

REAL ESTATE

Even Amid Worries, It Looks Like a Buyer's Market

By Erik Derr

While a dip in regional home sales last month left little doubt there's still a lot of uncertainty in the housing market, one real estate veteran advises homebuyers to push through their fears and place their bids soon. "Right now, all the factors are really good... interest rates are down, along with prices. Buyers are able to negotiate low monthly payments," said Paul Clark, a 37-year real estate veteran who grew up in Hawthorne and generally focuses his business in the South Bay's northwestern communities. Put another way, "buyers are in the driver's seat." Of course, buyer-friendly conditions often hint at a weaker market, which in turn prompt greater consumer distrust and less willingness to invest.

But, even in better economic times, said Clark, "when someone takes on a mortgage and buys a home, it's hard to jump in and keep a positive attitude...you can't always hesitate. Sometimes you have to just go for it."

Clark, the president-elect of the South Bay Association of Realtors, said an overwhelming majority of the home purchases he's seen have been successful, whenever they were made. "Ninety-nine percent of the time, it works out."

Clark's assurances come as the Southern California market, which includes Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties, ended a three-month rise in housing sales with 21,502 new and resale homes sold in August, down

10.8 percent from 24,104 sales in July, according to San Diego-based analyst MDA DataQuick.

On the other hand, the 14-month rise in year-to-year home sales continued with an 11 percent jump from the 19,366 sales logged in August 2008. Meanwhile, the median price for a Southland home was \$275,000 in August --- up 2.6 percent from \$268,000 in July but and down 16.7 percent from \$330,000 in August 2008. The monthly rise in median price was the fourth in a row after the median fell to \$247,000 in April. In mid-2007, the Southland median peaked at \$505,000. Foreclosure re-sales accounted for about 38.8 percent of all August resale activity, down from 40.7 percent in July and 45.5 percent in August 2008.

The news isn't all promising. "We're hearing from public agencies and the banking industry that there's still a lot of financial distress in the pipeline," said John Walsh, MDA DataQuick president. Some analysts are predicting another wave of foreclosures closer to the end of the year, as more short-term loans written during the housing boom come to maturity.

Of course, said Clark, South Bay communities generally haven't seen a large number of home foreclosures or bank-owned properties when compared to communities in Southern California's northeastern areas like the Inland Empire, where there's been a much greater

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Does a Foreclosure affect my Credit Score?



By Boyd E. Jeffery

With such drastic changes in the real estate market, people may not realize the long-term negative effects such serious decisions such as letting your home go into foreclosure may have on such things as your credit score.

People who bought homes within the last few years with little to no money down, or took out a sizable equity line, may be facing the harsh reality that they owe more to the bank than the home is worth. Who would have ever thought this could happen so quickly? Or so close to home in such affluent areas and Manhattan and Redondo Beaches! Well, it is here, in abundance and people who have paid their mortgage on previous homes for years and years are considering the option to stop making payments on their current homes and endure the credit score drop of as much as 130 points.

The thought scares the average American homeowner with good credit. They have paid credit cards, gas bills, car payments, doctor bills, and other revolving debt payments with little effort and certainly on time for as long as they can remember. So why would they consider to the unthinkable and just walk away from their prized investment

they call "home"?

Because the way things are going, it may be three to five to seven years before the amount owed creeps back up to market value; that's why! All the Obama money, positive media spins on the economy and stock market rebounding cannot recoup the large percentage losses the current real estate downturn has eroded so quickly. If it did, then we would be back to where we are. The economic market needs to feel the pain, learn from its mistakes, and grow at a moderate pace for things to get back to normal. We do not even know what "normal" really is anymore.

The credit market needs to lend again, the consumers need to spend again but all in due moderation and within our "means". A lot of people feel that we have spent so far above our means that this lesson is harsh, but good for our younger generation to learn. How can real estate go up 20 percent per year when people's incomes are not? That has been the true question during this last "boom time".

I am Boyd E. Jeffery, president of William Shaw Real Estate Services in Manhattan Beach. My company is exactly that, "Real Estate Services". We cater to those who need consulting and take the time necessary to map out a plan of attack for each client to make it through these tough times. In most cases, not just make it through, but find a way to prosper with the right carefully executed plan.

With over 181 million in closed sales, I feel I seen a fair amount of different situations and would like to offer my experience to those who want it. Visit www.wsrealestateservices.com or call (310) 521-2902. •

Open House Directory

OPEN HOUSE

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|--|---|---------------|--|
| 1. Sun. 2:00-4:00
Lynn O'Neil | 1217 E. Sycamore Ave.
Shorewood Realtors | 3 Bd. 3 Ba. | \$1,040,000
310-261-0798 |
| 2. Sun. 2:00-4:00
Gregg Poiry/Tim Hovland | 1333 E. Grand Ave.
Shorewood Realtors | 3 Bd. 2.5 Ba. | \$599,000
310-989-6116 and 310-433-6809 |
| 3. Sun. 2:00-4:00
John Skulick | 832 Penn St.
Shorewood Realtors | 2 Bd. 1 Ba. | \$619,000
310-350-4240 |
| 4. Sun. 2:00-4:00
Jim Marak | 1300 E. Grand Ave. Townhomes
Re/Max El Segundo | 3 Bd. 2.5 Ba. | \$569-\$599K
310-322-1900 |
| 5. Sun 2:00-4:00
Bill Ruane | 1005 E Acacia Ave
Re/Max Beach Cities Realty | 3Bd. 2 Ba. | \$849,900
310-877-2374 |
| 6. Sun 2:00-4:00
Bill Ruane | 737 California St
Re/Max Beach Cities Realty | 5Bd. 3 Ba. | \$1,199,000
310-877-2374 |
| 7. Sun 2:00-4:00
Bill Ruane | 350 Hillcrest St.
Re/Max Beach Cities Realty | 3Bd. 2.5 Ba. | \$999,000
310-877-2374 |
| 8. Sun 2:00-4:00
Bill Ruane | 513 W Mariposa Ave
Re/Max Beach Citizes Realty | 4Bd. 3 Ba. | \$1,350,000
310-877-2374 |
| 9. Sun 2:00-4:00
Suzanne Costello | 615 W. Pine Ave.
Bulldog Realtors | 4 Bd. 4 Ba. | \$1,555,000
310-497-2546 |

OUT OF AREA OPEN HOUSE

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|---------------------------------|---|---------------|-----------------------------|
| 10. Sun 2:00-4:00
Bill Ruane | 1822 Speyer Lane, RB
Re/Max Beach Cities Realty | 5Bd. 3.5 Ba. | \$1,049,000
310-877-2374 |
| 11. Sun 2:00-4:00
Bill Ruane | 232 16th Pl, MB
Re/Max Beach Cities Realty | 3 Bd. 2 Ba. | \$1,199,000
310-877-2374 |
| 12. Sun 2:00-4:00
Bill Ruane | 4021 Wade St., L.A.
Re/Max Beach Cities Realty | 3 Bd. 3.5 Ba. | \$629,900
310-877-2374 |
| 13. Sun 2:00-4:00
Bill Ruane | 1215 Ashmill St, Carson
Re/Max Beach Cities Realty | 4Bd. 3 Ba. | \$575,000
310-877-2374 |
| 14. Sun 2:00-4:00
Bill Ruane | 1223 Ashmill St, Carson
Re/Max Beach Cities Realty | 3Bd. 3 Ba. | \$550,000
310-877-2374 |

