



Lauren Spencer REAL ESTATE UPDATE



A Seasonal Newsletter for Friends & Clients of Lauren Spencer

October 2015

Dear Friends and Clients:

Fall and our Indian Summer has arrived. It has been quite warm. I sure hope we get the El Nino going this winter. My garden is so dry.

Real Estate in Santa Cruz County has been interesting this year. We started out with a boom, January through April, that has evened out as the year progresses. There were multiple offers on everything, and inventory was low. This summer the inventory has risen so that gives buyers more homes to choose from. The uncertainty of the stock market & interest rates rising are some of the factors that has given buyers something to think about. As a result we are seeing homes with longer price days on the market. fewer multiple offers, and sellers doing price reductions. Homes are selling when listed at the right price.

Interesting statistics: The most active price point in Santa Cruz County is the \$600,000-\$800,000 range. There are 189 properties Countywide on the market over \$1 million dollars with only 25 homes sold in August 2015 which is about 13%. The average days on the market is 39.

Interest rates remain low at around 4% for a conforming loan of \$625,000 or under.

I have been so fortunate this year to represent great buyers and sellers. I want to thank you all for your support and your referrals.

Warm Regards, *Lauren*

2.2 Million "Boomerang" Home Buyers Will Re-Enter Market in Next 5 Years

Millions of homeowners who had difficulties paying their mortgages after the housing bubble burst are nearing a point at which they could once again qualify for a home loan, according to analysis from TransUnion. In 2015, 700,000 U.S. consumers will be capable of re-entering the market, and within five years, that population ("Boomerang Buyers") may grow to 2.2 million.



TransUnion, one of the three major credit reporting agencies, studied the population of credit-active U.S. adults over the course of several years — the end of 2006 (the end of the bubble, when prices began to decline), the end of 2009 (when the bubble burst) and the end of 2014 — to determine the figures. Between 2006 and 2014, TransUnion was able to track 180 million consumers, and in 2006, 48% (78 million) of that population had a mortgage, and 8% (7 million) of that group had trouble repaying that loan between 2006 and 2009. By December 2014, 18% (about 1.3 million) had rebuilt their credit to meet Fannie Mae underwriting guidelines, and TransUnion estimates 2.2 million of the remaining 5.7 million former homeowners will rebuild their credit to that point within the next five years.

To be eligible to re-enter the mortgage market, consumers must have no unpaid judgments, garnishments or outstanding liens; no accounts past due; a FICO credit score of at least 620; and enough time elapsed between the negative event occurred and when they wish to re-enter the mortgage market (i.e. four years after a short sale and seven years after a foreclosure), according to TransUnion. Even among the 18% of consumers who have rebounded from the credit damage sustained during the financial crisis, the majority (58%) have yet to re-enter the mortgage market. "As boomerang buyers who experienced foreclosures or other negative impacts become eligible to re-enter the mortgage market, they may not immediately do so if they are not aware they are eligible again, or feel daunted by their prior experience," said Joe Mellman, vice president and head of TransUnion's mortgage group, in a news release about the data.

Rehabilitating your credit after missing payments on your mortgage or losing your home to foreclosure can certainly be intimidating, and it requires a lot of patience. That doesn't mean you should stay away from the mortgage market if you desire to own a home. When working toward your goal of becoming a homeowner again, regularly monitor your credit (you can do that for free on Credit.com) to track your progress and understand how your financial behaviors affect your credit scores. The foundation of a good credit score is making loan and credit card payments on time, paying other bills so they aren't sent to collections and keeping your balances of revolving lines of credit (such as credit cards) as low as possible.

Credit.com

El Niño Predicted to Slam California - Is Your Home Ready?

It's a tough thing to imagine when the sun is shining and you're making plans for the beach or the pool, but Californians should be planning for an onslaught of water that's predicted to hit their homes this winter.

