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ALLEN PARK SALES REPORT FOR 2009

2009 was an incredible year for Real Estate. Bank Foreclosures flooded the market as one house in every thirty-eight slipped down that dark path in Michigan. My heart ached for all the former occupants as I walked through each disaster. Opening padlocks on filthy beat up doors and walking into ice-cold houses, with no utilities turned on, made selling Real Estate an endurance test. Many agents simply dropped out of the business because it had turned into hard work. Some further shocking statistics: 118,302 homes went into foreclosure in Michigan last year (we ranked 8th in the nation at 2.6%). Could there be a worse place to sell Real Estate? Try Nevada at 10.2%, Arizona at 6.1% or Florida at 5.9%. Those numbers make Michigan look golden. For the past 5-8 years, I have been watching banks make loans to people who couldn't even save up for a down payment. Desperate Lenders concocted ridiculous schemes like Interest Only Loans, Adjustable Rate Loans and No Documentation loans to get buyers into homes they couldn't afford. Appraisers went along for the ride and made deals work by inflating values for new and refinanced loans. Greedy banks and Wall Street made trillions of dollars and now our country is suffering for it. It amazed me how fast our fearless leaders jumped in to bail them all out too.

349 homes sold in Allen Park last year (9th place in the last 24 years). Average sales price was \$73,680.00 for all the homes sold (1990-91 levels), including all foreclosed homes. If you pull out the foreclosures and just count the private

owned homes in decent condition, the average price jumps up to \$93,449.00(1995 levels). Calculate 12,000 homes in Allen Park multiplied by \$50,000.00(minimum) in lost equity. The loss adds up to \$600,000,000.00(SIX-HUNDRED MILLION). I had to figure this one out on paper because my calculator choked on such a big number. Multiply that number by how many cities are in Michigan and then multiply that number by 50 States and, well, you see where I am going. They haven't even made up a number that big yet. All the businesses attached to buying a home have also taken a big hit, like Title Companies, Home inspectors, retail stores selling home improvement materials and furniture, carpet etc. Our economy depended on folks being able to use the equity in their houses to buy, buy, buy and the wolf is now howling in the darkness. **NO OTHER BUSINESS AFFECTS OUR ECONOMY GREATER THAN REAL ESTATE.**

Peak price level was in 2005 when we hit \$150,392.00 (see chart on next page). Highest number of sales was in 1998 with 380 homes closing that year. Good news is that sales prices have stopped going down and have remained stable for the past six months or so. Interest rates have been decent and the Federal Tax Credit has helped spur on sales. The Auto industry is starting to look better as layoffs slow down and the industry hits proper employment levels. Things were way worse in the thirties and the fifties and we will see improvement soon.

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When we pull out of this, I hope that many folks will have learned some valuable lessons. Live within your means. Handle your money conservatively. Get fixed rate loans and never re-finance to pay off other debts. Save for a rainy day, because you cannot make plans for the future any longer. Make do with what you have. Learn the difference between Wants and Needs. Food, Clothing and Shelter are Needs.

52" flat-screen Televisions and fancy cell phones are Wants. Eat at home more often. Take more walks together. Turn off the television. Read a book. Pet your neighbor's dog. Volunteer somewhere. Go to a high school sports event and cheer your real hometown team. Most importantly, be Thankful for every day.

ALLEN PARK SALES RESULTS

YEAR	# SOLD	RANK	AVERAGE SALES PRICE	PRICE CHANGE
1986	288	19	\$52,511.00	
1987	374	3	\$56,350.00	+3,839
1988	314	15	\$62,769.00	+6,419
1989	297	18	\$68,729.00	+5,960
1990	283	20	\$72,837.00	+4,108
1991	260	22	\$75,510.00	+2,673
1992	269	21	\$81,338.00	+5,828
1993	313	16	\$77,532.00	-3,806
1994	362	4	\$85,144.00	+7,612
1995	341	10	\$93,253.00	+8,109
1996	316	13	\$99,450.00	+6,197
1997	353	8	\$102,502.00	+3,052
1998	380	1	\$111,502.00	+9,000
1999	356	7	\$120,529.00	+9,027
2000	375	2	\$130,205.00	+9,676
2001	315	14	\$139,070.00	+8,865
2002	319	12	\$141,765.00	+2,695
2003	359	5	\$146,068.00	+4,303
2004	357	6	\$148,732.00	+2,664
2005	330	11	\$150,392.00	+1,660
2006	251	23	\$138,681.00	-11,711
2007	246	24	\$127,360.00	-11,321
2008	310	17	\$103,691.00	-23,669
2009	349	9	\$73,680.00	-30,011



