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Hello, everyone …   1 September 2012

Ochocinco, we hardly knew ya! August was a month filled with memorable happenings, not the least of which was the continued improvement in the local real estate markets. London did a fine job with the Olympics. Diana Nyad gave it another courageous try. I took a few days off as The Gents had a gig in Charlottesville VA (my old, emphasis on *old*, CG Academy rock-n-roll band). And there was a moment of silence for the 35th anniversary on 16 August 1977 of the death of The King, Elvis Presley, assuming of course that he really died. Lastly, we had our first brush with a "tropical disturbance" in 2012 … Isaac whipped through Key West before becoming a full-blown hurricane two days later, drenching New Orleans. We got some rain and gusty winds, but nothing CNN would be impressed with … not that they didn't try.

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Inside this newsletter, there is an interesting graph from the Property Appraiser … the real estate downturn has brought us back to where we *would* have been along the normal appreciation trajectory, as if the "boom" had not occurred. And Fortune predicts that the biggest banks will break-up (and they'll do it voluntarily, because they see the writing-on-the-wall). And remember the Flash Crash of May 6th, 2010? It's still not fully explained, but the book *Dark Pools* comes the closest. The machines have taken over Wall Street.

The real estate activity level is surprisingly high, even if the closed transactions are a kinda mixed bag. Many of the lower-priced distressed properties are moving, which is a good thing. Many buyers are paying cash, which is a great thing, because from where I sit, lenders are being a HUGE obstacle to home sales. And it's silly. After criticism for being too lenient with loose standards during the real estate run-up, it's as if today the lenders are saying "You didn't like me in 2004-05 … well, HOW DO YOU LIKE ME NOW?"

After seeing how Dwight Howard departed the Orlando Magic, there should be no more abuse heaped upon LaBron James about his leaving the Cleveland Cavaliers.

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Money
FOR YOU, YOUR FAMILY, YOUR FUTURE

By Alison Rogers @Money August 9, 2012

What your home is really worth

When it comes to assessing a home's value, real estate agents and homeowners tend to be an optimistic bunch. Appraisers are a different story. They have to predict a realistic value for your home that the bank can use to extend credit to a borrower -- and that number can make or break your sale or refinance. Think like an appraiser to figure out your home's true value. These 5 areas cause the greatest misjudgments:

1. The outside:

(a) What the appraiser sees: Overgrown bushes and chipped paint.
(b) What he does: Slices as much as 3% off the value of an average-size home.
(c) Why: Curb appeal is primary. An unkempt yard is a sign that there may be other issues. A good-looking lawn and bushes imply that you also take care of the internal systems in the house. The more meticulous your neighbors are about grooming, the more your appraiser will downgrade the value of your home. Among nearby properties that are professionally maintained, the one that sticks out like a sore thumb will get a harder adjustment.

2. Basic systems:

(a) The appraiser sees: A brand-new roof.
(b) What he does: Nothing.
(c) Why: Just as a knee replacement won't make you look 20 years younger, a new roof, furnace, or boiler isn't considered an improvement to your home. That said, if your roof is in disrepair, replace it: Signs of leaks or discoloration can knock a significant amount off the home's value. People expect the roof to be in good shape. A new one isn't an added feature, but it will help your chances of a sale.

3. The basement: (JS note: In the FL Keys, you may ignore this one!)

(a) The appraiser sees: A recently finished basement with a half bath.
(b) What he does: Adds about 2% to the value of the home.
(c) Why: Your finished basement adds value -- but don't expect it to count like first-floor space, which could increase your home's value by up to 20%. A below-ground basement normally isn't included in the square footage of the house. The same rule applies to outbuildings like a pool-house, painting shed, or studio.

4. The market:

(a) The appraiser hears: Two nearby homes just went into contract above their asking prices.
(b) What he does: Nothing.
(c) Why: Appraisers are bound by the data of recent comparable **sales**. If you're nervous, delay your appraisal until one of those recently contracted sales closes.