We know, we know—California is in a drought. But meteorologists say a massive El Niño is forming—one that might be even stronger than the 1997 storm pattern that caused epic flooding and landslides. The time to prepare is now. Since it's hard to pinpoint when the bad weather will start, it's a good idea to get ahead of the event and begin waterproofing your home, says Gabriel Lugo, franchise operations director of 911 Restoration, a nationwide business that specializes in water-damage repair. Here's how:

Check the roof. "You don't have to risk life and limb," Lugo says. "Just take a look from the ground." You're looking for misalignment in the roof—shingles that look bent or deteriorated, or are missing altogether. Keep an eye out for wave-shaped patterns in tile, which can be a sign of warping.

Cover your turbine vent. Specific covers for these rooftop vents can be bought for cheap at hardware stores, but you can also use a trash bag and duct tape to prevent excess rainwater from pushing through, Lugo says.

Inspect the gutters. Clogged gutters are "the No. 1 issue when it comes to water intrusion," Lugo says. Grab a ladder or call a handyman and make sure they are clean of debris. Do the same for any drain grates and drainage systems.

Check your home's drainage system. After it rains, take a walk around the outside and check the ground where the soil meets your house. You're looking for spots that look soggy—an indication of pooling water. Use your finger to check for waterlogged areas. If you do find waterlogging, you can dig a trench and lay a pipe, directing the water to a safe area. Or you can monitor the area when it rains heavily. If the water is pouring down from a particular spot, use a large basin or garbage can to catch the water, and keep an eye on it. It's not a perma-

nent solution, but it can do in a pinch.

Reinforce single-pane windows. Single-pane windows can only handle a certain amount of water around the edges before they leak, so use painters tape or duct tape to seal the sides, Lugo says.

Check your decks. Decks can be expensive to repair, so look for hairline cracks, bubbles, exposed metal, and exposed nail holes, says Niki Bossonis, director of marketing at WICR Waterproofing and Decking. She says most waterproofing companies will perform an inspection for free. While you're at it, check electrical outlets for cracks and exposure to the elements.

Check your basement for mold spots. Mold can only thrive where it's moist, so patches of mold may be indicative of a leak.

Consider a sump pump—and a big one, too. "Sump pumps will only pump out X amount of water per hour," depending on the model, Lugo says. "Always, without a doubt, go double over [what you think you need], because it will be able to keep up with the water coming in."

Stock up on sandbags. If you've experienced flooding or you know you're in a flood-prone area, be safe and buy some sandbags for leak-prone areas like doorways. To keep water out, stack the sandbags 1 foot to 1-1/2 feet high. Use two or three, minimum.

Have an exit strategy. Sometimes, no matter how much you prepare, you may need seek shelter elsewhere. Plan ahead so you know which items you will want to take with you and which items you can leave.

"Water is a powerful thing," Lugo says. "When it wants to go, it'll pretty much push through anything to get there." And remember: El Niño is nothing to mess with.

Realtor.com



No Kids? Why You Should Still Buy in a Good School District

Living in a good school district doesn't just bring better teachers, better books, and better test scores — it also can help preserve home values and ensure faster resale rates. It's a smart move to consider the quality of school districts in your home-buying decision — although there are pros and cons to buying in top-notch school regions. Parents hoping to land a good home deal and give their kids access to a high-quality education have several costs to weigh. If you do the math, you'll find that pricier homes in a strong public school district may actually be better bargains than affordable homes in districts where many children attend private schools.

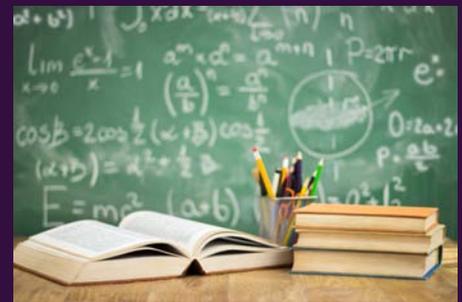
Many buyers search for real estate by school district, and say school districts are among the key factors in their home-buying decision. In a recent Trulia survey, 19% of Americans indicated that their dream home is located in a **great school district**. But among parents of children under 18, the percentage of Americans who want to live in a great school district jumps to 35%.

