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In This Edition

Focus on Investment Properties



Rental Yields within the Greater Phoenix Area

Below is a chart comparing purchase prices and rental yields for homes in different areas around Phoenix. All homes were sold or rented in 2013 and were built in 1995 or later.

Area	Price per sf	Rent per sf	Annual rent as % of purchase price
Waddell	\$63.54	\$0.49	9.25%
Glendale	\$94.52	\$0.72	9.14%
Avondale	\$73.69	\$0.56	9.11%
North Phoenix	\$107.17	\$0.77	8.62%
Peoria	\$104.26	\$0.74	8.51%
Goodyear	\$94.71	\$0.63	7.98%
Mesa	\$106.04	\$0.70	7.89%
Litchfield Park	\$89.90	\$0.59	7.87%
Gilbert	\$109.86	\$0.71	7.75%
Surprise	\$87.42	\$0.56	7.68%
Chandler	\$116	\$0.74	7.66%
Anthem	\$105.63	\$0.66	7.49%

Home prices in the GPA have been increasing over the last 18 months and rental rates have only increased slightly therefore capitalization rates (defined as net income divided by purchase price) have also dropped. A reasonable expectation is currently to be able to find newer homes in good neighbourhoods with cap rates of 4-6% which is certainly better than most Canadian cities where home prices may have peaked and be facing a correction and positive cash flow is difficult to achieve.

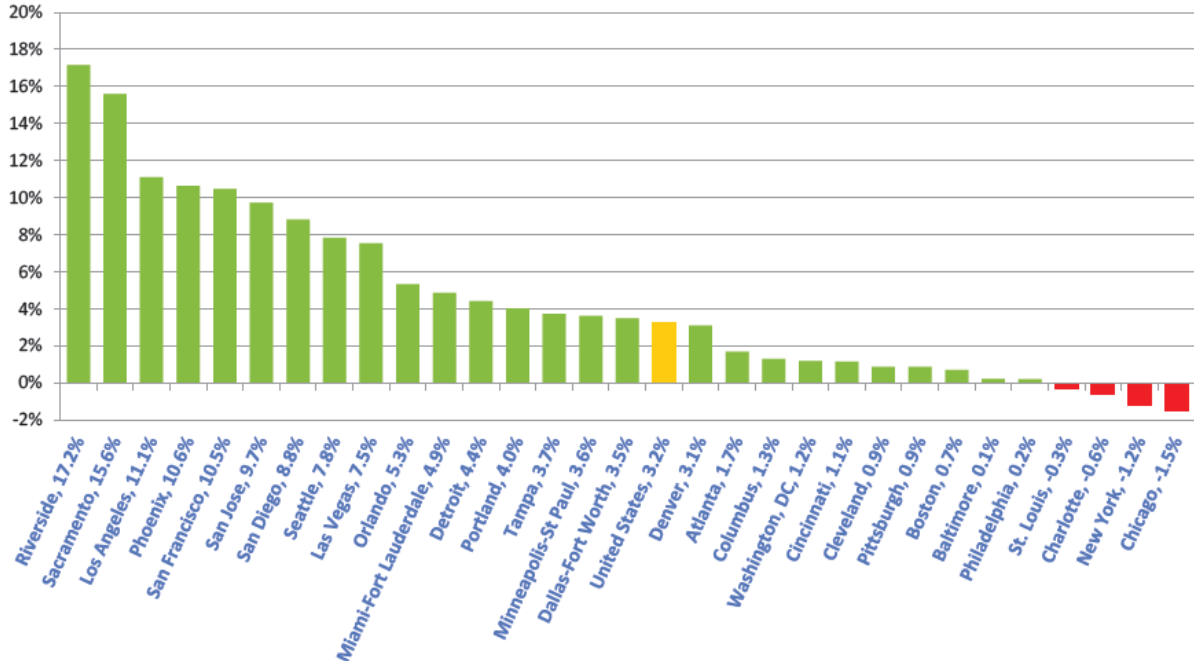
The average sales price of \$118 per sf is up from \$98 per sf last year at this time but is only 62% of the peak of the \$190 per sf which we saw here in 2006.

Zillow has come out with their latest Home Value Forecast and are forecasting that home values in the Greater Phoenix area will rise 10.6% for the period March 2013 until March 2014.

The chart below provides a comparison of the various U.S. cities in the forecast.

