



The Hatt Report

Real Estate News and Views For Berks County and Southeastern Pennsylvania

VOLUME 1, ISSUE 1

LATE WINTER, 2009

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My New Newsletter

Some time has passed since I have sent you a newsletter—many dramatic events in the market and economy have occurred during that hiatus. However, I am publishing again with a new format that, I think, more closely matches my personality and style. What do you think?

I intend to issue newsletters quarterly as the seasons of the year unfold. This is my Late Winter issue—I have held off to accommodate any emerging news vis-à-vis the stimulus package; that news is included, to the extent known, throughout this issue.

Please feel free to contact me with your thoughts about anything happening in the world of real estate.

Ron

Homeowners Stimulate Economy

Home ownership is a very important component of stimulating the economy. When people own their homes, they are more likely to fix-up and enhance their properties. They purchase lumber, drywall, concrete, paint, furniture and appliances. They build fences and improve their homes' outside appearance. That leads to jobs for merchants supplying those items and for contractors supplying labor to perform the work. Many sectors of the economy benefit when people who own a house work to make it their home.

The government recognizes how powerful home ownership is in its ability to boost the economy and has instigated ways to encourage home ownership in its recently enacted recovery package. Some details of those provisions,

including an \$8,000 tax credit, are covered in the "Tax Credit, Low Interest" article on the reverse side of this newsletter.



There have been negative reports on the state of the housing market. There is no doubt that things are not as rosy as they were a little while ago; most of the news reports concentrate on the national scene. However, right here in Berks County, our market has not been as greatly affected as many other areas. Home prices here have not soared tremen-

dously; consequently, they also haven't dropped drastically. While there has been a dip in the number of sales and, in some cases, the average sale price has declined slightly, Berks County has weathered the market better than other areas of Pennsylvania and the country as a whole.

Now is a great time to buy. With low interest rates for mortgages and government programs promoting home ownership, there are many local lending institutions ready to help. They may be somewhat more restrictive about credit worthiness than before, but there are some very attractive opportunities out there.

Please feel free to call me anytime for more information about the state of real estate in Berks County.

Tax Credit, Low Interest Attract Buyers

If you've been dreaming of buying a new home, now may be the time to act. There are programs available for buyers with little or no cash for a down payment and/or closing costs. And for first time homebuyers - those who have not owned a home in the past three years - there is an \$8,000 tax credit available from now through November 30. Unlike

the previous \$7,500 tax credit, this new credit does not have to be repaid. If this sparks your interest, now is the time to begin your home search.

Interest rates are at a fifty-year low for qualified buyers who have good credit, employment income and a willingness to spend some time searching for the best financing. Even if your credit isn't perfect,



you may still qualify for a loan. Call me at 610-898-6310 to discuss mortgage opportunities in Berks County.



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Property Tax Reduction--When to Apply

In Berks County, requests for a reduction in property taxes may be made during July of each year. If you believe your house has decreased in value, start planning now if you want the chance at lower property taxes.

There is no application cost for the filing process. However, you may find it helpful to hire an appraiser or real estate agent to compile the data and fill out the forms needed to apply.

The application process is most advantageous if you are planning to sell your home in the near future. There may also be a financial benefit to a long-range reduction of your tax bill if you plan to stay in your home for a long period of

time (this will depend on the money you spend during the application process and how long it will take you to amortize it via a reduced tax payment).

You can quickly estimate if your home is a candidate for tax reduction by dividing your property assessment by 0.65. If the resulting number is close to what you believe to be the home's value today, your chances for winning a reduction are not good. If the resulting number is higher, you may have a chance at a lower assessment, and, with it, lower taxes.

For a free evaluation of your property tax situation, give me a call at 610-898-6310.

Winter into Spring Home Checklist

- Organize closet, garage, pantry/kitchen
- Clean refrigerator, including coils; check for leaks and clean drip pan
- Check pipes for freezing
- Hang/remove seasonal lighting
- Test gas fireplaces
- Set heat registers for maximum air flow/drain air from radiators
- Check for loose grout, tiles and caulk
- Check appliance cords, plugs and fixtures for damage or overload
- Test GFCIs
- Safety check for trip hazards: loose carpet/steps/concrete, dangling wires, slippery surfaces, holes, splintered wood
- Trim shrubbery and tree limbs to maintain 18" clearance between walls and roof surfaces
- Repair any damage to surfaces caused by vegetation

Has Your Home Lost Any of its Value?

Many of us will answer "yes!" without a second thought. However, the real answer to this question depends on a number of factors. One of the most important is: are you planning to sell your home now? If so, it may sell for less than it would have last year. As we well know, it's nearly impossible to predict what the market will do from month to month.

Other factors include the price of your house. If you purchased your home for under \$200,000, it should not have depreciated too much, perhaps by 5 - 10%. Homes in the \$300,000+ range have generally lost a greater percentage of their value. The dearth of buyers in this range and some sellers' reactions of lowering their prices dramatically causes other sellers to lower the prices on similar houses in

order to be competitive.

Consequently, buyers submitting offers on a house may find that it does not appraise at the offer's value. Appraisers must use comparable sales prices in the same neighborhood; some of these prices may have been lowered to facilitate a quick sale. Having an industrious real estate agent to point out the reasons for low appraisals often helps buyers and sellers get mortgages approved.

Call me (an industrious real estate agent!) at 610-898-6310 to help you sell or buy in this changing environment.

If your home has lost value and you do not intend to sell in the near future, read the article about property tax reduction, above.