5. A remodel:

(a) The appraiser sees: An expensive, custom-made, built-in entertainment center.
(b) What he does: Makes a *negative* adjustment to the valuation.
(c) Why: Cost doesn't equal value. Renovations that are trendy, or not in keeping with the historical period of the home, are assessed at the cost of ripping them out. Timeless improvements, on the other hand, such as a deep sink or new wooden cabinets in the kitchen, will add value.

Key West Multi-Unit Properties:

These are the Key West Multi-Unit properties that are currently on-the-market FOR SALE, according to the Multiple Listing Service, available to every Realtor.

I've estimated the ROI (Return on Investment) for each property, and also the $-per-Legal-Unit.

A **red box** indicates the property is a short-sale or bank-owned (distressed).

	Asking Price:		ROI:		$/Unit:	
701 Elizabeth:	$1,150,000	Max	1.81%	**duplex**	$575,000	
814 Whitehead:	$535,000	Max	4.91%	**duplex**	$267,500	
1321 South St:	$675,000	Max	3.74%	**duplex**	$337,500	
914 Frances:	$795,000	Max	2.49%	**duplex**	$397,500	
1913 Seidenberg:	$300,000	Max	10.27%	**duplex**	**$150,000**	contract
106-08 Geraldine:	$300,000	Max	15.05%	**duplex**	**$150,000**	contract
809 Fleming:	$749,000	Max	5.77%	**duplex**	$374,500	
2500 Patterson:	$225,000	Max	16.22%	**duplex**	**$112,500**	contract
1320 Angela St:	$349,000	Max	7.80%	**duplex**	**$174,500**	
3314 NorthSide #24a:	$285,500	Max	8.35%	**duplex**	**$142,750**	contract
1106 Pearl:	$435,000	Max	4.91%	**duplex**	$217,500	
1911-13 Patterson:	$415,000	Max	8.85%	**duplex**	$207,500	
1100 Angela:	$1,295,000	Max	2.14%	**duplex**	$647,500	
1022 Washington:	$999,000	Max	6.43%	**3-units**	$333,000	
717 Fort St:	$400,000	Max	6.33%	**3-units**	**$133,333**	
1734 Johnson:	$439,000	Max	4.01%	**3-units**	**$146,333**	contract
226 Julia:	$487,500	Max	8.43%	**3-units**	**$162,500**	contract
1614 Dennis:	$649,000.00	Max	7.62%	**3-units**	$216,333	
611 William:	$1,499,000.00	Max	1.05%	**3-units**	$499,667	
1127 Washington:	$685,000	Max	5.64%	**4-units**	**$171,250**	
1023 Whitehead:	$900,000	Max	10.99%	**4-units**	$225,000	
1119-23 Simonton:	$1,500,000	Max	2.79%	**4-units**	$375,000	
1320-22 Olivia:	$585,000	Max	7.94%	**4-units**	**$146,250**	
530 William St:	$1,645,000	Max	2.47%	**4-units**	$411,250	
400 Simonton:	$1,699,000.00	Max	2.31%	**6 units**	$283,167	
1301 Truman:	$999,000.00	Max	13.38%	**8 units**	**$124,875**	
1401-05 Truman:	$850,000	Max	11.79%	**7 units**	**$121,429**	contract
410 Simonton:	$900,000	Max	8.86%	**5 units**	**$180,000**	

The ROI calculation involves many assumptions … use it as a guide, not a fact. $/Unit is simple division, using the "asking price" as numerator. But, of course, you might make the purchase at LESS than asking price, which lowers the $/Unit even more. High ROI and low $/Unit is a nice combination … which makes 1301 Truman the prize-winner! On paper. But there are lots of other additional factors you would want to consider ☺

Monroe County Property Appraiser

I attended a presentation given by the Monroe County Property Appraiser which I found to be very interesting. I had not anticipated that the Property Appraiser's office was so much into quantitative analysis, but since they collect and deal with so much hard data, maybe I shouldn't have been too surprised. The Property Appraiser used a slide conveying graphically what many in the audience may have suspected was true.

