

Real Estate CORNER



MAY 2021

What's Different About 2021 Home Prices

There's no doubt about it - home prices are soaring. A record low inventory of homes and strong buyer demand have led to a rise in bidding wars and multiple offers, so homes often sell for more than the list price. In some cases, a lot more. In March 2021, on average, homes in Long Beach sold for 103.4% of the original list price. Clearly, this is a real estate market unlike any we've ever seen. Here's what these home prices mean for you.

Forget What You Heard

For generations, most home sellers would try to estimate the market value of their home, then tack on a little extra to give themselves some negotiating room. That number would then become the listing price. Buyers would then try to determine how much less than the full price they could offer and still get the home. Generally, the asking price was the ceiling of the negotiation and the actual price would always be somewhat lower than the asking price. Only particularly "hot" properties sold for above the asking price.

Then 2020 rolled around. Fear of selling during COVID meant many would-be sellers put their plans on hold. At the same time, mortgage rates dropped to record lows and the demand for homes grew. This imbalance in supply and demand created what can only be described as a home buying frenzy. Nationally and locally, homes have been selling at a record pace and for record prices.

2021 Home Prices Require A New Perspective

In this market, you likely can't shop for a home with the old-school mentality of refusing to pay full price or more for a

house. Today you need more strategy and a whole new mindset.

The shortage

of homes for sale means many homes are actually being offered in an auction-like atmosphere with multiple bids driving the price up. In this market, the listing price almost functions like a "reserve price" in an auction -- the minimum amount a seller would accept and often far below the winning bid. For seller, part of the pricing strategy is to determine the number that will maximize the bidding activity.

Today the asking price is often the floor of the negotiation rather than the ceiling. Traditionally many buyers began looking at homes priced at the top of their budget, but knowing that homes may ultimately sell for considerably above the asking price, a sensible strategy in this market is to begin looking well below your ceiling. Know that if you love a home, other buyers may love it too and you'll likely have to pay more than the list price to get it.

When You're Ready To Enter The Market

Here at The Shannon Jones Team, we know that this is a tough market for buyers. However, we have successfully helped a number of buyers navigate the market in 2021. If you're considering a move this year or beyond, give us a call at 562.896.2456. We look forward to serving you!



JUST SOLD



Sold for \$1,435,000

4418 Pepperwood Avenue

Sold for \$35,000 over list price in Lakewood Village



Sold for \$678,000

2427 Pine Avenue

Sold for \$38,000 over list price in the Wrigley neighborhood



Sold for \$685,000

11742 214th Street

We represented the buyers on this charming Lakewood home

Is a California Exodus Happening?

Lately, many of our sellers seem to be selling their Long Beach homes and moving out of state. Their new destinations include Nevada, Arizona, Texas, and Montana, just to name a few. While there has been recent discussion of a so-called California exodus since the pandemic, people leaving California is not a new trend. In fact, California has ranked in the top ten states people are moving from since 2015.

The Future Of California

Unfortunately, there is going to be a lag in determining California's population trends. The dust will need to settle from COVID-19 and we will need to see what our new normal will look like. Some people have moved into short-term rentals or back in with their families, but as people move out of temporary living situations, new trends will begin to form.

As California businesses keep reopening and the economy improves, it's possible we could see people return to California. Furthermore, while headlines about the huge population decrease in San Francisco are good for grabbing readers, they may not be entirely accurate. When you look closer at the number, about 80% of those 38,800 people leaving San Francisco stayed within the region. It's unclear exactly where these people went, however, less populated counties like El Dorado, Placer, and Nevada "saw sizable gains." So it could just be that some people are leaving more populous parts of California for cheaper areas.

How The California Exodus Could Affect You

If you have given any thought to leaving California and want to do so in a strong seller's market that would help you sell for top dollar and create maximum leverage, then now may be the time. While many people are leaving California, there are plenty of people looking to buy and an extremely low inventory of homes available. Historically low mortgage rates have created a frenzy of buyers who don't have enough homes to choose from. California home prices are now at record highs and home buying competition and bidding wars are very common. In March 2021, the median home price in Long Beach alone was \$802,500. So if you'd like to leave California, you have a golden opportunity right now to cash in on high equity. If you're moving to another, cheaper state, this equity could be a great fresh start for you and your family.



