



# The ESCROW EXAMINER

October 2009



## WHAT IS ALTOS RESEARCH ALL ABOUT?

*A word from Scott Sambucci, Vice President, Data Analytics, Altos Research*

- In surveying REALTORS and consumers, one of the most frequently asked questions in real estate is “How’s the market?” Agents have told us time and time again that they’d like to prepare regular market reports for their clients but just don’t have the time.
- Altos Research specializes in market trends so agents can effectively communicate key market dynamics to their clients by publishing weekly reports for our subscribers to share with their buyers and sellers. We like to tell our clients - “We’re the Data Geeks so you don’t have to be!”
- We monitor the active listings by city and zip code for every market we cover to provide a real-time look at how the market is changing on a weekly basis. Looking at the active inventory every week and watching the market price change due to price reductions, new listings, and sold properties leaving the market gives a nice look at whether a market is heading higher or lower. This methodology can be particularly useful in markets areas with few sold comparables to utilize.
- The reports are especially good to leverage local expertise by offering transparency about the current market trends, then providing comparables, CMAs, and recommendations based on recent activity posted in the MLS and in local neighborhoods. The reports also a common starting point when approaching challenging topics such a listing price recommendations, possible price reductions, and whether or not to make an offer on a property.
- Because we’re looking at aggregated market-level statistics, even if a couple of individual listings are incorrectly tallied, those few “bad apples” won’t impact the overall market stats. For example, if there are 100 homes for sale in Beverly Hills and 3-4 individual listings have data that doesn’t match what’s in the local MLS, those 3-4 properties will have little to no effect on Median List Price, Days-on-market, and any other key metric.
- It’s all about helping our clients show their local market expertise!

## WEBINAR: Understanding the Altos Research Market Report

Learn the basics of the weekly Altos Research market reports. We will walk through the most common questions and answer your specific questions. During this session, we’ll review both the “Executive Summary” (1-page) report that is sent to consumers from the Prudential California website and the more detailed “Market Update” reports available to you from Pickford Escrow and The Escrow Firm. Register today!

Mon., October 5 at 9:00 a.m. - 9:45 a.m. - [Click here](#)

Mon., October 12 at 9:00 a.m.- 9:45 a.m. - [Click here](#)

Mon., October 19 at 9:00 a.m. - 9:45 a.m. - [Click here](#)

## REAL ESTATE OUTLOOK: RECESSION IS OVER

by *Kenneth R. Harney*

Now it's official. The chairman of the Federal Reserve Board himself has said it publicly that it looks like the recession is over.

Here comes the recovery.

But there was a big footnote in Bernanke's speech on the economy last week in Washington: Don't look for a dramatic recovery.

It'll be more like a slow moving, plodding sort of improvement where the economy inches toward expansion. But there'll be no sudden, splashy return to economic boomtime anytime soon.

Bernanke's point about the end of the recession was underscored by a 2.7 percent jump in retail sales for the month of August, according to the Commerce Department.

That's an important indicator because the key to pumping up the economy again is to get consumers spending, and that appears to be happening. Not just for auto sales, which got a big boost in August from the government's "cash for clunkers" program, but also for other key categories, like food and clothing purchases, department store retail, entertainment and restaurant spending, sporting goods.

They were all up for the month, after having been mainly down for well over a year.

One reason for the pick-up in consumer spending: People feel more confident about the direction of the economy in the months ahead. They see the stock market up, so their retirement funds and

401 K plans are bouncing back.

They see home values stabilizing or growing in most areas, so their equity is beginning to increase again.

The one big negative -- and it's definitely a drag for housing -- is the unemployment rate, which Mr. Bernanke said won't be coming down fast, even with the end of the recession.

Nonetheless, the vast majority of Americans who do have jobs have seen their real wages rise this year, up five percent. That's the largest annual gain in fifty years.

All of this is feeding into the housing sector in key markets, such as southern California, where August sales were

up 11 percent compared with the year before, according to MDA DataQuick. Even prices are rising slightly.

In the combined markets of Los Angeles, San Diego, Orange County, San Bernadino-Riverside and Ventura, the median price of homes sold gained 2.6 percent in August, which is very encouraging for one of the hardest-hit boom-to-bust areas of the country.

Meanwhile, the mortgage market continues to be exceptionally positive for housing sales and values: 30 year fixed rates averaged just above 5 percent last week, according to the Mortgage Bankers Association, and 15 year loans averaged 4.4 percent.

[www.realtytimes.com/rtpages/20090922\\_realestateoutlook.htm](http://www.realtytimes.com/rtpages/20090922_realestateoutlook.htm)

### BY THE NUMBERS

**3:** The percent gained in August of median price of homes sold in the combined markets of Los Angeles, San Diego, Orange County, San Bernadino-Riverside and Ventura . This is very encouraging for one of the hardest-hit boom-to-bust areas of the country.

**30:** Nov. 30th is the date that the \$8,000 home buyers tax credit expires.

**39,811:** New and resale houses and condos that were sold statewide last month (Data quick).

**67:** Percent of households that can afford an entry-level home ( CAR ) By Inman News, Monday, August 17, 2009.