ALLEN PARK - PLEASANT PAST, BRIGHT FUTURE



Let's take a little glance back in time...a simpler time...a much leaner time...as we were barely starting to recover from our great depression and not yet enmeshed in what would be World War II. Allen Park had only been a small Village for 11 years. Most streets were peppered with vacant lots, many of which had baseball diamonds worn into the weedy ground. The beautiful two-story Colonial, featured this month, was built in 1938 and still sits proudly on Philomene Street between Cortland and Winona today. This strong home boasted an air-lock entry foyer, which led to a comfortable sized living room with a natural fireplace as the main focal point. Hardwood floors and wet plaster construction gave the home a sense of permanence. A classic formal dining room complemented the adjacent, practical sized kitchen. Taking a walk upstairs, you would be welcomed by three bedrooms and a full ceramic tiled bath. Outside, the 20x20 frame garage waited to protect your vehicle and all of your other treasures. In the second picture, you can observe a young boy in woolen short pants, which was the style of the day (Pants way off the ground). Further down the block, you can see the large vacant field where Sudman School would appear and disappear with the passage of time. Today, it is a pleasant park populated with

young mothers and fathers guarding their children at play while the thump-thump of a teenager's basketball game drums in the background. In this photo, just beyond that park, is my old friend Ken Lieber's (Lieber Corporation Realtors) domicile.

Typical of the day, the sidewalks preceded the streets by at least 10 years. Sidewalks were installed in the twenties, and then the depression halted most development. Allen Park looked like a skeleton from the sky with sidewalks, dirt roads and open gutters alongside the roads. During the next twenty years, most of the meat would be added to those old bones, creating the City that we love so much. Way in the back of the bottom photo is a large stand of hazy hardwoods that is now called Taylor today.

If you have any photos of the old days, please give me a call so I can get a copy made and share it with everyone. I will then forward the material to the Historical Museum for preservation. If you would like to visit the Museum sometime, it is on the corner of Park and Englewood across from Angelica Lutheran Church and is open Wednesday afternoons 1:30-4:30. You can pick up a copy of the fantastic book of photos of Allen Park, or a T-shirt featuring our famous Big Tire, along with other swag.

LOOKING BACK AT 1938

Average cost of a car: \$700.00

House: \$6,400.00

Milk: \$.50/gallon

Average annual salary: \$1,700.00

1st appearance of Superman in Action comics

Red Ryder BB Gun introduced ("You can put your eye out with that thing").

FDR was President

Best Actor: Spencer Tracy/Boys Town

Gas: \$.20/gallon

Bread: \$.09/loaf

1st Class Stamp: \$.03

Nylon invented by DuPont

War of the Worlds broadcast by Orson Wells

USA Population: 129,824,939

Oil was discovered in Saudi Arabia

Best Actress: Bette Davis/Jezebel

IMPORTANT ANNOUNCEMENT

\$8,000.00 First Time Home Buyers Tax Credit has been extended to 4/30/2010. Purchase agreement must be signed by 4/30/2010 and close by 6/30/2010. Also, a new additional credit of \$6,500.00 for people selling current home and buying a new one has been added to this tax credit. Same deadlines apply. Call me if you have any questions, or would like a list of properties for sale. NOW IS THE TIME TO BUY!!!

EMPLOYMENT OPPORTUNITIES

- 1) I am looking for a Licensed Personal Assistant. Real Estate License is required. Hourly wage is negotiable. Flexible hours.
- 2) Hiring experienced agents to do floor time, work with Buyers and List property for sale. Real Estate License required. Minimum of 50 closed transactions within the past 5 years. Generous commission splits. Private office. Free Internet.

**Give me a call if you are interested in either of these opportunities.
Lynn Ketelhut-Park Avenue Realty-313-382-2300**



You can count on me!

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