

The Real Estate Report

LOCAL MARKET TRENDS



SAN DIEGO COUNTY
— NORTH INLAND

September/October 2008



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San Diego Home Sales Up Year-over-Year 2nd Month in a Row

The sale of single-family, re-sale homes rose for the second month in a row, gaining 11.6% in August compared to last August.

A large percentage of these sales, maybe as much as half, were of bank-owned property. The faster we can get these things off the market, the sooner we can return to a normal market.

The median price was down 4.9% from July, and was off 32.2% year-over-year. Remember, these are statistical prices and they are being skewed downward dramatically by the large number of bank-owned properties being sold.

When the market was rising, statistical prices were skewed upward by the feeding frenzy that went on.

Condo sales were up 11.4% month-over-month, and up 2.1%

The median price for condos dipped 2% from July, and was off 30% compared to August 2007.

Year-to-date, home sales are off 19.3% and condo sales are down

Trends at a Glance (Single-family Homes)			
	Aug 08	Jul 08	Aug 07
Median Price:	\$390,000	\$410,000	\$575,000
Average Price:	\$511,355	\$537,941	\$732,404
Home Sales:	1,644	1,691	1,473
Sale/List Price Ratio:	95.3%	95.5%	94.7%
Days on Market:	66	66	68
Condos/Town Homes			
Median Price:	\$245,000	\$250,000	\$350,000
Average Price:	\$323,549	\$322,951	\$423,339
Home Sales:	871	782	853
Sale/List Price Ratio:	96.4%	95.8%	95.7%
Days on Market:	69	73	63

compared to last August. This is the first year-over-year sales gain for condos since April 2007.

hood or property or for an evaluation of your home's worth, call me.

To "STOP" receiving this Monthly Newsletter or to receive this Newsletter via "EMAIL", please call or email me and I will make the changes immediately.

INSIDE THIS ISSUE:

THE DONALD SAYS IT'S BUYING TIME	1
MORTGAGE RATE OUTLOOK	2
CITY STATISTICS	2
MORTGAGE LOAN RATES - 5 THINGS A HOME BUYER SHOULD KNOW	3
CONDO STATISTICS	3
PRICE & SALES CHART	4

The Donald Says it's Buying Time

On August 12th, Donald Trump was interviewed on Good Morning America about the real estate market.

"If you want to buy a house, there's probably never been a better time," he said.

Donald Trump, arguably the most successful real estate investor in the country said people looking to sell their homes should hold off if they're able to do so.

"It's a tough market. It's a horrible market," he said. But "this is the absolute time to buy. It's not the time to sell."

"The fact is that most of the country is very, very weak," Trump said, adding that buyers should use that to their advantage.

For those who find themselves in a must-sell position, the man known as "The Donald" said sellers should "make sure the house is in great condition."

It could mean more money for you home, he said.

On Facing Foreclosure

Due to the credit crisis, sparked by the flood of irresponsible loans made over the past few year, many Americans are in danger of losing their homes.

For these people, Trump said all hope is not lost, even if the bank has filed a foreclosure notice.

Why? Banks don't want your home, because then they would have to sell it in a market already flooded with homes for sale.

"The banks want you in that house," he said. "Call your bank. Work out a deal."

He said in many cases friendly bankers are eager to work with trouble home owners to find a financial option viable for both parties and added there is a way people should approach the institutions.

"Above all else be nice. Don't go in too aggressively," Trump said.

For consumers dealing with the not-so nice bankers, "you may have a really bad banker in which case you get a really good lawyer and sue them," he said.

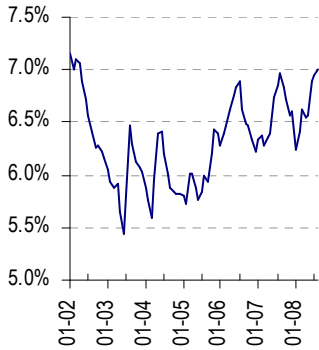
Below is a link to the video of the interview:

<http://abcnews.go.com/Video/playerIndex?id=5562780>

The Real Estate Report

Mortgage Rate Outlook

30-Year Fixed Mortgage Rates



August 29, 2008 -- Overall fixed mortgage rates shed another four basis points (.04%) this week, with HSH's Fixed Rate Mortgage Indicator (FRMI) nudging down to 6.95%. Over the past four weeks, and since the passing of the housing bill, the FRMI has wandered aimlessly in a 10-basis-point range. Hybrid 5/1 ARMs, which have put in wide swings in rates at times this summer, have also settled into a mellow pattern, unchanged this week at 6.63%.

