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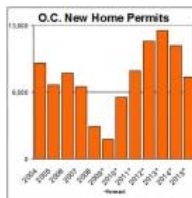
LANSNER ON REAL ESTATE



By Jonathan Lansner and Jeff Collins

13 spooky trends that haunt real estate

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INSIDER Q&A

It's the time of year when forecasters — both inside and outside of the real estate business — look into boiling cauldrons of economic data and speculate what they think next year may look like for housing, office towers, apartments, etc. So far, the [outlooks we've seen](#) have a common theme: A modest continuation of the mild housing recovery we've witnessed in recent months (click on UCLA forecast charts above for larger images) — and continuation of pain for commercial real estate markets.



But in dicey times like these there are no guarantees. In the spirit of Halloween, Insider Q&A asked around town what was spooking 13 real estate watchers about the current real estate climate ...

1. "The spooky thing is the substantial lack of inventory on the market in the conforming loan price ranges. Potential buyers get discouraged when they find they are

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Our latest poll

competing with 20 other buyers for the same property.” – **Rich Cosner, Prudential California Realty**

2. “What is spooky is the overall economy and unknown factors that could end all the exuberance. Rising interest rates and unemployment are the biggest factors that could impact the housing market and there will be a further negative effect if the federal tax credit is not renewed.” – **Tim Kane, MBK Homes**

3. “Three unanswerable questions spook me: (1) What’s REALLY going to happen to all the foreclosure inventory that hasn’t brought to market by banks? (2) Does how that overhang is handled really matter? (3) Will government continue to be heavily involved in making sure lending is affordable and accessible?” – **Justin Esayan, The Hoffman Company**

4. “Although housing market appears to be recovering, the combination of millions of properties currently in default — but not yet foreclosed — and the tidal wave of resets on “option” payment mortgages over the next year is spooky.” – **Clyde Kendzierski, FSG**

5. “What spooks me are the big unknowns on the foreclosure front: Some struggling homeowners are still waiting for a response from their lender or servicer, while others are amidst an attempted loan modification or short sale. What’s scary is there’s no way to know how many of these cases will ultimately end up in foreclosure, or when.” —

Andrew Lepage, DataQuick

6. “Unbelievably, the one thing that ‘spooks’ me about the current real estate market is the fact that there is very little fresh, new inventory below \$500,000. This housing downturn has been full of surprises and this year’s ‘spooky’ twist has been an unexpected drop in the inventory.” – **Steve Thomas, Altera Real Estate**

7. “What appears to be a residential real estate recovery — locally and nationally — may have lulled us into a comforting feeling about the market. Should we be ‘spooked’ about next year? Yes! The segment that really ‘spooks’ me for next year is all the “Jumbo Option Arm” loans exploding and depreciating values and no financing liquidity.” – **Phil Immel, Immel Team**

8. “Spooky? See-through commercial buildings with the lights off in The O.C.” – **Chris Street, county treasurer/tax collector**

9. “My instinct is that the bottom of the housing market was in the second quarter of 2009 for a wide variety of reason. My fear ... the end of the federal and state subsidies to buyers result in the market again freezing.” – **John Husing, Economics & Politics Inc.**

10. “A few things that spook me about real estate: The coming wave of commercial real estate defaults and related illiquidity; a complete vacuum in the secondary mortgage market hindering a residential recovery; but, without a doubt, the thing that spooks me the most is unemployment. Left unchecked, it will drag out any sort of real estate recovery.” — **Jason Perrin, Greencrossing Real Estate**

11. “Animal spirits’ continue to haunt homebuyers and sellers. Fear — ginned-up by so many hysterical headlines — keeps some qualified buyers from taking advantage of historically low interest rates, rising affordability, and an \$8,000 federal tax credit.” – **Mary Jane Cambria, president of the Orange County Association of Realtors**

12. “As a self-fulfilling prophecy, as commercial real estate losses are recognized, there will be limited life insurance companies, pension funds and commercial banks to refinance additional loans which will lead to further defaults. This downward spiral of commercial real estate property values is what gives me the ‘spooks.’” — **Barry Gross, Developers Research**

13. “Since I have been here before — during my 30 years in real estate — it spooks me if I don’t purchase enough real estate now like I did from 1990 to 1995, of which I profited very well over the last few years.” – **Bill Plattos, First Team**

2010 O.C. home pricing will be ...

- Up big
- Up small
- Flat
- Down small
- Down big

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O.C. home price mood ring

For the 22 business days ending Oct. 13 -- DataQuick stats -- we eye OC's buying mood: Market vs. year ago! Slices **GAINING** in prices/sales are **GREEN**; **MIXED** trends are **YELLOW**; and **FALLING** prices/sales **RED**!

Slice	Price	Ch.	Sold	Ch.
House	\$495,000	+4%	1,841	+3%
Condo	\$304,000	+3%	845	+8%
New	\$500,000	+4%	150	-26%
All OC	\$430,000	+2%	2,836	+2%

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