

Real Estate CORNER

DECEMBER 2021

Is a Wave of Foreclosures on the Way?

With forbearance plans coming to an end, many are concerned the housing market will experience a wave of foreclosures similar to what happened after the housing bubble 15 years ago. Here are a few reasons why that won't happen.

1. There are fewer homeowners in trouble this time.

After the last housing crash in 2008, about 9.3 million households lost their homes to a foreclosure, short sale, or because they simply gave it back to the bank. However, only 8.5% of mortgage holders entered forbearance during the pandemic, and that number is already down to 2.2%. As of last Friday, the total number of mortgages still in forbearance stood at 1,221,000. That's far fewer than the 9.3 million households that lost their homes just over a decade ago.

2. Most of the mortgages in forbearance have enough equity to sell their homes.

Due to rapidly rising home prices over the last two years, of the 1.22 million homeowners currently in forbearance, 93% have at least 10% equity in their homes. This 10% equity is important because it enables homeowners to sell their homes and pay the related expenses instead of facing the hit on their credit that a foreclosure or short sale would create.

The remaining 7% might not have the option to sell, but if the entire 7% of those 1.22 million homes went into foreclosure, that would

total about 85,400 mortgages.

The probable number of foreclosures coming out of the forbearance program is nowhere near the number of foreclosures that impacted the housing crash 15 years ago. It's actually less than one-third of any of the three years prior to the pandemic.

3. The current market can absorb listings coming to the market.

When foreclosures hit the market back in 2008, there was an oversupply of houses for sale. It's exactly the opposite today. In 2008, there was over a nine-month supply of listings on the market. Today, that number is less than a three-month supply. Some zip codes in Long Beach have an even lower supply than three months!

At the end of the day

If concerns over a crash are what's holding you back from buying a home, you don't need to worry. Today's housing market is nothing like the housing market we saw in 2008.

Not only are we not expecting a crash, but housing values are actually expected to continue rising over the next year. If you'd like to learn more about the current housing market or housing prices in Long Beach and its surrounding areas, don't hesitate to reach out to us at 562.896.2456.

JUST SOLD



Sold for \$1,025,000

393 Winslow Avenue
Represented the buyers



Sold for \$1,400,000

3240 Lama Avenue
Represented the buyers



Sold for \$950,000

110 Termino Avenue #304
Spacious condo with ocean view



Sold for \$1,830,000

4815 E. Ocean Boulevard
Multi-unit property in Belmont Shore

Our New Buyer & Seller Guides Are Here!

If you're considering a move now or in the coming year, there is a lot of great information that will allow you to plan and prepare.

Use the QR codes below to download the guides.

Seller's Guide

Buyer's Guide



ALL ABOUT: ADU's In Long Beach

ADU's are all the buzz lately, and for a good reason! ADU's, or accessory dwelling units, can not only provide you with the luxury of extra living space, they can even bring in extra income. To combat the housing shortage, regulations have relaxed in Long Beach, so it's easier than ever to add an ADU.

What's an ADU? An accessory dwelling unit is a small secondary housing structure that's on the same property as a larger, primary structure. Otherwise known as granny flats or in-law units, ADU's can be built as a stand alone unit or be attached to a garage or home. They're typically fully equipped with a kitchen, bathroom, and separate entrance, so many people utilize them to house elderly family members or rent them out to generate passive income.

What are the benefits? If you're not already sold on ADU's yet, wait until you read about the many benefits they have to offer. The benefits depend on how you plan on using the ADU.

More Housing – In the grand scheme of things, ADU's can help relieve the rising tension of the current housing shortage by providing options for couples, small families, seniors, etc. looking for a place to live.

Added Income – One of the most obvious and favorable benefits of an accessory dwelling unit is the ROI. An extra \$1,000 – \$2,000 per month can help you pay off debt, save for retirement, support family expenses, build a business, and so much more!

Extra Living Space – With an ADU, you can finally live out your man-cave or she-shed dreams! Well, those might not be for everyone but the added living space is a huge perk. An ADU can serve as a studio, workspace, game room, extra bedroom, and for all of you cinema lovers, maybe even a home theater.

How Do You ADU? There are a couple of boxes to check before you can build an accessory dwelling unit in your backyard. Aside from making sure your property meets all of the criteria, you need to apply for an ADU building permit, present your construction plans, and pay the applicable fees. To get started with this process visit the Long Beach Planning Bureau ADU webpage.

Whether you're looking to generate more income, increase your home value, or house a loved one, adding an ADU is a great option. If you have any questions about adding an ADU to your home in Long Beach, give us a call at 562.896.2456!



Selling a Home with Unpermitted Modifications & Additions

When it comes to selling a home with unpermitted modifications or additions, there is no one size fits all solution. It really depends on what the modifications are. While small projects like painting or certain repairs won't require you to get a permit, most home projects involving additions or construction will require some sort of communication with your city or county. The best way to avoid any problems when selling your home, is to call the local building authority as soon as you decide you want to embark on a project.

What happens if the work is already done, and it's too late to file for a permit? It doesn't necessarily mean you can't sell your home, but that your home might not sell for as much as you'd hoped. For instance, if you or the previous owner have added on unpermitted square footage, it's not going to add on to the value of the home the way a permitted addition would. This is particularly true when it comes to an appraiser's opinion.

