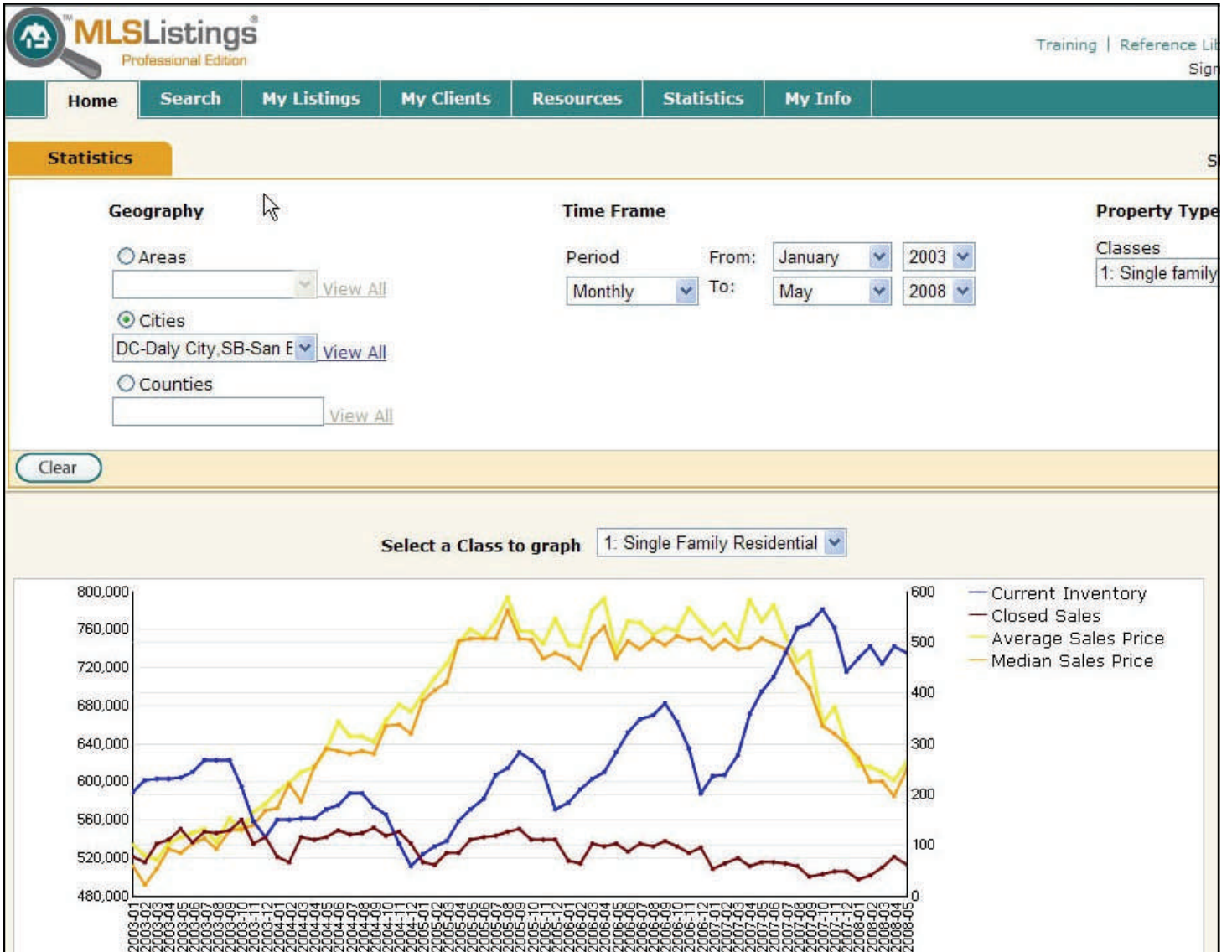


Market Analysis for Single Family Residences in Daly City, South San Francisco & San Bruno



From July 2007 onwards, the average sales price and median sales price both nose-dived precipitously. Yes, there is a high probability that these prices will continue to drop. The real questions are,

“How steep will it drop further?” and the next question,
 “Will interest rate go up to offset any benefit of price decrease?”

