

Appraiser Checklist

Here are some of the factors that appraisers say they consider when determining value of homes:

Incentives and concessions. Most of today's buyers expect to pay the lowest possible price and still get some extras. Sellers and home builders are offering money toward closing costs, remodeling and decorating, upgrades, and association dues. The price set initially may not be the final price once concessions are factored out. Appraisers care about that final number.

Closing date. Forget what comparable neighborhood houses sold for a few months back. Appraisers want prices from the most recently closed transactions. "If a sale was more than 45 days ago, even 35, the price may be irrelevant.

Condition and curb appeal. Appraisers typically find several properties with similar interior and exterior features to determine value. When markets are healthy, blemishes matter less, but when markets soften, problems—a dated kitchen—can reduce prices and deter buyers. The difference in value is not just the repair costs but the time and hassle to make them. It's better for sellers to do work in advance.

Foreclosures. Appraisers technically shouldn't consider foreclosures when valuing a home, since foreclosures don't meet the Appraisal Institute's definition of a property reasonably exposed in a competitive market. But when neighborhood homes are abandoned, it's hard not to caution sellers about a troubling trend and may affect home values.

Changing demographics. If a house is in an up-and-coming area, the value can be expected to rise. A location that's perceived as safe also may help attract the increasing number of single female buyers.

Where are the rates?

Jumbo – Non Conforming Conventional 30 Year Fixed Loans over \$417,000 6.250% / 6.3608% APR / 75% LTV

Conventional Conforming, Loans up to \$417,000
30 Year Fixed Rate 4.875% / 5.0295% APR / 80% LTV
15 Year Fixed Rate 4.375% / 4.6018% APR / 80% LTV

FHA 30 Year Fixed Loans to \$303,750 5.125% / 5.7749% APR / 96.5% LTV

*Riverside Home Loans / Wells Fargo
Steve Sakadales 208-941-9382
Rates as of 7/6/09

Economic clouds. If there's an oversupply of comparable homes for sale, or if the local job market is suffering, buyers may be hesitant to invest. Set prices aggressively from the get-go.

Chemistry. It's hard to account for those times when buyers fall in love with a house, despite a high price, poor condition, or tough economy. Emotional attachment is a factor that can't be predicted. It's what makes it harder to appraise homes versus commercial buildings, where buyers care more about the bottom line.

What can be done if a home appraisal comes in dramatically lower than the agreed-upon sale price?

Lenders will consider an appeal, but sellers must provide them with evidence. Start by examining the appraisal carefully for errors. If the appraiser missed one of the bathrooms, miscalculated the square footage, or didn't note the garage, the seller has grounds for an appeal. Look at the comparables: Is the home used as a comparison in a different and more challenged school district? Is the comparable next door to something undesirable? If possible, pull some more realistic comps.

Q&A time?

Congrats to Tim J. for the correct answer – he new the answer and had a movie date on me! *Question was; How much wood could a wood chuck chuck if a wood chuck could chuck wood?* **Answer is; If a wood chuck could chuck wood – he'd chuck as much wood as he could!**

Email me a good joke!! Best joke this month gets a set of movie tickets!

Local News

Floating the Boise River is one of the most popular summer pastimes among Treasure Valley residents. Last year, approximately 127,000 people escaped the summer heat by floating the Boise River. Floaters should always check the Web site www.epleys.com for the status of Barber Park operations. Floaters may also call the equipment rental office at 208-577-4584 to check the river status. Barber Park is open for business from 8a to sunset, air is available starting at 10:00am, and shuttle service runs 7 days a week (Mon-Thur; 1pm – 8pm), and (Fri-Sun; 1pm-9pm).

Mortgage News - IHFA Tax Advance

For **IHFA qualified buyers**, you can now have a second mortgage for up to \$7000 which can cover the cost of your down payment, any closing costs or pre-paid escrow items. For more info, visit "news you can use" at www.idahorealtyinfo.com.

Coming this month is an all new website for Idaho Realty Info!!! I'll be able to keep you up-to-date in Real Estate info...

Check back towards the end-of-the-month... www.idahorealtyinfo.com

Mortgage Insurance Credit Policy Change

To make you aware, beginning July 1st, Mortgage Insurance companies will be decreasing the allowable debt ratios to no more than 41% of gross income for the Total Debt-to-Income ratios on borrowers with credit scores below 740 and when the property is in a declining market, which includes the Boise area.

So when the borrowers have less than 20% down and mortgage insurance is required, these new guidelines will be in effect. This only applies to Conventional financed loans, not FHA or VA. Any loans that were originated prior to July 1st must close before August 28th.

A look at June – 2009

Is summer finally here?????

I thought it was... but then the rain came back. And just when you least expect it, our weather turns and once again ***I believe its summer again.***



Sounds like our Real Estate market. Just as things start to turn around and the market indicators look positive, some analyst makes it into main stream news and portrays the markets negativity and every blogger in the world picks up on the stories! But even with their 15 minutes of (negative) fame – positive indicators keep coming back and thus... ***I believe its summer again!***

People ask me all the time – “How the market doing?” My answer is great!! And this is how I can justify it...

Last 30 days in Ada County:

New Listings: 864
Closed Transactions: 548
Pending Transactions: 982

This represents \$526,000,107 in potential money transfers between buyers and sellers. Infusing a half-billion dollars through Real Estate helps so many people; realtors, mortgage, title, all the way to inspectors, contractors, air/heating, and the list keeps going! Now I can see some of your reading this and saying wait... not all these transactions have closed. I see that – my point is this... the Real Estate Market has volume and with it lots of potential!

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Check out these deals!!

6010 w Oceana Dr | Boise | **\$149,000**
4 Bedroom | 2 Bathroom | 2 Car Garage | 2,156 sq ft

- Good access to freeway, shopping
- RV parking
- Great Neighborhood



2110 S Phillippi | Boise | **\$135,000**
2 Bed + Office | 1 Bathroom | 1 Car Garage | 937 sq ft

- Great Starter Home
- Completely Remodeled
- New Paint (Inside/Outside), New Flooring
- Large Yard (.37 Acre) – Flood Irrigation



RETURN SERVICE
REQUIRED

Idaho Realty Info
at **Group One**

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