Zillow March 2014 Housing Outlook

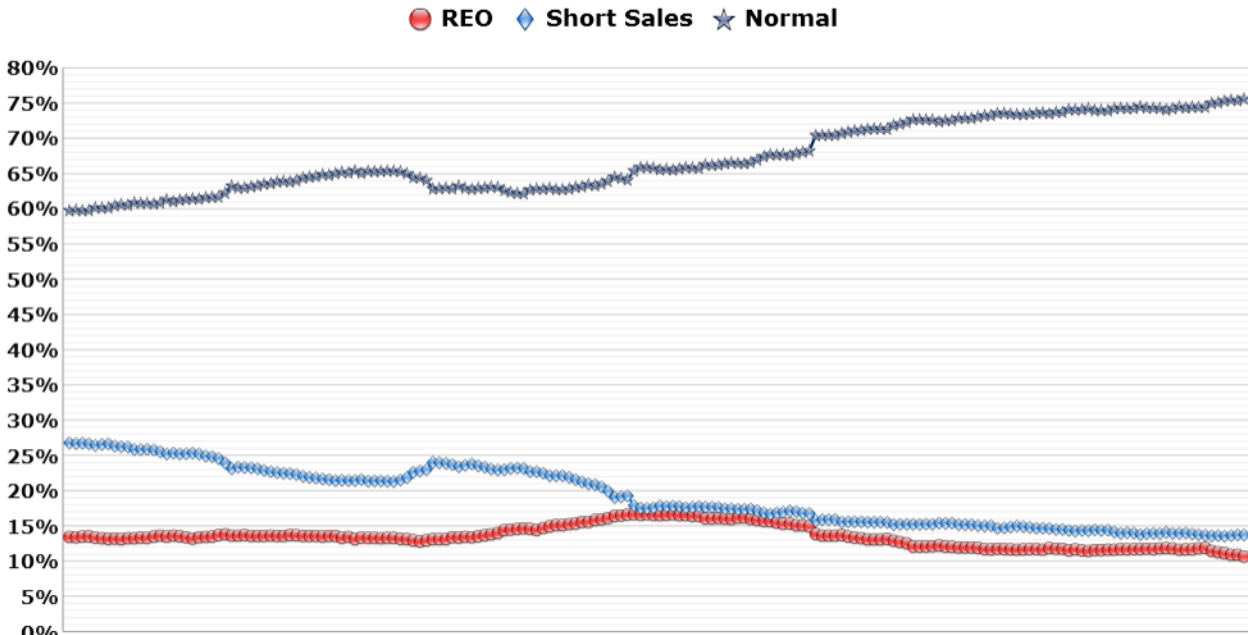
Zillow Home Value Forecast



The Zillow Home Value Forecast uses data from past home value trends and current market conditions, including leading indicators like home sales, months of housing inventory supply and unemployment, to predict home values over the next 12 months for the nation and over 250 markets.

What has been causing prices to rise is the reduction in Bank Owned (REO) properties and Short Sales in the market. Where combined they represented about 70% of sales three years ago, today they represent less than 25%.

Print Monthly Sales - Special Listing Conditions - Six Month View May 6, 2013



Greater Phoenix - ARMLS Residential Resale - Measured Daily
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A very important indicator of where home values may be heading is job growth. The GPA currently has the 8th fastest growing job market in the U.S. and along with Tampa and Atlanta has the most affordable housing in the top 10 cities in the list below.

Metropolitan Statistical Areas (MSA's) with over 1,000,000 employees

Total Nonfarm: March 2013 over March 2012

(26 MSA's reporting out of 428 total)

Region	Rank 2013	% Change	Rank 2012	% Change	Job Growth	Thousands of Jobs	
						# Jobs 2013	# Jobs 2012
Texas							
Houston-Baytown-Sugar Land	1	3.85	1	3.70	102.30	2,762.50	2,660.20
Dallas-Fort Worth-Arlington	2	3.39	6	2.71	101.00	3,078.90	2,977.90
Florida							
Tampa-St. Petersburg-Clearwater	3	3.11	10	2.25	35.90	1,190.70	1,154.80
California							
San Francisco-Oakland-Fremont	4	2.78	3	2.98	54.00	1,999.30	1,945.30
San Diego-Carlsbad-San Marcos	5	2.62	24	1.24	32.60	1,275.10	1,242.50
Colorado							
Denver-Aurora	6	2.41	5	2.73	29.50	1,253.50	1,224.00
Georgia							
Atlanta-Sandy Springs-Marietta	7	2.37	22	1.39	55.20	2,381.20	2,326.00
Arizona							
Phoenix-Mesa-Scottsdale	8	2.34	8	2.48	41.10	1,800.30	1,759.20
Washington							
Seattle-Tacoma-Bellevue	9	2.31	9	2.47	39.00	1,725.60	1,686.60
California							
Los Angeles-Long Beach-Santa	10	2.22	20	1.43	116.00	5,344.10	5,228.10

In addition to Phoenix, many investors are now looking to other areas to diversify their holdings as well as take advantage of the high CAP rates being realized.

Atlanta, Georgia

We have looked into other areas for our investor clients and chosen Atlanta as a city which we feel offers excellent investment opportunities with strong positive cash flow and growth potential in the single family home and small multi-unit residential markets. Atlanta is not as far along as Phoenix in terms of foreclosed properties and therefore bank owned properties still dominate the market there and have kept prices lower. As a result, CAP rates of 10-12% are very achievable with the promise of home price appreciation further on down the line.

We were quite impressed after having toured some of the suburbs in the Atlanta area and previewed several rental properties there that have been fully renovated and some with long term tenants in them.

[Follow this link to see a list of the available properties](#)

Steps in the Buying Process

- Determine primary use for the home
- Arrange financing
- Determine price range
- Determine best locations and amenities desired
- Get set up on a listing search
- Plan trip to view homes (2-3 days minimum)
- Write a Purchase Offer
- Negotiate and Write Counter Offers
- Open Escrow with Title Company
- Wire Earnest Money Deposit
- Setup U.S. bank account
- Home Inspection/ Issue Request for Repairs
- Order Homeowner's Insurance Policy
- Wire closing funds
- Close Escrow
- Set up home
- Contract for Property Management if appropriate

Services we provide our Canadian clients

- Specialists in buying and selling vacation homes
- Investment properties – Rental and Lease Option
- Trustee Auction services
- Property Management
- Financing for Canadians
- Cross Border Tax and Estate Planning
- Home and Auto Insurance
- House sitting services
- Lawn and Pool services
- Home renovation
- Listing services

We have been featured in major media stories in Canada in the Toronto Star, Globe & Mail, CBC National News, CTV, Canadian Real Estate Magazine, The Business News Network and in the U.S. on Fox News, NPR Radio, USA Today and The Arizona Republic.