

October 2, 2007

Bob and I were talking about the market, again. We had just read the article in the Apartment News (The Arizona Multihousing Association publication) by Pete TeKampe regarding the rising vacancies in The Valley and the concessions, again being offered by landlords, to attract tenants. Bob asked me what I felt will happen to the many owners that paid premium prices for their properties and now find themselves in a situation where vacancies are up and rates are either down or concessions have dramatically increased. Many of these apartment owners have purchased properties in the Valley in recent years to take advantage of the rapid price increase we have seen in flipping these properties. Unfortunately, many of these owners over paid when they purchased and now find themselves in a situation where the property's value is close or under what they paid. My response to Bob was that I think that is why we are seeing so many properties being listed for sale, sitting on the market for several months and then the "price reductions" begin.

I was talking to one of my clients last week who told me an apartment owner in the same neighborhood as his property, paid, what he felt was a high price for the units. The owner has not been able to raise rents and has actually had several vacancies and has found that he must "feed" the property on a monthly basis. My client was shocked to hear this owner say he was going to put the property on the market for many thousands of dollars more than he had just paid, hoping to find someone else to assume his problem.

We are interested in what your thoughts are regarding this. You are on the front line and experiencing these situations daily. Drop us a call or an e-mail.

I would be remiss if I didn't congratulate both the Arizona Diamondbacks and the Arizona Cardinals. My husband, Manny, and I never left the couch during Friday night's win over the Colorado Rockies and we thanked

Milwaukee for their win over the Padres on Saturday afternoon, giving us the Division title. Even though I grew up near Chicago and was always a Cub fan, my allegiance is with all of the Arizona teams. Now, GO D-Backs!!!!

We were at the Cardinal game when we truly looked like an NFL team beating Pittsburgh. Boy, you talk about fun? That was great.

Give us a call!!

Linda