

# Fall Properties

SUMMER 2006 • [www.fallproperties.com](http://www.fallproperties.com)

## From Laura: The Buzz about our Real Estate Market

Real Estate in the greater Washington DC area is a topic we hear about daily. If you are an owner, you want to know how your value is holding up. If you are a future owner, you want to know if now is the right time to buy. Either way, owning a home is one of the great American Dreams.

First a word about homeownership. Homeownership is the traditional starting point for American families to accumulate wealth, and the US Tax Code encourages homeownership through incentives such as the mortgage interest deduction. Homeownership is the cornerstone of a healthy community and the basis for positive community involvement – homeowners are more likely to vote and they volunteer time for political and charitable causes more frequently than renters. Homeownership among minorities has increased over the last 3 years, and 40% of first time buyers are minorities.



Housing appreciation in the Greater Washington DC market increased 119% since 1999. Maximum appreciation gains were experienced in 2004 (20.1%) and 2005 (21.7%) – gains that fueled a serious seller's market with rapid sales, escalation bids, and the frequent removal of contract contingencies such as inspections, financing and appraisals.

The average housing appreciation rate over the last 28 years has been 7%. Projections for 2006 have been from 5% to 9%. You might be wondering how home value is going to increase over 5% this year when homes seem to be sitting on the market, inventory is building, and some prices are softening. The 2006 appreciation numbers will be taken from comparing all of 2005 (which saw appreciation rates of 21.7) and all of 2006. The peak in the 2005 market was early summer and some prices paid in that peak exuberance may not be met in today's market. A natural inclination for sellers is to use their neighbor's sales price and speed of sale, and want that for themselves. Today's sellers need to examine values of homes similar to theirs that sold in late 2004 and early 2005 and use that as the gauge to price their homes. (cont. p.2)

## Understanding Your Credit Score (plus 3 Easy Steps to Improve it)

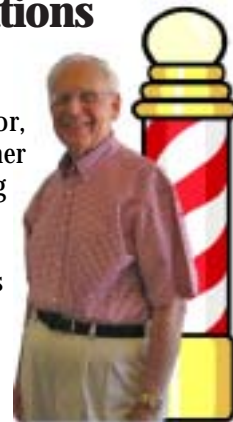
Do you know your credit score? Are you clear on what, exactly, your credit score represents? Your credit score is one way a lender determines your credit worthiness. There have been some changes in credit scoring in 2006, and you should be aware of how the changes could affect you. To that end, Fall Properties is hosting a couple of seminars by Phillip Grisdela from Chase Home Finance Division. Phil will be here to explain credit scores, suggest how you can improve them, and answer your questions on Thursday, July 27 (or Wed., August 9) from 7–8pm.



Laura Fall, CRS  
Principal Broker  
(703)536-7001  
[laura@fallproperties.com](mailto:laura@fallproperties.com)

## Congratulations Woody!

Meet our neighbor, Lloyd Woody, owner of the Williamsburg Barber Shop. "Woody" as he's known to his friends and customers, celebrated 50 years of his cutting Arlington's hair at the Williamsburg Shopping Center at a hometown celebration July 12.



Refreshments, live music from Capital A Capella (a barbershop quartet, of course), and 75 cent haircuts, just like in 1956, when Woody began his career, were the order of the day. Congressman Jim Moran, Arlington County Chairman Chris Zimmerman, and Member J. Walter Tejada were among the guests. Woody received a letter

of appreciation from Arlington County, a caricature, and a plaque honoring his 50 years of service. Long time business partner, Bobby Hunt, was also



presented with a plaque for his 45+ years. The crowd numbered near 100, and not even intermittent thunderstorms dampened the enthusiasm of Woody's friends, family and faithful customers.

**The Buzz** (from p. 1) Does that mean that prices are falling? I think the answer is yes and no. Last summer's peak prices are not likely to be achieved in our current market. Folks who bought in the peak and are now faced with needing to sell may find themselves in a tight spot. The good news is that the rental market is starting to see strong rent appreciation and a tightening of inventory. There are some good reasons to consider renting instead of selling, and I will gladly review those with you one on one.

Just as the philosophy on Wall Street is patience and taking a longer view of your investments, the housing market is very much the same. Personally, I believe that we are heading towards a stable and steady market. If real estate is 'cooling', there is no better 'cool' market to be in than the greater Washington DC market. We have the greatest job growth of the largest 15 metropolitan areas in the US, as well as the lowest unemployment. We also enjoy an enormous portion of Federal Procurement Spending, which continues to fuel the growth of area businesses.

Here is some of the good news: with the increase in inventory, today's buyers can find a home they truly love and they can negotiate favorable terms. Sellers who realistically price and spruce up their homes for sale can find a buyer. The move up buyer can consider a contingency on the sale of their home; consider renting their current home, or simply sell first and have the confidence of knowing there will be ample homes to choose from for their move up purchase.

Over the past 20 years I have seen all kinds of market conditions – with overall steady growth and appreciation. My advice to all my friends is to enjoy your home and the wonderful investment it continues to be. Enjoy the healthy market we live in, our great quality of life, our strong education and healthcare systems and our safe and friendly neighborhoods. When you need real estate advice, please give me a call – I will always give you frank and professional guidance.

## RAINY DAY REMINDERS FROM LAURA

Everyone has been affected by the relentless rain that started June 23rd. Whether it was your house, car, office or walking trail, the rain created an absolute mess. Some areas saw in excess of 12" of rain in 5 days – I live in that band of rainfall.