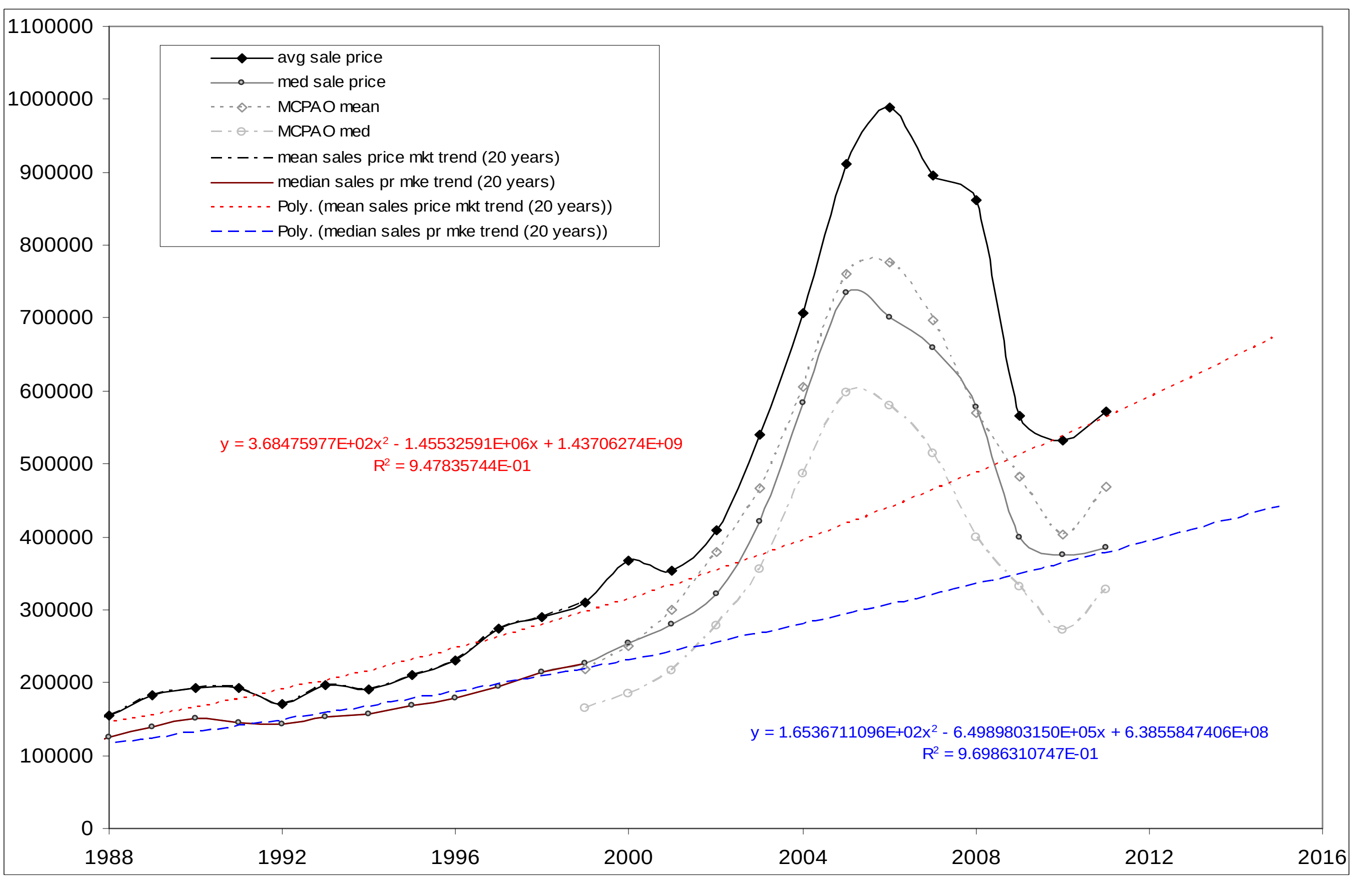
(1) Starting in the late 1980s, real estate appreciation approximated the inflation rate, and that slow growth continued for over a decade.

