



Real Estate News

From your Real Estate Professional

Coldwell Banker Residential Brokerage

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Are you thinking about buying or selling a home?

Do you know someone who is thinking about buying or selling a home?

If so, please call me with their name and number, and I will be happy to help them.

Whether they are looking in the North to Northwest Suburbs, or in the City, if I can't help them, then I have a great network of agents all over the Chicagoland area who can.

The finest compliment I can receive from a friend or past clients, is a referral.

Thank you for your trust!!!

REMODELING - COST V'S VALUE

Spring is in the air....well, it's on our minds, that's for sure. And with the warmer weather, we as homeowners, start thinking about those projects that need to get done around the house. In order to help you decide which projects should be a priority, Remodeling Magazine (Hanley Wood, LLC) published the following report in 2007. These are average figures for the East North Central area of the United States, for a mid-range cost project:

Project	Job Cost	Resale Value	Cost Recouped
Attic Bedroom Remodel	\$49,897	\$34,204	68.5%
Back-up Power Generator	\$14,270	\$6,687	46.9%
Basement Remodel	\$62,801	\$38,398	61.1%
Bathroom Addition	\$39,522	\$22,774	57.6%
Bathroom Remodel	\$16,631	\$11,147	67%
Deck Addition (Wood)	\$10,516	\$7,540	71.7%
Family Room Addition	\$83,494	\$51,630	61.8%
Garage Addition	\$56,290	\$33,080	58.8%
Home Office Remodel	\$28,305	\$14,007	49.5%
Major Kitchen Remodel	\$57,496	\$40,704	70.8%
Master Suite Addition	\$104,666	\$64,001	61.1%
Minor Kitchen Remodel	\$21,863	\$16,010	73.2%
Roofing Replacement	\$19,673	\$11,208	57%
Siding Replacement	\$10,083	\$8,017	79.5%
Sunroom Addition	\$72,276	\$37,833	52.3%
Two-Story Addition	\$146,337	\$95,364	65.2%
Window Replacement—Vinyl	\$11,011	\$7,894	71.7%
Window Replacment—Wood	\$12,146	\$8,758	72.1%

If you are thinking of remodeling your home, and would like some advise from me on what is best for future resale, please don't hesitate to call me. I would love to help!!!

Current Mortgage Rates:

30 year fixed 6.200
15 year fixed 5.690
5 year arm 5.1500

For more information call:

Zenon Kolakowski
CB Mortgage
847/344-6371

AND THE WINNER IS.....

Chris Montalbano

Thanks so much to all of you who gave me a referral during the contest period. The following names were entered into the drawing:

Margaret Rossberger
Alix Calderaro
Mandy & Jeff Griffin (2x)
Mike Salerno
Nancy Brooks

Chris Montalbano
Pat Riley
Bipin Parikh
Debbie Kozie
Dina & Randy Konstantos/Mikhaiel

IGNORE THE HEADLINES!!!!

Check out the attached article I found in Time Magazine. I don't know about you, but I refuse to listen to all the doom and gloom news I hear. Let's spread some good news!!!!



Want More Money?
For more information,
visit [cnn.com/
rightonyourmoney](http://cnn.com/rightonyourmoney)

Ignore the Headlines!

Except this one. Sure, housing's in a hole. But there's a potent case for buying now, whether it's real estate or stocks

FAMED MONEY MANAGER PETER LYNCH is perhaps best known for his timeless wisdom that you can beat the pros by focusing on stocks of companies where you either work or shop or have some other edge. But a more relevant Lynchism today is this gem: Ignore the headlines.

That's no easy thing. How do you tune out all the chatter and ink on recession, housing, subprime woes, the credit crunch, rogue traders, insolvent bond insurers, \$100 oil and nukes in Iran? It's enough to make you sit on your thumbs and wait before making any big moves. But what, exactly, are you waiting for?

There has rarely been a moment in history when you couldn't scare yourself into doing nothing. And yet, as Lynch observed nearly 20 years ago, "in spite of all the great and minor calamities that have occurred ... all the thousands of reasons that the world might be coming to an end—owning stocks has continued to be twice as rewarding as owning bonds."

A top reason to not buy stocks, in Lynch's view, is if you don't already own a home—in which case, that should be your first investment, since an owner-occupied home is nearly always profitable. Through a spokesman, Lynch reaffirmed these views to me—housing debacle and all.

When prices are falling, few people have the discipline to buy stocks, a house, gold, art or any other asset. But those who do pull the trigger excel in the long run. As John D. Rockefeller famously said, "The way to make money is to buy when blood is running in the streets."

And the streets are stained crimson. Start with stocks. They have been pummeled this year. GDP braked sharply

last quarter, and there has been plenty of panic about a recession. The Federal Reserve is slashing short-term interest rates at the fastest clip in decades. But if you stick to your steady, diversified plan while everyone else is retreating, you will be happy years from now. For one thing, Fed rate cuts always lift the economy eventually, and the stock market typically starts responding just as headlines get gloomiest. Sure, the market could fall again before recovering. But the recession may be half over already—or we may avoid one altogether. You just never know.

As for housing, certainly some skepticism is in order. Formerly sizzling markets in Florida, Nevada, Arizona and California probably haven't seen the worst headlines just yet, though they may well be close.

And "jumbo" mortgages, those more than \$417,000, are likely to remain artificially high for a few more months while banks work through their credit issues.

But let's say you are emotionally ready to be a homeowner. You have good credit, plan to stay put for five years and have been waiting for the perfect entry point. It's time to get serious—before an inevitable rise in interest rates wipes out your advantage. "The thing that will make home prices stop falling is the very same thing that will push mortgage rates higher," says Jim Svinth, chief economist at mortgage firm Lending Tree. So anything you gain by a further drop in prices might be offset by rising financing costs.

Consider a typical home that sells for \$218,900. You put down 20% and get a 30-year fixed-rate mortgage at today's rate of 5.5%. Monthly principal and interest come to \$994.31. Let's say that 12 months from now the same house goes for 10% less, or \$197,010. But by then the recession is history and the Fed is jacking up rates to stem inflation. If mortgage costs rise just half a point, to 6%, your monthly payment would be \$994.94 and you'd have saved nothing. Meanwhile, home prices might steady and sellers might become less willing to negotiate. And you have spent a year living someplace you'd rather not be.

It's more complicated if you must sell before you can buy. But that logjam won't persist forever—and if it appears you'll be trapped for a few years, try to refinance at today's lower rates. Risks always seem most acute when the headlines give you ulcers. But that's exactly when you should think long term—and get off your thumbs. ■

The Case Against Waiting to Buy

Finance costs will rise as the economy recovers, so trying to time real estate might not pay off



TODAY	Typical home price	COST IN 12 MONTHS?
\$218,900 Put 20% down and get a 30-year fixed-rate mortgage		\$197,010 If prices drop an additional 10%
5.5% Current rates after recent declines	Interest rate	6% Recession ends, and the Fed starts to raise rates
\$994.31 Monthly payment	Monthly payment	\$994.94

CONCLUSION: If you waited a year to buy, you would have saved nothing and spent a year living someplace you'd rather not be

Source: Lending Tree