



**Tamela Roche, Realtor®**  
**Representing You. Always.**

## Market Pulse **March 2010**

### How's The Market? *By Tamela Roche, Realtor®*

Cambridge Single Family homes yielded median sale price increase of 1% in 2009 while the median sale price decreased 8% for Multi-Family homes. The median sale price of Condominiums increased slightly from \$414,000 in 2008 to \$415,000 in 2009; despite the total number units and volume decreased; signs of a strong market that maintains or increases median sale price while selling less units or lower dollar volume.

The real story is Cambridge Condo's sold 26 days faster in 2009 than the previous year with an average of 78 days on market. Condominiums represented 80% of all residential properties sold in 2009; with 13% Single Family homes and Multi-Family homes 7% of the total.

**Do values double in ten years?** I just completed my 2010 Residential Market Analysis edition for Cambridge:

<b>Condominium Median Sale Price</b>	
1999 = \$ 269,000	2009 = \$ 415,000
<b>Single Family Median Sale Price</b>	
1999 = \$ 459,500	2009 = \$ 761,250
<b>Multi-Family Median Sale Price</b>	
1999 = \$ 438,500	2009 = \$ 695,000

*Source: MLS Pin 2010*

Median Sale Price is utilized by mortgage underwriters to determine if a market is increasing or decreasing in value, more or less risky for the Lender and higher risk means higher cost for a mortgage loan. I'd be happy to discuss more details about the ten-year analysis if you are interested.

### January 2009 — January 2010

	<u># Sold</u>	<u>Median Price</u>
<b>Condominium SOLD</b>		
Jan 1— Jan 31, 2009	16	\$ 367,500
Jan 1— Jan 31, 2010	27	\$ 463,500
<b>Single Family SOLD</b>		
Jan 1— Jan 31, 2009	2	\$ 411,500
Jan 1— Jan 31, 2010	9	\$ 801,000
<b>Multi-Family SOLD</b>		
Jan 1— Jan 31, 2009	7	\$ 810,000
Jan 1— Jan 31, 2010	4	\$ 567,500

*Source: MLS Pin 2010*

**We do not have enough properties for sale to meet buyer demand!** Ready to make a move? For a market analysis of your home today call me at 617-245-4072.



**Tamela Roche, Realtor®**  
 Coldwell Banker Residential Brokerage  
 1730 Massachusetts Avenue, Cambridge MA 02138

### Home Buyer Incentives 2010

The 2009 Home Buyer Tax Credit is just one motivating factor for homebuyers; several anticipated changes may increase mortgage costs in the coming months.

Mortgage rates are at near historic lows however the Federal Reserve Board's mortgage-backed securities purchase program is set to expire. The Fed already scaled back on purchases the last few months, allowing rates to rise on mortgages. If the Fed purchases stop at the end of the first quarter, rates are anticipated to rise one half percent or more.

The Dept. of Housing and Urban Development ("HUD") changed the cost of a loan guaranteed by Federal Housing Authority (FHA). The cost of upfront mortgage insurance required for FHA insured loans will increase April 5<sup>th</sup>, 2010 by .5%. Currently it is at 1.75% of the loan amount and will increase to 2.25%. For example, a \$200,000 loan amount would be increased by \$1,000.

To qualify for the Home Buyer Tax Credit, purchase and sale agreements must be signed by April 30, 2010; and closing must occur no later than June 30, 2010.

Changes are also anticipated for the maximum amount a seller can contribute toward buyer's closing costs. Currently FHA allows the seller a maximum of 6% of the sale price; expected to reduce to maximum of 3%. HUD has not yet announced a date for this change; a 3% reduction in seller contribution will be a significant impact to homebuyers at closing.

Stay tuned, the anticipated changes rely upon many factors by the Federal Reserve Board, Dept. of Housing and Urban Development, Federal Housing Authority. Contact Kathleen Wentworth, Sr. Mortgage Consultant, Leader Bank, email [kwentworth@leaderbank.com](mailto:kwentworth@leaderbank.com).

The Cambridge Community of Real Estate Professionals cordially invites you to attend...



## Save the Date

**When:** March 5th - 6:30 - 10:30 PM  
**Where:** The Charles Hotel Ballroom  
Parking Available for \$10  
**Admission: \$75 (advance) and \$90 (door)**

Proceeds will benefit **OUR PLACE** Daycare Center for Homeless Children.

