

The Residential Resale Market in the Central Valley 2007-2009

Glenn M. Race CRB, CRS, GRI
Prudential California Realty

April 15, 2009
The Appraisal Institute
Double Tree Hotel

***In every action, there is a
corresponding reaction.***

Resale Market Factors

- **Foreclosures**
- **REOs**
- **Short Sales**
- **Employment**
- **Lending Industry Standards**

The Effect of Financing

FHA & VA Loans

- FHA loans *increased* from **1.2% in 2007** to **18.8% in 2008**
- VA loans *increased* from **.3% in 2007** to **2.7% in 2008**

Zero Down Payment Loans

- Zero down payments *declined* from **17.7% in 2007** to **2.7% in 2008**
- Lowest figure in years!

Asset Manager REO Handling

- First Priority: All Cash Offers
- Second Priority: Conventional Mortgage with 20% or more down payment
- Lastly: FHA & VA offers.

REO Escrow Fall Out Reasons

- Tougher loan underwriting standards
- Inability of lender required repair be done
- Refusal of the sellers
- Financial inability of the buyers do repairs
- Appraisal not meeting sales price
- Buyer/REO Seller canceling - lengthy time

Today's Buyers and Their Motivations

First Time Buyers

- **56%** Tired of Renting
- **9.2%** Desire for a larger house
- **9.2%** Desire for a better location
- **7.9%** Change in family status
- **7.0%** Investment & Tax Considerations

Repeat Buyers

- **21.2%** Desire for a better location
- **19.5%** Desire for a larger house
- **18.0%** Investment & Tax Considerations
- **8.0%** Changed jobs
- **7.1%** Tired of Renting

Gen X and Gen Y

- **60%** Buyers today were born after 1964 (45 and younger)
- **54%** of First Time Buyers are in the 24-34 age group
- **75%** of First Time Buyers are currently *Renting*.

Empty Nests

- **62%** of all Buyers have no children living at home. In this group:
 - **24%** unmarried females purchased homes
 - **12%** single males purchased homes

Empty Nests

- **86%** Married couple preferred single detached homes compared to **65%** of unmarried buyers
- Townhouses or apartment style condos are preferred by only **10%** married couples compared **31%** to of unmarried purchasers.

Location, Location, Location

- **#1** concern: **62%** of all buyers: **Quality of Neighborhood**
- **#2** concern: **51%** Convenience to work
- **#3** concern: Overall Affordability
- **#4** concern: Proximity to family and friends
- **#5** concern: Quality of School District

Age Influences Years in the Home

- 18-25: **6** years in the home
- 25-44: **10** years in the home
- 45-older: **15** years in the home

The Pursuit of Sellers in this Market

Seller Motivation

The Four D's


- **Delinquency**
- **Death**
- **Divorce**
- **“Da” Job**

Market Trend Comparison Report


- San Joaquin County
 - All Single Family & REO
- Stanislaus County
 - All Single Family & REO

www.GlennMRace.com


home - www.GlennMRace.com
http://www.glenmrace.com/page/home
YouTube - Broadcast... PruCalifornia.com OST Login PowerAds Modbee Addesk meebo.com



www.GlennMRace.com
Glenn M. Race
gmrace@prucalifornia.com
Phone: (209) 235-2020
Mobile: (209) 996-0269
Fax: (209) 235-2024



1101 Sylvan Avenue, Suite A-7
Modesto, CA 95350

Home	<p>Whether it's managing the sales force at Prudential California Realty, training real estate's up-and-coming stars, or working with past clients, Glenn produces powerful results through empowering people. With more than 30 years experience in real estate, Prudential California Realty clients and associates have the right formula for success - a combination of the best training, knowledge, commitment to providing legendary service... and <i>Glenn M. Race</i>.</p> <p>As a Manager... You want a manager who will help you build your business. That's why Glenn's made a personal commitment to provide you with the quality support you need to succeed.</p> <p>As a Coach... You need excellent training and coaching beyond pre-licensing school and an affiliation with a powerful, national company. <i>You are not average. So, why choose an average real estate company?</i></p> <p>As an Agent... With more than 30 years experience in real estate, Glenn's past clients keep coming back for more...</p> <p>Accelerate Your Career...</p> <p>Call Glenn at: (209) 235-2020</p> <p>Email Glenn at: gmrace@prucalifornia.com</p> <p>Careers in Real Estate Try our Real Estate Simulator and see if real estate is right for you. Career Center</p> 	REGISTER BELOW	
Buy A Home		Already Registered? Log In	Search the MLS
Training Articles		County: STANISLAUS	City or Cities: Select City/Cities CERES CROWS LANDING DENAIR
Sell Your House		Property type: Single Family Home Condo/Townhome Mobile/Manufactur Lots/Land	Bedrooms Bathrooms No Min. Price No Max. Price
Mortgage Center		Name: *	Name: *
Community Info		Email: *	Email: *
Career Counselor		Phone: *	Phone: *
About Me		<input checked="" type="checkbox"/> Receive new listing e-mail alerts on this search?	<input type="button" value="MLS SEARCH"/>
About Glenn		<input type="button" value="MORE OPTIONS"/>	
100 Days to Greatness!			
Get Licensed!			
Central Valley Market Trends			

Done

Today's Market and Recent Trends

Market Overview

- Abundance of Buyers
- Shortage of Homes
- Low Absorption Rates
- Government Impact
- Short Sale Approval Rates
- Presence of Distressed Homeowners
- REO Accumulation

More Trends

More Trends

- Lending Struggle
- Bank Vs. Mortgage Broker
- REO and short sale restrictions
- Buyer purchase surprises

Trends in the Real Estate Brokers Industry

Real Estate Brokerage Trends

- Decrease of agents, loan officers, title and escrow officers
- Back to Basics will thrive
- Smaller companies to merge
- Non-profitable companies to close
- Reliability on Proper Pricing

There is a lot to be said about consumer confidence in this market.

The Central Valley was first into this down turn... it seems probably that we will be the first out.

Glenn M. Race CRB, CRS, GRI
Prudential California Realty
(209) 758-3192 | (209) 235-2020
gmrace@prucalifornia.com
www.GlennMRace.com

The Residential Resale Market
in the Central Valley 2007-2009

