

Media Advisory



[Bloomberg.com](http://www.bloomberg.com)

California home-price cuts end sales losing streak

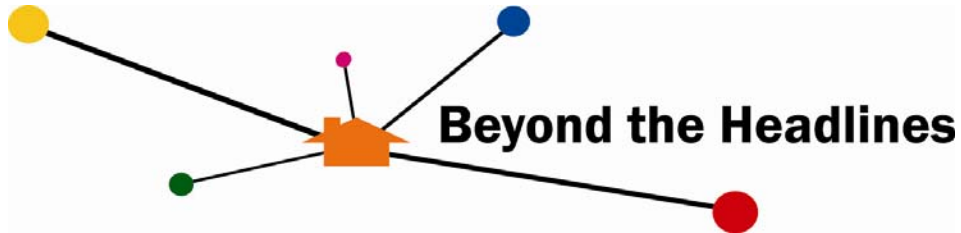
Bargain hunters who bought foreclosed properties in April helped reverse a 30-month decline in homes sales and sent the median home price tumbling by 32 percent compared with a year ago, according to a report issued Tuesday by the CALIFORNIA ASSOCIATION OF REALTORS®. April 2008 home sales were 2.5 percent above the April 2007 level, but buyers looking for bargains were behind a \$190,240 drop in the median price from \$594,110 in April 2007 to \$403,870 this April. The figures were heralded as good news for long-suffering first-time homebuyers.

Keep this in mind . . .

- Seasonally adjusted existing home sales rose to an annualized rate of 366,720 this April from 357,640 in April 2007. The Association's Unsold Inventory Index, which measures how many months it would take to deplete the supply of homes at the current pace of sales, fell from 11.3 months in April 2007 to 9.2 months this April. Median days on the market stood at 53.1 days a year ago, compared with 52.1 days this April.
- The vast majority of sales were at the more affordable end of the spectrum. Homes priced under \$500,000 accounted for 64 percent of all sales in April, compared with only 40 percent a year ago. Homes from \$500,000 to \$1 million, meanwhile, accounted for only 26 percent of sales this April, down sharply from 45 percent a year ago. Once-fallow markets like Sacramento and Riverside saw increases in sales of more than 20 percent as bargain-hunters took advantage of favorable interest rates, lower prices and a glut of foreclosures on the market.
- An estimated 30,000 foreclosed homes have been auctioned in California over the past year. Observers say lenders holding repossessed properties have been anxious to sell them at discounts of as much as 40 percent, and that fact is enticing buyers back into the market in greater numbers.

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601087&sid=aKzbMH2M1azY&refer=home>



[Thomson Reuters](#)

Single-family home prices tumble in March

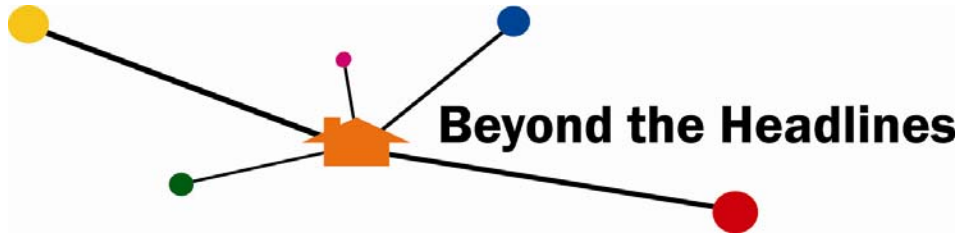
Single-family home prices fell 14.4 percent in the first quarter from a year ago, according to the Standard & Poor's/Case Shiller index. Separately, the Commerce Department reported that new home sales rose for the first time in six months while the unsold inventory of new homes declined for the twelfth consecutive month. In other news, The Conference Board said its Consumer Confidence measure declined from 62.8 in April to 57.2 in May on consumer worries about housing, higher fuel and food costs, and the future of the economy.

Keep this in mind . . .

- S&P's survey of 20 markets showed a 2.2 percent price decline in March. A 10-market survey showed a 2.4 percent monthly decline and a 15.3 percent overall drop. In California, Los Angeles prices fell 21.7 percent in March compared with a year ago, while San Diego fell 20.5 percent.
- New home sales edged up 3.3 percent in April after an 11 percent drop in March to an annualized rate that remains 42 percent below last year's levels. The good news: Inventory fell 2.4 percent to a 10.6-month supply, down from 11.1 months in March.
- Consumer Confidence fell to the lowest level since October 1992. Other measures also dropped considerably: The group's measure of present conditions dropped from 81.9 in April to 74.4 in May, and its gauge of expectations through the end of 2008 declined from 50.0 in April to 45.7 in May. The Conference Board also reported that the percentage of consumers planning to buy a home sometime during the next six months fell from 2.5 percent in April to 2.1 percent in May.

