

THE INDUSTRY

DID YOU KNOW? Homes for sale in Irvine represent 7.3% of Orange County inventory, 6.5% of distressed homes listed and 7.4% of all Orange County's new deals.

Home sales in Irvine decline 26 percent from last November

Another report provides hints of a turnaround.

Homebuying in Irvine is slowing down, by the freshest math.

For November, stats from Data-Quick show Irvine home sales of 180 – that's down 63 purchases or 25.9 percent vs. a year ago. County-wide, sales were up 1.8 percent vs. a year earlier. Also:

- Irvine home sales were 7.8 percent of the countywide market in the latest period vs. 10.8 percent in the year-ago period.
- Of Irvine's eight ZIP codes, just one had sales gains vs. a year ago while one had a gain in its median selling price vs. a year ago.
- Medians within the city's ZIPs ran from \$402,500 to \$740,000 – while the price gap was \$462,500 to \$840,000 a year ago.
- Three of these eight ZIP



JEBB HARRIS, THE ORANGE COUNTY REGISTER

DataQuick figures for last month show Irvine home sales were 7.8 percent of the countywide market in the latest period vs. 10.8 percent in the year-ago period.

codes beat the minus-8 percent overall performance of the countywide median for the past year.

Every two weeks, Steve Thomas of ReportsOnHousing.com publishes a

study of the supply of local homes for sale.

The latest report – as of Dec. 8 – gives some hope that the Irvine may have a turnaround:

- 650 residences listed in

brokers' MLS system with 191 new deals opening in the past 30 days.

• By Thomas's math, Irvine has a "market time" (months in would take to sell all inventory at current

pace of new escrows) of 3.4 months vs. 3.62 months found two weeks earlier vs. 4.67 months seen a year earlier.

- Countywide, latest market time was 3.44 months

vs. 4.42 months a year ago. So, homes in this community sell – in theory – in roughly the same time as the countywide pace.

Irvine has a slightly smaller challenge with so-called distressed properties than the county as a whole.

Of the homes listed for sale in Irvine, 218 were either foreclosures being resold or short sales, in which sellers owe more than the home's value. So distressed properties were 33.5 percent of supply of homes for sale vs. 37.7 percent countywide.

Compare these trends to countywide patterns:

- Cities with highest level of distressed properties among their listings? Portola Hills was tops – 73.3 percent – followed by Rancho Santa Margarita at 68.8 percent of listings and Ladera Ranch at 64.9 percent of listings.
- Fewest? Seal Beach was tops – 4.5 percent – followed by Corona Del Mar at 5.0 percent of listings and Laguna Woods at 8.8 percent of listings.

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Selling, buying house requires juggling skills

In the midst of the holiday hustle bustle and wrapping up the year, this classic line from an old Elvis Costello song blazed across my brain – "I feel like a juggler running out of hands."

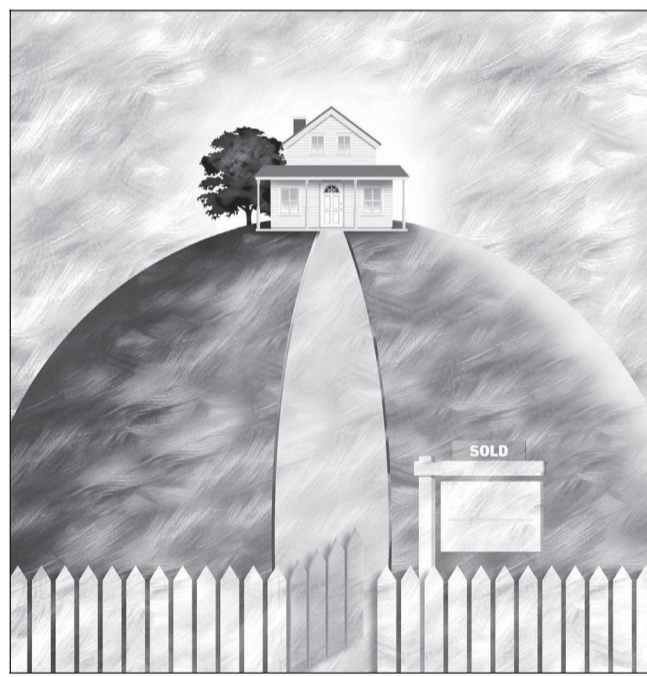
Tucking in all the loose ends for a list of clients not quite as long as Santa's, it suddenly hit me that you really do have to be a master juggler with some extra hands to get it done as a buyer or a seller (or a Realtor, for that matter) in today's Orange County real estate market.

Any amateur juggler can keep the three basic balls in the air – price, condition, and location; especially if you have a spouse, partner or older kids to lend a hand.