5 Tips for Buying a Short Sale

"Short" sales are anything but short in the length of time it takes one. In fact, the process can be quite long and complicated. Here are five tips on buying a short sale.

1.

Hire A Realtor Short Sale Expert - An experienced agent can determine a sensible offering price and can advise you on what to include in your offer so the lender will view it favorably. In order to determine the agent's experience, ask how many buyers they've represented in short sales and how many of those they successfully closed.

2.

Learn The Home's Fair Market Value - When lenders agree to a short sale, they agree to forgive some money on the original loan. Their goal is to minimize losses and make sure offers are at or close to the home's actual market value. Some agents list short sales at "fire sale" prices to generate multiple offers, then send them all to the lienholder, but usually, this strategy doesn't work. Your agent can help you determine market value and structure an offer the bank is likely to approve.

3.

Be Patient And Expect Delays - First, sellers must agree to your offer. Then they must submit it to their lender, along with information about their finances and hardships to convince the lender to agree to the sale. The approval process can take weeks or months – or longer. Furthermore, once you have approval from all lienholders, you'll still have a "normal" escrow period as well.

4.

Firm Up Your Financing - Short sale lenders want to know you'll be able to close the transaction if they approve it. As the buyer, you should already be preapproved for a mortgage. Additionally, you will need proof of funds and a copy of the first page of your credit report.

5.

Avoid Contingencies & Be Flexible - If you must sell your current home before you can close on the short sale property, or you need to close by a firm deadline, your offer may present too many variables for a lender to approve it. Also, be aware that the seller isn't getting any money from the transaction. They are likely losing money they already put into the home so they won't be in a position to make repairs, pay for termite work, or provide you with a home warranty.

Local Spotlight: Long Beach Restaurants

Vaccines are rolling out and indoor dining is back! A lot has changed in the Long Beach restaurant scene since the first shutdowns in March 2020, so here's a round-up of some of the new spots that have popped up. We're dying to try them all!

Kennedy's Craft Kitchen - 5506 E. Britton Drive

Located in EJ Malloy's old location, Kennedy's is the new neighborhood hangout serving American food on a gorgeous patio. They have a variety of sharable dishes and some fun cocktails like the 'bad apple' and our personal favorite: the 'resting spritz face.'

The Bungalow Kitchen Belmont Shore - 3400 Pacific Coast Highway, Suite 200

The Bungalow Kitchen is located on the second floor at 2nd & PCH. So not only does its menu look great, but the views are amazing too. Try a twist on toast with their jalapeño shrimp toast, or mix up regular wings with some crispy duck wings. To drink try one of their Long Beach themed cocktails like the Fuzzy Naples or Spruce Juice.

Little Coyote - 3500 Los Coyotes Diagonal

Little Coyote may not be new, but they are opening a new location! Now, Los Altos residents won't have to drive to 4th Street to get some delicious pizza. The new location will be on Los Coyotes Diagonal - the perfect street name for this pizza joint!

In the Kitchen - 900 Long Beach Boulevard

If you're looking for soul food, look no further than In the Kitchen! This new restaurant on Long Beach Boulevard serves fresh food that's cooked daily. Pick from fried catfish to oxtails to a veggie platter. They all come with sides like garlic mashed potatoes and black-eyed peas. Their desserts change daily but it could be banana pudding or peach cobbler - either one sounds great to us!

Owl Owl - 1246 E. Broadway

Owl Owl is a new restaurant that just opened in April and serves a variety of Thai street food like Pad Kee Mao and pork belly. If you're not so adventurous, they also serve classic dishes like Pad Thai and fried rice.



