

# The Real Estate Report

LOCAL MARKET TRENDS



CONTRA COSTA COUNTY

December 2011/January 2012

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## Pending Sales Up Sharply in October

Pending sales were up 10.4% in October compared to September, and up 9.2% year-over-year, according to the National Association of REALTORS®.

Lawrence Yun, NAR chief economist, said improved contract activity is a hopeful sign. "Home sales have been plodding along at a sub-par level while interest rates are hovering at record lows and there is a pent-up demand from buyers who normally would have entered the market in recent years. We hope this indicates more buyers are taking advantage of the excellent affordability conditions," he said.

"Many consumers are recognizing that home buyers in the past two years have had one of the lowest default rates in history. Moreover, continued inventory declines are another healthy sign for the housing market," Yun added.

"Although contract signings are up, not all contracts lead to closings. Many potential home buyers inadvertently hurt their credit scores and chances of getting a mortgage through easily averted actions, such as cancelling an old credit line while taking on a new one," Yun said. "Such actions could unwittingly prevent buyers from obtaining a mortgage if their credit score is close the margins of qualifying, or they might get a loan but with less favorable terms."

NAR encourages consumers to be aware of their credit score and actions which could hurt or enhance it. <http://houselogic.com>, the association's consumer website devoted to all aspects of homeownership, offers tips for improving credit scores at <http://tinyurl.com/27czzqb>.

### SALES STATISTICS

Sales of single-family, re-sale homes were up 10.9% in November, year-over-year. Year-to-date, home sales are up 0.7%.

Pending sales, homes which are under contract and scheduled to close in the next 30 to 60 days, rose 2.9% compared to last November.

The average price for single-family, re-sale homes fell 7% compared to October. Year-over-year, the average price was off 11.7%.

Inventory was down 28.3% from last November.

### SALES MOMENTUM...

for single-family, re-sale homes in Contra Costa County rose two points to 0. (See chart below)

### PRICING MOMENTUM...

dropped one point to -7.

That's the lowest level it has reached since April 2010.

### PENDING MOMENTUM...

has been positive since August 2008. Last month pending momentum was down two points to +12.

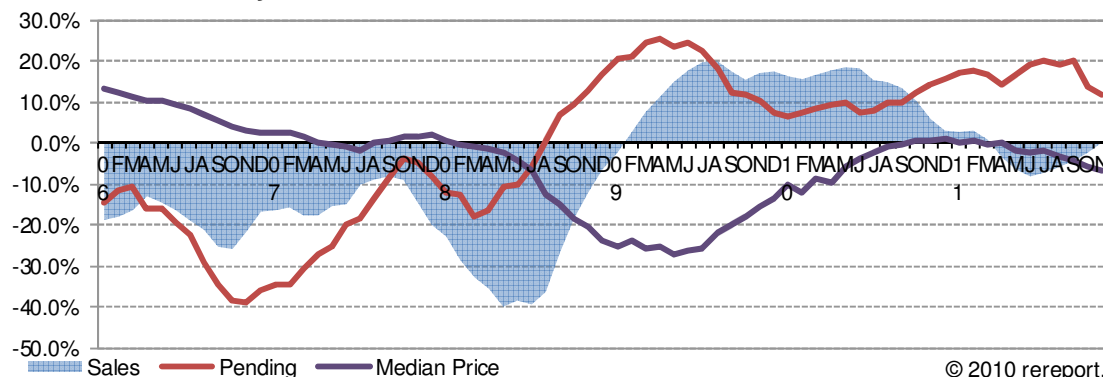
Trends at a Glance (Single-family Homes)			
	Nov 11	Oct 11	Nov 10
Average Price:	\$615,243	\$603,368	\$658,305
Home Sales:	295	309	266
Pending Sales:	420	457	408
Inventory:	1,186	1,334	1,654
Days of Inventory:	125	134	193

Please remember, while statistics are nice, they will not determine the price you pay or get for a property. That will come down to you and the buyer or seller.