How can you tell if your potential new home is in a district that makes the grade? Consider the age of the schools, the condition of their facilities, the student-to-teacher ratios, and, of course, standardized test scores.

It's not as simple as it may seem to draw conclusions between school districts and real estate, though. A poorly ranked public school district doesn't necessarily mean that the overall quality of local education there is poor.

And there are private schools to consider as well. Parents looking for homes in lower-rated districts but who still want quality education may need to factor in the cost of a private education, which runs well into the thousands per year. Tuition rates vary widely, but the average tuition cost is \$10,940, which is the same as \$912 per month in mortgage payments, according to a 2014 Trulia analysis.

When it comes to resale value, though, even for buyers without children, investing in a home in a good-quality school district can pay off. Homes in good school districts tend to sell faster than homes in lower-quality school districts.



MSN.com

4 Steps to Take Now for a Faster Home Sale Next Year

Not ready to sell your home, but planning to list it in a year or so? Taking action now can help you attract buyers later.

A home sale typically comes as a result of a life change or a major decision. These decisions don't usually happen overnight, providing homeowners with years to plan for a successful home sale. By using your time wisely, you will maximize your home's value when you want to list and sell.

On your way to this point, you should be open to spending money in preparation. Investing in strategic home improvements will help facilitate a quicker and more profitable sale.

Selling a home is a large financial and emotional transaction — likely the largest in a lifetime. This makes strategic planning and counsel vital. Here are some steps you should take a year or more before you plan to list your home.



Connect with a local real estate agent

Real estate agents shouldn't just show up, list a home, hold an open house and move on. Instead, they should be valuable assets to you years before listing. Connecting with a local agent and developing a relationship well in advance allows you to start learning the market and transitioning from the mindset of a homeowner to that of a seller.

A good agent will provide helpful information, advice and assistance on an ongoing basis, in hopes of working with you on the eventual sale. Work with an agent who can connect you to local resources like inspectors, painters and other service providers.

An agent can also assess your home's condition and suggest small to medium-sized improvements that will help boost your home's value. Prioritize these projects for the months or years leading up to the sale.

Have a formal property inspection

For a few hundred dollars, you can have a licensed property inspector assess the home's major systems and components. You can take this step up to two years before you will list your home.

Why would you want to have someone come and point out your home's flaws before selling? Because it's better to know about any issues upfront so you can address them before your potential buyer discovers them.

Additionally, you can put a financial plan in place to pay for any needed fixes. Dry rot on your back deck could cost \$500 to remedy now, but you'd be better off handling it now than having a buyer see it as a major decking/structural issue and request \$5,000 when you are weeks away from closing and your back's against the wall.

Make improvements

A year before you will list, spend the extra time and money ensuring that your home both appeals to mainstream buyers and passes a potential buyer's property inspection.

If your agent suggests cosmetic fixes like laying new carpet, painting cabinets or cleaning the yellow grout in the bathroom, put a plan in place to tackle each of the projects. Waiting to the last minute will be too stressful, plus you won't get the enjoyment out of the cosmetic fixes.

If you know your roof is at the end of its life, it might be more economical to replace it so that you can advertise a new roof. Today's buyers want homes that are move-in ready. They don't have the time or resources to take on projects. The more issues you can resolve for them, the more successful your sale.

Get a home warranty

A home warranty is like a one-year insurance policy that addresses your major (and minor) appliances and most systems. If something breaks, you can call the home warranty company, not the appliance repair technician or plumber. For a small co-pay, they will come out and repair or replace the item swiftly.

If your home has some issues, a home warranty is a great way to address them without having to spend weeks or months shopping around, getting bids for work and seeing through each repair. A warranty works well when you list the home and are too busy to call around getting bids.

Moving is tough, in and of itself. Add prepping a home for sale and your move becomes more emotional and stressful. Planning ahead can help you address issues in advance.

Don't wait until the last minute, or you risk leaving money on the table. Meet with an agent early on and put a timeline in place to get the most of your home's sale — fast.



