

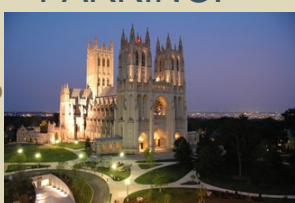
Rachel Valentino, President/Managing Partner  
The Atlantic Coast Connection LLC



- **Realtor in DC, MD & VA**
- **A Top Producer at DC's #1 Real Estate Office**

## \$297,000 -- GLOVER PARK + PARKING!

1 BR + Parking in Glover Park for \$297K. It's spacious 537 SF layout works well for the first-time homebuyer looking to get into a great neighborhood for a good price. Bright Natural Lighting, Beautiful Hardwoods, Gas Cooking, Washer + Dryer, Meticulous & a Deeded Parking Space! Low \$202 Condo fee includes cable! [View Virtual Tour!](#)



## Jumping the Gun with Assumptions?

Young professionals all over DC have come to Rachel and found out that buying their first condo isn't unrealistic! Under the DC Tax Abatement Program, you can buy your first condo and **not pay ANY property taxes for five-years!** You are also exempt from paying the 1.1% Recordation Tax AND receive a 1.1% credit from the seller(s)!

*Ex: \$320K Condo, no taxes for 5 years (approx. \$12,500 savings), exempt from the 1.1% recordation tax (\$3,520) AND receive a credit of \$3,520 from the seller!*

**Don't assume renting is the only option or that you don't make enough to own your own place!**

## Foreclosure:

Good Deal or Mine Field?

All over the country, foreclosures are on the rise...even in DC, where this type of market is minimal, the media is still hyping a "Housing Doom & Gloom Part IV". Due to the topic's popularity in the national press, more and more buyers inquire about getting their hands in the pot. Everyone seems convinced they will steal a great bargain, but is it really too good to be true?

Yes, sometimes it is. While you MIGHT get a bargain, there are many things you should know first, especially if you are convinced that a foreclosure is what you want:

**#1) Don't expect sympathy.** Many foreclosed properties are owned by companies that are in a different state, different time zone, and are handled by an office where it is one of a thousand. There is no compassion in negotiations. While the sale is often handled by a local agent, the price is set by the bank. They don't want to hear an amount much less than full price.

**#2) Don't count on the kitchen sink.** Be prepared to roll up your sleeves and get to work. While there may be a foreclosure in great condition, I have never seen one. Be prepped to pay out big bucks for repairs since you won't have any control over the previous owner, who is usually furious about their financial predicament. Since the bank sells the property "as-is". there is no stopping this 'owner' from destruction and/or raiding.

**#3) Slow? You have no idea.** As stated earlier, the person who accepts and signs a contract on behalf of the bank is a "busy" person and not usually local. Unlike a normal seller/owner, the bank will get back to you "soon".

**#4) Read it and read it again.** Beware of the contract addendum, which will insist on giving the bank every protection possible. If the property is held by a lending institution, they won't (and can't in most locations) require you to use them for the final loan, but they certainly want to ensure that they can pre-approve and fund the loan, if needed. Forget about making any attempt to alter the contract language -- your efforts will be dismissed.

If you are up for some work and willing to try your patience, a foreclosure may be a good idea. It can also be a mine field for the inexperienced buyer. Remember, it wouldn't be in foreclosure if it were a premier site owned by a responsible buyer. Sometimes the true realization is that there are no real bargains. Usually trashed by the time it gets to auction, these cheap properties will require some vision, work, and a great deal of patience! Be prepared and working with a trusted expert.

Hope. Desire. **Expect. Accomplish.**

Rachel

## PROPERTIES UNDER CONTRACT...

#211 @ The Takoma - 111 Lee Avenue, Silver Spring

#503 @ Lofts 11 - 1125 11th St. NW, WDC

#336 @ The Allegro - 3460 14th St. NW, WDC

#521 @ Dupont East -1545 18th St. NW, WDC

#408 @ Dupont East -1545 18th St. NW, WDC

2807 Channing Street NE, WDC

September 2007

## Managing a Market in Transition

Have brakes been applied to the real estate market in Washington? Without doubt, the answer is yes. Every agent has a different stance on the topic, but no one can deny that the grand boom is no longer.

Can I predict what the market will be doing by New Year's? No one can, but the best defense in this market is education. In Minsky's 1982 book, "Can It Happen Again?", he described the 7 stages of a financial bubble, which applies to almost every bust in the history of financial cycles. Let's look at the two most pertinent stages of his theory and its application to the current DC housing market.

Remember -- where there is risk, there is increased opportunity!

### Stage 6: The Doubt Begins.

Amateurs now hate their asset. They start to dump it as prices fall and banks stop lending. Panic accelerates. The boom is officially a bust. At this time, controls might be installed to slow the fall and if the tumble continues, people begin looking for a lender of last resort. This is often the central bank.

Here's the good news: at this stage, the professional investors wake from their slumber and gain renewed excitement. They're like a hibernating bear who wakes after a long sleep and finds a row of garbage cans, filled with cavier and expensive champagne from the party the night before, positioned right outside their den.

Cash in hand, this is the time when the very skilled investors roll in.

### Stage 7: Winners Emerge.

Invest, but do more as a hibernating bear, waiting for times like today -- aka the party's end. As Warren Buffett says, "We simply attempt to be fearful when others are greedy, and to be greedy only when others are fearful."

Instead of asking, "Is it a bubble or bust?" it's more financially intelligent to ask, "What stage are we in?" Then, decide if you should be fearful, greedy, or hibernating.



Distinctive Service. Impeccable Execution