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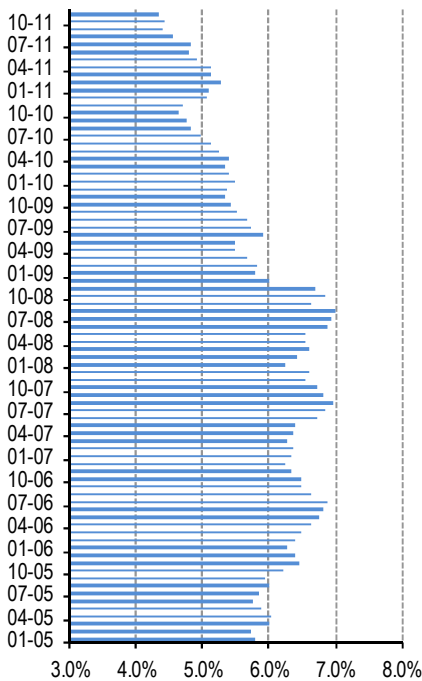
### Contra Costa County Homes: Sales Momentum



# The Real Estate Report

## Mortgage Rate Outlook

### 30-Year Fixed Mortgage Rates



Dec. 2, 2011 -- HSH.com's broad-market mortgage tracker -- our weekly Fixed-Rate Mortgage Indicator (FRMI) -- found that the overall average rate for 30-year fixed-rate mortgages was unchanged from last week, holding fast at an average 4.35%; the FRMI's 15-year companion closed the week with a single basis point increase to 3.67%. Important to homebuyers and low-equity-stake refinancers, 30-year FHA-backed mortgages climbed off last week's record low by three basis points (0.03%) to moved to 3.95%, while the overall average for 5/1 Hybrid ARMs trickled higher by just one hundredth of one percent to 3.12%.

The world remains awash in troubles, including slowing growth and recession likely forming in Europe, less-stellar growth in China and a still-weak recovery here at home. That being the case, and with fiscal policy flailing about both here and abroad, central banks announced both individual and coordinated actions to help address some of these issues, and stock investors cheered loudly at the efforts. A considerable rise in stocks this week came partly at the expense of bonds, and while underlying interest rates rose somewhat as a result, most mortgage rates didn't follow them.

Equity markets were also cheered by reports of very solid sales on Black Friday and Cyber Monday to kick off the holiday retailing season. We'll need to see if these extreme bargain hunters continue to come out for the rest of the annual buying binge before it's all said and done, but a good start is an encouraging sign that consumers are hunkering down somewhat less than they had been.

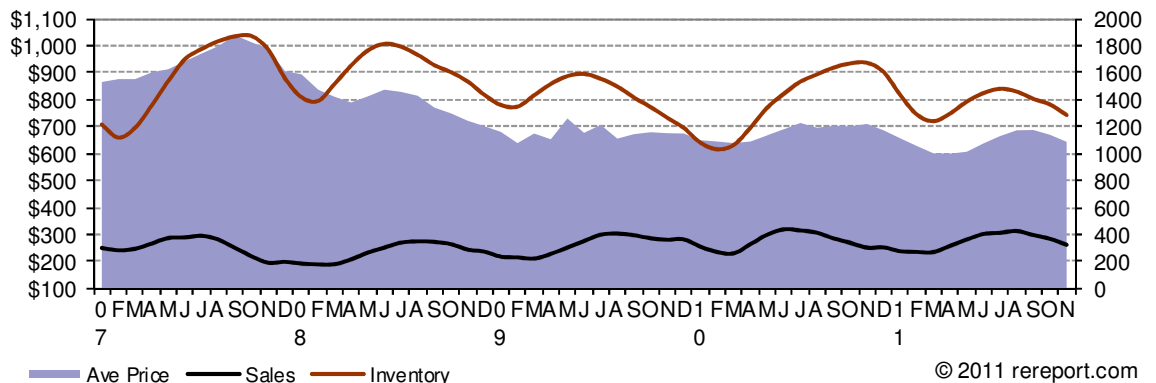
For their part, the Federal Reserve, European Central Bank, Bank of Canada, Bank of England, Bank of Japan and the Swiss National Bank all pledged to make US dollars available more cheaply to one another in order to make certain that currency liquidity issues don't further disrupt global markets. This means that credit can keep flowing more easily despite tightening lending conditions in Europe, and that may help keep individual economies functioning as they address their debt difficulties. That credit will keep flowing means companies can continue to borrow and invest, and that improvement in potential business conditions improved the moods of equity investors measurably. While this does not directly address the Eurozone's troubles, it does address the results of those troubles to at least some degree.

