



*from Moore*

## *Sales Statistics Reflect the Housing Market Continues to Stabilize*

Mid-November, the Rhode Island Association of Realtors® (RIAR) released single-family sales statistics for the third quarter, July through September 2006, which continue to reflect the recent pattern of decreasing sales and stabilizing home prices of the first six months. Third-quarter data shows, however, that inventory is beginning a downward slope with 6,115 homes on the market in the 45th week of the year, a positive trend compared to the steady growth experienced from January 2006 with 4,535 properties on the market rising to a high of 6,545 properties in week 39. According to Cecile Cohen, 2007 President of the Rhode Island Association of Realtors, "Rhode Island is experiencing a projected correction of the housing market, leading to a healthier, more sustainable market. Our recent drop in inventory, however, signifies an upcoming change in direction, and the projection for 2007 is for a stable real estate market."

Third-quarter 2006 data shows a 20.67 percent decrease in single-family home sales, with 2,291 homes sold in July through September, compared to 2,888 homes sold during the same period of 2005. The median price fell 1.31 percent from 2005's third quarter of \$290,000 to \$286,200. The median price of a single-family home in January of 2006 was \$280,000.

This year's third-quarter numbers for condominium and multifamily sales also fell, down 13.44 percent, and 33.76 percent, respectively, from the same period in 2005. Prices for condominiums dropped .05 percent, while multifamilies went down 3.39 percent, from \$295,000 to \$285,000. "Condo sales fell the least of all property types in the third quarter, most likely supported by demographics and their wide appeal," said Cohen. "Baby boomers are entering the market in record numbers and they like convenience. They are also a great starter option and perfect for young professionals. The decrease in multifamily sales is likely a reaction to the moderating market in which investors are not finding multifamily to condo conversion projects as appealing as they had this time last year," she explained.

David Lereah, Chief Economist for the National Association of Realtors, remarks, "The market currently is a little lower than expected as buyers try to time their entry. In the meantime, there is some build-up in demand that will move when consumers realize that conditions are optimal for them." Cohen agrees. "While third-quarter data shows a market adjustment, there is evidence that Rhode Island may be near the end of its correction cycle. Inventory is beginning to drop and interest rates are at an historic low. Overall, these are the perfect conditions for people to buy and sell. You can afford more house thanks to the low interest rates, and consumers have a lot of choice in the market, but that's starting to diminish as we speak," she explained.

Former Federal Reserve Chairman Alan Greenspan views the market similarly. "Most of the negatives are probably behind us. The fourth quarter should be reasonably good, certainly better than the third quarter," he commented.

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EXPLORE THE WONDERS OF RHODE ISLAND, THE OCEAN STATE...



The smallest state in the Union and one of the most highly industrialized, Rhode Island offers urban excitement, rural tranquility, and over 400 miles of beautiful winding coastline. Wonderful things come in small packages, and Rhode Island offers quite a package! Visit Rhode Island's official Web site, [www.ri.gov](http://www.ri.gov), to discover all that Rhode Island offers. Enjoy the Rhode!

A

**MESSAGE**

**FROM**

**SUE MOORE**



Dear Friends and Colleagues:

Welcome to *More from Moore*, a periodic publication from Moore Properties offering "tools of the trade" to those active in the real estate market. Whether you are a first-time buyer or in the process of stepping up to your "dream home," this is a great place to begin. As always, we welcome the opportunity to better serve our clients by providing helpful information that promotes an exceptional and more enjoyable real estate experience. Learn from Moore Properties helpful tips on a wide range of topics critical to the world of real estate.

Moore Properties is proud to have our roots grounded in the founding principles of honesty, integrity, and service, a commitment that has continued for more than a quarter of a century. Our experience has helped make the dream of homeownership a reality for thousands of families. On behalf of everyone at Moore Properties, I would like to thank you for choosing us to help you with your real estate needs. If you have any suggestions on how we can create an even better experience, or if you have a specific real estate question that needs answering, please feel free to contact us. The team at Moore Properties will be happy to be at your service.

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## WORTH THE INVESTMENT?

Of all the rooms in the house, the kitchen is the most popular to remodel, and typically, money spent to upgrade a kitchen produces the highest return on investment. "Hot" kitchen makeover trends include dual sinks, cooking stations, extra-long dishwashers, under-cabinet lighting, warming ovens and wine coolers. Upgrading a bathroom is also a sound choice and will usually provide a significant return on investment. Large bathrooms are typically on the top of the list of priorities for those seeking to purchase a home. Adding skylights, glass block windows, ceiling fans and sunken whirlpool baths are attractive selling features. Enjoy your investments, and when it comes time to sell, you will find that they will prove to be money well spent.

## LOCATION... LOCATION... LOCATION BUYING A HOME WITH RESALE VALUE

Before you actually start the process of finding your "dream" home, you need to do some research to decide in which cities or communities you wish to live. There are many factors you should pay attention to, not only for yourself, but because eventually, you may wish to sell the home to someone else. Carefully choosing your community is the first step in "location, location, location," and can help maximize your future potential resale value.