Vaughn and I had to take some immediate measures to prevent flooding in our basement. Since this is still our first year in our new home, it was easy for us to look for blame as to why our house was not better prepared to deal with all the water. As a Realtor, I have referred to this type of weather/water event as 'episodic'. The media reports that this kind of rain event only occurs every 200 years. It is important to prepare your home against episodic weather events because we never know when they can happen, and they have the potential to do so much harm.

Put on your raincoats and take a look at your property during a rainstorm: Are the gutters overflowing? Is water pooling in the yard or flower beds? Are downspouts far enough away from your foundation and are they draining? Are there any measures to slow the flow of water to prevent erosion?

Preventative measures include:

- 1) Cleaning and securing gutters – add screening if there are lots of trees above that shed debris onto your roof. Consider installing oversized gutters and downspouts to handle heavier rain storms.
- 2) Create a trench at low lying ground areas to allow water to move away from the foundation. Long term solutions may be to install a French Drain or Catch Basin to manage water – these systems need to be monitored and maintained.
- 3) Install river rock or gravel beds in areas of run off. The rocks slow and disperse the water which helps prevent erosion.
- 4) Make sure there is a positive drain away from your foundation. Even if your land is fairly flat, you can build up dirt against the foundation so water will fall away from the foundation. This may create a swale, and you may need to consider trenching or stones to move the water away.
- 5) Check your attic for signs of moisture or water – vent collars may need caulking or shingles re-secured.
- 6) Trim back bushes and trees that hang over or lean against your house. Wet trees and bushes leaning on your roof, gutter or foundation can create a dam that can collect water.

Vaughn and I will be restoring our yard where we dug an emergency trench, and considering a more permanent solution. We called for an estimate on oversized gutters and will begin planning for the installation of stones to prevent runoff and erosion. These measures hopefully will not be needed for a long time, but we plan to be ready for the next episodic storm.



## What to do about Mold!



The rains came and soaked us to the bone.

What should we be concerned about next...???? MOLD!

Molds are part of the natural environment and can be found in the air inside and outside our homes. When mold spores land on a moist or wet surface and start growing they have the potential to cause health problems. Molds produce allergens, irritants, and potentially toxic substances. They can irritate the eyes, skin, nose, throat, and lungs.

So...indoor mold growth can and should be prevented by controlling moisture indoors. Molds gradually destroy the things they grow on. You can prevent damage to your home and furnishings, save money, and avoid potential health problems by controlling moisture and eliminating mold growth.

Keep the air conditioning on when it is hot and humid. Air conditioners pull moisture out of the air to cool the air before sending it back out into the environment. Use a dehumidifier in high moisture areas of your home, particularly where you don't have air conditioning. Vent any appliances that produce moisture to the outside and run the bathroom fan when using the shower or tub.

If you have had severe water damage to your home or mold problems, you should call a licensed contractor to do the cleanup, and make sure they follow the recommended EPA's *Mold Remediation in Schools and Buildings Guidelines*.

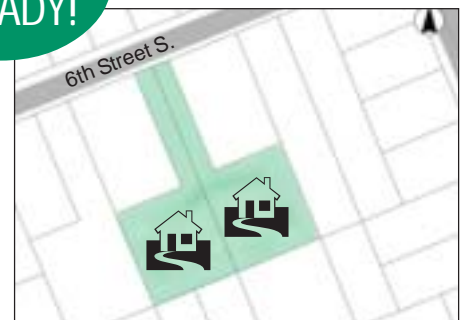
Also limit your exposure to mold and if you decide to clean up mold on your own, take safety precautions and wear gloves, goggles, and an N-95 respirator.

## Our Website has a New Look!



Go online at [www.fallproperties.com](http://www.fallproperties.com) to take a look at what we currently have on the market. You can find information about buying and selling, links for your community, bios for all of us, and plenty more!

ONE SOLD  
ALREADY!



New Construction – 4620 and 4700 S. 6th Street in Arlington  
Two Contemporary Custom Green built homes tucked away in Barcroft  
Sophisticated architectural design and great details • Starting at \$1.1 Million



# Fall Properties

6504 Williamsburg Blvd.  
Arlington, Va 22213

**Laura Fall, CRS**  
Principal Broker/Owner



703-536-7001

## CURRENT MORTGAGE INTEREST RATES

<i>30 year fixed</i>	6.75%
<i>30 year Jumbo loan</i>	7.0%
<i>15 year fixed</i>	6.5%
<i>7 year ARM</i>	6.625%
<i>3 year ARM</i>	6.25%

Conforming loan limit is \$417,000;  
Jumbo loans are all amounts over.

## INTEREST ONLY LOANS

<i>10 year ARM</i>	6.75%
<i>Fixed 2nd trust loans</i>	8.5%

40 year Amortized loans are available.



## Bridge Loans

As the housing market adjusts to a more stable pace, consumers may find they need a helping hand to bridge the gap between buying and selling a home. A bridge loan (also called a swing loan or gap financing) can help with the cash you need to close on a new home if your old home hasn't sold yet.

There are several types of bridge loans; they typically have a higher interest rate & fees, but they can enable you to make the payment on your new mortgage and use the proceeds from the sale of your old home to pay back the accrued interest and outstanding balance on the bridge loan. While you're taking on the equivalent of 3 loans (old mortgage, new mortgage, & bridge loan) you won't be required to pay on all three. Bridge loans make sense so long as the homeowner can afford the loan payments. The new home should never be used as collateral to acquire the loan, only the original home.

Terms and conditions will vary from lender to lender, so speak to your financial institution for more details. These loans are meant as short-term solutions. Pricing your original home correctly is still your best course. Ideally, you should wrap up the sale of your existing home before you commit to buy another, but bridge loans are available to help.