

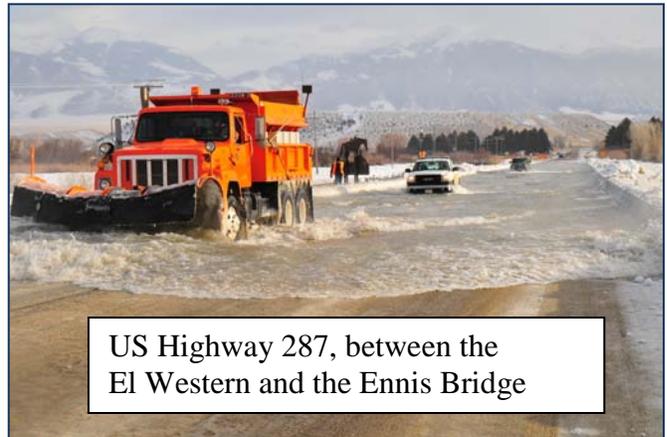
# THE STRAIGHT SHOOTER



## NEWS of ENNIS and the MADISON VALLEY, MONTANA for the month of JANUARY 2011

*Trout live in nice neighborhoods.*

➤ **ENNIS AND MADISON VALLEY “HAPPENINGS”** → January was pretty quiet in the valley as far as social and community events, but the really BIG NEWS was the Madison River Gorge and flooding. Ice gorging in the Madison River near Ennis pushed water into overflow channels east of the river. One of the overflow channels flooded U.S. Highway 287. Residents along Second and Third Streets were notified to be prepared for the river to rise rapidly if the cold weather persisted. For emergency updates, go to [www.madison.homestead.com/](http://www.madison.homestead.com/). For those who don't know how or why the Madison River “gorges,” it is a pretty fascinating phenomenon that generates lots of curiosity. But the simple answer is that whenever super-cooled water ceases to flow, it will freeze. There is a good article and some great photos in this 2007 gorge report from the River Stone Gallery (next door to our office). <http://riverstonegallery.com/info/ennis-doings/madison-river-gorge/>.



US Highway 287, between the El Western and the Ennis Bridge

➤ **FEBRUARY EVENTS** → Skiing in Big Sky, snow mobiling and cross country skiing in Yellowstone Park are always great outdoor activities for this time of year. For the more indoor-types, there are many new Adult Ed courses to choose from at the Ennis High School plus on-going community organization meetings. → You can always take in a Grazing Seminar hosted by the Madison Conservation District, the Madison Valley Ranchlands Group and the MVRG Weed committee.

➤ **HUNTING REPORT** → Montana FWP is proposing changes to the 2011 elk season in the Madison Valley, due to weather and poor hunter conduct. Read the whole story in the Madisonian, at <http://www.madisoniannews.com/2011/01/working-group-fwp-propose-changes-to-2011-elk-season-in-madison-valley>.



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- **FISHING REPORT**→ For you adventurous “die-hards,” the Madison River Fishing Company reports, “It’s been pretty tough to get out and get any real fishing time in here lately. It’s been cold, windy and generally fairly uncomfortable out there. The river is gorged up to somewhere just short of Varney. Your best bet is probably the Slide, Raynolds or 3 Dollar...just make sure you pick your day well...or you’re really, really tough.” ... **check out additional fishing reports at:**



- ✚ Kelly Galloup’s Slide Inn, <http://www.slideinn.com/blog/category/fishing-report/>.
- ✚ Dan Delekta’s report at <http://beartoothflyfishing.com/flyfishingreports/uppermadisonriver.htm>.
- ✚ The Tackle Shop’s Orvis report at [http://www.orvis.com/fishing\\_report.aspx?locationid=5974](http://www.orvis.com/fishing_report.aspx?locationid=5974)
- ✚ The Madison Valley Ranch at <http://www.madisonvalleyranch.com/blog/>
- ✚ Madison River Fishing Company at: <http://www.mrfc.com/MadisonRiverMontanaFishing/MadisonRiverReport.aspx>.