When choosing a community for your purchase, it makes the most sense to buy in a city with a viable and stable economy. You have probably heard of "pride of ownership" when referring to an individual home. Look to live in a city that demonstrates community pride, as well. When you want to sell your home—you can have a reasonable expectation that your community will still be a desirable place to live.

In addition to community pride, check on the services provided by the local government. One example would be the local library system. You should also look into local crime statistics and see how the city compares to the national average and to other local communities. Another area of inquiry would be the community services offered. Does the city sponsor youth sports and have well maintained athletic facilities and parks? Do they sponsor community events, such as an annual parade? Are there activities available for children, teenagers, and senior citizens?

Even if you do not have school-age children or do not intend to have children, you must pay attention to the local school system. Are there enough schools to support the local population? If not, are there plans to build new schools? How will building new schools affect local property taxes? You should also check to see how local students score on the standardized tests. When you sell the property, many of your potential buyers will have concerns of this nature.

Property taxes may be higher in one town than another nearby. This can sometimes affect whether potential homebuyers view a community as a desirable place to live. Higher property taxes often mean newer and more modern schools, well-maintained roads, and bountiful community services. If resale value is important to you, make property taxes a consideration when choosing the location of your new home.

Realtors® have amassed a wealth of information on these subjects of inquiry and more, another good reason to always use a real estate professional when buying your next property.

## *Preparing to Sell? Tips to Maximize Sales Profits*

Innovative interior and exterior design ideas for increasing profit and shortening market time go well beyond normal cleaning, painting and repair. Your ultimate objective is to spur each potential buyer's imagination by making your home feel like a nicely-appointed vacation property.

The first step is to emotionally detach yourself from your home. Think of your house as an investment that needs to be sold. Set out your best china and finest linens, and pack away everything you will not need. You want to create a feeling of luxury and comfort because buyers will pay more for a home that makes them feel pampered.

Once the interior of your home feels warm and inviting, it is time to take a good, hard look at the property. Pretend you are a home buyer, seeing the property for the first time. Bring a friend, with their objective opinion, along for the tour. Walk to the front door, enter the house, and walk through your home, letting the natural flow of the floor plan guide you all the way to the backyard. As you tour, make note of all needed changes. Look for things that need attention, noting everything that detracts from the warm, inviting feeling you're trying to create. Label the needed changes with a money value—no cost, small cost and dream list changes.

When you are done with your investigation, tackle the no-cost items first, which might include things as simple as rearranging furniture to improve traffic flow or to make the rooms feel larger. Under-furnished rooms will also give buyers the opportunity to imagine their own furnishings in your home, so it is worthwhile to either sell or place unnecessary furniture in storage.

When you begin to consider the repairs that will cost money, make sure that every expense will be worth the eventual benefit. Ask your real estate professional which home repairs or property improvement projects are worth investing in, as well as those that are ill-advised when preparing your home for sale. Your Realtor® can help you to determine which upgrades yield the highest return.

## FOR SALE BY OWNER. IT'S EASY... RIGHT? WRONG!

Theoretically, selling your home on your own sounds pretty easy. Hang a sign, meet the perfect buyer, sell your biggest asset and keep all the profits. Sure, keeping all the profits is an inviting prospect, but the reality of marketing your home is far more complicated than it may appear.

For Sale By Owner properties, or FSBOs, as they are commonly called in the industry, bring with them many potential hazards that result in the private seller paying far more than what they would through a sale commissioned via a licensed Realtor®.

For Sale By Owner properties historically take longer to sell and typically sell for 13-21 percent less on average than homes sold by Realtors®. For FSBOs, often the most difficult part of the selling process is pricing. Essentially, pricing your property is the most important decision a seller has to make. Price your home too high, and it sits. Price it too low and you kiss a good portion of your equity good-bye. For most, homeownership has allowed for substantial equity gain, and as a seller, you want to retain as much of that equity as possible.

Dealing with unqualified buyers creates another major challenge for those attempting to market their property on their own. When a FSBO hosts their own open house, they waste valuable time

meeting potential buyers who, in fact, have no buying potential at all. This scenario lends to extending the selling process even further, not to mention the stress and the hassle involved when unqualified buyers enter the process.

Realtors® have the expertise and the access to tools and resources to competitively price a property and the experience to recognize when it has been underbid. Realtors® price Rhode Island homes every day. With access to The Multiple Listing Service, industry-related Internet sites and various marketing tools, they have the ability to get a property noticed by the largest possible audience, especially in those first critical days when the property is initially listed. Equally as important, a Realtor® will list, market and stage a property in its best light to only prequalified buyers who are accompanied to the property by a Realtor®.

It is no surprise that nine out of ten homeowners use a Realtor® when selling their home. When a Realtor® is involved, you have an experienced real estate professional to market a property for the greatest amount of money in the shortest time possible. Subscribing to a strict Code of Ethics, Realtors® always have the best interest of the property owner in mind. Sellers should not risk their biggest investment by going it alone; they should call a Realtor® when it is time to sell.

