

Gale Ranch Real Estate Informer



News and Views About Gale Ranch Real Estate and Much, Much More, Brought to You by "The English Agents", Bernard Gibbons and Michelle Hensley of J. Rockcliff Realtors, the East Bay's Premier Real Estate Company.

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Has The Market Bottomed Out?

What is your home worth now? For a free competitive market analysis, contact Bernard or Michelle now.

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Visit your complete resource for buying or selling in
Gale Ranch at www.GaleRanchHomes.net

Recent Home Sales in Gale Ranch

This is a sample of recent sales in Gale Ranch. For details of the last 3 months closed transactions in Gale Ranch, send an email to Bernard@BernardGibbons.com.

Address	Beds	Baths	1/2 Baths	SqFt	Lot SqFt	List Price	Sold Price	Sale \$/SqFt	Closing Date
4541 Sweetgale Dr	4	2	1	2224	8610	\$799,950.00	\$785,000.00	353	4/30/2009
211 Plumpointe Lane	3	2	1	1488	3200	\$514,999.00	\$497,000.00	334	4/28/2009
9708 Belladonna Dr	4	3	0	1811	3602	\$540,000.00	\$532,000.00	294	4/27/2009
8105 Briar Oaks Dr	4	3	0	2542	7417	\$725,000.00	\$725,000.00	285	4/27/2009
8304 Saturn Park Dr	5	3	0	2775	4254	\$659,900.00	\$630,000.00	227	4/25/2009
8379 Saturn Park Dr	3	2	1	2243	5516	\$688,750.00	\$678,000.00	302	4/24/2009
7706 Stoneleaf Rd	2	2	1	1763	1	\$499,900.00	\$465,000.00	264	4/17/2009
6036 Tigerside Way	4	2	1	2449	5690	\$965,000.00	\$965,000.00	394	4/14/2009
201 Glory Lily Ct	4	2	1	4509	14866	\$989,900.00	\$950,000.00	211	4/10/2009
2134 Maidenhair Way	4	3	0	1896	3033	\$629,000.00	\$599,000.00	316	4/7/2009
442 Melrose Ct	6	4	0	3850	13900	\$1,115,000.00	\$1,115,000.00	290	4/7/2009
116 Amaryllis Ct	4	3	0	1557	3602	\$499,000.00	\$499,000.00	320	4/6/2009

Buying a Home in Today's Challenging Market

We are now entering what is traditionally the peak season for buying and selling homes and it looks like this year will follow the usual pattern. What is different about this year is that the real estate landscape has changed. This is to prepare you for the different types of transaction you may encounter when you are buying a home in 2009.

In times gone by, you knew where you were when you bought a home. You were either buying from a builder (that is New Construction) or you were buying an existing home from the homeowner. Sure there were other possibilities - probate sales, foreclosures etc. but they were few and far between. Now, however life is not so simple.

Following the decline in home values, which, it is generally accepted, was brought about primarily as a result of unregulated lending practices and greedy and unscrupulous lenders, there are now three types of transaction that a home buyer is likely to come across when buying an existing home. Each needs approaching with a quite different mind-set.

Conventional Sales

In most areas, the most common type of transaction is where the homeowner is moving up or moving down as part of a planned move. He has probably lived in his home for at least seven years and has built up a sizeable amount of equity. This is the traditional transaction and the asking price has probably been arrived at by considering recent sales of similar homes.

If you are a buyer, this is the most straightforward way to buy a home. Having decided you want to make an offer on such a home, your real estate agent should prepare a market analysis for you to determine the home's probably true value and you will write up an offer. Hopefully this will be accepted, sometimes after some more negotiation. Otherwise you keep looking. Once the offer is accepted, you can expect to take up occupancy after around 45 days.

Short Sales

Unfortunately, as a result of the decline in home values, many people have found themselves in a situation where they owe more on their home than it is worth. And they either want to, or have to, move on, often because their adjustable rate mortgage payments are beyond their ability to pay. What happens here is that they list their home for sale but they have to get their lender to write off the shortfall before the sale can be completed.

The buyer of a home listed as a Short Sale needs a lot of patience. Banks are overwhelmed with such requests. It will normally take weeks, sometimes even months, before a seller even gets an acknowledgement of their request. Then the bank reviews the situation and once they believe a Short Sale may be a possibility, they arrange for a valuation of the home, after which stage, their response may be any of three alternatives.

The ideal outcome is for the bank to simply agree. Then everything can proceed and the buyer's patience has paid off. Unfortunately it is equally likely that the bank will reject the seller's request and often proceed with a foreclosure if the seller is behind in loan payments. Sometimes, the bank comes back with a figure they will accept and the buyer may or may not proceed.

Bank Owned Foreclosures (REOs)

Everybody who gets into trouble with loan payments does not try to sell as a Short Sale. And many of those that do, find that their lender is not sympathetic. So Foreclosures make up a significant segment of housing inventory.

Foreclosures are sometimes a very good buy, although that is not always the case. Some are virtually indistinguishable from regular sales while others have been totally trashed with appliances removed and worse. Most fall between the two.

Banks do not want to own homes. So they typically list a home for sale at a price point close to the bottom of recent comparable sales. They probably won't

be prepared to negotiate very much on price and they have absolutely no emotional connection to the home and no interest in the buyer other than as a source of revenue. Even when they agree to an offer, they will re-write the sales contract in their own favor, giving the buyer very little time to conduct investigations and inspections and they will not be providing very much in the way of Disclosures as they have little personal knowledge about the home. Nevertheless, Foreclosures can be great buys, particularly if you are happy to do a little restorative work.

Note that there are some potential traps with Foreclosures though. You really need to know that your real estate agent has some experience in representing buyers in this area.

Which Is Best For You?