(2) Starting in about 2003, we experienced the "bubble" and properties appreciated dramatically (and unsustainably) until 2006 when it reached its peak.

(3) Then we experienced the downturn in real estate values which triggered the financial crisis of 2008.

(4) In the last 18 months or so, we *felt* that the market had flattened-out, the bottom was behind us, and property values had started to increase modestly.

Take a look at the Property Appraiser's graph below. There are two smooth curves running from lower-left to middle-right, reflecting normal trajectories … the **red** one is the pre-boom MEDIAN trend line for sales prices, and the **blue** one is the pre-boom AVERAGE trend line for sales prices. The two data-driven curves are the actual MEDIAN and AVERAGE sales data, which clearly show the "bubble", both the run-up and downturn. The two fainter curves are "Just Value" estimates, which are about 15% lower than the actual sales prices.



In terms of sales prices, we appear to be where we *<u>would have been</u>* if the "bubble" had not occurred!

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KONK Life

Hello, everyone … This will be a recurring article each month, intended to convey meaningful information from my "Florida Keys Real Estate" internet show on www.KONKNET.com, every THURs noon-to-1:00 PM. What happened in August?

Thursday #1: My guest today was **Michael Larson**, Managing Broker at Century-21 All Keys and President-Elect of the Key West Association of Realtors. Good news about the local real estate markets! And Michael is looking forward to presiding over KWAR, starting in November. Challenges will include keeping-up-with-technology, a tight budget and an IRS issue which could result in the Association splitting-off from the local Multiple Listing Service. Michael agrees to be our guest several times during his KWAR Presidency!

Thursday #2: My guest today was **Just Me**, your host at the KONK Broadcasting Network show "Florida Keys Real Estate." This is the Thursday I reserved for myself in August … to discuss topics, articles, book reviews, issues, etc., that I addressed in last month's newsletter. I thoroughly enjoyed myself! Feels like I'm cheating somehow (not having a guest), but I did get a LOT of information out there for listeners.

Thursday #3: My guest today was supposed to be **Michael Browning**, owner of Full Moon Consulting, Inc, but we had a surprise instead. Our Station Manager shut the doors for the week because he had a scheduled 3-4 day in-patient procedure in Miami. A "heart-reboot" he called it. It's easier to close the shop for the week than try to run it from a distance. Michael Browning rescheduled for later in October. Good luck, boss!

Thursday #4: My guest today was … a ***planned absence***. Yours truly was on-the-road-again with The Gents, this time in Charlottesville VA (2400 miles roundtrip, transporting my drums). Long-time subscribers will remember The Gents as a CG Academy phenomenon … 1960s rock-n-roll band, now reunited as retirees. We play 3-4 times per year, trying to peak annually at CGA Homecoming for the Reunion Classes who remember us. At the end of September, we will be in New London CT for the Class of 1967's 45th reunion!

Thursday #5: My guest today was **Michael Roberts**, from Monroe County, Environmental Resources. Michael announced that the "FEMA List" will be dissolved. That's the list if of properties that may have protected or endangered species habitat … which restricts the homeowner's options for building. Also, all you wanted to know about mangrove trimming. Lastly, the roadmap for building seawalls and docks in Monroe County. Wealth of information and Michael will be back again!

Three Michaels.
Five Thursdays.
What are the odds?