**NEWPORT, SOUTH AND KENT COUNTIES SINGLE-FAMILY HOME STATISTICS  
JULY-SEPTEMBER 2006**

Continued from Page 1.

	<b>06 Sales</b>	<b>05 Sales</b>	<b>Unit change</b>	<b>% CHANGE</b>	<b>2006 Median</b>	<b>2005 Median</b>	<b>CHANGE</b>	<b>% CHANGE</b>
<b>State of RHODE ISLAND</b>	2,291	2,888	-597	20.67%	\$286,000	\$290,000	\$(3,800)	-1.31%
<b>NEWPORT COUNTY</b>								
TIVERTON	30	40	-10	-25.00%	\$302,500	\$307,450	\$(4,950)	1.61%
LITTLE COMPTON	4	4	0	0.00%	\$710,200	\$677,500	\$32,700	4.83%
PORTSMOUTH	48	60	-12	-20.00%	\$402,500	\$435,000	\$(32,500)	-7.47%
MIDDLETOWN	36	32	4	-12.50%	\$375,000	\$359,450	\$(84,450)	-18.38%
NEWPORT	36	61	-25	-40.98%	\$494,500	\$490,000	\$4,500	0.92%
JAMESTOWN	17	32	-15	-46.88%	\$550,000	\$576,500	\$(26,500)	-4.60%
<b>SOUTH COUNTY</b>								
EXETER	15	12	3	25.00%	\$405,000	\$418,350	\$(13,350)	-3.19%
HOPKINTON	35	25	10	40.00%	\$315,000	\$325,000	\$(10,000)	-3.08%
RICHMOND	16	45	-29	-64.44%	\$311,000	\$305,000	\$6,000	1.97%
CHARLESTOWN	31	40	-9	-22.50%	\$410,000	\$392,450	\$17,550	-4.47%
WESTERLY	61	73	-12	-16.44%	\$352,500	\$345,000	\$7,500	2.17%
SOUTH KINGSTOWN	90	99	-9	-9.09%	\$375,000	\$390,000	\$(15,000)	-3.85%
NEW SHOREHAM	0	0	0	-	-	-	-	-
NARRAGANSETT	47	69	-22	-31.88%	\$435,000	\$430,000	\$5,000	1.16%
NORTH KINGSTOWN	79	116	-37	-31.90%	\$380,000	\$421,250	\$(41,250)	-9.79%
<b>KENT COUNTY</b>								
EAST GREENWICH	48	75	-9	-15.79%	\$559,500	\$552,500	\$7,000	1.27%
WEST WARWICK	66	337	-16	19.51%	\$234,500	\$242,450	\$(7,950)	-3.28%
WARWICK	302	128	-69	-18.60%	\$245,000	\$250,000	\$(5,000)	-2.00%
COVENTRY	122	160	-38	-23.75%	\$272,250	\$253,750	\$18,500	7.29%
WEST GREENWICH	9	21	-12	-57.14%	\$390,000	\$330,000	\$80,000	18.18%

\*Information is adapted from State-Wide Multiple Listing Service, Inc. Readers are cautioned that the median sales price with half the prices higher and half lower generally reflects the quality and the mix (type and size) of the properties being sold at the time and is not a true measure of home values. *Information deemed reliable, but not guaranteed*

**~~“Mold. . . Out of Sight, Out of Site, Is Mold Out of Mind”~~**  
*Whoever heard of a home not selling because of mold?*

In real estate, have you ever heard of a “mold contingency?” You bet!

Some of us may laugh at the idea of mold entering into a real estate transaction, but today, it is a real issue. Letting moisture exist within a structure leads to the proliferation of mold growth. Mold can present significant health issues when it remains unidentified and subsequently, unaddressed. People who are unusually sensitive to mold or people who experience respiratory problems when they are exposed may become very ill. The results can be deadly!

Anyone involved in real estate needs to understand the mold issue. Prior to any real estate transaction, it is critical to make certain that the home inspection includes testing for the evidence of mold. Unfortunately, however, mold often forms in concealed locations only becoming apparent when the situation has escalated to severe. More detailed tests, specific to mold detection, may become necessary to identify an ongoing mold problem that may not be apparent from a basic inspection. Instruments that read the existence of moisture from seemingly dry surfaces such as walls or flooring can be employed to measure the evidence of and/or severity of the mold.

Although mold exists everywhere, all of the time, it really likes dark, moist areas, such as dirty heating ducts. A leaking roof that has slowly leaked for a long time can create moisture and encourage mold growth. If mold exists, there are protocols that should be followed. Utilizing chemically treated dry sponges or implementing the use of highly pressured dry ice to freeze mold are two alternate, highly effective processes for mold remediation. Both offer viable alternatives to mold remediation versus the most extreme treatment of eradication of affected areas, tearing out of the building materials. The uniqueness of each situation dictates which of these methods would prove most effective.

In the past few years, the effects of large quantities of mold on humans have proved that if gone undetected and untreated, ~~mold may~~ lead to devastating consequences. Today, testing for mold prior to the completion of any real estate transaction is a must! Remember, only “~~mold out of sight, out of site, is mold out of mind!~~”