



David Birka,
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Rochester Real Estate TODAY



Rochester, MN

"Serving Your Best Interest Is My Only Interest!"

Population 103,486

Mortgage interest rates are at 50-year lows

The mortgage interest rate news is outstanding. In one recent week, the average interest rate for a 30-year mortgage was 4.59 percent.

That's lower than your parents and probably your grandparents paid for a home loan. The interest rates are the lowest charged in 50 years.

It makes this a good time to buy a home or to refinance the one you already have.

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Local:

Second quarter sales of single family homes in Rochester were \$109,065,877. This represents a decrease of one percent (\$110,126,759) over second quarter 2009 and a 22 percent (\$133,200,435) decrease over second quarter 2008.

The average home in Rochester sold for \$175,347 during the second quarter of 2009 and the median sale price was \$151,250. There were 622 units sold during the second quarter. The average time on the market was 111 days.

National:

Home prices solidified in the second quarter with more metropolitan areas showing increases from a year ago, aided by the home buyer tax credit, according to the National Association of Realtors®.

They report 100 out of 155 metropolitan statistical areas had higher median existing single-family home prices in comparison second quarter of 2009.

The national median existing single-family price was \$176,900 in the second quarter, up 1.5 percent from \$174,200 in the same period of 2009. Lawrence Yun, NAR chief economist, said, "All year we've been seeing relatively flat national home prices, which appear to be supported by market fundamentals."



Rochester Minnesota Summer Market Watch Second Quarter 2010 (Single Family)

| | |
|-----------------------------|----------------------------|
| Active Rochester NE | 98 Average List \$247,971 |
| Average Market Time NE | 197 Days for Active Homes |
| Closed Rochester NE | 71 Average Sale \$190,169 |
| NE Sale Price to List Price | 96.67% |
| Average Market Time NE | 115 Days for Sold Homes |
| Active Rochester NW | 288 Average List \$208,034 |
| Average Market Time NW | 199 Days for Active Homes |
| Closed Rochester NW | 242 Average Sale \$174,781 |
| NW Sale Price to List Price | 98.40% |
| Average Market Time NW | 92 Days for Sold Homes |
| Active Rochester SE | 136 Average List \$162,572 |
| Average Market Time SE | 197 Days for Active Homes |
| Closed Rochester SE | 77 Average Sale \$137,304 |
| SE Sale Price to List Price | 98.65% |
| Average Market Time SE | 108 Days for Sold Homes |
| Active Rochester SW | 202 Average List \$380,922 |
| Average Market Time SW | 219 Days for Active Homes |
| Closed Rochester SW | 99 Average Sale \$238,488 |
| SW Sale Price to List Price | 97.72% |
| Average Market Time SW | 125 Days for Sold Homes |

Market value is neighborhood specific and must take into consideration several variables, including the unique qualities of the property. Contact Dave for a complete Competitive Market Analysis of your home or investment property. This information is based on data supplied by the SE MN Association of REALTORS, or the Multiple Listing Service, and does not guarantee accuracy. Information does not include listings of brokers who are not Association or MLS members, and unlisted properties.

Staying Well

Bicycle Benefits ... Cycle your way to wellness

Do you think of bicycles as being “just for kids?” Think again. Bicycling provides many benefits to riders of all ages. According to the Pedestrian and Bicycle Information Center (PBIC – www.bicyclinginfo.org), bicycling benefits us in the following areas: health, transportation, environmental/energy, economic, and quality of life. *Let's look at each one:*

1. Health - Too many Americans are overweight or obese. To help America lose weight, experts recommend at least 30 minutes of exercise 4 to 5 days a week. Bicycling is a low-impact aerobic workout that strengthens your legs and knees. And it's fun, especially with family and friends riding alongside.

2. Transportation - Cycling to work or errands saves wear and tear on your vehicle and creates less congestion on the roads.

3. Environmental/Energy

- Bicycles produce no emissions so the more trips you can make on your bike instead of in your car cuts down on pollution. And you provide the energy to move bikes, so using them cuts down on energy use.

4. Economic - Cycling helps your finances by saving money on gas as well as by keeping low mileage on your vehicle so you may be able to keep it longer.

5. Quality of life - Riding bikes is a fun and social activity that families can enjoy together. It's also a wonderful way to get outdoors in the sunshine and fresh air. And it's an activity you can enjoy well into retirement.



What is the New NORMAL in Real Estate?

Aging Baby Boomer will increase as Minnesota households race towards a “New Normal.”

Here are some thoughts:

- Smaller, less maintenance housing units.
- Townhomes/patiohomes and perhaps new variations will become popular.
- More single-family home remodeling to accommodate adult children unable to secure employment opportunities in the “New Normal.”
- Fewer new homes will be constructed as population growth slows and an over abundance of existing homes reduces demand.



More single-family home remodeling.

- Leasing will increase as consumers want less personal responsibility.

• Second homes will see more leasing

• Times shares could be a tremendous alternative for time starved consumers that can't maintain a 'vacation home.'

