

Forbes

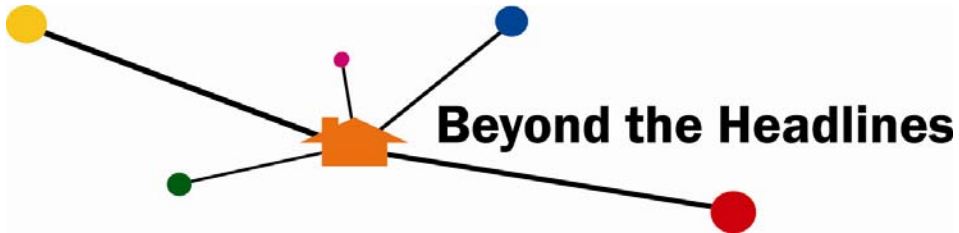
America's riskiest real estate markets

Using data from a variety of sources, *Forbes* has compiled a list of the nation's "riskiest" real estate markets – which includes San Diego and Sacramento. But, the magazine concludes, there are signs that improvement may be on the horizon for these two major California markets.

Keep this in mind . . .

- The riskiest markets are those with high foreclosure rates, slow or no job growth, and a glut of homes on the market. Markets like Detroit, Cleveland, and Miami display all three characteristics.
- By contrast, transactions are rising in San Diego, and that's a good sign assuming the increase is sustained. Rising transaction numbers may mean credit is becoming easier to come by and buyers are looking somewhat more favorably on the market. In fact, *Forbes* suggests prices also may begin to rise over the next six months. That's because there usually is a lag between increases in transaction numbers and price increases.
- The *Forbes* report also projects better times ahead for San Diego and Sacramento thanks to a 125 percent increase in Fannie Mae/Freddie Mac conforming loan limits. In San Diego, the report notes, 18 percent of the market will see improved lending conditions.

To read the full story, please visit: http://www.forbes.com/realestate/2008/03/31/homes-risky-property-forbeslife-cx_mw_0331realestate.html

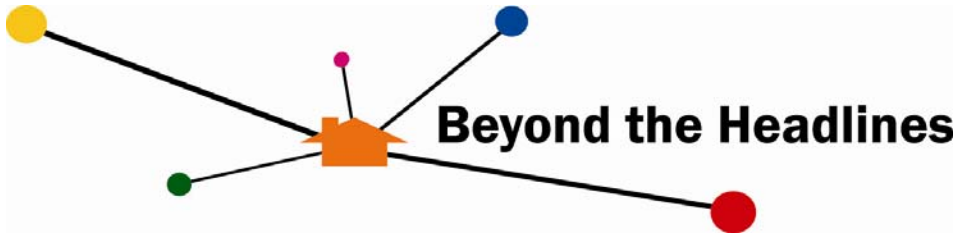


National Public Radio

Many homeowners insist on inflated prices

Behavioral finance professor Hersh Shefrin of Santa Clara University discusses why some homeowners decline to accept an offer from a buyer that is less than their inflated asking price.

To listen, please visit: <http://www.npr.org/templates/story/story.php?storyId=89225406>



Dallas Morning News

Report: Housing slump hitting second homes

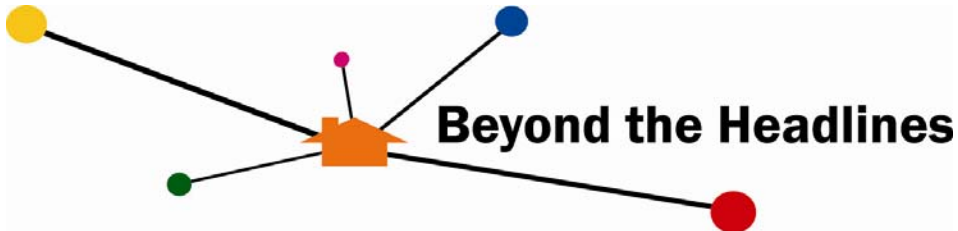
Vacation home sales declined by more than 30 percent in 2007 and home sales to investors fell more than 18 percent from the previous year, according to a report issued Friday by the NATIONAL ASSOCIATION OF REALTORS®.