Some investor appetite for conforming loans was more evident, as the average 30-year conforming loan declined by six basis points to an average 6.51%. Private-market jumbos eased three basis points, but remain better than a full percentage point above conforming rates.

Home sales remain mired in the doldrums, but the pattern of continual and substantial declines is fading. Over the next couple of months, the double-digit declines in the year-ago comparisons will be replaced with smaller numbers and perhaps even a few favorable reviews.

Existing Home Sales flared 3.1% higher during July, climbing back to a 5 million annualized sales pace. The number of sales has traversed this level back and forth over the past ten months. Inventory continues to pour onto the market, and there's more than 11 months of homes available at the present rate of sale. Prices have continued to ease, with the Realtors noting a 7.1% dip in prices over those paid last July.

One side comment about existing home sales is that somewhere around one-third of sales are homes which had fallen into foreclosure. Commenters have noted (perhaps snidely) that absent their influence, home sales would really be in the tank. We see this situation somewhat differently. The most important factor, we'd argue, is that home sales are happening. Five million annualized remains a solid -- perhaps even remarkable -- level in light of all the challenges facing the market. We'd also argue that the foreclosure influence simply reinforces the fact that buyers will buy once they find the intersection of affordable price and financing availability.

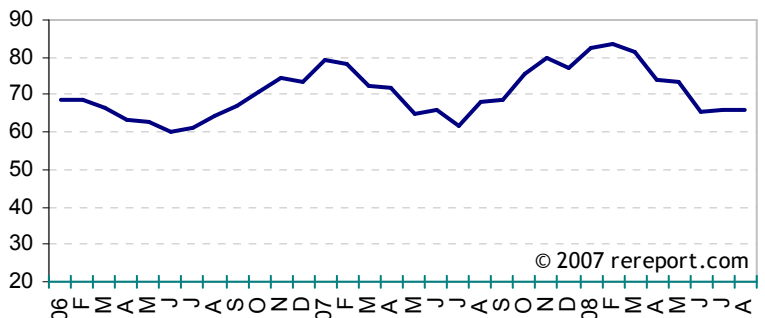
“SOMEWHERE AROUND ONE-THIRD OF SALES ARE HOMES WHICH HAD FALLEN INTO FORECLOSURE.”

August Sales Statistics

(Single-family Homes)

County	Prices		Unit			Change from last year			Change last month		
	Average	Median	Sales	DOM	SP/LP	Ave.	Med.	Sales	Ave.	Med.	Sales
County	\$511,355	\$390,000	1,644	66	95.3%	-30.2%	-32.2%	11.6%	-4.9%	-4.9%	-2.8%
North County Inland	\$478,567	\$409,000	503	68	95.7%	-31.2%	-29.2%	2.9%	-0.1%	-0.4%	-7.5%
Bonsall	\$886,125	\$702,500	8	33	97.3%	17.4%	1.1%	60.0%	60.0%	60.0%	60.0%
Escondido	\$371,108	\$318,000	125	72	95.9%	-37.0%	-39.3%	42.0%	-5.5%	-9.1%	-15.0%
Julian	\$396,113	\$349,000	8	145	87.3%	25.8%	58.3%	166.7%	5.6%	-6.9%	300.0%
Mira Mesa	\$389,700	\$373,000	32	40	101.0%	-18.2%	-18.9%	-33.3%	-1.0%	-5.2%	0.0%
Poway	\$700,341	\$529,925	36	59	94.2%	-21.4%	-18.5%	-23.4%	7.6%	25.3%	16.1%
Ramona	\$401,236	\$374,500	18	95	95.2%	-24.1%	-30.0%	12.5%	-5.4%	0.1%	-35.7%
Rancho Bernardo	\$722,718	\$620,000	69	68	93.8%	-25.5%	-12.7%	-24.2%	1.1%	4.3%	21.1%
Rancho Penasquitos	\$591,621	\$550,000	29	47	96.4%	-11.7%	-13.6%	-6.5%	1.3%	0.0%	-17.1%
San Marcos	\$430,857	\$422,000	61	65	97.4%	-29.2%	-25.2%	17.3%	-6.8%	-3.9%	-9.0%
Scripps Ranch	\$669,415	\$623,500	20	50	96.3%	-15.2%	-16.0%	-28.6%	-12.3%	-13.6%	-9.1%
Valley Center	\$408,201	\$365,000	9	83	96.7%	-51.2%	-42.7%	-25.0%	-13.2%	-12.0%	-18.2%
Vista	\$332,471	\$325,000	69	75	97.1%	-35.8%	-35.0%	68.3%	-6.9%	-6.9%	-16.9%

