



Dear Friends and Clients:

The summer fun has begun. Tons of activities all over Santa Cruz this month (see the back page for a short list of activities). The Aptos World's Shortest Parade on July 4th was a blast, and Coldwell Banker made over 250 hot dogs for people stopping by to say hello.

The Santa Cruz real estate market continues to be active this summer. The inventory of homes hasn't really gone up much compared to last year (stats on the back page). The number of sales were stronger in June 2014, down only 4 sales compared to June 2013. But May sales 2014 were down by 60 sales from May 2013.

Location, location, location is always the real estate rule. Houses in the desired locations are often selling with multiple offers. For entry level properties price ranges \$500,000-\$700,000 most properties have multiple offers. The next level from \$700,000-\$1 million sometimes takes longer before getting more than one offer. The \$1 million to \$2 million is a bit slower, but still selling. The average days on the market right now is 52 days. So don't be alarmed if your house hasn't sold in the first 30 days. It will sell soon.

The Average and Median price ranges are up about \$100,000 in 2014 compared to 2013, and up \$200,000 from 2012, which shows a crazy jump like just before the sub prime adjustment in 2007. 2013 saw 14.6% appreciation, and 2014 looks like the appreciation values will be even higher. As the economy recovers and interest rates remain low, it is a good time for sellers to sell. Buyers are scrambling to get into the market before values go up even more.

I hope you enjoy your summer.

Please call me if you have any real estate related questions. I would be happy to chat.

Best Regards, *Lauren*

HOW TO WIN A BIDDING WAR

In many hot housing markets, bidding wars have been breaking out on a regular basis -- and some house hunters are getting beaten out time and again. But it's not always about who has

the most money. Sellers will accept lower offers if it means less hassle. "What sellers really don't want to do is waste time," said John Walsh, president of Connecticut-based Total Mortgage. That means getting pre-approved for a mortgage and having all your paperwork -- your pre-approval, proof of income, work history and bank statements -- in hand. It also helps to have your lender at the ready so you can act fast.

Pay with cash. The best way to get a seller's attention is with cold hard cash. That is, if you can afford it.

Get your mortgage ready in advance. Don't have a ton of cash to put on the table? Try pre-underwriting a mortgage instead. With pre-underwriting, lenders take the pre-approval process a step further by reviewing all of the income and asset documentation that they would typically need to approve a mortgage.

Be flexible (but not foolish) with contingencies. Contingencies are clauses that allow buyers to back out of deals if specified conditions are not met. A bidder will sign a contract to buy a home contingent on the appraisal coming in at or over the selling price, for example. One contingency you should think twice about before waiving is the home inspection. Should the inspector discover a major problem, such as widespread termite damage or a badly cracked foundation, it could cost far too much to fix.

Be first. See the home as soon as it comes on the market. That way, you can get your bid in early.



A **LUXURY** INVESTMENT EVEN THE MIDDLE CLASS SHOULD CONSIDER

For the last few years the only thing vacation homes have hedged against was wealth. Now, with housing values on primary residences in some cities approaching old record highs and high-end summer rental rates soaring, some intrepid souls are daring to step back into the market and looking at second homes not as a luxury but an investment.

"My favorite investment in real estate right now is vacation homes and second homes," says author and real estate expert Shari Olefson. She's got two good reasons. First is the entirely logical lag in the recovery of the second home market. Suffice it to say when people were underwater on their city dwelling they tend not to double down on a place they only visit a few times a year.

As a result of that caution the second home pricing market has been slow to recover. "You can still buy assets in that class for 20% to 40% under what the peak value was," she explains. "Those homes are selling at a rate about 30% faster than what they were before, but there's still plenty of opportunity."

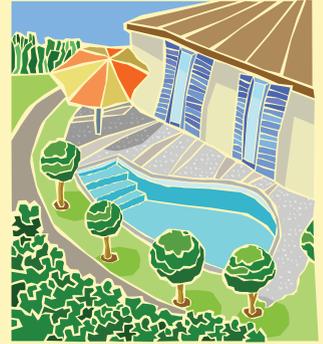
Of course assets that go through a bubble often never get back to the old highs. Olefson concedes the point but says there's a sweet spot in moderately priced assets that can offer a decent chance of appreciation and even some rental income.

The second factor working in favor of the second home market is the efficiency in placing rental properties.

Services like AirBnB or HomeAway.com make it easier for owners to keep their properties filled. That reduces the risk of your second home asset sitting idle and thus drives up the price.

