

realtyreport®

Compliments of Donna Reilly

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Greetings! You're receiving this newsletter with hopes that you find it informative and entertaining.

If you're thinking of making a move, or are just curious as to real estate trends in your area, please feel free to call at any time. It's always good to hear from you!

All the best,

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Housing More Affordable Than Ever!

In the midst of a constant barrage of negative housing and economic news comes an interesting observation about our real estate climate: Our housing buying power has actually increased, compared to previous years!

The following chart summarizes housing affordability over the past three years.

Year	Median Priced Existing Single-Family Home	Mortgage Rate	Monthly P & I Payment	Payment as a % of Income	Median Family Income	Qualifying Income*
2006	\$ 221,900	6.58 %	\$ 1,131	23.2 %	\$ 58,407	\$ 54,288
2007	\$ 217,900	6.52 %	\$ 1,104	22.2 %	\$ 59,575	\$ 52,992
2008	\$ 196,600	6.15 %	\$ 958	19.0 %	\$ 60,350	\$ 45,984

Source: National Association of Realtors® Housing Affordability Index

*Based on a 25% qualifying ratio for monthly housing expense to gross monthly income with a 20% down payment.

National Association of Realtors® (NAR) President Charles McMillan is quoted as noting how ironic it is that, in this soft housing market, affordability conditions have improved so dramatically.

"Housing affordability is at a record high – the buying power of a typical family has improved significantly," McMillan says. "With the drop in interest rates, a median-income family can afford a home costing \$20,000 more than a year ago for the same monthly payment. With the strong housing stimulus, we are hopeful inventory will get trimmed and help prices to stabilize in many areas by the end of this year."

Preliminary numbers from the beginning of this year show the trend continuing, with the Housing Affordability Index (HAI) indicating that the relationship between home prices, mortgage interest rates and family income is the most favorable since tracking began in 1970. The HAI indicates that a median-income family earning \$59,800 could afford a home costing \$283,400 in January 2009, for instance, with a 20 percent down payment, assuming 25 percent of gross income is devoted to mortgage principal and interest. Affordability conditions for first-time buyers with the same income and small down payments are roughly 80 percent of that amount. A year ago, the typical family could afford a home costing \$263,300.

If you're curious as to what your house is worth, what the prices of other homes are selling for, and if now is the best time for you to think about moving, please call me. I look forward to your call!

USSF

When you think about the ground beneath your feet, think not only of your flooring but also about our Earth. The next time you're in the market for new flooring products, consider opting for one of these environmentally friendly – and healthier – alternatives.



WALK THE WALK

ECO-FRIENDLY CARPETING

Traditional carpeting is a major indoor-air polluter, emitting VOCs (volatile organic compounds) that can take years to dissipate. But that doesn't mean you have to abandon it altogether. Opt instead for eco-friendly carpeting, characterized by one or more of the following attributes:

- it's made of recycled materials (e.g., plastic bottles, old carpeting) or natural materials (e.g., corn sugar, cotton, wool, jute, sisal);
- its backing is sewn on or glued using non-toxic adhesives;
- it's been naturally dyed;
- it has a "low" or "no" VOC rating;
- it's biodegradable or recyclable.

LINOLEUM

Everything old is new again. Popular in the 1970s, linoleum is enjoying a renaissance thanks to the green lifestyle. That's because it's made from natural, renewable materials, like linseed oil, flax, pine resin, wood flour, cork dust, and mineral pigments, which are mixed into a paste, then pressed onto a jute backing. It doesn't off-gas and is hypoallergenic, antibacterial, antistatic, biodegradable and recyclable. Plus, linoleum won't soon need replacing. It's so durable it can easily last 40 years – more good news for the environment, and your pocketbook!

BAMBOO

Bamboo is considered a more environmentally friendly alternative to hardwood flooring because it grows so much faster (five or so years for bamboo; decades for hardwoods),

making it a far more sustainable resource. Bamboo regenerates without need for planting, produces about a third more oxygen than a comparably sized hardwood forest, and requires fewer pesticides and fertilizers. Despite technically being a grass, bamboo is even stronger than hardwood and denser, too (making it more moisture resistant). As an added bonus, bamboo flooring is hypoallergenic.

CORK

Cork flooring is made from the bark of cork oak trees, which is harvested by hand, under strict regulation, every nine years without cutting down or harming the tree. The bark is ground, then processed into tiles or panels. The result? A flooring product that's durable (its cellular composition makes it impact resistant), anti-allergenic, shock absorbing (making it very comfortable to walk on), sound absorbing (making it a great choice in places where noise is an issue, like condos), and warm, thanks to its natural insulating properties (making it great for basements).