Dinner • Live Music • Dancing • Raffle • Live & Silent Auction • Cash Bar

More Details: [www.ccrfoundation.org](http://www.ccrfoundation.org)



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## NEW Smoke Detector Regulations

The Massachusetts Department of Fire Services enacted new regulations **effective April 5, 2010** for installation and maintenance of smoke detectors. The regulation is referred to as 527 CMR 32.00 et. al. and requires the use of two different types of detectors by property owners dependent upon location of the device in the property.

**IONIZATION** In Ionization detectors a constant current runs between two electrodes. Smoke entering detector will interrupt the circuit resulting in an alarm.

**PHOTOELECTRIC** By contrast, photoelectric smoke detectors emit a straight beam of light; but when smoke enters the detector this beam is intercepted with particles of smoke thus triggering the alarm sensor.

The most significant differences between these types of detection are sensitivity and alarm speed. Ionization detects smoke and steam in the same manner resulting in false alarms when for example steam from a shower enters the detector. Photoelectric detectors are less likely to produce a "false alarm" but sensor tends to take more time to trigger the alarm than with ionization.

### PROPERTY TYPES?

- Single Family homes NOT constructed, altered or modified since Jan. 1, 1975.
- Residential buildings under 70 feet tall, containing less than six dwelling units, and that have not been constructed, altered or modified since Jan. 1, 1975.
- Both property types above are required to comply upon sale or transfer after April 5, 2010.

*Homes constructed, altered, modified since Jan. 1, 1975 are subject to provisions of 780 CMR, State Building Code*

### WHAT'S CHANGED?

Two different smoke detector technologies are required depending upon the location:

- Within 20ft of kitchen or bathroom smoke detectors using **ONLY** photo-electric technology.
- Outside this zone detectors using ionization **AND** photoelectric technology must be installed.

Contact Andrew Sheehan of AFA Protective Systems, Inc. at 617-772-5900 x231 for assistance, or your local fire department and/or consult legal counsel to ensure your detectors are compliant for public safety and property liability concerns.

## House Facts

**30** Age of typical first-time home buyer  
 typical repeat home-buyer age = 48

**47%** of homebuyers surveyed in 2009  
 who purchased the first time

**21%** of recent homebuyers were Single  
 Females; 10% were Single Males

*Source: 2009 National Profile of Home Buyers and Sellers*

## How Sure Are You?

Are you insured to value? When was the last time your insurance agent took the time to meet you to discuss the Replacement Cost value of your property and the available coverage options?

There have been many changes in Massachusetts that have impacted not only rates, but also the scope of coverage options available. To review your current commercial or personal insurance program, please call Brooke Kavogian, Principal at GB Kerkorian Partners Insurance Services, LLC at 617-357-7635. Last year Brooke reviewed my current policies and developed and implemented an insurance program tailored to my specific needs. She not only increased my coverage, but also was able to save me money.

Mother Nature's wrath reminds us what can happen beyond our control. We buy insurance to give us peace of mind with expectations we will be made whole in the event of an unforeseen loss. Be sure you have the right coverage to ensure you minimize your exposure.



**SAVE THE DATE**  
**Thursday, April 8<sup>th</sup>**

**Springfest 2010**  
[www.BreakthroughCambridge.org](http://www.BreakthroughCambridge.org)

## Agency Representation Policy

**Selling A Home?** I represent **YOU** as a Listing Agent  
*not the Buyer for your current home.*

**Buying A Home?** I represent **YOU** as a Buyer Agent  
*not the Seller of your new home.*

**I choose not to practice Dual Agency. Why? Ask Me!**



**YOUR VOTE NEEDED !**

[www.change.org](http://www.change.org)

Voting Ends March 12<sup>th</sup>

**Everybody Wins!** is a national children's literacy and mentoring nonprofit that builds skills and love of reading among low-income elementary school students by bringing volunteer mentors into schools for weekly one-on-one reading experiences. I have been a reading mentor since 2006 at Morse School in Cambridge and it is the most rewarding and enjoyable 30 minutes I spend! Everybody Wins! has proposed a national campaign "Read to Kids" as part of Change.org "Ideas for Change in America" and is now one of 60 finalists in the final round of voting.