



# YOUR HOME *Your Way*

Sept/Oct 2012 | Volume 3, Issue 3



**Courtney Way**  
A Better "Way"  
to Real Estate  
Since 2001

## ALWAYS A STUDENT

Summer is coming to an end and our kids are going back to school. Even us adults are heading back to school, in a sense, when it comes to the real estate market — check out our Seller's Market 101 article in this issue of *Your Home, Your Way* to learn about the market's upswing and what that means for you! Everyone should also keep in mind that after this year, it might be the last time to get deficiency forgiveness on short sales. What does that mean? Read our article on page 2. And there's no time like the present to get our affairs (or home) in order — we should all be thinking about what we want to accomplish by the end of the year, before another tax season is upon us!

Hope to see you soon!

*Courtney & Kris*



**Kris Steele**  
Serving the  
Sacramento region  
for 25 years



## SELLER'S MARKET 101

After bottoming out earlier this year, Sacramento home prices rose faster in July, according to real estate information service DataQuick.

*The Sacramento Bee* reported in mid-August that the median price for single-family resale homes in Sacramento County increased in July by 5.6 percent from the same month last year, rising from \$161,000 in July 2011 to \$170,000 in August. Yolo County and El Dorado County saw year-over-year jumps of 12.9 percent and 9.6 percent, respectively, according to DataQuick.

The reasons for this uptrend are that prices are genuinely inching up and because of the mix of homes selling, according to DataQuick analyst Andrew LePage, who told *The Bee* that the increases were partly a result of low inventory, low interest rates and strong investor activity fueling demand, especially at the lower end of the market.

On the whole, prices have gradually increased as the market has shifted from foreclosure sales to short sales to more traditional equity sales. Equity sales accounted for more than half of home sales in the area last month.

What does low resale inventory and a lack of new home construction mean? That we're still in a seller's market. As long as interest rates stay low and foreclosures keep trickling out, we're going to see an appetite for home sales — and continued growth in home prices."



On for-sale homes, Trulia.com's Price Monitor also noticed an increase in asking prices—which lead sales prices by approximately two or more months—by 0.5 percent in July compared with June, the sixth consecutive monthly gain.

Nationally, asking prices rose 1.2 percent quarter over quarter and 1.1 percent year-over-year, Trulia has found. If foreclosures are excluded, asking prices rose 2.7 percent year-over-year. For the first time, a majority (62 out of 100) of large metros had year-over-year price increases.

Interested in learning more? Don't hesitate to contact us at [steeleway@capwestrealty.com](mailto:steeleway@capwestrealty.com).



## A LESSON IN DEFICIENCY FORGIVENESS



Since 2007, some homeowners with negative equity have received a bit of relief. Thanks to the Mortgage Forgiveness Debt Relief Act of 2007, a homeowner who sells her residence in a lender-approved short sale erases the unpaid part of her mortgage. (The same is true if the lender forecloses on the dwelling, subsequently sells it and cancels a portion of the debt.)

Under normal circumstances, the tax code calls for the seller to report either all or a portion of forgiven amounts on her 1040 form, but not anymore—the

Mortgage Forgiveness Debt Relief Act of 2007 includes a provision that allows home sellers to exclude as much as \$2 million of canceled debt. Two stipulations must be satisfied for sellers to qualify under the act, however: The home must be the seller's principal residence, and the debt must be incurred from buying, building or substantially improving this principal residence.

While a great relief to many homeowners underwater out there, this reprieve goes away at the start of 2013, according to the IRS, which states that this special relief is in effect for qualified principal residence indebtedness forgiven in calendar years 2007 through 2012. What does this mean exactly? That if you've been contemplating a lender-approved short sale for your home, now is the time to do it. If you wait to sell until 2013 and cannot pay back the unpaid part of the mortgage upon closing, you will still be responsible for it.

*Have questions or concerns? Feel free to contact us at [steeleway@capwestrealty.com](mailto:steeleway@capwestrealty.com).*

As Sacramento residents for 30 years, we can assist in the following residential areas:



- West Sacramento
- Downtown/Midtown
- Land Park/Curtis Park
- East Sacramento
- Natomas
- Sierra Oaks
- Arden Park
- Carmichael
- Fair Oaks
- Folsom
- Roseville/Rocklin
- Lincoln

## FORECLOSURE vs SHORT SALE

If your home is underwater, you technically have two options — but which is really the best choice? Here's a quick look at how each could affect you in the long- and short-term.

	FORECLOSURE	SHORT SALE
CREDIT SCORE	Your score may be lowered anywhere from 250 to 300 points. Typically it will affect your score for more than 3 years.	Only late payments on your mortgage will show. After the sale, the mortgage is normally reported as "paid as agreed," "paid as negotiated," or "settled." This can lower the score as little as 50 points if all other payments are being made. A short sale's effect can be as brief as 12 to 18 months.
CREDIT HISTORY	The foreclosure will remain as a public record on your credit history for seven years or more	A short sale is not reported on a person's credit history. There is no specific reporting item for "short sale." In most cases, a loan is typically reported "paid in full" or "paid as negotiated."

## OUR RECENT SALES

### SOLD

#### 138 BRIGGS RANCH DRIVE FOLSOM

*Meticulously maintained and updated*  
3 BED/2 BATH, 1,752 SF | \$370,000

#### 5700 MINGEE WAY ELK GROVE

*Multiple offers, closed within 2 weeks!*  
3 BED/2 BATH, 2,000 SF | \$262,000

#### 5051 BRADFORD DRIVE TAHOE TERRACE

*Complete remodel perfect for first-time homebuyer*  
\$135,000

#### 3654 PETER ISLAND ROAD WEST SACRAMENTO

*Short sale approved and closed in 43 days!*  
\$190,000

### JUST LISTED

#### 3175 RIVERMONT STREET WEST SACRAMENTO

*Enjoy the community fruit and vegetable garden*  
3 BED/2 BATH, 1,570 SF | \$200,000

### PENDING

#### 4206 LOAZELL COURT ARDEN PARK

*Beautiful cul-de-sac location, pool-sized yard*  
4 BED/3 BATH | \$600,000

#### 3030 SHASTA WAY WEST SACRAMENTO

*Brand-new, big yard! Always use a Realtor when negotiating with new home builders, too!*  
4 BED/3 BATH, 2,271 SF | \$299,900

*"Develop a passion for learning. If you do, you will never cease to grow." — Anthony J. D'Angelo*



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