbon tax" legislation that would deny owners their mortgage write-offs.

Though details of the proposal won't be available until the draft is completed next month, say aides, the bill is expected to also call for higher federal gasoline taxes and a variety of other provisions designed to discourage carbon emissions into the atmosphere. The goal, said Dingell in talking points prepared for town hall meetings in Michigan, is to reduce total carbon emissions into the atmosphere in the U.S. by 60 to 80 percent by the year 2050.

Big houses, say environmental critics, consume outsized amounts of energy for electricity, heating, air conditioning, and construction

materials. Subdivisions of new houses also contribute to so-called greenhouse emissions by stimulating far-flung subdivisions, urban sprawl, long commute times, and traffic congestion. In his talking points, Dingell said his forthcoming legislative proposals will "impose a stiff tax on carbon, increase the tax on gasoline, and remove the mortgage interest deduction on 'McMansions,' -- homes over 3,000 square feet."

"In order to address the issues of climate change," according to Dingell, "we must address the issue of consumption -- we do that by making consumption more expensive."

Dingell's plans aren't going over well among real estate and housing groups. Bill Killmer, an advocacy official for the National Association of Home Builders, said his group takes "any proposal by Chairman Dingell seriously because of his impressive record of legislative accomplishments" over the past three decades. However, penalizing square footage—rather than actual energy usage—is

"wrongheaded," said Killmer.

Top staff members at the National Association of Realtors challenged the idea that all houses above 3,000 square feet constitute "McMansions," and warned that withdrawing tax benefits would lead to property value declines across the market spectrum. Lawrence Yun, NAR senior economist, estimated that Dingell's plan would cause average price declines of 4 percent at every level, from large, high-cost houses to small starter homes.

Yun estimates that roughly 10.4 million single family houses in the U.S. contain 3,000 square feet or more, and represent 27 percent of the total valuation of single family owner-occupied units. Yun said ending the interest deduction could make houses less affordable and even lead to higher rates of foreclosure -- possibly adding another 280,000 foreclosures to current high totals.

Linda Goold, tax counsel for NAR, questioned the practicality of raising taxes for homes based on square footage and an arbitrary cut-off point of 3,000

square feet. "Who is going to do the measurements?" she asked, noting that most MLS listings refer to "approximate" square footage because different people may measure the same house differently.

The mortgage interest deduction is deeply ingrained in the housing market, and represents a major federal tax benefit designed to encourage ownership. According to estimates from the Congressional Joint Committee on Taxation, upwards of \$403 billion in foregone revenues to the federal Treasury from fiscal 2006 through fiscal 2010 will be attributable to mortgage interest deductions by homeowners.

When Dingell's tax plans are unveiled after the congressional summer recess, they will need to be referred -- at least in part -- to a committee where Dingell's clout on energy and commerce matters does not necessarily extend: the House Ways and Means committee, chaired by another veteran Democrat, New York's Rep. Charles Rangel. Rangel has not yet commented on the Dingell plan, but is generally believed to be a supporter of continuing homeownership tax benefits in their current form.

*From Realty Times
Kenneth R. Harney*



Al Gore's mansion has 20 rooms and is over 10,000 square feet.

Phoenix History - Part I

Early Life along the Salt River

Hundreds of years before any of the cities in the eastern part of our country were so much as clearings in the wilderness, a well established, civilized community occupied the land we know as Phoenix. The Pueblo Grande ruins, which were occupied between 700 A.D. and 1400 A.D., testify to our city's ancient roots.

The wide Salt River ran through the Valley of the Sun, but there was little rain and no melting snow to moisten the brown earth from river to mountain range on either side.

Those former residents were industrious, enterprising and imaginative. They built an irrigation system, consisting mostly of some 135 miles of canals, and the land became fertile. The ultimate fate of this ancient society, however, is a mystery. The accepted belief is that it was destroyed by a prolonged drought. Roving Indians, observing the Pueblo Grande ruins and the vast canal system these people left behind, gave them the name "Ho Ho Kam" -- the people who have gone.

Phoenix's modern history begins in the second half of the 19th century. In 1867, Jack Swilling of Wickenburg stopped to rest his horse at the foot of the north slopes of the White Tank Mountains. He looked down

and across the expansive Salt River Valley and his eyes caught the rich gleam of the brown, dry soil turned up by the horse's hooves. He saw farm land, predominately free of rocks, and in a place beyond the reach of heavy frost or snow. All it needed was water.

Returning to Wickenburg, he organized the Swilling Irrigation Canal Company, and moved into the Valley. The same year, the company began digging a canal to divert some of the water of the Salt River onto the lands of the Valley. By March 1868, water flowed through the canal, and a few members of the company raised meager crops that summer.

