

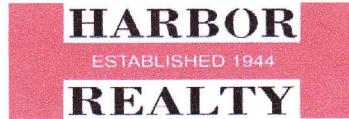


From the desk of
William C. Ring,
President

Real Estate Newsletter

December 2010

HO, HO, HO TO ALL !!!



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

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Celebrating 66 Years!

Recent closed sales in Newport Beach, Corona del Mar:

627 W Bay Ave, NB
\$2,475,000
30 Balboa Coves NB
\$1,305,000
20122 Spruce, NB
\$610,000
220 Iris, CDM
\$2,075,000
1621 Bayadere Ter, CDM
\$3,240,000
30 Gondoliers Blf, NC
\$4,074,000

SOURCE: MLS

Double Digit Housing Appreciation Next Year!???

Double-digit housing appreciation will return to Orange County next year, with the median home price rising somewhere from 15.9% to 16.6%, UCLA economists forecast in a report released October 28th. That compares to a projected 8.8% gain in California next year and a 2.4% increase nationwide.

It also differs sharply from [Cal State Fullerton's outlook](#). An economist there said Tuesday that Orange County home prices will rise 2% to 3% next year – at most.

Mark Schniepp, author of the UCLA Anderson Forecast for Orange County, said he's not predicting the return of the housing bubble. Pent up demand, rising afford-ability, and dissipating fear of a faltering economy should push sales higher.

But, even with six years of appreciation, UCLA economists still don't expect home prices to reach the 2006 peak. In fact, home prices likely won't get back to that level again until 2016 or 2017, Schniepp said.

No-Interest Mortgages?

Imagine financing a home purchase with a no-interest mortgage. You probably never would want to move again. It's doubtful you will ever have that luxury. But if rates continue to drop, as some in the mortgage industry suggest, mortgage rates could inch in the direction of 0%. The Federal Reserve continues to indicate that it is willing to take extraordinary steps to keep the economy growing and continued concerns of deflation may also put downward pressure on mortgage rates. In theory, the only stopping point there is 0%-that's where all nominal interest rates have to stop.

Think about it: 0% financing has long worked as an incentive in the auto industry. And home builders have been known to pay down mortgage rates for their buyers, so these days it wouldn't be unheard-of for them to entice people with a 2% or 3% mortgage rate.

FAVORITE QUOTES.....

Life isn't tied with a bow
But it is still a gift.

Anon.

Obviously mortgages are much different from car loans. Do I think we will see 0% mortgages in our lifetimes? No. But, please realize, we are in an era of historically low mortgage rates, reaching levels not seen in decades. Coupled with four years of home-value declines, homes are more affordable than we've seen for years!! But the irony here is that so many Americans can't qualify for these low rates, or can't qualify for a mortgage at all.

Stay tuned !!

Merry Christmas and a Happy and Prosperous New Year

Check out our updated website at www.HarborRealtyUSA.com – full of information for you.
Search properties for sale, meet our team, ask questions, etc.

Are You Enrolled In a "Fire Medics Program" Most California Fire Dept.'s offer this program. Newport Beach, for example, allows subscribers (\$48 per year per household) savings of as much as \$758 per paramedic visit and related ambulance services. It's a great way to protect yourself, your family & guests from the unanticipated cost of emergencies, while helping to support the quality of the paramedic system in your Community. Call your local Fire Dept. to sign up.