This is everyday juggling that you have to be able to do to even think about joining the show.

Now throw in two Ginsu knives – drive-by only and tenant occupied – and it gets a bit trickier. The knives are sharper and heavier than the balls. It takes a bit more to keep them in play, and keep from getting stabbed. You need a different skill set to handle making an offer on a home

you can't move. On a juggling, you have to be able to handle leaking mold. You have to be able to compensate out with You've got the picture, right? There you are up on the stage at the "Ed Sullivan



PAI, KRT

Christmas Show" trying to keep three balls, two Ginsu

tration, tight focus, and unwavering nerves to avoid the end of the ball, knife, without losing. Escrow show is

children is an agent. She she thinks sellers need to be as sugarcoating. You can check out her blog at <http://whatagentsfeartellingyou.com>.

Get behind HOA if delinquency rate is high

Q. I live in a small condo community in Costa Mesa that has 51 units. It is a lovely



RANDY JOHNSON
FOR THE REGISTER

community with lots of tall trees and creeks throughout and minimal deferred maintenance. There is a handful of short sales and REOs

available. Financing seems to be the problem with closing a sale. The reason I've been told is the high HOA delinquency rate, which is 15 percent or more. Most banks decline financing once they discover this fact.

That said, I have been told that direct lender financing is the way to go. How do I find a "direct" lender?

A. The problem is that there are certain expenses incurred by the homeowners association and if 15 percent of the unit owners

aren't making payments, something has to give. Either cut expenses or increase the dues or have an assessment to cover the shortfall. None of these is good. A lender does not want to get involved in this because they see it as buying a problem.

If I were a seller or buyer in this kind of situation, I would go to the association's president and offer to make up the back payment for the person who is least in arrears. That gets the delinquency rate down to 14 percent and that solves the short-term problem. It does NOT solve the long-term problem and, as an owner, you should be pro-active in pressuring the board to act before it gets more serious.

If you want Johnson to answer a question, e-mail it to Maurine.Pool@mpool@ocregister.com. Include your name or nickname and the city you live in.

Local agents react to slow market

Tired of Orange County's home price roller coaster ride?

Well, there may not be an opportunity to get off for four more years, one local real estate agent says. According to Huntington Beach broker Tom Moon, local home prices may not stabilize until late 2015 to 2016.

This was one of several observations local agents shared in response to the latest housing figures showing that the Orange County median home price fell in November to the lowest level in 31 months. We asked agents what hap-

pened to home sales and prices in Orange County in November and to compare 2011 to what's expected to happen in 2012. Here are some of their responses.

TOM MOON, PACIFIC MOON REAL ESTATE, HUNTINGTON BEACH

"It appears housing sales are on an upswing, while prices will still be on the downswing for several more years. Our goal would be for prices to stabilize, maybe in late 2015 to 2016."

PHIL SCHAEFER, SEVEN GABLES REAL ESTATE, SANTA ANA

"Whenever we compare a particular month or ZIP code, it basically gets down to the mix of homes selling in that window vs. the mix in the same window at some earlier time, which



can be very skewed. ... "I saw some (distressed) homes that had been 'in escrow' for many months finally close in November."

VINCENT BINDI, EVANTAGE REAL ESTATE, MISSION VIEJO

"The rate of sales has ac-

"Buyers and sellers have come to grips with the 'new normal.'"

MAC MACKENZIE, COLDWELL BANKER, IRVINE

tually held more or less steady throughout most of this year in Orange County.

"I expect the year of 2012 will be what's termed as a Muddle Through market. I expect to see home prices holding steady throughout 2012, or possibly a bit smaller decline."

DICK LOBIN, CENTURY 21 OLYMPIC TEAM, WESTMINSTER

"Sales are just bouncing along the bottom. A minor rise or fall is rather insignificant. A rise in activity may indicate some bargain hunting if suitable inventory happened to come on the market that month.

"2011 will end as it started. Rather unexciting and lackadaisical. ... "The consensus is that 2012 will be a repeat, or threepeat. ... Nothing significant will happen until after the November 2012 election."

MAC MACKENZIE, COLDWELL BANKER, IRVINE

"Buyers and sellers have come to grips with the 'new

normal.' ... Buyers understand that they can afford much more home with interest rates under 4 percent. ...

"Sellers have finally given up waiting for the 'good market' to return."

TOM PELTON, MANAGER FOR PRUDENTIAL CALIFORNIA REALTY IN FULLERTON AND BREA

"The market this year has been predominately Investors and first-time homebuyers. I think you will see a strong ending to 2011 as investors look to finish up 2011 business. ...

"I'm anticipating a surge in sales right after the new year due to pent-up demand."

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