



# Memos from Marilyn

Spring, 2008

## The Changing Market

The real estate market all over the country has been in a slump. And even though this downturn has been evident in cities not far from us, such as Las Vegas and Phoenix, Albuquerque real estate has continued to appreciate. Until now. With the beginning of the spring market, I see, for the first time, a decrease in demand. Fewer buyers mean more competition among sellers, who lower their prices in order to sell. The lower prices also mean that homeowners who are having financial problems can't sell for enough to cover what they owe. These properties then become foreclosures and short sales. Once the bank has taken a property back, they want to cut their losses and sell quickly, so they offer properties below market value. A downward spiral of home prices is the result.

So why do we have decreased demand? Part of the answer has to do with mortgage lenders. In the past few years anyone with a pulse could get a loan. The problem is that many of those borrowers couldn't afford the payments. They went into foreclosure, and the losses from those foreclosures caused lenders to stop making risky loans. Now a buyer has to actually qualify, and thus there are fewer buyers out there.

The other factor affecting the market is fear. Because buyers have heard all the horror stories about the real estate market, they are afraid to buy. They worry that the value of the house they buy will go down. And then, because they don't buy, prices continue to fall. It's a cycle which will be broken only when prices reach the level at which buyers perceive that real estate is a good value.

All of this is, however, is a temporary problem. The American dream of home ownership is strong, and experts predict that within another year or two real estate will once again create wealth and fuel the economy.

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## Awesome Albuquerque



Someone emailed this photo to me. I liked it so much I am using it on my new web site. I am grateful every day to live in this beautiful city and state. Albuquerque is truly awesome!

You are welcome to visit my new web site, but excuse the mess - it's still under construction.

[www.marilyntorbett.com](http://www.marilyntorbett.com)

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## Who Is Buying?

In real estate, one person's problem is another person's opportunity. There are still buyers out there. Most of them fit into one of the following categories.

**INVESTORS** I have a number of investors who are taking advantage of the lower prices to pick up rental properties.

**MOVE UP BUYERS** I also have clients moving up because the best time to move up is in a down market. Here's why. Let's say you live in a house that was worth \$200,000, but the market is down 10%, so now it's worth \$180,000, a loss of \$20,000.

But the \$350,000 house you want to buy is also down 10% to \$315,000, a savings of \$35,000. So you actually save \$15,000 by selling your home for less. It's hard to believe you can save money by selling for less, but it's true. Also, higher priced homes tend to have steeper discounts, so you may save even more than 10% on the new home, making it a really great buy.

**FIRST TIME BUYERS** For first time buyers it's a great time to buy. Not only are prices down but so are interest rates. A well-qualified buyer can get a fixed rate 30 year loan for less than 6%.

## Do You Know a Buyer for These Homes?



3 Bdr, 2 Ba, 2 Living Areas plus an Office/Studio. 2 Car. Rio Rancho.

**\$159,000**

**These two homes would be great choices for first-time buyers or investors.**



2 Bdr, 1.5 Ba, 1 Car Townhome near Tramway and Candelaria.

**\$149,900**

## I Love Referrals!

Please continue to think of me when you hear of someone who needs to buy or sell. Just call me with their name and number, and I will do the rest. I promise to give everyone you refer to me the same caring and professional service you received.



**Marilyn Torbett, CRS**

**821-3629**

**Sunshine**  
PROPERTIES

**797-2265**

**Do you know someone who is having difficulty paying their mortgage? As a Certified Loss Mitigation Specialist, I can help, and there is no cost to the homeowner for my services.**