Phoenix Is Born

By 1868, a small colony had formed approximately four miles east of the present city. Swilling's Mill became the new name of the area. It was then changed to Helling Mill, after which it became Mill City, and years later, East Phoenix. Swilling, having been a confederate soldier, wanted to name the new settlement Stonewall after Stonewall Jackson. Others suggested the name Salina, but neither name suited the inhabitants. It was Darrell Duppa who suggested the name Phoenix, inasmuch as the new town would spring from the ruins of a former civilization. That is the ac-

cepted derivation of our name.

Phoenix officially was recognized on May 4, 1868, when the Yavapai County Board of Supervisors, the county of which we were then a part, formed an election precinct here.

A post office was established in Phoenix on June 15, 1868, with Jack Swilling as postmaster. The sharp whistle of the first steam mill in the Valley added a brisk note to the sound of emerging industry. It advertised the Richard Flour Mills, built in 1869, where the Luhrs Tower now stands.

Selecting a Townsite

The rapid influx of pioneers continued, and by 1870, it was clear that a townsite had to be selected. On Oct. 20, 1870, a meeting was held to select such a site in the home of John Moore.

This well-known farmer offered 40 acres to the cause, but 320 were purchased by a popular subscription that raised \$50. The official designation of this new townsite was the North Half of Section 8, Township 1 North, Range 3 East. Today, it would encompass the downtown business section, bounded on the north by Van Buren Street, on the south by Jackson Street, on the east by Seventh Street and on the west by Seventh Ave-

nue.

John T. Alsap, James Murphy and J. P. Perry were selected by majority vote to be the townsite commissioners. Alsap acted as chairman and Capt. William A. Hancock was secretary.

Capt. Hancock was also a surveyor, and he made the first survey of the townsite and laid out the lots and the town. This first town of Phoenix was one mile long, a half-mile wide and contained 96 blocks. Washington Street was the main street and, on the early maps, showed to be 100 feet wide.

The east and west streets were named after our presidents. Washington Street was placed in the middle and Adams, who was the second president, was given the first street to the north. Our third president, Jefferson, had the first street south of Washington named after him. And the pattern followed - one to the north and one to the south - until recent years.

The north-south streets originally carried Indian names, but these were changed in favor of the more easily remembered numbers - with streets being to the east of Central Avenue and avenues to the west.

View all Valley MLS listings at
ValleyProps.com

Visit our blog at:
AZInformer.com

MORTGAGE RATES

19 OCTOBER 2007

<u>PRODUCT</u>	<u>RATE</u>
30 Year Fixed	6.01%
30 Year Jumbo	6.71%
15 Year Fixed	5.64%
15 Year Jumbo	6.39%
1/1 Arm	5.67%
3/1 Arm	5.58%
5/1 Arm	5.69%



3219 East Camelback Road
Suite 482
Phoenix, Arizona 85018

Dealing with the Downturn

Home sales posted their sharpest drop in 18 years recently. As a homeowner, you can't ignore the headlines. Here are the smartest moves you can make if you're selling your home or even staying put.

1: Sell smart

If you're planning on selling this spring, you'll want to assess the market like the pros do. Find out whether median prices are falling in your area by consulting a local agent, or the Web site for the local realtors' association.

Next, determine whether homes in your area are taking longer to sell. Agents track "days on market," that is the number of days it takes a home to sell. If that number is double what it was a year ago, you'll know your market is in trouble.

Consider waiting out the cycle (and it is a cycle). If you can afford to wait a year or two, you'll have more luck getting the best price for your home.

2: Spend wisely

Now is not the time to spend a fortune on a new kitchen with all the bells

and whistles or to add a first floor suite. The rule of thumb is that you should spend no more than 20 percent on renovations.

If you are planning upgrades this spring, make sure you stay well within that guideline or even less. The point is that you don't want to sink a lot of money into an asset that is losing value.

3: It's still your problem

Even if you've been making your mortgage payments on time, foreclosures in your area can hurt your property value. In fact, for every home that goes into foreclosure in your neighborhood, your property value drops by about 1 percent.

So, if you have three foreclosed properties in your neighborhood, your home will fall about 3 percent. And it will stay depressed for at least two years, according to the Center for Responsible Lending.

To find out where the foreclosures are in your area, go to realty-trak.com or foreclosure-net.net and type in your

zip code.

4: Recheck your mortgage

More than one in three homeowners don't know what kind of mortgage they have. In this kind of market, you can't afford not to know your loan terms.

So, whether you're selling or staying put, dig out those closing documents. Find out when exactly your rate will reset. You will find this on the Adjustable Rate Rider which is one of the first few pages in your documents.

You'll want to find out how often your rate will increase and what caps there are to how much that increase can be. If you can't find these documents, call your real estate agent and ask.

CNN Money
Gerri Willis