There is no question that during the period between July 2007 through April 2008 when the price decrease was so deep that waiting might be good for a lot of buyers. But from now on, what are the chances that the decrease will be as steep as that period? It’s up to you to make the decision. You need to assess your personal financial needs and wants, as each of us is different.

During the years of 2005 and 2007, we suggested to buyers to wait and double check their own personal & financial needs and wants. There was no need to buy properties just because your friends and relatives were buying. In every [Buyer Advantage Workshop](#) or private consultation we conduct, we always promote very strongly assessing your own personal needs and wants *by yourselves*, before even viewing any properties.



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In 2005, most friends and relatives advised folks to buy real estate. Even during 2006, many buyers were still buying real estate, though September 2005 was officially declared, albeit months afterwards, as the peak of the last bubble. Back in early 2005, several reports already predicted the painful bust of current bubble-bust. [Kelly Zito of SFGate reported on 6/21/05 of expected crash by several economists](#). In the same year, on 5/12, [Sara Clemence reported in Forbes and posted on AOL that housing affordability index went up beyond a normal market could bear](#). Who listened to these minority opinions? It's not until July 2007 or around, when sub-prime loans were suspended by lending institutions, then home sales prices started to nose-dive for Daly City, South City and San Bruno. (see previous page) A lot of people, not just the buyers of real estate in the bubble years are hurting now, but most of us are hurting indirectly from the current economy as well as the housing market.

Now, in 2008, most friends and relatives advise folks not to buy real estate. Are they the same friends and relatives in 2005 who advised otherwise! Whom do you believe?

All friends and relatives have the best of their intention for you. All professionals work in real estate or real estate related businesses have an additional incentives for themselves in all times to sell, sell and sell real estate. When these professionals are also your friends and relatives, or these professionals in "plainclothes" (or part-timers), we forget that their advices might not be objective. It's also sad to see many fellow agents whose homes and investment properties being foreclosed like some of their clients. We've seen many friends become enemies, relatives become strangers recently amidst many foreclosures.

It's you who buy or sell your real estate. It's all your own, personal objectives and your personal needs and wants that you need to assess for yourselves. 2008 might not be the year for you to buy or sell, not because it's a buyer's market. 2005 should not have been a year for you to buy or sell, not because it's great year!?! We offer [Home Buyer Advantage Workshop](#) to share with you what's the best for you, not for others, real estate agents or related professionals. All the attendees to our workshops can attest to our philosophy. Some of the attendees expressed thankfulness for our workshops that led them to decide not to buy at the time!

But, if someone advises you not to buy because sale prices will go down, the advice seems very good and logical. There is basically nothing wrong with that advice, it's just that there are some assumptions not stated or even not clear in the mind of the advisors. If all other factors in determining when to buy are constant in comparison, the advice is absolutely true and good.

But! Are they? Let's see:

	Now (June 08)	Later
Price (\$)	600,000	540,000 (suppose a 10% drop)
Interest Rate (%) (30 year) See an AP report on SFGate & a chart	6 (It's below 6 before this year. Now it's actually over 6. 6 is used just for simplification in comparison)	7 (used for simplification in comparison) (Back in the end of 2007, right after the Stimulus Package was passed, Joe predicted in our Seminar that interest rate was going to go up. It has dipped briefly & come up since then.) Joe might be wrong.
Monthly Payments (\$) (based on 80% loan to value)	2,877.8	2,874.1
Net Monthly Cost (After Tax & principal Adjustments)	1,608 (click for a net monthly cost example)	1,688 (click for a net monthly cost example)
Other Ownership Benefits: Social, community, school, etc.	Personal Assessment - Benefits vary from one to others.	Personal Assessment - Benefits vary from one to others.

As we see, buying a home is more than just prices. Even in buying an investment property, it's also more than just prices. Factors, like depreciation, profit or taxes offsets are important to individual investors. You need to look inside your own personal, family, and financial needs to make your decisions. These are some of the agenda items in our [Home Buyer Advantage Workshops](#). We also offer Seller Workshops.

It's when we buy or sell in a "herd" frenzy, we can most likely lose. When you buy or sell for your own clear, personal reasons, you can most likely win. It's best to have a rational decision, before making an emotional purchase.