



Five Things You Don't Know About Park Cities Real Estate

By Marcus McCue of Guardian Mortgage Company

Think you know everything there is to know about the Park Cities? We were astonished to learn recently in the Dallas Morning News (March 1, 2012) that Park Cities prices were up 25% in January from the year before – double the 12% price jump in North Dallas. We sat down with REALTOR[®] Terri Patrick Cox of Allie Beth Allman & Associates and asked her for some insider's perspective from her 22+ years of selling in the Park Cities.

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What we learned is that not only is the Park Cities (comprised of Highland Park & University Park) still the hottest neighborhood in the area, but it holds some surprises as well. If you are looking to move into the Park Cities or if you are already a happy citizen, you may find this useful for your next real estate transaction:

- 1. Taxes are lower in the Park Cities than in Dallas –** "Park Cities has its own police force, emergency services and a highly acclaimed school district, so people automatically assume that taxes will be higher here," says Cox. "In fact, the opposite is true. When comparing homes between Dallas and Park Cities, the taxes can make a noticeable difference even if the initial out-of-pocket costs of the two homes are roughly the same. Most homeowners would rather pay more for the house, which is an investment than the taxes, which aren't. On a typical \$1.4 million house, you are looking at a tax difference of approximately \$10,000 dollars per year."
- 2. Houses for sale? You'll Never Know –** "Many homes in the Park Cities are sold before they go on the open market," says Cox. "These 'hip-pocket' deals are the rule rather than the exception here and looking at MLS listings won't give you a true overall picture of the marketplace. You need an inside edge to find out about these deals."
- 3. Fiercely Competitive –** Be prepared to be up against multiple offers when buying a property in the Park Cities. "We have seen a terrific increase in sales this year with an increase of over 19% in February from the same time last year," notes Cox. "Properties that are priced well and in sought-after locations, are selling quickly and with multiple offers."

4. **Pay Dirt!** – “Lots and potential “tear-down” properties are the some of the hottest real estate transactions right now,” notes Cox. On a recent lot deal for example, I had three offers the first day and the lot is closing for above asking price – this is quite common.”

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5. **You Can Get a Loan** – “For a while it was hard to get a Jumbo loan for high-end homes or not worth it financially for the borrower. Those days are gone! With rates at historic lows, many of my clients are refinancing their homes and/or buying more property in the Park Cities,” said Cox. “You can’t get loan rates this low for anything else so it makes sense to leverage money this way.” As of March 19, rates are around 5.00% for 30-Year Fixed Jumbo Loans over \$1.0 million - if you have a mid-credit score of over 740, a 25% down payment and over 12 months of the total monthly payment in cash reserves. If the total loan amount will be \$700,000 or less, a Park Cities borrower may opt for the maximum Conforming Loan of \$417,000, at a rate around 4.000% for the 30-Year Fixed, with a second lien loan for the remaining \$283,000, at a rate of 6.25% on a 15-Year Fixed. This two-purchase loan structure allows the borrower to secure the lower Conforming rates on the primary mortgage and have a blended rate of 4.91% on the total amount borrowed.

Park Cities Fun Facts :

There are 16 Parks in the Park Cities (not including the tennis courts and pools). Certainly, these parks and green spaces contribute to the long-term value of area homes as many front a park or are within a short walk of a park. This serves to enhance the small town feel that attracts so many to the Park Cities.

It is also fun to note that even the streets are numbered differently in the Park Cities than in Dallas. In the Park Cities the even numbers are on the North Side of the street and the odd are on the South side. The opposite is true in Dallas.

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Terri Patrick Cox, Senior Vice President ABR, Historic Home Specialist for Allie Beth Allman & Associates. 972-841-3838. <http://www.terricox.com>. Cox has served the Park Cities, Lakewood, Preston Hollow and North Dallas areas of the Metroplex for over 20 years and she was recently recognized by D Magazine as one the area’s Top Producers. Her company had its biggest year ever in 2011 and sold over 50% of all homes over \$1 million in Dallas County, not just the Park Cities.

