

Realty Times: Keep Press in Perspective

Keep the Housing News You Hear In Perspective

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Realtors Bob and Nancy Hunt liked what they heard at a recent Orange County Association of Realtors meeting. Local economist Gary Watts gave a talk where the main message was - keep news about housing in perspective.

The popular press has called an end to housing for some time, says Watts:

- "The goal of owning a home seems to be getting beyond the reach of more and more Americans. The typical new house today costs about \$28,000." *Business Week, 1969*
- "The median price of a home today is approaching \$50,000 ... housing experts predict price rises in the future won't be that great." *National Business, 1977*
- "The golden age of risk-free run-ups in home prices is gone." *Money Magazine, 1985*
- "A home is where the bad investment is." *San Francisco Examiner, 1996*
- "We want to share some of his other observations," said the Hunts. And they did so by sending out a newsletter to their contacts filled with interesting facts and figures Watts gave during his talk.

Among the "gems," say the Hunts, were the following:

- Since the year 2000, Orange County homes have appreciated over 100 percent.
- The average Orange County appreciation rate over the past 37 years has been 14.9 percent yearly.
- 2005 was the peak subprime lending year in Orange County, when subprime loans represented about 23 percent of all loans funded.
- Nationally, the delinquency rate on sub-prime loans (13.77 percent) and conventional loans (2.57 percent) combined produces a delinquency rate of 4.84 percent. The record low is 4 percent.
- The California delinquency rate is currently 3.25 percent.
- In 2006, the California foreclosure rate was 1.17 percent.
- Out of 5,680 properties that entered foreclosure in 2006, only 697 were foreclosed upon.
- As of July, only 13 percent of properties listed in the MLS were bank-owned.

"Half-full? Half-empty? It depends on who is looking at the glass," say the Hunts. "Just remember, there is another perspective than the one we receive from the news media."

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