- **WEATHER**→ January continued the cold spell long enough to cause the Madison River to gorge which lead to flooding from the ice-jammed river. It caused a lot of excitement in the valley and was fun to see, unless you were a victim of the cold or ice. Read a full story of the Madison River Gorge in my blog at <http://ennismontanahomesandland.blogspot.com>. The statistics show January temperatures in Ennis as: a high of **49°** and a low of **-11°**, with an average high of 33° and an average low of 15°. Wind speeds averaged **12.8 mph**. Our recorded **January** precipitation totaled **.49 inches**.



- **REAL ESTATE TIPS** → **Facts About Residential Real Estate Appraisals**

Appraisals are an important part of your home buying transaction - even more so in this market, where foreclosures and short sales are affecting comparable analysis. A real estate appraisal helps to establish a property's market value—the likely sales price it would bring if offered in an open and competitive real estate market. Your lender will require an appraisal when you ask to use a home or other real estate as security for a loan, because it wants to make sure that the property will sell for at least the amount of money it is lending.

Don't confuse a comparative market analysis, or CMA, with an appraisal. Real estate agents use CMAs to help home sellers determine a realistic asking price. Experienced agents often come very close to an appraisal price with their CMAs, but an appraiser's report is much more detailed--and is the only valuation report a bank will consider when deciding whether or not to lend the money.

### **About Appraisers and Appraisals**

- Appraisers are licensed by individual states after completing coursework and internship hours that familiarize them with their real estate markets.
- The lender might use an appraiser on its staff, or contract with an independent appraiser. If you are allowed to choose the appraiser, and it isn't someone the lender is familiar with, the results might be subject to review before they are accepted.

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- The appraiser should be an objective third party, someone who has no financial or other connection to any person involved in the transaction.
- The property being appraised is called the *subject property*.
- You will probably pay for the appraisal when you apply for your loan.

**What You'll See on a Residential Appraisal Report** - Appraisals are very detailed reports, but here are a few things they include:

- Details about the subject property, along with side-by-side comparisons of three similar properties.
- An evaluation of the overall real estate market in the area.
- Statements about issues the appraiser feels are harmful to the property's value, such as poor access to the property.
- Notations about seriously flawed characteristics, such as a crumbling foundation.
- An estimate of the average sales time for the property.
- What type of area the home is in (a development, stand alone acreage, etc.).

**Residential Appraisal Methods** - There are two common appraisal methods used for *residential properties*:

- **Sales Comparison Approach** - The appraiser estimates a subject property's market value by comparing it to similar properties that have sold in the area. The properties used are called *comparables*, or *comps*. No two properties are exactly alike, so the appraiser must compare the comps to the subject property, making paperwork adjustments to the comps in order to make their features more in-line with the subject property's. The result is a figure that shows what each comp would have sold for if it had the same components as the subject.
- **Cost Approach** - The cost approach is most useful for new properties, where the costs to build are known. The appraiser estimates how much it would cost to replace the structure if it were destroyed.

### So What Does the Appraisal Mean to You?

- Your personal approval is accomplished early in the loan process, but final loan commitment usually hinges on a satisfactory appraisal. The bank wants to be sure its investment is covered in case you default on the loan.
- If the property appraises lower than the sales price, the loan might be declined, but that isn't the only hurdle it must pass. Other facts on the appraisal can be a problem, too:
- The bank probably won't like it if the estimated time to sell the property is longer than the area average.
- If the appraiser notes that entry to the property is from a private, shared road the bank might want to see a road maintenance agreement signed by everyone who uses the road, verifying that maintenance is shared by all parties.

Those are just a few examples of negatives that could stall your purchase. The lender will study the appraisal carefully before determining whether or not the property qualifies to serve as security for your loan.