To read the full story, please click here:

<http://www.reuters.com/article/newsOne/idUSN2736173520080527?sp=true>



[Bloomberg.com](http://www.bloomberg.com)

Foreclosures in military towns surge at four times U.S. rate

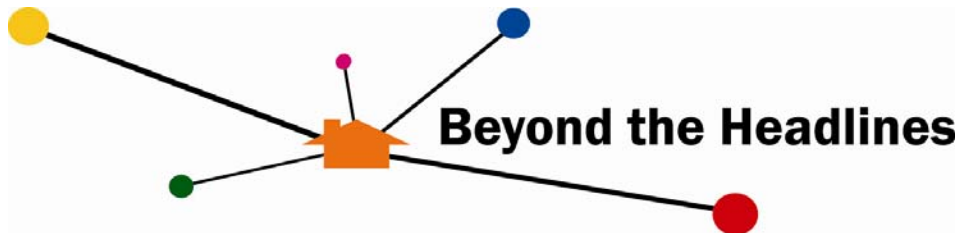
Foreclosure filings in 10 communities within 10 miles of a military facility jumped by an average of 217 percent between January and the end of April compared with the same period a year ago – a rate more than four times that of non-military towns and cities, according to RealtyTrac. Foreclosure filings near Fort Jackson, S.C., jumped 492 percent from the same period in 2007 while filings in three California communities with nearby bases also climbed significantly.

Keep this in mind . . .

- In California, Carlsbad (near Camp Pendleton) experienced a 131 percent increase in foreclosure filings from the January-April period a year ago. Also on the list were Barstow, home of a Marine Corps logistics base (120 percent) and Twentynine Palms (73 percent), home of the Marine Corps Air Ground Combat Center. The figures compare to an overall U.S. increase in foreclosure filings of 59 percent for the period.
- Experts say military personnel who bought homes over the last few years are more likely to have received subprime loans because of relaxed lending criteria that overlooked their frequent moves, lower pay and credit scores. While Veterans Administration loans historically have met the needs of soldiers and their families, they carried more stringent qualification criteria – one reason the percentage of VA loans granted actually fell during the real estate boom.
- Military personnel are protected from losing their homes due to nonpayment of mortgages while on active duty and for 90 days after they return home. Several members of Congress, including California's Bob Filner, are advocating the timeframe be extended to a year.

To read the full story, please click here:

<http://www.bloomberg.com/apps/news?pid=20601109&sid=awj2TMDLnwsU&refer=home>



[CBS News/60 Minutes](#)

House of cards: The mortgage mess

Not much has changed since *60 Minutes* first broadcast this story last January about the causes of the subprime mortgage mess and its effect on communities like Stockton, Calif., which this updated story calls “the nation’s foreclosure capital.”

Keep this in mind . . .

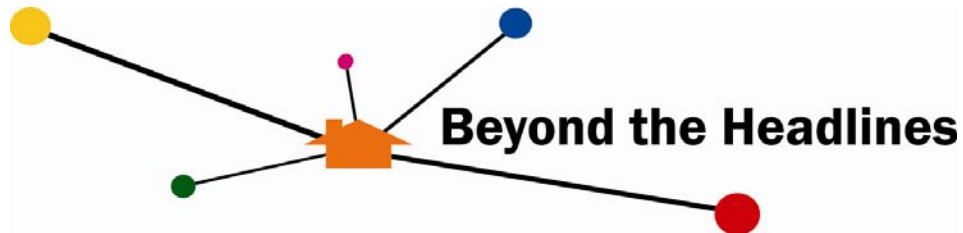
- What’s behind the subprime mortgage mess? Banks loaned hundreds of millions of dollars to homebuyers who otherwise wouldn’t qualify on the assumption that home values would continue to increase. Wall Street packaged these loans as securities and sold them as investments. Those investments collapsed beginning in July 2007 under the weight of the housing market slowdown.
- As of January, 2008, there were 4,200 homes in default or foreclosure in Stockton. Today, more than 6,000 area homes are in default or foreclosure. Observers say many borrowers who ended up in default or foreclosure got there because they bought without a downpayment and borrowed significantly more than the home was worth. Mortgage lenders, meanwhile, readily approved buyers based on their “stated income.”
- According to CBS, “100 of the world’s biggest financial institutions now are on the hook for a reported total of \$379 million in bad debt – and counting.”