San Diego County: Days on Market



The Real Estate Report

Mortgage Loan Rates - 5 Things a Home Buyer Should Know

by Brandon Cornett

Buying a home requires plenty of homework (no pun intended). There are new concepts to grasp, unfamiliar terminology to learn, and plenty of decisions to make along the way.

The mortgage loan interest rate is one of the topics that confuse a lot of home buyers, especially the first-time buyers who are new to the process. So in this article, I'll explain how an interest rate gets applied to a home loan, and how it affects you as the borrower.

5 Things a Buyer Should Know

- The rates offered by a lender will vary from one person to the next. It's largely based on a borrower's credit score. The higher your score, the better the rates you'll be offered when applying for a loan. This is why you see so much fine print on the advertisements of mortgage companies -- there's a lot of variance

involved. So when they offer a "teaser rate" in their marketing materials, it may or may not apply to you.

- The interest rate is one of four factors that will determine the size of your monthly mortgage payment. Collectively, these factors are referred to with the acronym PITI. The 'P' stands for the principal amount you borrow. The first 'I' stands for the interest you pay on the loan. The 'T' is for taxes on the home. Lastly, the final 'I' is for insurance (i.e., the homeowner's policy you are required to have before closing.)
- In order to qualify for the best rates on a mortgage loan, borrowers need a higher credit score today than they needed just a few years ago (a 750 or higher in many cases). If you've been watching the news lately, you can probably guess why. The sub-prime mortgage mess of 2007 - 2008 has led to tougher restrictions on lenders. In turn, the lending institutions have tightened up on their loan criteria for qualification, rate assignments, etc.
- Every buyer should study the key differences (and pros and cons) between adjustable and fixed-rate home loans. With an adjustable mortgage, or ARM, the interest rate will typically start out low for an introductory period. This period commonly lasts for three to five years, after which the loan will adjust or "reset" to a higher rate. In many cases, this increase can be significant and will therefore lead to a bigger mortgage payment each month.
- For buyers who plan to remain in a house longer than three to five years, the fixed-rate mortgage is usually the best option. As the name suggests, this type of loan will carry the same level of interest for the entire time you're paying it (regardless of what the economy does). This offers a level of financial certainty, which for many borrowers is all the reason they need to choose this option over the ARM.

Clearly there is much more to learn about interest rates, as they apply

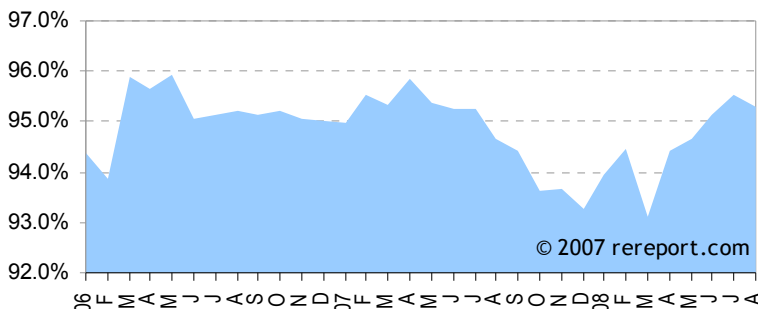
to buying a house. But I hope the points I've made above give you a better understanding of this subject. I recommend you learn more about each of the items covered above, particularly the pros and cons of adjustable versus fixed mortgages. Being an educated consumer is the first step toward success in the real estate world.