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**An Appraisal Isn't a Home Inspection!** - Appraisers make notations about obvious problems they see, but they are not home inspectors. They do not test appliances, look at the roof, check the chimney or do any other typical home inspection tasks. Never count on an appraisal to help you determine if the home is in good condition.

**If the Appraisal Comes in Low** - Don't panic if the appraisal comes in low, because there are often steps you can take to make the deal work. If the appraisal uncovers other problems, remember that most problems are correctable. Try to keep your cool and work through issues one step at a time. Your Realtor is your best resource at this time.

➤ **CURRENT REAL ESTATE MARKET → SALES ARE UP BUT PRICES ARE DOWN - IN THE WEST** - Existing home sales rose sharply in December, when sales increased for the fifth time in the past six months, according to the national Association of REALTORS®. Existing home sales rose 12.3 % to a seasonally adjusted annual rate of 5.28 million in December from an upwardly revised 4.70 million in November, but remain 2.9 % below the 5.44 million pace in December 2009. Lawrence Yun, NAR chief economist, said sales are on an uptrend. "The pattern over the past six months is clearly showing a recovery...the market is getting much closer to an adequate, sustainable level." Total housing inventory at the end of December fell 4.2 % to 3.56 million existing homes available for sale, which represents an 8.1-month supply at the current sales pace, down from a 9.5-month supply in November. Investors accounted for 20 % of transactions in December and the balance of sales were to repeat buyers. All-cash sales were at 29 % in December and have been consistently high over the past six months. Existing home sales in the West surged 16.7 % but remain 1.5 % below December 2009. The median price in the West was \$204,000, down 5.6 % from a year ago. The number of sales in the West is above the national average but prices have dropped more than in other parts of the country.

➤ **LOCAL REAL ESTATE MARKET STATISTICS** → January has been surprising active with three new transactions just for Arrow Real Estate alone. People are calling, e-mailing, looking at property and making deals. This is a good start for 2011 and we hope the trend continues into the spring and summer months. The number of listings are down as many expire at the end of the year. The **Southwest Montana Multiple Listing** statistics for the Madison Valley (including Ennis, Cameron, McAllister, Virginia City, Harrison, Pony, Whitehall and Cardwell), for the month of **January 2011**, are as follows:

- **LAND: 321 vacant lots listed, 5 pending sales, 0 lots sold year-to-date.**
- **HOMES: 126 homes listed, 12 pending sales, 0 homes sold year-to-date.**
- **FARMS AND RANCHES: 4 listed, 0 pending sales, 0 ranches sold year-to-date.**

➤ **YOU KNOW YOU'RE FROM MONTANA WHEN...***you can go fishing, hunting, golfing and skiing – all in the same day!*

➤ **MONTANA TRIVIA**→ Did you know that in 1888 Helena, Montana had more millionaires per capita than any other city in the world?

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➤ **WHAT OUR CLIENTS HAVE TO SAY ABOUT US**→ If you have a personal story to share about your experience with Arrow Real Estate, please send it to us. We would love to include it in our newsletter.



*Thank you in advance for your personal referrals. Your referrals are the lifeblood of our business and the greatest compliment you can give us.*



**Toni and Don Bowen,  
Brokers/Owners,  
Arrow Real Estate**



**Jay Willett and Karen Swedman  
Brokers, Arrow Real Estate  
also Property Managers and Owners of  
Apex Management**



**APEX MANAGEMENT** offers full service property management in the Madison Valley. Whether you are interested in using your home as a vacation rental or a long-term rental, or looking for assistance in finding a rental, you can expect quality service with a positive attitude. See our website at: [www.apexmontana.com](http://www.apexmontana.com) or call us at **(406) 682-7112**. Apex Management is **not** a part of Arrow Real Estate.

