



Ellwood Real Estate Update



Provided for you by Matt Vaughan—Residential Specialist February 2012

What's Happening in the Market???

Ok, call it low interest rates, lower prices, pent-up demand, lack of rain, warm sunny days, consumer confidence, whatever you like, but the reality is that the public is out looking at real estate again like its 2005, and they are scooping up the lowest priced properties at an alarming rate! I can attest to this avalanche of buyer activity as open house traffic is the best I've seen in over 5 years. Witness the low, low inventory of homes and condos, and the speed with which they have gone into escrow the past 30 days, and you can't deny the shift taking place in the residential real estate market.

Buyers have discovered that they can get into a home for 3.5% down payment with FHA financing, and the loan limits are a generous \$729,750. This puts all the homes priced under \$756,000 squarely on target for qualified buyers. With the mortgage interest deduction calculated in, the new homeowner's PITI (Principal, Interest, Taxes, and Insurance) are about equal to what the rental cost would be. So why not just rent?? There is the matter of building equity, forced savings, doing what YOU want with your own property, settling down and staying in one place, stability, and ,oh yeah, the "A" word: **appreciation**, which one day will quietly resurface and benefit homeowners, not renters.

The investors are also back on the scene, realizing that rental income and return on investment is equal or better than stock market returns. Rents have remained stable over this recession, and with prices at 10-year-ago levels, it makes property ownership "pencil-out" Also forgotten is the 'leveraging' of your investment: You make a 20% down payment, but you *control* 100% of your asset. As prices recover and move higher, the return from your residential income property could multiply 5 times the annual rate of appreciation. For instance If you made a \$100,000 down payment on a \$500,000 house, and the house appreciates 3% over the next 3 years, to \$546,000, you will have made better than 15% per year return on your investment!! And you can see it, feel it, leverage it, exchange it, maybe use it later, convert it, etc. Compare that to a stock or mutual fund investment: a piece of paper that fluctuates wildly day to day based upon news headlines and obscure management decisions that you have no control over whatsoever.

Lets face it, there is a lot of investment capital out there looking for places to invest that are right under our feet, and superior to the stocks, ETFs, commodities, gold, foreign currencies and mutual funds. Real Estate....On Sale Now!!

Please call me to help guide you through your Real Estate related endeavors.

Search the MLS on my website: vaughanvilla.com

Current Offerings: Houses and Condos

	BR/Baths	Status	Price
Houses:			
Mills Way	4/2	Active	\$615,000
Scripps Crescent	5/2.5	Active	\$734,500
Saratoga short sale	3/2	Active	\$475,000
Lowell Way	3/2	Pending	\$455,000
7337 Hillsboro short sale	3/2	Pending	\$499,000
7330 Greensboro	4/2	Active	\$689,900
Greensboro-corner house	4/2	Pending	\$715,000
Condos:			
Cannon Green	3/2.5	Pending	\$425,000
Cannon Green short sale	3/2.5	Pending	\$349,000
Mills Way	2/2	Active	\$399,000
Mills Way short sale	2/2	Active	\$328,000
7005 Marymount	2/1.5	Pending	\$355,000
Entrance Rd.	1/1.5	Active	\$249,000
Phelps restricted	2/1	Pending	\$258,010
Pacific Oaks	2/1	Pending	\$299,900
Georgetown short sale	2/2	Pending	\$449,000
Monique	3/2	Active	\$625,000
Grove condo short sale	1/1	Active	\$209,000
Grove condo	2/2	Active	\$314,900
Grove condo short sale	2/2	Active	\$299,000

Valentine's Day

Recent House Sales:

	Bd/Ba	Sale Date	Sale Price
7526 Newport	3/2	1/12	\$530,000
245 Palo Alto bank sale	3/2	12/11	\$490,000
275 Big Sur bank sale	3/2	11/11	\$446,000
256 Saratoga short sale	3/2	12/11	\$483,000
7231 Evanston bank sale	3/2	2/12	\$600,000
7319 Greensboro	3/2	10/11	\$660,000
7046 Scripps Crescent	3/2	12/11	\$630,000

Recent Condo Sales:

	Bd/Ba	Sale Date	Sale Price
487 Cannon Green#E*	3/2.5	11/11	\$370,000
7017 Marymount Way**	2/1.5	10/11	\$380,000
561 Mills Way	2/1.5	12/11	\$485,000
534 Mills Way	2/2	10/11	\$363,000
Grove condo*	1/1	12/11	\$215,000
Grove condo*	2/2	10/11	\$325,000
Grove condo**	1/1	1/12	\$217,500

*Short sale, **bank sale

This newsletter is not intended to be a solicitation for properties currently listed with other brokers.

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Consumer home price expectations continue upward trend

Fannie Mae's latest National Housing Survey shows that the majority of Americans continue to expect no change in mortgage rates over the next 12 months, however their expectations for home prices have improved for the fourth month in a row, with respondents expecting prices to go up by 1 percent, on average, during the year.

Of the consumers surveyed, 44 percent expect their personal financial situation to improve, up from 40 percent a month ago, and 30 percent of Americans believe the economy is on the right track, up from 22 percent last month and up for the third straight month since November 2011.

Twenty-eight percent of respondents expect home prices to increase over the next 12 months (up 2 percentage points since last month), while 16 percent say they expect home prices to decline (down 2 percentage points since last month). Fifty-one percent say prices will stay the same.

Only 8 percent of Americans say that mortgage rates will go down in the next 12 months, down 2 percentage points from December.

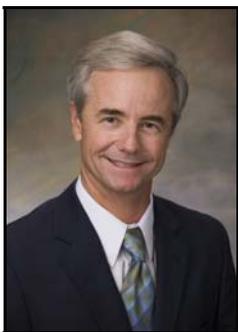
The percentage of respondents who say it is a good time to buy stayed at 71 percent in January, while the percentage who say it is a good time to sell dropped by 1 percentage point to 10 percent.

PRESIDENTS' DAY Feb 20th
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When selecting a Real Estate Agent to represent you, compare services, experience and price!