About the Author: Brandon Cornett publishes a home buying blog that has offered house buying tips and advice since 2006. To learn more about this and related topics, visit the author's blog at:

<http://www.homebuyinginstitute.com/homebuyingtips>

County	August Sales Statistics (Condominiums/Townhomes)										
	Prices		Unit			Change from last year			Change last month		
	Average	Median	Sales	DOM	SP/LP	Ave.	Med.	Sales	Ave.	Med.	Sales
North County Inland	\$323,549	\$245,000	871	69	96.4%	-23.6%	-30.0%	2.1%	0.2%	-2.0%	11.4%
Escondido	\$148,784	\$116,750	42	68	97.6%	-49.3%	-57.1%	100.0%	-0.9%	-11.9%	50.0%
Poway	\$294,000	\$294,000	2	34	97.4%	-19.7%	-26.5%	-33.3%	18.8%	18.8%	0.0%
Mira Mesa	\$213,450	\$212,000	31	41	99.6%	-30.0%	-29.0%	40.9%	-4.0%	-0.2%	3.3%
Ramona	\$157,034	\$152,172	5	81	99.0%	-53.1%	-54.6%	150.0%	0.0%	0.0%	0.0%
Rancho Bernardo	\$290,723	\$282,500	42	63	96.7%	-18.3%	-19.3%	-22.2%	-8.6%	-10.3%	16.7%
Rancho Penasquitos	\$238,389	\$204,500	9	95	93.4%	-36.1%	-48.2%	-30.8%	-14.9%	-18.2%	-18.2%
San Marcos	\$281,052	\$295,000	29	75	96.4%	-15.6%	-17.4%	52.6%	18.1%	22.9%	0.0%
Scripps Ranch	\$353,453	\$330,000	15	50	96.3%	-11.6%	-14.7%	-25.0%	-4.0%	-5.0%	15.4%
Vista	\$254,136	\$163,200	18	57	146.8%	-15.9%	-41.5%	100.0%	53.7%	10.6%	0.0%

San Diego County: Single-family Homes Sales Price/Listing Price Ratio



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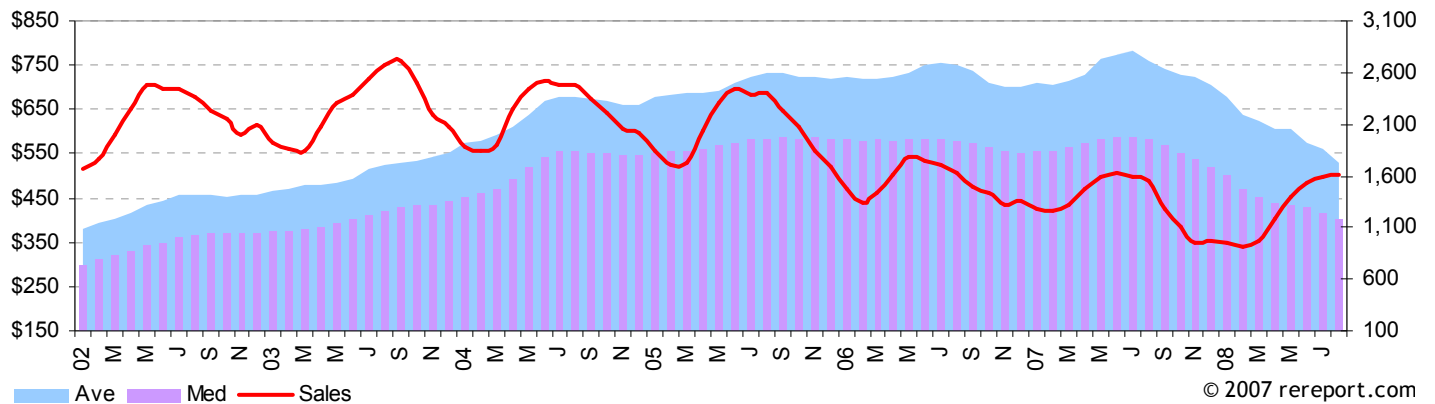


For a **FREE** subscription and the city by city breakdown, go to our web-site at:

<http://www.Aserni.com>

San Diego County — Single-family Homes: Prices & Sales

(3-month moving average — price in \$000's)



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