It's not just the super wealthy getting involved. Olefson says the average income of second home buyers is about \$85,000 and many of the purchasers are investing with an idea that the property will one day serve as a retirement home.

Clearly most Americans aren't ready to start getting their money tied up in second homes again but the market is becoming compelling again for a select few. "About a third (of these buyers) report just not being able to avoid going after such a good deal."



Finance Yahoo News - May 2014

FIVE GREAT REASONS TO BUY A HOME RIGHT NOW

The nature of market bottoms is that it's hard to tell one's occurred until prices and sales volume start to rise again. That's why the best time to buy is when the market conditions suggest the bottom has been reached and prices are on the rise again.

That means there's still some risk for homebuyers, since no one has a crystal ball that predicts the future. To take advantage of low mortgage interest rates and home prices before they reach their previous records, you may have to take a risk. But the rewards may be well worth it. Here are five reasons to buy right now.

1. More jobs are available - Nonfarm payrolls rose by 217,000 in May, and the unemployment rate is 6.3 percent, according to the U.S. Bureau of Labor Statistics. Employment increased in professional and business services, health care and social assistance, food services and drinking places, and transportation and warehousing.

2. Houses are a great hedge against inflation - The Labor Department also says the May Computer Price Index is up 2.13 percent year-over-year. The index for

all items less food and energy rose 0.3 percent in May, its largest increase since August 2011. You may be paying more for goods and services, but if you're a homeowner, you're better off financially.

3. Housing price increases are slowing - Prices overcorrected during the recession, and then they soared by the double-digits in 2013. Now housing is correcting once again from an overcorrection. Now's the time to take advantage of better conditions.

4. Mortgage interest rates are still low - During the recession, mortgage interest rates for a benchmark 30-year, fixed-rate loan, averaged 4.32 percent. Now they're close to that and there's no recession. That means mortgage rates have nowhere to go but up.

5. Pent-up demand - The National Association of Homebuilders (NAHB) said about 2.1 million households delayed formation due to the recession which allegedly ended in 2011. Now there's pent-up demand for housing that should continue to drive home prices higher.

Realty Times - July 2014

GET THE LOOK OF A DESIGNER KITCHEN *FOR LESS*

Many of the hottest kitchen-design trends—bright colors, sleek shelving, focal point lighting and chic finishes—are easy to replicate even on a small budget. A spot of new paint here, new hardware there and suddenly you have a refreshed kitchen.

Trend: Sleek Euro-style - You've seen those kitchens with the minimalist cabinets, laboratory-style faucets, and acres of countertops that look like no one's ever dropped a crumb anywhere. The calm simplicity of that clean look is much more accessible than you might expect. Start by decluttering countertops and shelves. Then rethink storage areas.

- **Use a wall to clear clutter.** Rail-style storage systems mounted on a backsplash are available for a song at stores such as Ikea.
- **Paint cabinet doors.** You can change the whole look of your kitchen with a high-gloss finish.

Trend: Bold color schemes - Move over, neutrals! Designers are loving intense, sunny yellows; bright emerald green; moody gray-blues; and the richness of charcoal for kitchens. Add small updates to your existing scheme with a trendy new color.

- **Buy some colorful accessories.** For example, put out a teakettle or an enameled Dutch oven.
- **Add a pop of color.** If you have cabinets with glass doors, paint just the back wall.
- **Add a chalkboard wall.** "It's great for making lists," says Sabrina Soto, designer.

Trend: Tricked-out cabinets - The latest kitchen cabinets come with rich finishes and gorgeous hardware. They're packed with conveniences such as lifts for easy access to heavy appliances and built-in organizing systems that can make a workspace more efficient. But those extras come at a premium. You can't expect to replace your units for \$50, but you can make small, high-impact changes.

- **Change the hardware.** Pick a trendy finish such as oil-rubbed bronze, copper, or satin nickel, and a contemporary shape.
- **Make the most of the interiors.** Inexpensive drawer dividers that you can make yourself will help you create order in a snap.

Trend: Statement light fixtures - One great light fixture can transform the look of the entire kitchen. You can use it to create dramatic emphasis in a particular spot—over an island, for example. Plus it will add illumination, an essential and often overlooked element of any well-planned workspace.

Keep an eye out for sales and fun vintage fixtures. You might have to pay to have the fixture rewired.