## November Sales Statistics

(Single-family Homes)

County	Average				Change from last year				Change from last month			
	Price	Sold	Pend.	Inven.	Average	Sold	Pend.	Inven.	Average	Sold	Pend.	Inven.
Alamo	\$615,243	295	420	1,186	-6.5%	10.9%	2.9%	-28.3%	2.0%	-4.5%	-8.1%	-11.1%
Blackhawk	\$1,450,527	11	16	89	12.3%	-21.4%	45.5%	3.5%	10.8%	22.2%	128.6%	-3.3%
Clayton	\$1,062,500	4	1	31	15.6%	-42.9%	-87.5%	-27.9%	1.0%	-50.0%	-90.0%	-29.5%
Concord	\$485,138	8	11	35	-25.8%	0.0%	57.1%	-27.1%	-12.4%	-38.5%	10.0%	-18.6%
Danville	\$294,325	63	111	240	-8.8%	-8.7%	0.9%	-22.1%	-5.7%	-25.0%	3.7%	-5.1%
El Cerrito	\$816,585	41	58	164	-11.1%	41.4%	28.9%	6.5%	0.7%	10.8%	0.0%	-13.2%
Kensington	\$463,368	20	n/a	n/a	0.0%	25.0%	n/a	n/a	-0.8%	0.0%	n/a	n/a
Lafayette	\$604,921	3	n/a	n/a	-9.4%	-25.0%	n/a	n/a	-19.7%	-25.0%	n/a	n/a
Martinez	\$788,986	7	21	88	-23.5%	-58.8%	5.0%	22.2%	-21.5%	-46.2%	23.5%	1.1%
Moraga	\$323,541	40	52	110	-1.5%	73.9%	-8.8%	-19.7%	-6.4%	29.0%	-17.5%	-17.9%
Orinda	\$1,127,607	7	2	22	31.7%	-22.2%	-50.0%	-29.0%	34.0%	16.7%	-66.7%	-12.0%
Pleasant Hill	\$1,144,444	9	13	61	13.5%	-10.0%	-51.9%	-17.3%	-0.4%	0.0%	-7.1%	-1.6%
San Ramon	\$433,218	22	34	67	-14.6%	37.5%	6.3%	-32.3%	-4.7%	-4.3%	0.0%	-11.8%
Walnut Creek	\$724,163	40	60	157	-8.8%	14.3%	3.4%	18.9%	1.8%	2.6%	-22.1%	-19.9%
	\$700,490	42	41	117	3.7%	44.8%	51.9%	3.5%	15.3%	23.5%	-18.0%	-7.1%

### Contra Costa County Homes: (3-month moving average — \$000's)



# The Real Estate Report

## Foreclosure Statistics

Notices of default, the first step in the foreclosure process, in Contra Costa County dropped 7.9% in November from October. Year-over-year, notices were down 22.7%, according to ForeclosureRadar.com.

Notices of sale jumped 30.4% from October, but were down 13.5% year-over-year.

After the filing of a Notice of Trustee Sale, there are only three possible outcomes. First, the sale can be cancelled for reasons that include a successful loan modification or short sale, a filing error, or a legal requirement to re-file the notice after extended postponements. Alternatively, if the property is taken to sale, the bank will place the opening bid. If a third party, typically an investor, bids more than the bank's opening bid, the property will be sold to the third party; if not, it will go back to the bank and become part of that bank's REO inventory.

In November, cancellations were down 5.2% year-over-year.

Properties that went back to the bank declined by 27.4% from October, and were down 32.8% year-over-year.

The total number of homes that have had a notice of default filed was down 21.5% compared to November 2010.

The total number of homes scheduled for sale decreased by 31.6%.

