

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

The Lyons Tri Valley Real Estate Report
Fall / Winter 2010
Year / Volume #4—Issue #30



News about the economy continues to be the “elephant in the room” regarding the health of our local real estate market for the fall / winter of 2010. House sales in the Fall of 2010 were more “sluggish” than expected. Slower sales has impacted price appreciation. Whereas we were experiencing a slight increase in house appreciation for the latter part of 2009 through the first part of 2010, the sluggish sales in late 2010 has put a temporary halt to that. Though inventories remain low in our area, with about a 3-4 month supply of homes available in Livermore, Pleasanton, Dublin, San Ramon, and Danville and with truly historic low interest rates, many potential buyers are sitting on the fence and not purchasing. Typically, low interest rates stimulate sales, but right now that is not happening as it has in past times when interest rates have been very attractive.

So the buyers are sitting on the fence and waiting to see what happens with the economy. Many are waiting to see what happens with this whole foreclosure situation. In October of 2010 many banks put a stop to foreclosures until they could correctly sort out all the legal ramifications of incorrect loan and foreclosure paperwork. By November of 2010 most banks had covered all the legal bases and had begun taking homes back in foreclosure again.

There are still great deals in our area on foreclosed homes; typically what happens when fall and winter sales are slow is that there is a rather large pent up buyer demand that comes to fruition the following spring. So we expect that Spring of 2011 will be an active time for home sales in our area. Every day for the past 20 years I watch and study all the local home sale information. This fall / winter slowdown simply means that home sales will increase in the Spring of 2011. I know that many of you out there are looking to sell, or have tried to sell in 2010. Don't lose hope. With the increase in buyer demand coming soon your opportunity to sell for top dollar will arrive in the Spring of 2011.

The Federal Reserve Board's decision to buy back \$600 Billion in bonds that was announced in November of 2011 should work wonders to help stimulate the economy and our local real estate market in the Spring of 2011.

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



***The Lyons Tri Valley Real Estate Report
Fall / Winter 2010
Year / Volume #4—Issue #30***

Foreclosures, short sales and strategic defaults will continue to dominate our local real estate market in 2011. By now everyone knows about foreclosures and short sales. How doing a short sale can help save a homeowners credit versus a foreclosure. But the term “strategic default” is a new one for the lexicon for 2010-2011.

When homeowners are upside down on the mortgage, when they can afford to make the mortgage payments, but they choose not to because they feel that the real estate values will not recover and they do not want to pay on an asset (their home) that is not appreciating then sellers might stop paying the mortgage. This is a strategic default.

Until the economy improves enough to create more jobs, which in turn will stimulate home sales, which will help house appreciation Well, then, short sales and strategic defaults will continue to be a part of our local real estate landscape. The big issue is that short sales, foreclosures, and strategic defaults are the main reasons as to why home prices are not appreciating. Comparable sales from short sales and foreclosures set current market value on homes at lower foreclosure levels. Simply stated foreclosure closed sales set current market value levels on all of our homes. We have to work our way through this before normal home appreciation can resume. Banks are aware of this. Their new rules for appraisals take all of this risk into consideration and hurt the chances of home appreciation. Info on how home appraisals are hurting price appreciation in our area.

<http://www.tomlyons.com/default.aspx?pp=162248>

Our real estate laws of pricing still govern what happens with real estate values.

Here is a link to the laws of real estate pricing.

<http://www.tomlyons.com/default.aspx?pp=159995>

New rules for short sales, rules that make it easier for a seller to complete a short sale have increased the short sale success rate. Here are helpful links on the short sale process.

<http://www.tomlyons.com/Short-sales-for-sellers>

<http://www.tomlyons.com/Seller-requirements-for-a-short-sale>

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



***The Lyons Tri Valley Real Estate Report
Fall / Winter 2010
Year / Volume #4—Issue #30***

Our blog on the recent success stories on short sales.

<http://www.dqnews.com/Articles/2009/News/California/Bay-Area/RRBay090716.aspx>

Today's record low interest rates make it an ideal time to purchase a home. Presently we are helping first time buyers, trade up buyers, plus those wishing to downsize. Today's savvy, Internet educated buyer understands homes values and they understand that home prices and interest rates will not stay this attractive forever.

Real estate investors are taking advantage of the low real estate prices and low interest rates to purchase real estate that will make them wealthy in the years to come. Our guide to real estate investing is here:

<http://www.tomlyons.com/Investor-Guide-to-Real-Estate>

Search for homes from your mobile phone at <http://tomlyons.com/mobile>

Buyer information on how to purchase a home.

http://news.yahoo.com/s/ibd/20090709/bs_ibd_ibd/20090709realestate

For those of you trying to sell your home in 2010, or if you know someone who would like to sell, this link may be helpful.

<http://www.tomlyons.com/How-to-sell-your-house-for-top-dollar-in-2010>

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! And Happy Holidays to all!!

Tom