

Tom Lyons—Real Estate Expertise
925-216-1105
realestate@tomlyons.com
19 Years of experience in Tri Valley Real Estate



*The Lyons Tri Valley Real Estate Report
February—2010
Year / Volume #4—Issue #27*

We'll start the Feb. 2010 report with supply and demand numbers.

<u>City</u>	<u>Available Houses</u>	<u>Pending Sales</u>	<u>Months Supply</u>
Livermore	158	97	1.62
Pleasanton	134	53	2.53
Dublin	88	41	2.15
San Ramon	117	81	1.44
Danville	137	57	2.40
Totals	634	329	1.92

The above numbers are important in helping determine what is currently happening with Tri Valley Real Estate. As of 2/2010 there is little available inventory, or not many homes for sale. Especially in the lower price ranges in each of our cities.

Currently, there are many buyers out there, wanting to buy in the lower price ranges, first time buyers and investors mostly and there is nothing out there for them to buy. When a house does come on the market, it tends to sell very quickly and with multiple offers that bid the price of the house up. The extension of the \$8,000.00 FTB income tax credit has first time buyers scrambling to find and purchase houses in the early months of 2010. Many who plan to purchase have had to rethink where to buy, and what kind of house to buy, in order to take advantage of the \$8,000.00 tax credit.

In the lower price ranges In the \$200K's-\$400K's ... it means that prices are actually appreciating ... and we have seen price appreciation over the past 3-4 months. Buyers are currently lining up to purchase lower priced homes Most listings receive anywhere from 5-15 offers!! Prices in the middle price ranges (\$500K's- \$700K's) have held steady over the past 2-3 months. Upper price ranges in the Tri Valley Area are still soft Meaning that supply still outstrips demand.

Tom Lyons—Real Estate Expertise
925-216-1105
realestate@tomlyons.com
19 Years of experience in Tri Valley Real Estate



***The Lyons Tri Valley Real Estate Report
February—2010
Year / Volume #4—Issue #27***

These improved numbers described on page 1 means that home sellers in the lower to middle price ranges may be able to get more money for their homes if they plan to sell. Why? Presently there are more buyers out there than sellers, demand is outstripping supply that translates into higher sales prices on homes.

Foreclosures and short sales and shadow inventory?? A record number of homes continue to be in foreclosure. Many of the recent sales have been short sales as banks, not wanting to foreclose, are now more open to short sales and loan modifications. Many of the homes currently in foreclosure do not hit the market as bank owned REO's. Instead, the banks approve short sales. So the number of foreclosures that hit the market is being reduced. Plus, the banks are stockpiling the REO's they have, not putting them on the market for sale In fact, they are waiting for prices to appreciate before they offer them for sale. This unsold number of bank owned homes, or REO's is called "Shadow Inventory."

As usual, our real estate definitions are of great value here

Houses sell for current market value which is described as what buyers have paid recently for similar homes. The prices of houses go up and down strictly based on current supply and demand statistics; supply being how many houses are available for sale, demand being how many houses have sold in a given period of time. All other economic factors ... such as interest rate changes, economic conditions in the area, job creation, unemployment, etc., directly affect supply and demand. By looking at supply and demand statistics you can determine where houses prices currently are at.... and where they will be going in the future.

4 months supply of houses is considered a balanced market. Less than 4 months supply is considered a sellers market; prices go up in a sellers market. More than 4 months supply of houses is considered a buyers market; house prices go down in a buyers market. The less supply of houses available, say 1-2 months supply ... house prices may go up 10-15% per year. Eager buyers bid the prices up and market value rises.

Tom Lyons—Real Estate Expertise
925-216-1105
realestate@tomlyons.com
19 Years of experience in Tri Valley Real Estate



***The Lyons Tri Valley Real Estate Report
February—2010
Year / Volume #4—Issue #27***

Here are a number of recent articles that show where real estate is heading. Please bear in mind that the real estate industry, as a whole, is very dynamic!! Meaning, that prices, inventory, and what generally happens in the real estate market changes all of the time And that it changes very quickly.

Current information on the \$8,000.00 First time homebuyer tax credit and the \$6,500.00 trade up buyer tax credit that expires 6/3/2010.

<http://www.federalhousingtaxcredit.com/>

Bay area home sales continue to be strong. Prices appreciate!

<http://www.dqnews.com/Articles/2010/News/California/Bay-Area/RRBay100121.aspx>

Purchasing a foreclosure at the county trustee sale.

<http://www.tomlyons.com/default.aspx?pp=167275>

Mortgage rates possibly going up in the Spring of 2010??

http://news.yahoo.com/s/nm/20100110/bs_nm/us_usa_fed_rosengren

Our new foreclosure website for 2010. This site is all new and full of helpful information for sellers and buyers.

<http://www.tomlyons.com/default.aspx>

Now you can search for available homes from your mobile phone

<http://www.tomlyons.com/mobile>

The Lyons Real Estate Report is distributed monthly to approx. 950 households in the Tri Valley area. If you'd like to receive this report monthly, or if you'd like to unsubscribe, please send me an email at realestate@tomlyons.com

Thanks!

Tom