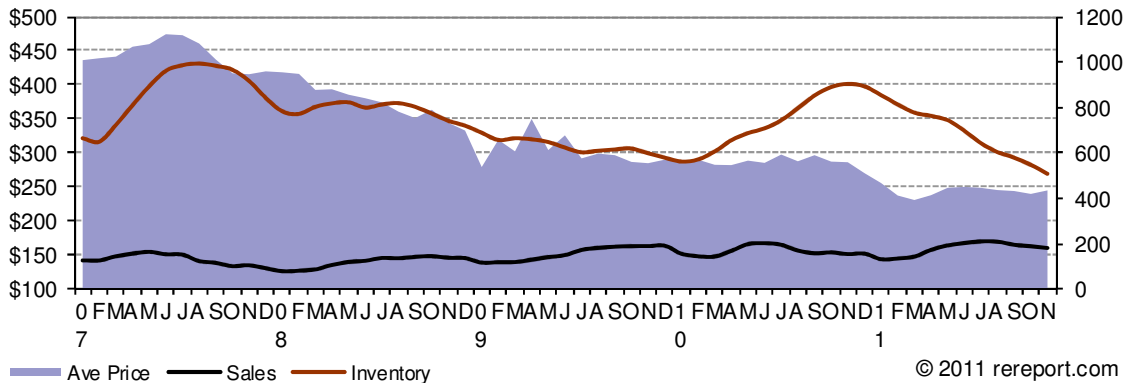
The total number of homes owned by the banks dropped 11.8% year-over-year.

## November Sales Statistics

(Condos/Townhomes)

County	Average				Change from last year				Change from last month			
	Price	Sold	Pend	Inven.	Average	Sold	Pend.	Inven.	Average	Sold	Pend.	Inven.
County	\$256,294	176	233	470	-6.3%	32.3%	25.3%	-47.0%	8.0%	-7.9%	-12.4%	-6.6%
Clayton	\$335,750	2	5	13	-7.1%	-50.0%	66.7%	-7.1%	28.6%	-33.3%	0.0%	62.5%
Concord	\$113,231	32	39	59	6.6%	28.0%	-17.0%	-66.3%	-2.8%	-8.6%	-23.5%	-23.4%
Danville	\$429,850	14	19	30	-1.7%	27.3%	111.1%	-23.1%	32.3%	-36.4%	90.0%	-23.1%
Martinez	\$161,708	13	19	38	-7.2%	62.5%	58.3%	-22.4%	-16.2%	-18.8%	90.0%	31.0%
Moraga	\$299,750	4	5	11	40.1%	300.0%	0.0%	-63.3%	-16.7%	-33.3%	-37.5%	-31.3%
Pleasant Hill	\$253,208	12	13	24	-9.1%	100.0%	85.7%	-38.5%	12.7%	20.0%	-7.1%	0.0%
Rossmoor	\$230,247	34	45	152	-14.7%	21.4%	66.7%	-9.5%	12.1%	-24.4%	2.3%	7.0%
San Ramon	\$319,174	31	39	60	-10.8%	55.0%	0.0%	-29.4%	14.9%	6.9%	-30.4%	-16.7%
Walnut Creek	\$317,025	32	45	74	1.0%	14.3%	36.4%	-44.4%	3.1%	0.0%	-13.5%	-14.0%

## Contra Costa County Condos: (3-month moving average — \$000's)



# THE REAL ESTATE REPORT

## CONTRA COSTA COUNTY

### Pacific Union

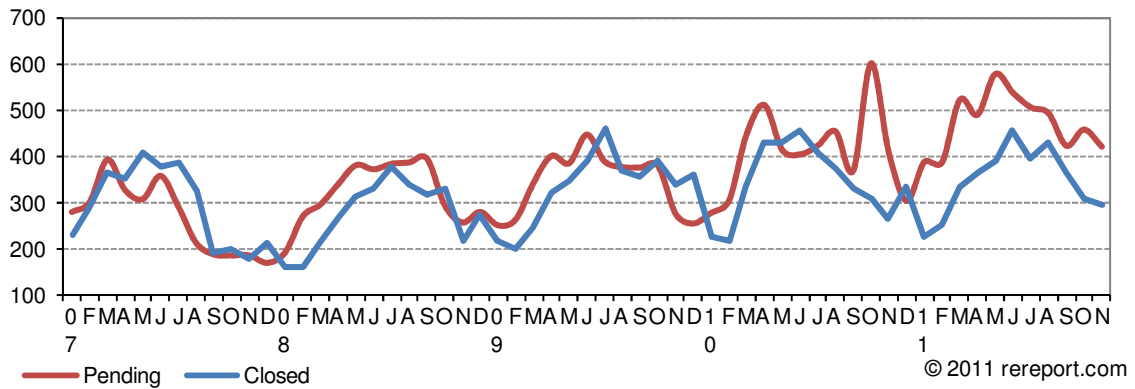
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### Contra Costa County Homes: Pending & Closed Sales



### Contra Costa County Homes: Year-Over-Year Average Price Change