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<u>My Current BUYERS in the Lower Florida Keys:</u>

September 2012

These are a sample of 5 buyers I am currently working with, in no particular order … what they are searching for, what their concerns are, what issues must be overcome, etc. Some of this may resonate with <u>you</u>, too! It will be a challenge to highlight 5 <u>new</u> buyers each month … but, let's see how it goes. By my calculations, the present inventory of buyers will be exhausted in a few short months, so I'll need a steady pipeline of newbies to replenish the inventory and keep this column going. Anyway, if you are a seller (or know someone who is), maybe one of these buyers would be a good match! I hope you find this interesting, even with identities withheld. If you <u>are</u> one of my buyer-prospects, surely you will recognize yourself!

<u>Buyer #1</u>: A client who recently closed on an attractive Old Town condo is back in the market for an investment property … single-family, duplex, 3-unit or 4-unit. Fixer-upper OK, looking for income production and appreciation potential. An experienced buyer and seller, this client has developed several properties in Key West in the past, and more recently Miami. Price range is flexible, depending on many variables. The major considerations are location, return-on-investment and opportunity for capital gains. This client is decisive and can act quickly, and is probably a cash buyer for the right property.

<u>Buyer #2</u>: I've helped several buyers with VA mortgage loans, and I have gotten connected to a VA lender who sends me referrals from military personnel who are relocating to Key West. I may have received a half-dozen in the last 2 years … still hoping for the first one to make it from introduction-to-closing. I've been close before, but not quite the full monty! This referral is currently living in Virginia and hoping to find a single-family home or condo under $300,000 before the end of October. This client is in the US Navy, and a first-time home buyer.

<u>Buyer #3</u>: The office has a contract with a lead-generation vendor who I've mentioned previously in this space … www.keywesthomelistings.com. I matched-up with a buyer who owns quite a few properties outside of the Florida Keys. He likely needs to sell one of those before committing to a Key West purchase … but he seems to love Key West and wants to own property here seriously. He will be visiting over the Labor Day weekend, so we will meet, investigate the situation and (hopefully) see several properties. He appreciates that this is the time to purchase.

<u>Buyer #4</u>: I have a short-sale listing that has been in limbo for 10 months now, and it still attracts interest from buyers unaware that it is under contract. There is a published author who would love to relocate to Key West, and this property would have been ideal. He wants privacy, loves porches and must have a pool. He is selling another property currently, and he expects that his top price for a cash purchase would be $500,000. A single-family home in Old Town is preferred, does not have to be large, just private with the features an author would desire (quiet, inspiring).

<u>Buyer #5</u>: I have a contact at church who lives in a nice mobile home on Stock Island, waterfront view, neat and clean landscaping. Another unit in his neighborhood suddenly came on-the-market, and he and his mother quickly put together a plan for her to join him in Key West! But no real estate deals happen *that* easily ☹. The property is not suitable, and it requires a cash purchase (banks are not lending on mobile homes). Any other mobile home in the neighborhood might work, especially if it offers seller financing … in the $100,000 range. I sure would like to help out the mother and son!

FORTUNE August 16, 2012 by Moshe Silver, Hedgeye

THREE ugly economic predictions no one wants to hear

The first because we know the money business, though we do not have the proof. The second we are certain will happen – because it has long been the obvious step. The third, because we would do it if we were in charge.

Money laundering: Major US banks will be accused of extensive money laundering activities. Banks in the United States swim in the same polluted waters as their global counterparts, and money laundering is part of the environment.

Global commercial banks process such an immense flow of transactions that it is inescapable that some illicit funds should slip through their risk management nets. Banks will argue that cash is fungible, and it is unrealistic to expect them to trace every dollar to its source. But Congress has the ability to require financial institutions to verify the bona fides of every cent they process. Oh, wait… they already did that, called the USA PATRIOT Act. These steps have actually been implemented. In order for a financial institution to be in compliance with the PATRIOT Act, it must verify all funds transferred in or out.

Note too that risk management costs money. And businesses weigh the cost of not engaging in the activity. What does it cost to hire and support an Anti-Money Laundering (AML) department? How will it affect the volume of legitimate business? What is the likelihood of money laundering being found out? If found, what is the likely cost of the legal settlement? The result of the calculation: money laundering is very good business, and the risks are inconsequential.