- **Change the finish.** If you like the shape, size, and price of a fixture but not the finish, you can often change it with metallic spray paint.
- **Hang a trendy drum shade.** For a fresh, mod look, pick up a pendant cord kit (about \$5) and hang an oversized drum shade.

Trend: Industrial chic - A bold restaurant-style range will run you a hefty \$3,500 or more; a commercial-style faucet can cost several hundred. But according to our testers, most pro-style appliances aren't worth the price premium. You can capture the feeling of industrial chic with the strategic placement of a few gleaming metal accessories.

- **Make the small stuff count.** Create a commercial look with a stainless-steel toaster on a counter or a metal canister full of utensils beside the range.
- **Try a hanging pot rack.** Placing it above the range or island not only adds storage in a small space but also puts cookware on display.
- **Hang a stainless steel shelf.** It's another way to display cookware, restaurant-style.

Trend: Marble or granite - Stone counters remain at the top of many kitchen wish lists. Stone has its pros—good looks and durability for varieties such as granite and quartz—but also has its cons. Price, of course, is the biggie. And marble tends to stain easily, and its edges are vulnerable to chipping.

- **Create a stunning focal point.** Mixing countertop materials is a trendy look that can cut costs. Use stone on one small area, say, an island or a prep zone near the stove. To make it work, go for contrast—use chocolate granite on an island to complement cream-colored counters, for example. You can search for remnant slabs at a local stone yard.
- **Add just a touch of stone.** Live with your current counters and keep a big marble pastry board out all the time. It's affordable and practical, especially if you bake; marble's cool surface is ideal for rolling out dough.





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REFERRALS

Call me with your referrals! A closed escrow as a result will entitle you to **DINNER FOR TWO** at the restaurant of your choice

My Current Listings

150 BAR HARBOR CT, Aptos - Seascape 2 BR/2.5 BA
1,370 SF town home w/garage. **\$550,000**

846 BROWNS VALLEY RD, Corralitos - Creek-side
comfort in Corralitos 3BR/1 BA on 4.5 acres. **\$599,000**

154 BROWNS VALLEY Road - Corralitos Community
Free Methodist Church sanctuary & parsonage. **\$650,000**

116 WOODHILL DR, Scotts Valley - Light & airy Scotts
Valley Home. Great commute location. **\$654,000**

7276 FREEDOM BL, Aptos - Aptos private oasis on 4.7
park like acres. **\$850,000**

880 W Cliff DR #10 - Epic views from a classic building on
West Cliff Drive. **\$925,000**

203 Ventana Way, Aptos - Mediterranean ocean-view
home in gated uplands. **Pending \$1,059,000**

345 FLUME RD, Aptos - Aptos country gem 4 BR/ 3BA
on 14 usable acres. **\$1,150,000**

235 LOU'S CT, Corralitos- Country luxury w/a view. 3
BR/3 BA + 2 BR guest unit on almost an acre. **\$1,095,000**

UPCOMING EVENTS

IN SANTA CRUZ COUNTY!

JULY 19, 2014 - JULY 20, 2014

**BARGETTO WINERY 26TH ANNUAL FINE
ART FESTIVAL** - Soquel

JULY 27, 2014

42ND ANNUAL WHARF TO WHARF RACE
Santa Cruz Wharf to Capitola Wharf

AUGUST 2, 2014 - AUGUST 3, 2014

CHURCH STREET FAIR
Downtown Santa Cruz, CA

AUGUST 2, 2014 - AUGUST 3, 2014

**20TH ANNUAL WATSONVILLE
STRAWBERRY FESTIVAL**
Downtown Watsonville

AUGUST 2, 2014

41ST ANNUAL ROUGHWATER SWIM
Santa Cruz Wharf

Santa Cruz Association of Realtors®

SANTA CRUZ COUNTY SINGLE FAMILY STATISTICS

2014	Inventory	New	Sold	Average	Median
APRIL	557	261	150	\$715,605	\$637,000
MAY	622	252	161	\$802,707	\$684,000
JUNE	614	249	181	\$763,717	\$699,500
2013	Inventory	New	Sold	Average	Median
APRIL	587	314	139	\$710,588	\$641,000
MAY	613	206	221	\$647,943	\$625,000
JUNE	650	247	185	\$667,368	\$585,000
2012	Inventory	New	Sold	Average	Median
APRIL	795	250	152	\$530,232	\$477,500
MAY	811	264	208	\$555,728	\$499,500
JUNE	838	239	159	\$531,648	\$495,000



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