Additionally, if your unpermitted modification raises a red flag with the city, it complicates the issue of selling. It can impact a buyer's ability to get a loan because lenders don't like to see any pending legal issues. Furthermore, if you can only sell to a buyer who is paying cash, the buyer pool for your home will be limited to investors who are just looking to get a good deal and you could lose out on money.

Since there are no easy answers to these issues, the best thing you can do is hire an expert Realtor to evaluate your home and the unpermitted modification. If you have questions about specific modifications or additions, please reach out to us at 562.896.2456.



Local Spotlight: Naples Christmas Lights

There are so many great spots to admire Christmas lights throughout Long Beach, but our top choice is right down the street from us on Naples Island.

The Naples Christmas lights are a time-honored tradition that many people partake in every December. Many, if not, most of the homes go all out decorating their homes for the holidays with lights, displays, and other decorations to spread holiday cheer.

People enjoy strolling through the canals with hot chocolate and admiring the homes and their spirit. For a different view, you can also rent a boat and see the lights from the water. If you want to enjoy dinner with the lights, this is the perfect option for you. If you prefer to go on foot, don't forget to visit one of Naples' fabulous restaurants like Michael's on Naples Ristorante or Naples Rib Company.

Of course, the most romantic option is to call Gondola Getaway and have one of their gondoliers take you around the island. Not only will you get to admire Naples' lights, but you can check out the Christmas trees on the water - another one of Long Beach's great traditions. Gondola Getaway offers packages with food and drinks and are running their 2021 holiday special now!

Many Long Beach-ians visit the lights every year because its one of their favorite holiday traditions. Whether you're looking for a fun family outing, or simply want to get started embracing the holidays, the Naples Christmas lights run through December and are a must-see.



..... Welcome to the Team!



JULIE FOLCIK embarked on a real estate career in 2017 after 25 years of working in local government. Her experience as a real estate investor combined with a love of properties and a deep desire to help others made real estate a natural choice for her. Julie's previous career was in the City Clerk's Department in Long

Beach, followed by her serving as the City Clerk in Costa Mesa. Prior to that, she worked at Disneyland, where she learned the joy of providing clients with outstanding service.

Julie is a native of Long Beach. She grew up attending the local schools and has worked in Long Beach most of her adult life. She holds a BA in business management from the University of Phoenix. Julie is passionate about being involved in the community, presently serves on the board for her local community association, and enjoys volunteering for charitable events such as "The Basket Brigade." A performing arts enthusiast, Julie loves live theater, music, and dancing, especially ballroom dancing. She also enjoys spending time in nature and taking walks along the beach.



KACIE MCLAUGHLIN has a passion for customer service, architecture, and design, which laid the foundation for her career in real estate. Kacie has over 10 years of extensive background in customer service. She started working for the City of Chino as a Community Service Leader taking on many roles from teaching pre-

school, managing after-school programs, and working as a part of a team to run city events. Due to her love for architecture and engineering, she became a Lead Designer at an engineering firm and an Independent Contractor who designed and drafted the floor plans, security plans, and equipment layouts for numerous clients.

Kacie manages all aspects of her business and life with integrity making sure to show her professionalism, commitment, and positive energy. Born and raised in Long Beach, Kacie enjoys spending her free time exploring the city and soaking up the sun on the beach with her family. She's passionate about being a supportive mother and setting a good example for her elementary school daughter.

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Licensed Real Estate Salesperson
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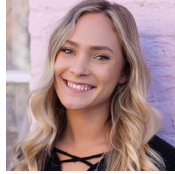
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6621 E. Pacific Coast Highway #150 Long Beach, CA 90803

Will You Help Us Give Back to the Community?

To give back this holiday season, The Shannon Jones Team is collecting necessities for Mental Health America of Los Angeles (MHALA).

This amazing non-profit provides support and resources for those that are mentally ill - an issue that is very near and dear to our hearts.

We will be collecting donations at our office at 6621 E. Pacific Coast Highway #150 through December 15, 2021. We can also pick up any donations from your home!

Please call us with any questions.



Wish List:



- Jackets
- Blankets
- Gloves
- Warm Hats
- Scarves
- Socks
- Underwear

****MHALA is asking for new items only. Thank you!**



QUIZ: Should I Buy a Home Now or Not?



Thinking of buying a home? Take our quiz below to help you determine if now's the right time for you!

Instructions: Go through the list of scenarios below. If the scenario applies to you, add the points to the line, if it doesn't keep it blank. At the end, add up your score and compare it to the score chart to find out whether or not you're in a great position to buy.

___ I'm currently able to pay all of my bills on time. [10 points]

___ I'm going to stay in my current location for at least 3 years. [5 points]

___ My employment is solid. I won't be looking for a new career anytime soon. [5 points]

___ I know what I want in a home, and can afford the type of home I want. [10 points]

___ I'm already pre-approved. [10 points]

___ I'd love to be able to paint my walls any color I want! [10 points]

Score Chart:

50 points - You're in a great position to buy a home!

26 & Over - It might be the right time for you. Speak with a Realtor to find out!

25 & Under - You're almost there!

0 - 10 points - It's probably not the best time for you to buy.