Keep this in mind . . .

- Sales of primary residences dropped 10 percent nationally over the same period, so it is no surprise that second-home and investment purchases, which tend to be discretionary, would fall as well.
- Second home and investment property buyers also have faced the same disruption in the mortgage market that buyers of primary residences have faced. Mortgage credit tightened across the board during the last six months of 2007, creating a significant barrier to the completion of second- and investment-home sales.
- Despite the decline in sales, the median price of investment properties remained unchanged at \$150,000 and vacation home prices fell by only 2.5 percent from 2006 figures to a median price of \$195,000.
- Even with a softening in second/investment home sales, buyers remain optimistic: 80 percent of those surveyed by NAR in 2007 said they considered it a good time to invest in real estate.

To read the full story, please visit:

<http://www.dallasnews.com/sharedcontent/dws/classifieds/news/homecenter/secondhomes/stories/032908dnbussecondhomeslump.bc9306f.html>



Bloomberg.com

Banks fail to lower mortgage rates as Bernanke cuts

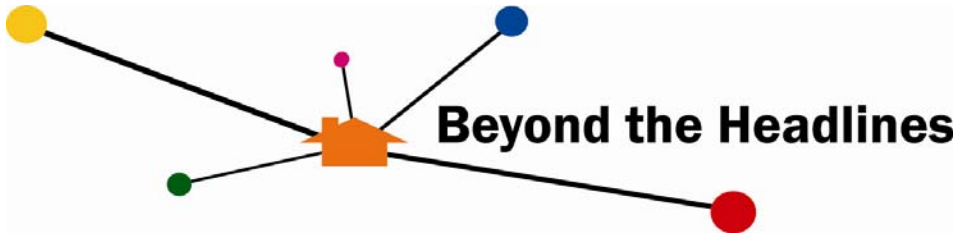
Though they've received seven interest rate cuts and a program designed to kick-start borrowing, banks are rebuilding their balance sheets rather than passing on the cuts to consumers in the form of lower interest rates.

Keep this in mind . . .

- With home sales continuing to fall, policy-makers have shaved 3 percentage points off of bank borrowing costs, but the average fixed rate has dropped only half a point. Last week, the rate for a 30-year-fixed loan was 5.85.
- In 2000, the last time home sales fell year over year, interest rate cuts helped revive the market. During 2001, the Federal Reserve acted 11 times to reduce rates by a whopping 4.75 percentage points. Fixed rates fell to a record low of 5.21 percent in June 2003.
- Because they have been holding steady at just below 6 percent in recent years, interest rates would have to fall to 5.7 percent or less to stimulate a wave of home purchase or refinance activity, according to one mortgage broker.

To read the full story, please visit:

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a3Vhp40UwPFM>



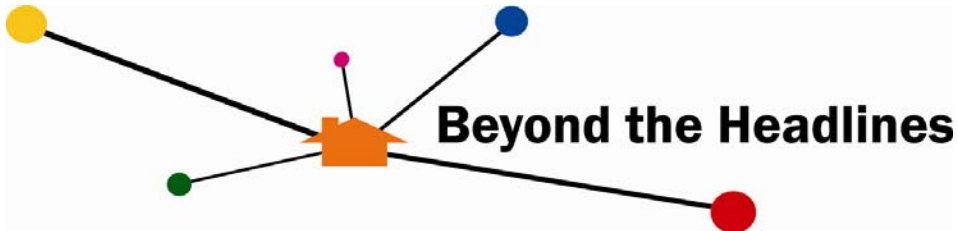
Reuters

Wall Street reacts to Paulson plan

Here's a thumbnail sketch of Treasury Secretary Henry M. Paulson Jr.'s proposal, unveiled Monday, to create a set of federal regulators with authority over the entire financial system.

To view the video, please visit:

<http://www.reuters.com/news/video?videoid=79266&videoChannel=5>



In Other News...



Vallejo Times-Herald

Real estate experts say a change is coming ***"Distressed" homes are driving market***

Sixty-one percent of properties on the market in Solano County as of March 26 were classified as foreclosures or short sales, according to a local REALTOR®. That's making selling difficult for homeowners whose properties are not "distressed," local agents report. But there may be an upside.