To read a transcript of the story, please click here:

<http://www.cbsnews.com/stories/2008/01/25/60minutes/main3752515.shtml>

To view the story, please click here:

http://www.cbsnews.com/sections/i_video/main500251.shtml?id=4126094n&channel=/sections/60minutes/videoplayer3415.shtml



In Other News...



The Associated Press

Plenty of “for sale” signs but actual sales lagging

To read the full story, please click here:

<http://ap.google.com/article/ALeqM5ih-MLks9gapQmcOV8huTs9f2fsswD90T6G600>



The Associated Press

Gov't home price index posts largest drop in 17-year history

To read the full story, please click here:

<http://ap.google.com/article/ALeqM5hL1BztOWFNmmclQ6aOP-BAz9FIMgD90QSHKO1>



[Los Angeles Daily News](#)

Paying home dues painful

To read the full story, please click here:

http://www.dailynews.com/news/ci_9373275



[San Francisco Chronicle](#)

Home sales get lift, but lid still on prices

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/05/21/BUSM10QERD.DTL>



[Thomson Reuters](#)

Crunch turns back clock on mortgage lending

To read the full story, please click here:

<http://www.reuters.com/article/ousiv/idUSN0951352620080522>

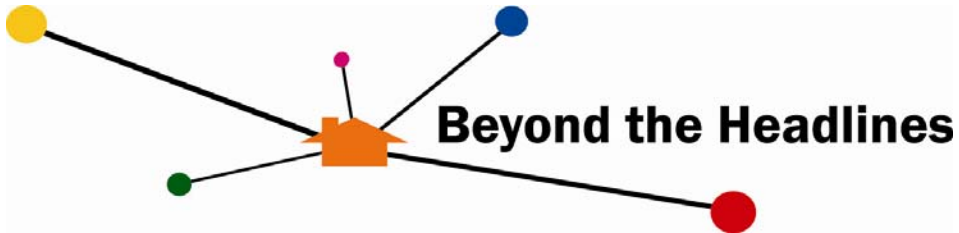


[Ventura County Star](#)

Home sales offer hope to some

To read the full story, please click here:

<http://www.venturacountystar.com/news/2008/may/24/home-sales-offer-hope-to-some/>



What You Need To Know About the Market

- Lower-cost home improvements, such as exterior paint and updated or new windows, may provide a higher return on investment in a cool market than an expensive new kitchen or bathroom, according to a recent "Remodeling" magazine survey of real estate professionals. Nationally, major home projects today return 70 cents on the dollar, down from as high as 90 cents during the housing boom and from 80 cents in 1994. That year, a kitchen remodel fetched a 93 percent return; today, the same remodel would cost about \$6,000 more and return only about 83 percent of that cost. New windows, updated energy systems and landscaping are seen as more practical upgrades in the current real estate market and also help a home show better.
- What are some of the hottest ZIP codes for home sales right now? The answer: Those that were among the coldest markets last year at this time. Neighborhoods with large numbers of unsold homes on the market last Spring this year are sporting "sold" signs in record numbers, according to the "Sacramento Bee" and DataQuick Information Systems. A list of the capital city's hottest ZIP codes includes 95832, which gain notoriety as one of the most default-prone areas in the state. Located in the Meadowview section of Sacramento, sales year over year have increased by 266 percent behind a 44 percent decline in the median price to \$185,000. In fact, 79 percent of April sales involved foreclosed homes. Other hot ZIPs to look for if you're looking to pick up a bargain: 95660 (North Highlands, sales up 211 percent); 95834 (North Sacramento, up 180 percent); 95823 (Meadowview, up 157 percent); 95828 (Florin neighborhood, up 143.9 percent).
- Speaking of bargains, South Florida's largest real estate brokerage over the Memorial Day holiday took a page from a big box retailer's marketing manual and cut prices on all its listings by 10 percent while supplies last (in this case, 10 days). The broker behind the unique approach said the extra 10 percent off already bargain prices in foreclosure-laden Miami might encourage buyers waiting for the market to be at or near "the bottom." Others countered that the properties included in the sale might be perceived as being over-priced, or that the discount might bring down the price of neighboring properties as a result.