



From the desk of
William C. Ring, President

Real Estate Newsletter

August 2009



The Harbor Area's Oldest Real Estate Firm
DRE License Number 00173461

15 Corporate Plaza, Suite 250
Newport Beach, CA 92660

949-673-4400 x101

www.HarborRealtyUSA.com

Celebrating 65 Years!

Looking for real estate
loan information?
Contact Michael Leet at
United American
Mortgage Corp.
Tell him I sent you.
800-708-5626 x163
www.uamco.com

**Perfection is not
attainable, but if we
chase perfection we
can catch excellence.**

Vince Lombardi
(1913-1970)

Are Banks Holding a "Shadow" Inventory?...

The number of homes listed for sale in several housing markets fell last month to levels last seen at the start of the housing downturn and that is raising hopes that several of the hardest hit housing markets may be stabilizing.

But the housing cynic may wonder: how much does that have to do with banks holding foreclosed properties off the market to prevent a flood of properties from hitting the market?

Figures released by ZipRealty, a national real estate brokerage that tracks Realtor listings in 28 major U.S. markets, showed that the number of active listings in those markets decreased by 2.1% in June from May.

California posted the most dramatic declines with inventory falling by 54% in Los Angeles – a level last seen in September 2005, while listings fell by 56% in San Bernardino. The number of homes listed for sale in the San Francisco Bay Area dropped below 20,000 for the first time since December 2006. Listings in Orange County fell to a January 2006 level while in Phoenix, they dropped to a February 2006 level.

It may be too soon to know if these are genuine "green shoots" in the West. After all, there are some signs that banks may be delaying foreclosures, either because they are overwhelmed with a glut of delinquent loans or because they are strategically holding off on over saturating the market. This so called "shadow" inventory could lead to an uptick in foreclosure listings later this year.

For example, notices of default, which mark the first step in the foreclosure process, jumped by 10% in California last month from the previous year, according to ForeclosureRadar. But notices of trustee sales (the second step in the foreclosure process), where lenders set a foreclosure sale date, fell by nearly 15% in June from the same month one year ago.

It is unclear why trustee sales have fallen even as defaults have risen. While California has a new foreclosure moratorium, banks that have loan modification programs in place have been exempted, so that is not a terribly satisfying answer.

Readers, what do you think? Are inventory declines a sign of good news or a head fake? If you are seeing any evidence that "shadow" inventory is on the uptick, shoot me a note.



**Be sure to check out the latest sales statistics in your neighborhood.
Just [click here](#) or go to www.HarborRealtyUSA.com/June_09.**

Please contact me anytime regarding your real estate needs or questions; commercial or residential. And, remember that the highest compliment I, or anyone, can receive is the referral of my name to your family, friends, and business associates. Thank you for your trust.

If you would like to receive this newsletter by e-mail, please call, fax or send me an e-mail with your e-mail address. (949) 673-4400 * Fax (949) 673-4401 * homes@HarborRealtyUSA.com