Really, you can probably figure this out for yourself. I always explain to my buyers what the difference is in the three basic types of transactions (and there is a lot more to know than in the brief outline above. The majority of people decide that they don't want to look at any Short Sales because of the time they take (or waste). Of course that is why many listing agents price a Short Sale artificially low. They just want an offer so they can start discussions with the bank. Overly aggressively priced Short Sales rarely come to fruition though.

Bank Owned Foreclosures appeal to people who can make fast decisions (they usually sell quickly, often with multiple offers) and to those who are happy to make some improvements. And of course everybody looks at "Regular" sales, although it has to be admitted that there are still too many of these that are overpriced.

Whatever kind of real estate transaction you think may be right for you, be assured that I have considerable experience representing buyers in all of these cases. If you are planning to buy a home this year, contact me now, and I will guide you through the process from start to finish. Either phone me on my direct number at (925) 997-1585 or send an email to bernard@bernardgibbons.com.

Feature Article - The Market Is Moving!

Have you been waiting for the bottom of the market to be passed before committing to a home purchase? If so, it looks like now is the time to make your move. Certainly that is the case if your target area is San Ramon or Danville. Take a look at the graphs at the bottom of the page.

Both of the graphs below relate to real estate activity over the past year in Danville and San Ramon. The upper graph is the strongest indicator of what is happening in the market as it tabulates all sales agreed of single family homes and condominiums on a month by month basis over the past 2 years.

Certainly, there was an effort at recovery in the beginning of 2008 but it was half-hearted at best and the real estate market continued to decline.

This year we see quite a different picture. Not only has there been a solid four month pattern of rapidly increasing sales contracts but also, as can be seen from the lower graph, inventory has declined at an amazing rate. There are just insufficient numbers of homes being listed for sale to meet the present demand.

As we enter May, there is just a 2.5 month supply of homes available. In any situation, this is what would describe a strong sellers' market.

The question on everybody's lips is "Will this recovery continue?". Economic news suggests that it will.

Last week, the Fed signaled that the recession may be easing, and this news was echoed by the Economic Cycle Research Institute (ECRI), who

also said that the recession would probably end by the time Summer is over. The ECRI, whose leading indicators have a solid track record of predicting turns in the business cycle, said that enough of its key gauges have turned upward to indicate with certainty that a recovery is coming.

Stocks in general also had a great April. In fact, the S&P 500 had its best month in nine years, gaining 9.4%, led by the financial sector.

In addition, there were several good economic reports to note as Consumer Confidence for April came in at its fourth largest gain in the history of the survey, while Consumer Sentiment also came in better than expected. The improvement in the way consumers are feeling is likely influenced by the improvement in Stock prices. And people are buying homes.

So how does this affect you and what action should you be taking now?

Well if you are a potential buyer, these are good times. Interest rates are at historic lows

Interest Rate Update:

30 Year Fixed (Conforming) - 4.875%
 30 Year Fixed (Jumbo) - 6.125%
 FHA 30 Year Fixed - 5.00%
 (Source: Wells-Fargo Home Mortgage)

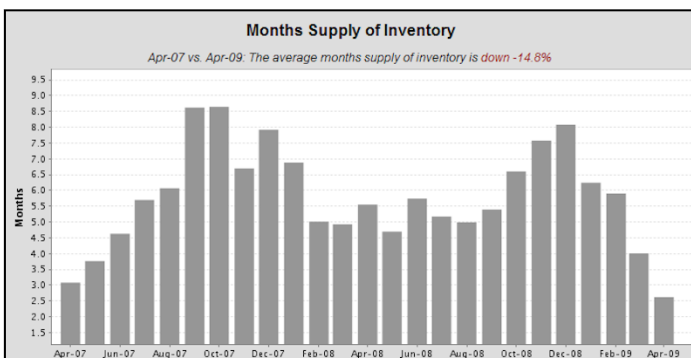
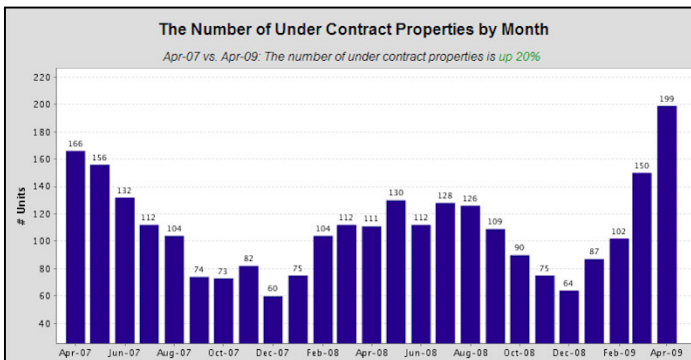
May Dates:

May 5 Cinco de Mayo
 May 10 Mothers Day
 May 25 Memorial Day Holiday

and homes are more affordable than they have been in years, although unless we see more homes coming on to the market, prices are likely to start moving up so any delay in action could cost you money.

If you are a seller, the good news is that there are lots of buyers about at last. And as most sellers are also buyers, the news is good for you as well. Get your home on the market now and get ready to move forward with your plans.

The above analysis is specific to Danville and San Ramon. If you would like to see the graphs for other areas, give me a call on (925) 997-1585 or email bernard@bernardgibbons.com and I will be happy to get them to you.



LET ME KEEP YOU FULLY INFORMED

Many of my readers get this newsletter every month by mail or by email, while others only receive it occasionally. If you want to keep up to date with what is happening in the San Ramon Valley and Lamorinda real estate market (or even if you just like to read my restaurant reviews), please let me know and I will make sure that you get your own personal copy of The Real Estate Informer delivered to you every month by email. Just send an email to me at bernard@bernardgibbons.com and I will add you to my mailing list.

Bernard Gibbons