Bank break-ups: Banks will break up … not that they will be broken up. The banks will move strategically to divest, spin off and slice and dice their business, by now an overdue business decision. The banks are not merely too big to fail, they are too big to manage efficiently. There is an optimal size to every type of financial institution, and look for a new structure to emerge.

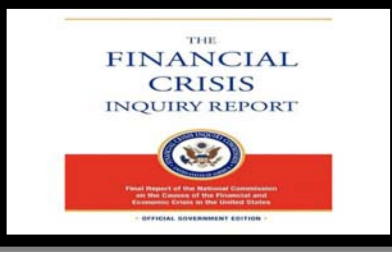
The undermining of public confidence in the financial markets is a compelling point in favor of separating deposit taking from risk taking. The implementation of the Volcker Rule will be unbelievably messy, and smart bankers will make a clean break early. The move will come – all the outrage of Wall Street execs pushing back against a reintroduction of Glass-Steagall is just so much "don't throw me in the briar patch." They will break up their institutions in their own good time, on their own plan. You can't count on Congress to act in the public interest – but when it comes to predictability, you can bet on Wall Street to capitalize on an opportunity.

Dividend cuts: Major corporations will cut their dividends. Bernanke has been given a limited toolkit and instructed to fix what all of Congress and the White House combined cannot even begin to address. Congress's job is to enact responsible fiscal policies, then to empower the Fed to use the reins to keep the horses in the middle of the path.

Corporate America is not dumb. In an environment where the Risk Free investment can allow itself to sell at a negative return, even after allowing its rating to be cut to AA, why should AAA companies knock themselves out to beat the yield on Treasurys? Should corporate America dole out its cash when neither the government nor the banks will? Look at IBM yielding almost 3.5% and ask yourself: "Why?" It will be like getting pickles out of a jar. That first one is so hard to do. But then the rest just keep spilling and spilling and spilling…

Financial Crisis Inquiry Commission

post #17



The Financial Inquiry Commission spent more than a year examining the causes of the financial crisis. It held 19 days of public hearings, interviewed more than 700 witnesses and reviewed millions of pages of documents.

****

Parts I, II and III of the FCIC report have been covered previously. This begins Part IV called "The Unraveling" with nine Chapters focusing on early 2007 through the full-blown crisis of September 2008. This post covers 2008: **The Fall of Bear Stearns**:

Bear Stearns was the smallest of the 5 investment banks. Mortgage securitizations generated 45% of its revenue. Bear Stearns followed the vertical integration model … it originated its own mortgages, turned them into securities and sold them to investors, making money at every step. Bear Stearns said it was "in the moving business, not the storage business", meaning that it provided services to its clients rather than take on long-term exposures of its own.

Bear Stearns expanded its mortgage business despite evidence that the market was faltering. Bear Stearns assumed the softness was temporary. Bear Stearns leverage ratio reached 38-to-1. The SEC had ample information and the authority to require Bear Stearns to decrease leverage and sell mortgage-backed securities. But the SEC did not … believing its job was not to tell the banks how to run their companies.

CEO Jimmy Cayne resigned in January 2008, after having received about $94 million in compensation from 2004 to 2007. Alan Schwartz, who took over as CEO, received $87 million over the same period. Warren Spector, who oversaw the two 2007 failed hedge funds, received over $98 million during the same period.

On March 11, 2008, amid rumors of Bear Stearns' dire situation, the FED announced it would lend to investment banks, setting a new precedent by extending emergency credit to institutions other than commercial banks. In effect, the FED declared its willingness to open its checkbook to institutions it did not regulate and whose financial condition it had never examined. Many investors believed the FED's announcement was aimed at Bear Stearns. Worries about a default quickly mounted.