• Shifting employment centers will also add to the demand for leasing.

- Troubled credit histories will increase the use of Contract for Deeds.

Source: Minnesota Association of REALTORS®



“Say you want to huff and puff and blow a house in ... there's an app for that.”

Quotes

When we recall the past, we usually find that it is the simplest things, not the great occasions, that in retrospect give off the greatest glow of happiness.

Bob Hope, entertainer, actor

If you want to know your past, look into your present circumstances. If you want to know your future, look into your present actions.

Chinese proverb

Mentoring is a brain to pick, an ear to listen, and a push in the right direction.

John Crosby, businessman



A short guide to short sale financing

David works with customers through difficult times, reaching out with information and options to prevent avoidable foreclosures. One possible option, a short sale involves a process and benefits that are often clouded by misconceptions. This Q & A can help readers understand what a seller in a short sale situation needs to know and needs to do.

What is a short sale?

A short sale may allow eligible customers to sell their home for less than the amount owed on the first mortgage. In doing so, customers may be released from their obligation to pay back the first mortgage under its original terms.

How might a short sale help?

A short sale may help customers avoid a foreclosure sale. The mortgage lender or servicer may consider allowing a short sale even if the foreclosure process has already begun.

Does a short sale settle the entire debt?

Customers should consult a tax advisor and a legal advisor about the implications of a short sale. A "deficiency balance" may result, which may still need to be paid when or after the home is sold.

How does someone get started?

Customers facing mortgage payment challenges should contact their lender or servicer to discuss all possible options. It is important to determine if a short sale is the right course of action and whether the mortgage qualifies for a short sale. The investor, the mortgage insurer and any secondary lien holders must also approve a short sale.

What happens next?

If the mortgage qualifies and is approved for a short sale, the lender or servicer works with the customers and their REALTOR to determine an acceptable sales price and allowable timeframe to sell the home.

Get more answers

David can provide additional information about short sales. Please call **507-250-1000**.

Did you know?

Appliances and home electronic, including washers, dryers, refrigerators, computer, TVs and audio equipment are responsible for about 20% of a typical U.S. Home's energy bills.

Source: U.S. Department of Energy

The new generation of home-buyers



Emerging from the recession of the past few years, the most promising force to bring a much-needed boost to the economy may be

the offspring of the baby boomer generation. In fact, some experts estimate that by the year

2015, the "Echo Boomer" generation will account for approximately \$2.45 trillion in annual spending.

Now entering young adulthood, Echo Boomers - also known as Generation Y or Millennials - range in age from 18 to 31 and number five million more than their parental counterparts. The sheer size of this group alone may spearhead the financial recovery. And although recent household growth has been slow, Echo Boomers are now reaching the prime home buying age and may drive a significant increase in housing demand over the long term.

A practical attitude

Echo Boomers have never known a world without computers, cell phones or electronic messaging. Often feeling squeezed for time, they are savvy at using computers and cell phones to help fit in their daily activities. Echo Boomers also believe they are destined to face tough economic challenges in the future. Typically cautious when making large purchases, almost half consider themselves (savers," and about 80% are bargain shoppers that stick within a tight budget"

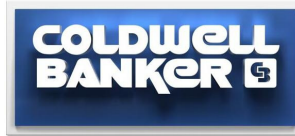
Echo-friendly loan options

With their practical economic outlook, getting a good deal on a home purchase may be a primary goal for Echo Boomers. Smaller homes with stable financing options may be a good fit; and with the recent trend in favor of government financing, Federal Housing Administration (FHA) loans may play a large role in their home financing needs. Echo Boomers graduating from college are facing a tough job market, and those who are lucky may need to settle with lower starting salaries than they had hoped. As a result, some potential homebuyers may not have enough available cash for a down payment or closing costs.

Down payment assistance programs, which can be used in conjunction with FHA loans, may help offset some of the initial costs associated with purchasing a home.



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**Key to future success:
 Learning to read well by fourth grade**

Just 34 percent of fourth graders are reading at an acceptable level in grade four. Only 8 percent are “advanced” readers.

On the surface, it may appear to parents that their children have four more years of grade school in order to become acceptable readers, but new studies show the importance of reading by grade four.

Findings by the Annie E. Casey Foundation, Baltimore, are the first to show that kids are far more likely to drop out of high school if they can’t read pretty well by fourth grade. Unless America dramatically improves the number of kids who can, a growing proportion of the them will live in poverty as adults.

The Foundation contends that the tendency to drop out of high school begins in the early grades when children don’t learn to read. They say dropouts “don’t just happen.”

What can parents do?

- Show that education is important by getting a GED if they didn’t graduate from high school themselves.
- Do all they can to assure that kids attend school every day.
- Show an interest in their children’s reading beginning in first grade. Have them read to you and help them with the words.
- Provide books they like. Let them pick out books at the library or grocery store. Some kids like comic books.
- Don’t let them lose reading skills over the summer. Keep them in practice. Find books they will like to read.