To read the full story, please visit: http://www.timesheraldonline.com/ci_8749587



Pleasanton Weekly

Pleasanton bucking trend in housing crisis ***Bay East tallies 10-year investment earnings at 187%***

A report to the Pleasanton Chamber of Commerce indicates the local housing market is bucking some of the real estate market slowdown trends that have plagued other communities.

To read the full story, please visit: http://pleasantonweekly.com/news/story_print.php?story_id=568



Eureka Times-Standard

Real estate's fifth best year

A local REALTOR® points out that the real estate market decline may not be as bad as some people might think if you look at the numbers in context.

To read the full story, please visit: http://www.times-standard.com/opinion/ci_8712841

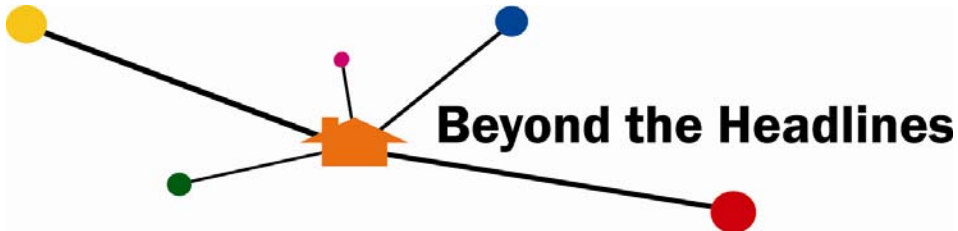


National Public Radio

A sea change for real estate agents

A profile of three real estate agents: A veteran riding out the downturn and two others considering career changes now that the boom has passed.

To listen, please visit: <http://www.npr.org/templates/story/story.php?storyId=89248539>



The Associated Press

Homes sellers dream up ways to hook buyers

In current down market, ingenuity and unusual approaches can work wonders

Sellers desperate to differentiate their property from the competition are using some unusual marketing strategies.

To read the full story, please visit: <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2008/03/30/RE9VVLBE5.DTL&type=printable>



San Francisco Chronicle

Bay Area gay senior housing closer to reality

Entrepreneurs and community groups are carving out market niches as the Baby Boom generation approaches retirement.

To read the full story, please visit: <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2008/03/30/REM9VR0FE.DTL&type=printable>

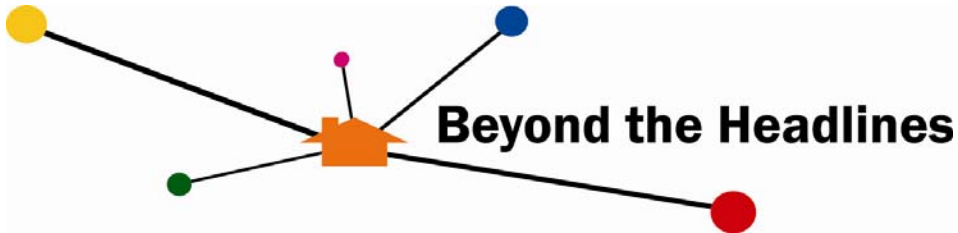


The New York Times

Top U.S. housing official resigns

Housing Secretary Alphonso R. Jackson, a key player in the Bush administration's subprime mortgage market team, resigned Monday. Jackson had been under investigation by the Department of Justice.

To read the full story, please visit: http://www.nytimes.com/2008/03/31/washington/31cnd-jackson.html?_r=2&adxnnl&oref=slogin



What You Need To Know About the Market

- Buyers waiting for the recession to pass before getting into the market might not want to wait too long: Clive Granger, winner of the 2003 Nobel Prize in Economics and professor emeritus at UC San Diego, says the U.S. economy has been in a recession for about four months. He expects the current recession to last an additional 2-6 months, depending on what occurs in the housing and financial markets.
- Single-family home starts will drop to their lowest level in 50 years this year, Freddie Mac Chief Economist Frank Nothaft told a lunch audience last week. That's good news for resale housing, which has a lot of unsold inventory to work through before prices can begin to move up. He expects that life should begin to return to the housing sector late this year or early next but says prices may not recover significantly until 2010.