On March 14, 2008, the FED made a $12.9 billion dollar loan to Bear Stearns. By the end of the day, Bear Stearns was out of cash. On March 16, the FED agreed to purchase $29.97 billion of Bear Stearns assets, to get them off the firm's books. Those assets would be managed by the NY Fed. FED Chairman Ben Bernanke later called the Bear Stearns decision the toughest of the financial crisis. He saw the collapse of Bear Stearns as threatening to freeze the entire repo market, leaving short-term lenders with collateral they would try to dump on the market. Bear Stearns was so immersed in the repo market, its failure would have had damaging implications for other firms.

Bear Stearns failure was due to exposure to risky mortgage assets, reliance on short-term funding and high leverage. Bear Stearns was rescued by a government-assisted purchase by JPMorgan Chase because the government considered it too-interconnected-to-fail. Bear Stearns' failure was in part the result of inadequate supervision by the Securities and Exchange Commission, which did not restrict risky activities and which allowed undue leverage and insufficient liquidity.

DARK POOLS: High-Speed Traders, AI Bandits, and the Threat to the Global Financial System

By **Scott Patterson** (Crown Business Books, 2012)

PhD physicists and electrical engineers have in the last decade turned their attention to Wall Street. They have created a *Blade Runner* world of trading … a world-wide matrix of dazzlingly complex algorithms, interlinked computer hubs the size of football fields, and high octane trading robots guided by the latest advances in Artificial Intelligence (AI). More than 70% of all stock market volume is controlled by high-speed Traders.

The architects do not focus on the securities or the companies being traded … not trading strategies nor money-making schemes, but the "pipes" connecting the various pieces of the market. Knowledge of the market's plumbing had become extremely valuable. This new breed of traders focuses on the plumbing itself, exploiting complex loopholes and quirks like Las Vegas card-counters.

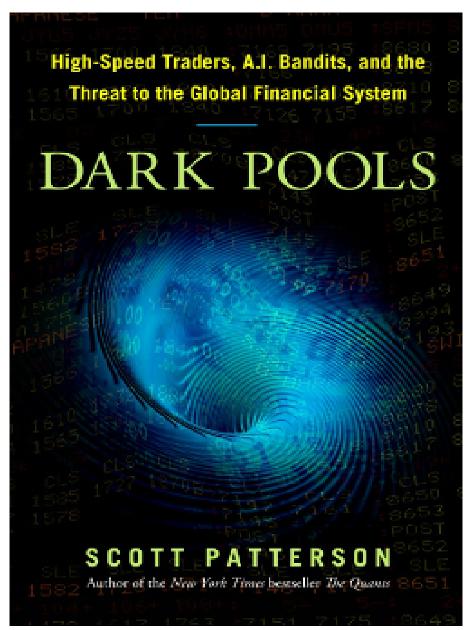
May 6th, 2010 … the so-called Flash Crash. The Dow Jones took an 800-point nose dive in a matter of minutes. The computer-driven market was far more dangerous than anyone had imagined. Since then legions of regular investors had become fed up, convinced that the market had become too complex and volatile to entrust their retirement savings, or just outright *rigged* to the benefit of an elite technorati.

Fast-moving robot trading machines are front-running long-term investors on "lit" exchanges (or pools) like NYSE or NASDAQ … "lit" meaning public, transparent, and slow.

(a) If Fidelity wanted to buy a million shares of IBM, the robots could detect the order and buy IBM shares themselves, driving up the price before the Fidelity trade raised the price even more.
(b) If Fidelity wanted to sell a million shares of IBM, the robots could detect that, too, and would sell first at a relatively higher price, before the Fidelity sale was public information.

This was upsetting to Fidelity and the other big guys … called *whales* on Wall Street. If robots could detect the whales, they would have a very good sense of whether the stock was going to rise or fall in the next minute or even seconds. They could trade ahead of it, or get out of its way. The whales started turning to "dark pools", private markets hidden from most investors. Dark pools allowed the whales to evade the hunter- algorithms who were seeking their intentions through the wizardry of artificial intelligence. But dark pools are unregulated, and their workings are a closely guarded secret. Dark pools were designed and deployed by the quants who hacked the lit market's plumbing. Robot traders quickly infiltrated the dark pools, too.