Preparing Your Home for **SUMMER**



Summer is just around the corner! With all the warm weather we've been experiencing here in Long Beach some spring days have even felt like summer! But before you start planning your pool party, make sure your home is prepared for the new season. Here are some tips on summer prep for your home.

Fix the Sprinklers - Check your sprinklers for any damage like broken heads or cracked pipes. Keep an eye out for any bubbling on your sprinklers - those will need to be replaced. The summer is going to get hot and your yard will need all the water it can get!

Clean the Deck and Walkway - Power wash your deck (or hire someone to do it for you) to remove any dirt or mildew that may have accumulated since you last used your deck. You may want to consider resealing your deck as well. Don't forget to power wash the walkways as well and fill in any cracks that have formed.

Wash Outdoor Cushions - Even though fabric used on outdoor furniture is tough, it will probably need washing. This is a good habit to get into even if you use your patio all year long like some of us in Long Beach! Check to see if your covers are machine-washable or if you need to wash them by hand with a scrub brush.

Scrub the Grill - Heat your grill for 10 minutes so it's easier to scrape off any gunk. Afterwards, let your grill cool down and disconnect the gas line. Then you're all clear to wash every part of the grill including wiping down the exterior. Don't forget to check your propane tank too and make sure you have enough for all of your summer barbeques!

Spruce Up Your Landscaping - Fill in any grass that may have died over the winter and pull any weeds out of your planters. If you want to plant anything new to get ready for summer, May is a great time to plant peas, spinach, marigolds, lettuce, and more!

Clear Your Gutters and Drains - Debris like mud and leaves can clog drains and gutters and this can lead to leaks. Clearing debris is a great way to try and prevent water damage in your home.





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Best Taco Spots in Long Beach

We know Cinco De Mayo isn't widely celebrated in Mexico, but we'll take any excuse to eat tacos and drink margaritas! Here are some of our favorite spots to grab a taco in the LBC.

Playa Amor - We can't talk about Long Beach tacos without mentioning Playa Amor because it's a Shannon Jones Team favorite! They have a variety of tacos from beef shortrib to grilled shrimp and even a potato taco. They also have a classic beer-battered fish taco that's a must-try. Don't forget to try their amazing street corn as well!

Seabirds Kitchen - Seabirds Kitchen started out as a food truck featuring vegan dishes. While they don't exclusively serve Mexican food, they have a great mix of vegan tacos including a Long Beach exclusive: a kimchi taco made with jackfruit. However, their best taco may just be the beer-battered avocado taco. Yum!

Taqueria La Mexicana - This spot is a small, cash-only restaurant that operates with just a window for service, but don't let that dissuade you! They have some of the best tacos in Long Beach. Plus, not only do they have a variety of meats, but their taco dish comes with three tacos, rice, and beans for just \$6.50. That's a deal you can't beat!

Joliza's Tacos - This Long Beach restaurant is a classic! Located in the Wrigley area, it serves a simple but delicious menu. Choose from five different types of meats to go in your street tacos and you have to have a homemade taco horchata on the side too!

Hole Mole - Hole Mole offers an assortment of Mexican food, including breakfast, and every variety of taco you could hope for! Each kind has different meats, toppings, tortillas, etc. and they're all delicious! Plus, they offer a Taco Tuesday discount.

New Kid on the Block - Panchos Vegan Tacos is a popular spot in Las Vegas but as of April 6th, it is officially in Long Beach as well! Fully vegan, you can order a number of different types from street tacos to crunchy tacos to a classic (vegan) fish taco!



Guacamole

Of course, no Cinco De Mayo party is complete without a lot of guacamole. Luckily it's so easy to make.

Ingredients:

- 3 avocados
- 1 lime, juiced
- 1 teaspoon salt
- ½ cup diced onion
- 3 tablespoons chopped fresh cilantro
- 2 small tomatoes, diced
- 1 teaspoon minced garlic

Directions:

In a medium bowl, mash together the avocados, lime juice, and salt. Mix in onion, cilantro, tomatoes, and garlic. Serve immediately with your favorite tortilla chips and have a margarita ready to go!