

May 7, 2010

To My Valued Friends and Clients:

When I first started writing to you, the primary purpose was to offer a real-time look at the local Greater Long Beach Real Estate market and to counteract negative and largely, inaccurate media reports. Giving you a summary of our real estate environment locally remains the primary goal today.

Currently, according to *Clarus Marketmetrics*, the Greater Long Beach region is one of the strongest and most active markets in the country. The Median Price of homes sold in April of 2010 is 30% higher than the Median Price of homes sold in April 2009 and the number of sales is up 42% April 2010 vs. April 2009! When combined with the Condo market, prices are up 17% and Sales are up 44%. Obviously, as these numbers reflect, the local market has stabilized and is improving rapidly.

The current environment also provides an excellent opportunity for non-homeowners to enter the market. A recent study of 45 Metro areas, conducted by Marcus & Millichap Real Estate Investment Services, found the difference between the monthly mortgage payment on a median-priced home and the median rent has declined to \$256. The study used the median prices for the last 3 months of 2009 and calculated mortgage payments by assuming a 10% down payment and a 30 year fixed loan at 5.07%. When the tax benefits of home ownership, mortgage interest and property tax deductibility are factored in, it is now less expensive to own a home than rent. If you have family members or friends waiting for the right time to enter the market, you may want to pass this letter along to them.

Please call with any questions or comments. I look forward to speaking with you soon.

Sincerely,