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[A New Bottom For The Cheerleaders In California](#)

The [Voice of San Diego](#) reports from California. “George Chamberlin remains one of San Diego’s most high-profile bulls. Faced with dropping home prices and skyrocketing foreclosures, Chamberlin and others have barely changed their tune, if they have at all. If any of his words were used to convince people to buy with a loan that proved troublesome, Chamberlin disavows responsibility. ‘I have no idea what’s going to happen with prices,’ he said. ‘Sales are obviously much slower than I thought they would be...I do know that long-term, housing prices can only go up.’”

“But critics of that perspective say the frenzy of a few years ago drowned out common sense. ‘These cheerleaders have been disastrous on the way down. The sellers are the ones who are listening to them, thinking, No. 1, ‘It’s not that bad,’ and No. 2, ‘It’ll get better later.’ Those are the two worst things for sellers to think,’ said local Realtor Jim Klinge of the optimistic analysts.”

“Now the buyers waiting on the sidelines have won, he said. If sellers had believed for the last two years that the market was entering a decline, they may have lowered their prices earlier, and the region may have had a hope of a ‘soft landing.’”

“Instead? A ‘crash landing,’ Klinge said. ‘Sellers are not doing their homework, or the homework they are doing is listening to the cheerleaders. Literally, nine out of 10 sellers are not selling their homes. That’s not good.’”

“‘Every one of these bubbles always has a group of cheerleaders sitting on the side saying ‘Rah rah, aren’t we great? Rah rah, don’t be late,’ said economist Chris Thornberg. ‘That’s part of the bubble...To some extent, people hear what they want to hear. There have been those of us out here saying, ‘It’s a bubble, it’s not going to last.’”

“The economist often credited with the soft-landing term, Leslie Appleton-Young at the California Association of Realtors, said it’s unfair to judge her statements in hindsight. ‘There’s no doubt that we knew the market was going to change,’ she said. ‘It just happened with a much greater severity (than we predicted).’”

Inside [Bay Area](#). “The bar has been set for new home prices here, real estate experts suggest. When Anderson Homes decided to put 34 brand-new homes in the Paseo West subdivision up for auction to clear out inventory, some were worried the results would negatively affect Manteca’s

already inert housing market.”

“Now, real estate agents and developers are saying the auction’s strong turnout, coupled with the successful sale of all 34 homes, is encouraging. ‘It sets the market pricing,’ said Cindy Foster of Re/Max Executive, adding that the auction made buyers realize \$380,000 to \$390,000 is the range where housing should be.”

“‘A lot of people have been sitting on the fence, but this shows that prices aren’t going to continue dropping,’ she said.”

“Meanwhile there are still 612 resale properties on the market in Manteca — a number that had eclipsed 700 a few weeks ago, Foster said. ‘The number of homes we are seeing available is going down, which is good. It really is a great time to buy,’ she said.”

“Manteca is also dealing with housing problems with regards to vacant properties, as about 300 homes are currently in the final step of foreclosure process.”

“‘I think each of the segments of homes appeals to a different part of the market, whether a foreclosure, resale or new home,’ said Tom Wilson of Wilson Group Realtors. ‘Having a new bottom for new home prices will affect housing in Manteca as a whole.’”

“During [the Manteca](#) City Council meeting on Oct. 15, elected officials voted 3-2 in favor of a time extension for home builders to build homes once they’ve obtained building permits from three to five years.”

“There are somewhere between 1,000 and 1,200 empty homes or a three-year cumulative inventory of foreclosures, resale homes and brand-new homes, said Mike Hakeem, an attorney who addressed the council on behalf of the developers.”

“‘If you’re not selling what’s at the end of the production line and you keep producing, then there’s going to be a back-up,’ said said George Gibson of Stockton-based FCB Homes.”

The [Record Searchlight](#). “To borrow from a certain car dealer’s radio commercial — how low will they go? Housing starts in Redding in September sunk to new depths, eight. It’s the smallest one-month total since August, when nine permits were pulled. And August was the lowest month in Redding Permit Supervisor Wayne Gungl’s 27 years with the city.”

