



Volume 9, Issue 2
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History

Here is a brief snap-shot of the price and tax valuation of one home in Queen Creek with which we have been involved:

	<u>Price</u>	<u>Tax Valuation</u>
2005	\$225,000	new
2006		\$134,000
2007		\$180,000
2008		\$223,000
2009	\$74,000	\$171,900
2010		\$112,000

Two notes:

1. Our experience is that the Tax Assessors do a pretty good job of estimating market value (it is required by state law that property valuations be at market value).
2. The property insurance company required the home to be insured for \$195,000, their estimate of replacement cost without land value.

Where do we go from here? If we can assume that the Feds won't completely foul up I believe that more foreclosures will come on the market for the rest of this year and that prices of bank-owned properties will continue down slightly or flatten. As the inventory is bought up (and there are investors in town with big wads of money to do just that) I think prices will spike up into the \$100 per square foot range.

It hurts my head to think much past next month, so we're trying not to look too far ahead.

Property Tax

Many of us have received the 2010 Property Valuation form from the County Assessor. Judging from the call volume there are more than a few questions about the form and the values on it.

The most noticeable impact has been on the 2010 Valuations of Full Cash Value (FCV). The Assessor is required by statute to get that figure as close as possible to the market value. We think he does a pretty good job of that.

This year's FCV's reflect the drastic drop in our market and the great number of foreclosure sales. As the foreclosure inventory is reduced I expect average prices to begin increasing.

The most frequently asked question: Will my property taxes go down? Answer: Maybe. Maybe a little.

There are several figures subject to manipulation by our friends at the Legislature and the County Board of Supervisors. Taxes are not based directly on FCV but on LPV (Limited Property Value), a number calculated according to a formula known only to whatever Higher Power you believe in.

To make a long story just a bit longer-the largest part of our property taxes go to pay for the public schools. Several other small pieces pay for county administration, flood control, street lights, the county hospital, etc. The cost of these things is not going down so I don't expect taxes to go down either.

Broker

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Rosey Reich
Michele Winkles

Owners

Anne McCawley
Frank Bennett, Jr.

Vacation

As many of you know, Barbara and I have taken wonderful trips the last three years- Western Europe, Southern Africa and Eastern Europe. Very nice and very expensive. If we don't spend it the kids will, and we do a better job!

This year we are staying closer to home. Our income is almost entirely dependant on the rental business and that's a little fearful right now. Our company vacancy rates are holding steady, but rents are down and marketing times are a little longer. As a previous president said, I feel your pain.

What are we doing to help? Well, we listen to our managers (and it bears repeating that we pay the same management fee as all our clients). I do not resist rent reductions-in fact, I encourage them because we do not want vacant property.

Reductions are never fun and often painful, but we cannot resist the tide. We either go with the market or get left behind. I try to remember that we've had a nice 12-15 year run of improving conditions; maybe it's time for a market correction (as the Wall Street geniuses say).

More Vacation

By the time this goes out Barbara and I will probably be on our way to Maui. We believe that Maui is Paradise on earth, and for the past several years we've been able to visit for 6-7 weeks. What a blessing!

We rent a condo in Kihei and go as "local" as we can. The point of all this (other than arousing jealousy) is that we can leave for extended periods with our property in good hands and our beloved tenants paying for us to be in beautiful places all over the world.

All because we started buying property many years ago and kept on buying (Barbara calls it "staying in the game"). We've bought several houses in Queen Creek this year and would buy more except I ran out of money.

Did we buy at the bottom? Heck, who knows? I've never been good at the trading game-all we know is to buy in good areas, hire a good manager (commercial message) and hold on. The market has been taking care of us for a lot of years and we believe it will continue to do so.

Frank, Jr. and Anne are both experienced real estate professionals. If you have any questions about prices or rentals, please call them. Or me-I'm still hanging around once in a while.

Charity

Barbara and I were recently honored by A New Leaf (formerly Prehab of Arizona) for a fairly major financial pledge we made. The honor is very nice and much appreciated, but we truly believe that we get much more that we give by being able to help and work with the wonderful staff.

A New Leaf is a full-service comprehensive mental health organization that was started by my mother in 1971. We have been involved since 1972. A New Leaf started as a school/counseling center funded by Mesa Public Schools; we now have 24-hour residential facilities for teenagers, homeless shelters for families and men, emergency shelters for battered/abused women, counseling centers and drop-in programs for troubled teens. The budget approaches \$25 million!

In these tough times people need help more than ever. We see the problems and hear the stories every day. Please help someone less fortunate than yourself. You will both be better off for it.



Grandkids

No issue of the newsletter would be complete without news from our grandkids. Jake (Kate's oldest) is doing amazing stuff-all A's, chess club, high-high testing for advance math and English classes, and a part in the school play. Alex (Kate's youngest) is wowing the crowds at the t-ball games and trying out for pee-wee flag football this summer (well, maybe, if Mom lets him).

Megan (Anne's oldest) got a lead role in a Mesa Community College musical and is growing into a sweet, pretty young woman. Sarah (Anne's youngest) is a senior at Mesa's Mountain View! Sarah is looking into colleges, loves reading and hanging out with her friends!

Malcolm (Frank's oldest-and only) is coming up on 18 months and is a bundle of fun.

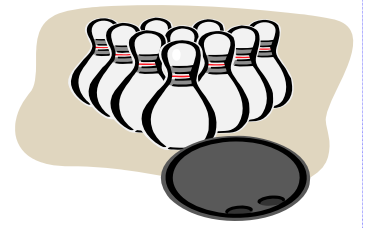
Our kids are settled in the Valley and all work in the real estate business. After we gave up on Nobel and Pulitzer prizes we redefined successful child raising: nobody's in jail, all are employed gainfully and they don't ask us for money. Child-raising tips are not a service of Bennett Property Management.

Fiesta Chorus Sing with us!

OPEN REHEARSALS

are held Monday nights
7:00 pm—10:00 pm
Please join Fiesta Chorus
of Sweet Adeline's
International,

The world's largest women's
singing organization.
Call Debie at 602-301-4151
for more information.



Sign up now for the 14th Annual

A New Leaf Bowl-A-Thon

June 6, 2009 12-3 p.m.

Contact Doreen at 480-464-4648
for more info visit
www.turnanewleaf.org

BPM Vacancy News

APR '09 Central locations: 7.8%
Fringe areas*: 10.2%
Jan '09 Central locations: 7.8%
Fringe areas*: 12.3%

*Fringe areas include Queen Creek, Buckeye, Goodyear, El Mirage and Surprise

NARPM NEWS

National Association of
Residential Property Managers

Narpm.org

Phoenix Metro Chapter
Meetings at SEVRAR:
1363 S. Vineyard
Mesa, AZ

May 28th—12-3pm
June 25th—12-3pm

Transaction Management
for Property Managers

National Convention in
Orlando, Florida
October 21-24, 2009

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