

With all of the news about the sub-prime lenders going out of business and of course our deal friends in the media telling us that the world is going to end again, my clients are as confused as ever. So, here's the deal from the field.

1. Foreclosures and short-sales are up, but at least in my area of South Orange County, we're talking 1 in 50 properties. There are some deals to be had. You just have to find them.
2. Finding the right home to live in and get it in a short sale or foreclose are mutually exclusive from my experience. Most of the homes in trouble need repair and some loving care which is why they are cheaper than the rest of the homes on the market. Unless you can look beyond the dirt and the repair job, it is difficult to see it as a place to live.
3. The market is static. Prices aren't going up and they aren't going down. Seller are averaging around 97% of their asking price and they have the equity and the time to get it. This doesn't apply to the 1 in 50 mentioned above.
4. Foreclosures do not affect the value of a neighborhood unless more than one happen in that neighborhood in the same year. An appraiser will look at an REO sale as an anomaly.

Well that's it for now. I'm not writing poetically this evening.

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