

San Gabriel Valley Tribune

Road to recovery: Local housing market showing signs of strength

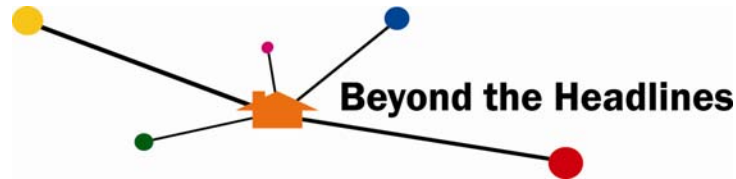
Both the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) and the NATIONAL ASSOCIATION OF REALTORS® (NAR) released monthly housing reports this week. However, each report told a different story about the housing market. Nationally, home sales declined but in California home sales rose 14.1 percent in May compared with April and 1.2 percent compared with April 2009.

KEEP THIS IN MIND

- The median price of existing single-family homes in California in May was \$324,430, a 23.2 percent increase compared with a median price of \$263,440 in May 2009, C.A.R. reported. The May 2010 median price increased 5.9 percent compared with April's \$306,230 median price.
- While home prices are rising month-over-month and year-over-year, affordability continues to remain at near-record highs. In the first quarter of 2010, 66 percent of first-time home buyers in California could afford to purchase an entry-level home in the state, according to C.A.R.'s First-time Buyer Housing Affordability Index.
- Many first-time home buyers timed the opening and closing of escrow to capitalize on both the federal and state tax credits, resulting in a rise in home sales in May. Although home sales rose, the number of home buyers signing sales contracts declined nearly 17 percent compared with April, which C.A.R. Chief Economist Leslie Appleton-Young attributes to the ending of the federal tax credit. "Although there may be a lessening of demand compared with the first half of this year, the number of escrows opened on a year-to-date basis is about the same as last year, and sales for all of 2010 will be on a par or slightly below last year," said Appleton-Young.
- Despite the number of foreclosures listed for sale, the inventory of homes for sale still is below the long-run average of 7-months, according to C.A.R. In May, C.A.R.'s Unsold Inventory Index for existing, single-family detached homes was 4.6 months, unchanged from the same period a year ago. The index indicates the number of months needed to deplete the supply of homes on the market at the current sales rate.

To read the full story, please click here:

http://www.sgvtribune.com/ci_15353779#ixzz0rht9SqsU



In Other News...



The Los Angeles Times

California, four other states to get more housing aid

The Obama administration has approved five state-designed plans to help homeowners as part of a \$1.5 billion effort to assist areas slammed by the U.S. housing bust.

To read the full story, please click here:

<http://www.latimes.com/business/la-fiw-housing-aid-20100623,0,2829474.story>



The Sacramento Bee

Big risks, rewards in home “flipping”

Critics call the game “flipping” and blame it for a housing bubble that triggered the real estate crash in the first place. But others view it as Business 101, a critical piece of digging out from the crash. Houses with troubled histories get bought, repaired, and quickly resold, generating cash for new business entities to do it again and again.

To read the full story, please click here:

<http://www.sacbee.com/2010/06/23/2841929/big-risks-rewards-in-home-flipping.html>



CNN Money

New home sales plummet to record low

New home sales plummeted to a record low in May, the first month following the expiration of the home buyer tax credit. This snapped a two-month streak of gains.

To read the full story, please click here:

http://money.cnn.com/2010/06/23/real_estate/new_home_sales/index.htm?hpt=T2



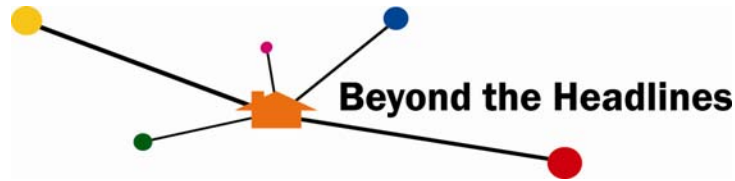
The Wall Street Journal

Does the housing market need a pep rally?

The Treasury and the Dept. of Housing and Urban Development released a new monthly “housing scorecard” in an attempt to show that the administration is making progress in its efforts to heal the market.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2010/06/21/does-the-housing-market-need-a-pep-rally/>



The Los Angeles Times

Troubled homeowners find help outside Obama program

More borrowers dropped out of the Obama administration's foreclosure prevention program last month than were added, but many of those homeowners found private help from their mortgage companies, according to data released Monday.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-mortgage-20100622,0,889726.story>



CNN Money

Foreclosure crisis hits minorities hard

The mortgage meltdown is hitting the African-American and Latino communities harder than whites, a new study has found.

To read the full story, please click here:

http://money.cnn.com/2010/06/18/news/economy/african-americans_latinos_foreclosure/index.htm



The Wall Street Journal

REALTORS®, brokers target home-appraisal rule

The mortgage-broker and real-estate industries are pushing to have a measure that would kill new home-appraisal rules inserted into pending legislation to overhaul financial-sector regulation.

To read the full story, please click here:

http://online.wsj.com/article/SB10001424052748704289504575312671921408674.html?mod=WSJ_RealEstate_LeftTopNews



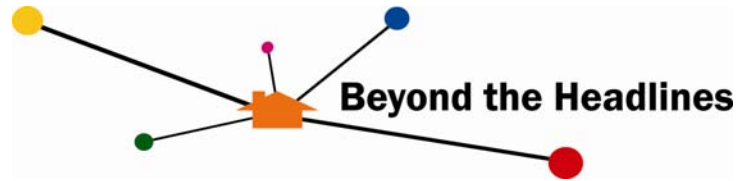
The Press Enterprise

People optimistic about economy

Californians are feeling better about the economy than they were a few months ago, but they continue to hold back on big-ticket spending, according to a recent survey by Chapman University.

To read the full story, please click here:

http://www.pe.com/business/local/stories/PE_Biz_D_confidence18.193c371.html



What you should know about the market

- Due to the challenges associated with purchasing short sale and foreclosure properties, many home buyers who signed contracts prior to April 30 to take advantage of the federal home buyer tax credit are concerned escrow may not close prior to the June 30 deadline. As a result, the Senate added an amendment to a bill this week that, if approved, will extend the deadline to close to Sept. 30, 2010. If the Senate passes the bill, it will go back to the House of Representatives for approval prior to reaching the president's desk for his signature.
- Another issue drawing the attention of home buyers is the lapse in the National Flood Insurance Program. Flood insurance is required for mortgages on properties in the 100-year floodplain. Congress has allowed the program to lapse three times this year, forcing many real estate transactions to be put on hold and, in some instances, cancelled. The U.S. House of Representatives passed a short-term extension of the NFIP yesterday, funding the program through Sept. 30, 2010. The extension still must pass the Senate.