

Los Angeles Times

### **California's economy to see sluggish recovery this year, UCLA economists say**

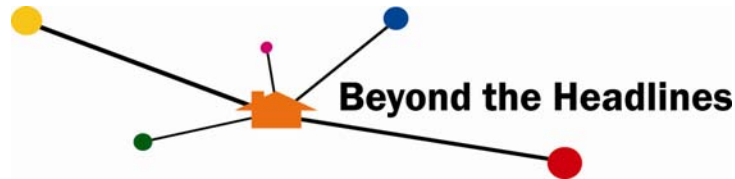
California's unemployment rate, currently at 12.4 percent, will not return to single-digit levels until 2012 and the state's inland areas will continue to be impaired by excess housing inventory and state budget cuts, according to a forecast released Tuesday by UCLA's Anderson School of Business.

#### KEEP THIS IN MIND

- California's economic recovery is contingent on consumer shopping behavior nationwide, as retail spending drives traffic at California's ports and logistics centers, which are both substantial employers throughout the state, the report said. However, consumers are unlikely to increase spending until businesses begin hiring again, which many economists believe will only happen gradually over time.
- The coastal areas of the state will benefit from growth in health care, education, and technology, while inland areas will be constrained by excess housing inventory and state budget cuts, impacting rural inland areas where government workers account for a significant percentage of the workforce, according to the forecast.
- The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) recently issued its mid-year housing market forecast. Based on C.A.R.'s forecast, the median home price in California is expected to rise 9.1 percent this year compared with last year, while sales of existing, single-family homes will decline 4.7 percent. Rates on 30-year, fixed-rate mortgages will rise to 5.3 percent compared with 5.1 percent in 2009 and 15-year mortgages will average 4.2 percent compared with 4.7 percent last year, according to the forecast

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-ucla-forecast-20100615,0,6824904.story>



## In Other News...



The Wall Street Journal

### **Trading down: Can it still bankroll your retirement?**

Trading down to a smaller home is a retirement-planning staple. According to an April study by the Society of Actuaries, 20 percent of not-yet retirees say they plan to downsize after the last child leaves the nest.

To read the full story, please click here:

[http://online.wsj.com/article/SB10001424052748703890904575297181180921488.html?mod=WSJ\\_RealEstate\\_LeftTopNews](http://online.wsj.com/article/SB10001424052748703890904575297181180921488.html?mod=WSJ_RealEstate_LeftTopNews)



The Los Angeles Times

### **Home shortages could develop as recovery unfolds**

Sooner or later, the economy will rebound, jobs will return and new households will form. When that time comes, however, there might not be enough housing to accommodate all the new family formations.

To read the full story, please click here:

<http://www.latimes.com/business/realestate/la-fi-lew-20100613,0,7268736.story>



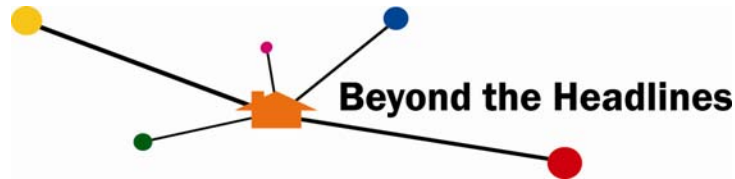
Bloomberg

### **U.S. housing market recovery dependent on jobs growth, Harvard report says**

Job growth will be the key factor in whether the U.S. real estate market can extend a recovery after the end of the federal home buyer tax credit, according to a Harvard University study.

To read the full story, please click here:

<http://preview.bloomberg.com/news/2010-06-14/u-s-housing-market-recovery-dependent-on-jobs-growth-harvard-report-says.html>



msnbc.com

### **Consumer sentiment strengthens in June**

U.S. consumer sentiment improved in early June to its strongest level in nearly 2-1/2 years, bolstered by hopes of better job and credit conditions, a recently released survey showed.

To read the full story, please click here:

[http://www.msnbc.msn.com/id/37637779/ns/business-stocks\\_and\\_economy/](http://www.msnbc.msn.com/id/37637779/ns/business-stocks_and_economy/)



The Wall Street Journal

### **High default rate seen for modified mortgages**

Fitch Ratings Ltd. forecasts that most borrowers who get lower mortgage payments under a federal government program will default within 12 months.

To read the full story, please click here:

[http://online.wsj.com/article/SB10001424052748703280004575308992258809442.html?mod=WSJ\\_RealEstate\\_LeftTopNews](http://online.wsj.com/article/SB10001424052748703280004575308992258809442.html?mod=WSJ_RealEstate_LeftTopNews)



Sacramento Bee

### **Short sales – and ways to exploit them – rise in Sacramento**

Every for-sale sign tells a story. These days, most tell about trouble making the house payment.

To read the full story, please click here:

<http://www.sacbee.com/2010/06/11/2814573/home-front-short-sales-and-ways.html#ixzz0qYn86JQA>