*Check out the List of **USEFUL WEBSITES**  
relating to the Madison Valley, on the following page→*

*We have added 3 great new sites this month.*

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➤ **USEFUL WEBSITES TO REMEMBER**→ **new additions \***

**ENNIS AND THE MADISON VALLEY:**

<http://www.ennismontana.org/> - for community and local government information  
<http://www.ennischamber.com/> - The Ennis Chamber of Commerce website  
<http://www.madisonvalleyhistoryassociation.org> – The Madison Valley History Association website  
<http://www.mvmedcenter.org> – for information about the Madison Valley Medical Center  
<http://www.mvmcf.org> – the Madison Valley Medical Center Foundation website\*  
<http://www.mvvetmemorial.org> – The Madison Valley Veterans Memorial website \*  
<http://ennis.communityblogs.us/2008/11/17/ennis-community-blog/> - comments and events in Ennis  
<http://adayinthelifeofalemon.blogspot.com/> - famous local sculptor, David Lemon's site  
<http://my-montana-moments.blogspot.com/> - Artist Penny Hall's photo journal of her MT experience  
<http://ennismontanahomesandland.blogspot.com> – Ennis, Montana Happenings, from **Arrow Real Estate**

**MADISON COUNTY:**

<http://madison.homestead.com/index.html> - for Madison County emergency news  
<http://www.madison.mt.gov/> - Madison County Government website

**NEWS:**

<http://www.madisoniannews.com/> - the latest news from the Madisonian newspaper for Madison Co.  
<http://bozemandailychronicle.com/> - news from the big city of Bozeman, an hour northeast of Ennis  
<http://www.mtstandard.com/> - news from historic Butte, an hour & ½ northwest of Ennis

**MONTANA:**

[www.fwp.mt.gov/](http://www.fwp.mt.gov/) - Montana Fish Wildlife and Parks website – for hunting and fishing regulations  
<http://fwp.mt.gov/education/bow/> - “Becoming an Outdoors Woman” – a must for female newcomers!  
<http://www.visitmt.com/> - Official website Montana Vacations, Recreation, Accommodations and Travel  
<http://www.montanapictures.net> – for people homesick for Montana – a great visual connection \*

**SKIING:**

[www.moonlightbasin.com](http://www.moonlightbasin.com) – Check out latest snow conditions on the hill at Big Sky  
<http://www.lmranch.com/winter/> - Lone Mountain Ranch in Big Sky for cross country trails  
[http://www.westyellowstonenet.com/skiing/cross\\_country\\_skiing.php](http://www.westyellowstonenet.com/skiing/cross_country_skiing.php) - Skiing Yellowstone Park Trails

**HORSEBACK RIDING:**

[www.wolfpackoutfitters.com](http://www.wolfpackoutfitters.com) – trail riding guides for the Madison Valley  
<http://www.sphinxmountainoutfitting.com> – trail riding and outfitting guides in the Madison Valley

**REAL ESTATE:**

[www.arrowreal.com](http://www.arrowreal.com) – A wealth of resource information, local listings and a portal to the SW MT MLS  
[www.houselogic.com](http://www.houselogic.com) – Helpful information from the National Association of Realtors  
[www.realtor.com](http://www.realtor.com) – World's largest website for real estate listings and consumer information

**RANCHING:**

<http://www.madisonvalleyranchlands.org/> - working to keep the ranching way of life alive

**FISHING:**

[www.madisonriverfoundation.org](http://www.madisonriverfoundation.org) – The Madison River Foundation  
[www.hatchopedia.com](http://www.hatchopedia.com) – write your own big fish stories and check out other river and fishing stories  
<http://www.slideinn.com/blog/category/fishing-report/>, Kelly Galloup's Slide Inn  
<http://beartoothflyfishing.com/flyfishingreports/uppermadisonriver.htm>, Dan Delecta's site  
[http://www.orvis.com/fishing\\_report.aspx?locationid=5974](http://www.orvis.com/fishing_report.aspx?locationid=5974), The Tackle Shop's Orvis report  
<http://www.madisonvalleyranch.com/blog/>, The Madison Valley Ranch  
<http://www.mrfc.com/MadisonRiverMontanaFishing/MadisonRiverReport.aspx>, Madison River Fishing Company.

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