The quants themselves are worried that they can't close the Pandora's Box opened in the last decade. It's not only the everyday investor who is in the dark, as even the Plumbers are losing the ability to keep track of the manic activity. They are worried that the machines could get into a self-reinforcing feedback loop worse than the Flash Crash. They talk about shock absorbers, circuit breakers and risk metrics, but deep inside, they know it is inevitable.



JSmith note: The average holding period for a DJIA stock these days is about 22 *seconds*! Do you know why the lighted exchanges allow high-frequency trading? Because the traders pay the exchanges for each trade, whether the securities are held for a millisecond or ten years. This is "investing"? This is a very interesting book. And this is not your father's Wall St. Apparently, things have changed.

***Southernmost Stars*:** **1 September 2012** The least expensive properties currently on the market on the island of Key West. Changes from last month are in **blue**!

Ten least expensive Condos or Townhomes in Key West:

Address:	Ask Price:	#beds:	#baths:	Living Sqft:	$/Sqft:	Other:
3312 Northside #206	**$140,000**	**2**	**2**	**856**	**164**	**Short-sale**
1830 Fogarty #2	$149,000	1	1	460	324	Affordable Housing
3312 Northside #204	$158,000	2	1	736	215	Conventional
3029 N Roosevelt #48	$164,900	2	2	800	206	Foreclosure
508 Louisa St #1	$179,000	1	1	214	836	Affordable Housing
3322 Harriet St	**$225,000**	**2**	**1.5**	**1032**	**218**	**Conventional**
1207-09 William #3	$225,000	3	2.5	1183	190	Foreclosure
1419 12th St	**$255,000**	**3**	**2**	**1511**	**169**	**Short-sale**
3300 Duck Ave	**$257,500**	**2**	**2**	**1032**	**250**	**Conventional**
3625 Seaside #25309	**$265,000**	**2**	**2**	**798**	**332**	**Conventional**

Missing from last month: 1830 Fogarty #6 … under contract; 2601 SRoosevelt #317C … under contract; 3675 Seaside #433 … under contract; 105 Golf Club Dr … under contract; 3930 SRoosevelt #E403 … under contract

Ten least expensive **Single-Family Residences** in Key West:

Address:	Ask Price:	#beds:	#baths:	Living Sqft:	$/Sqft:	Other:
1200 6th St	**$245,000**	2	1	740	**331**	Conventional
1209 Margaret St	$249,900	3	1	864	289	Conventional **(cash only)**
1617 Catherine St	**$289,900**	3	1	1301	**223**	Conventional
2434 Linda St	**$290,070**	**3**	**2**	**1476**	**197**	**Foreclosure**
2008 Patterson Ave	$289,000	3	1.5	850	341	Short-sale
1111 Watson #D	**$309,900**	**2**	**1**	**1131**	**274**	**Foreclosure**
2922 Flagler Ave	$325,000	4	2	1488	218	Short-sale
715 Galveston Ln	**$329,500**	**1**	**1**	**532**	**619**	**Conventional**
2016 Patterson Ave	**$339,000**	**1**	**1**	**800**	**424**	**Conventional**
411 Virginia St	**$349,000**	**3**	**3**	**1652**	**211**	**Conventional**

Missing from last month: 1611 Bertha St … under contract; 1121 Watson #2 … under contract; 1305 20th St … under contract; 819 Terry Lane … under contract; 813 Eaton-rear … verbal contract

50% of last month's STARS are under contract! And the newbies have raised the ceiling necessary to fit under the "10 least expensive" headlines. Prices up, availability down. That's a very good sign!

Least expensive does not necessarily mean *best value*. That is determined subjectively by factoring-in other variables like appreciation potential, amenities, special features, location, condition, age, style, appeal, etc.

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