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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

SANTA CRUZ COUNTY

UPCOMING EVENTS

OCTOBER 10, 2015 - BEER, BRATS & BLUES. Chaminade Resort & Spa will be serving up a festive Oktoberfest inspired event featuring local breweries and great music!

OCTOBER 10, 2015 - SCMF - SANTA CRUZ MUSIC FESTIVAL. Santa Cruz Music Festival is back for its third year in full force, taking over the historic downtown area, with more than ten Santa Cruz venues.

OCTOBER 11, 2015 - MONTE FOUNDATION FIREWORKS IN CAPITOLA! This is a wonderful family event featuring a spectacular fireworks display.

OCTOBER 14-18, 2015 - 2015 O'NEILL COLDWATER CLASSIC. The O'Neill Coldwater Classic at Steamer Lane returns as stop #30 on the 2015 World Surf League, Men's Qualifying Series. A three-decade long annual Santa Cruz tradition, this year's event boasts an impressive \$50,000 prize purse.

OCTOBER 17, 2015 - HARVEST FESTIVAL AT WILDER RANCH. Celebrate! The harvest is in! See tractor, draft horse and living history demonstrations, listen to music, make crafts and participate in harvest-time activities.

OCTOBER 17-18, 2015 - OPEN STUDIOS ART TOUR ENCORE WEEKEND! Explore the hidden world of art! Visit artists in their studios, learn about their processes, purchase original works of art. Mobile app and printed guide have artist information and maps.

OCTOBER 24, 2015 - CHILI COOK-OFF AT THE BOARDWALK! Bring your appetite and join the fun as both professional and amateur chefs compete!

NOVEMBER 28, 2015 - SURFIN' SANTA Surfin' Santa arrives with his outrigger canoe and surfboard on the shores of Capitola Beach at 12 noon. FREE!

My Current Listings

- 108 Victoria Lane, Aptos** - Luxury in Meadow Ranch 6 BR/4 BA, approx. 4,064 SF home with unique touches. **\$1,595,000**
- 1304 Via Tornasol, Aptos** - Elegant Seascape Retreat. Updated 2 BR/2 BA. Private path to the beach. **\$1,349,000**
- 100 S. Rapetta, Santa Cruz** - Custom Elegance. 3 BA, 2.5 BA 2,750 SF home. Easy commute location. **\$1,099,000**
- 970 Whispering Pines, Scotts Valley** - A Spacious Home Among the Pine Trees 5 BR/5.5 BA 3,276 SF and pool. **\$1,099,000**
- 109 Rockridge Court, Santa Cruz** - Exclusive Upper Westside neighborhood. Needs some TLC. **\$995,000**
- 333 Rancho Rio, Ben Lomond** - Creekside Home. Slate, marble & ceramic floors, skylights. **\$739,500**
- 660 Nobel Drive** - 1C, Santa Cruz - Westside Comfort & Convenience. Located close to UCSC, 1,352 SF home. **PENDING \$659,000**
- 1667 Taylor Lane, Santa Cruz** - 2 BR/2 BA condo overlooking Arana Gulch Park & Trails. **\$629,000**
- 4375 Jade Street, #4, Capitola** - Condo Living. Capitola Shores. 2BD/1BA upper unit. Remodeled kitchen. **\$425,000**

Santa Cruz Association of Realtors®

SANTA CRUZ COUNTY SINGLE FAMILY STATISTICS

2015	Active	Pending	Sold	Average	Median
JULY	482	215	232	\$825,820	\$749,950
AUGUST	492	174	177	\$797,907	\$715,000
SEPTEMBER	439	189	197	\$809,299	\$755,000
2014	Active	Pending	Sold	Average	Median
JULY	578	161	200	\$813,254	\$724,225
AUGUST	517	223	189	\$736,776	\$655,000
SEPTEMBER	533	143	192	\$771,511	\$665,000
2013	Active	Pending	Sold	Average	Median
JULY	599	198	211	\$656,127	\$601,000
AUGUST	602	177	201	\$668,511	\$629,000
SEPTEMBER	605	163	165	\$667,980	\$639,000