RECLAIMED WOOD

If you absolutely have to have hardwood, this is the way to go. Reclaimed wood is "harvested" from warehouses, mills, factories, barns, old houses and other structures that have been abandoned or are being torn down. In addition to being eco-friendly, as no trees are felled to make them, reclaimed hardwood floors appeal because of their rustic, antique look, which can add character to any room. Provided toxic materials and chemicals aren't used to process the wood when making the flooring, this is the most environmentally friendly option there is.



Not Applicable

Much attention is paid to those factors that should affect your asking price (market forces, your home's location and condition) – but what factors shouldn't be a consideration?

- What the neighbors got for their home. Your reasons for selling may be different, you may be selling in a different market, your home's condition might be significantly different, their home may have upgrades yours doesn't – in short, your neighbors' property shouldn't be your only basis of comparison.
- Your home's sentimental value. You've worked hard to make your home a safe, comfortable place and have no doubt created a lot of cherished memories there that make it immensely valuable to you. However, it's important to remember that homebuyers aren't buying your lifestyle or your memories – they're buying a product, so price it as such.
- Your financial needs. Are you moving to a more expensive area? Do you have debts to pay off? If so, you may be tempted to base your asking price on how much money you need, not how much you can get. The fact is, your financial needs should not influence what you list your house for.
- Information provided by non-professionals or the Internet. Your friends, family, coworkers and neighbors mean well, but they're unlikely to have sufficient market knowledge to know what your home is worth. Likewise the Internet; there are just too many variables (like those mentioned in the first point) for any online tool to provide reliable pricing information.

Happy Hunting!

Moving is one of life's biggest stresses, and home hunting is part of the reason why. Here are some tips to help make your hunt less stressful and more productive.

- Don't schedule more than a few showings in one day; more than that and you'll have trouble remembering which was which. Plus, you'll likely become too tired to pay proper attention after the first few showings, in which case you'd only be wasting your time and everyone else's.
- Dress for comfort. Home hunting can involve a lot of walking, going up and down stairs, fitting into a home's nooks and crannies, and getting in and out of cars, so you'll want to be appropriately and comfortably attired.
- Consider if you want to bring your children with you. Children tend to either love or hate every home they see, and can distract you from where your focus needs to be: on the home.
- Don't go home hunting on an empty stomach. We all know how difficult it can be to concentrate when we're hungry, and a decision as important as where to live requires your utmost concentration. Consider keeping yourself going with some bottled water and energy-boosting snacks in-between viewings.
- Take a pen and some paper (or your home-buying checklist, if you have one) along so you can make notations about each property. This will not only help you distinguish between them and remember specific features, but help you make a more objective decision later on.

Take it Outside!

Gone are the days when a simple patio set fulfilled all your backyard relaxation needs. Today, the trend is toward "outdoor rooms." Want to create one for yourself? Here are some pointers to start you down the garden path.

First, determine what purpose(s) your outdoor room needs to serve. Will it be an open-air kitchen? Space for entertaining? A respite for relaxing and reading? How the space will be used will determine what goes in it.

Next, consider location. To truly be an extension of your house, your outdoor room should be attached to it, but factors like views and sun exposure might better determine the room's location. Just remember, if accessing your outdoor room means exposure to the elements, you may not use it as much. Also, if you're creating a permanent structure, make sure to find out if you need any permits before you start construction.

Location chosen, define your outdoor room. Give it a floor, whether of decking, flagstone, concrete or slate, for example. For privacy, create walls of tall plantings, trellises, screens, or even fabric hung from frames. For your ceiling, a pergola, awning, plant-covered trellis, or permanent roof structure.

The possibilities for furnishing your outdoor room are endless, but the essentials are these: outdoor furniture, which has come a long way in terms of comfort, style and durability; perhaps an outdoor area rug – a way to make even a large space more cozy; a place for fires, so you can extend your enjoyment of the space into cooler weather (check out the selection of chimineas and freestanding fire pits at your local home improvement store); and lighting, for use of the space at night (task lighting for things like cooking and reading, as well as mood lighting).

A final tip: Pick a color, pattern or theme from your home's interior décor and continue it outside via accessories – this way, the room will feel every bit the part of your home it's meant to be.



Terminology Tip

Lien - A legal claim placed by a creditor on a piece of real estate to secure the payment of a debt. A lien gives its holder the right to sell the property to satisfy the debt if it's not otherwise paid; when the debt is paid, the lien is removed. When buying a property, it's important to ensure, by means of a title search, that there are no liens against it that could prevent your securing clear title.

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