“2007 is on pace to be the first year that housing starts in Redding drop below 200 since 1981, when 174 were issued. Nearly 1,900 single-family home permits alone (were) pulled from 2003

to 2006. ‘The market is doing the right thing. If you haven’t got people willing to buy and have a bunch of extra houses out there, you don’t want to be building more,’ Gungl said.”

The [San Bernardino Sun](#). “Christian Barron and husband Rodolfo were shocked when they saw the numbers. The \$1,800 they owed on their first mortgage payment in September 2004 was 50 percent greater than the \$1,200 their real-estate broker had promised them.”

“But even those numbers pale in comparison to the \$3,000-a-month bill the couple now is paying. ‘We’re trying to make ends meet, but it’s really hard,’ Christian said.”

“Christian’s husband Rodolfo works full-time in the construction industry to pay the bills. Home sales dropped in September more than 53 percent compared to a year ago in San Bernardino and Riverside counties, according to DataQuick. Needless to say, the couple worry about Rodolfo’s job security.”

“Christian is a stay-at-home wife, but figuring out how to make ends meet is a full-time job in itself, she said. ‘We’re making it right now, but it’s really hard, because we have to borrow money from here and there,’ Barron said.”

“Helen Moore, executive director of Neighborhood Housing Services, said the recent movement to bail out credit-crunched homeowners is focused on giving them resources.”

“‘We make them smart homeowners, versus people getting stuck in the subprime market and getting into debt,’ Moore said. ‘A lot of them are telling me that they didn’t realize they had an adjustable-rate mortgage.’”

The [Press Telegram](#). “With the ranks of the state’s licensed Realtors swelled to record numbers, most industry watchers believe the number of people exiting the industry will start to swell as home sales continue to drop.”

“‘It certainly remains to be seen how many people are going to be able to stick around,’ said Colleen Badagliacco, a Realtor in Santa Clara and president of the California Association of Realtors. ‘In Northern California we haven’t seen a lot of that at this point...but I do think there’s certainly some consolidation within the firms.’”

“When lenders agree to do a short sale in real estate, it means the lender is accepting less than the total amount due. The alternative, if a home owner can’t continue making the home payments, is foreclosure.”

“Badagliacco has seen a strong short sale market in her area, and in particular at her firm. ‘Twenty percent of our listings are coming from that market,’ she said, adding, ‘We know those properties are going to sale.’”

The [Daily Pilot](#). “Valerie Torelli is selling about as many homes right now as she did a year ago. It just takes a little longer to close the deal.”

“Torelli, who owns Torelli Realty in Costa Mesa, is one of many Realtors in Orange County facing a rough time in the housing market. Across the county, home sales in September were down 43.7% from the same month a year ago, and Costa Mesa saw an almost identical drop.”

“‘I just have to work longer hours to get the same thing accomplished,’ she said. ‘You have to go through a lot more showings. You can’t just show one or two houses. You have to show a dozen to two dozen at a time.’”

“Costa Mesa and Newport Beach also saw September sales fall from the numbers in July and August...In Costa Mesa, at least, that translates to more ‘for sale’ signs down the block and fewer people visiting the houses.”

“Torelli, however, said that may not entirely be a bad thing. Part of the reason for the high number of foreclosures, she said, was the fact that many people had purchased homes they couldn’t pay off, and her customers this year were quicker to offer a down payment.”

“‘A year ago, you had more of the people who never should have been looking,’ she said. ‘They were buying above their means, and they were allowed to because of the mortgages we had available. Now, people are putting 10% and 20% down.’”

“Carrie Allen, president of the Newport Beach Assn. of Realtors, said houses in affluent neighborhoods were selling as well as ever, and much of the fear regarding home-buying was due to negative media reports.”

“‘The buyers out there, because they keep reading all these negative headlines and reports, are really skeptical,’ she said. ‘They’re wanting to buy but the more they read, they think, ‘We’ll, wait until next month.’”

Posted By: Ben Jones @ 3:29 pm [Comments \(123\)](#)