

# LANSNER ON REAL ESTATE



By Jonathan Lansner and Jeff Collins

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## Home bargains hard to catch in Costa Mesa

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Ask: \$1.07 mil



Ask: \$550,000



Ask: \$325,000



*Insider Q&A knows that real estate is a local-local business and that market conditions can vary by city and even neighborhood.*

*In that spirit, we went "micro" this week ... chatting with Valerie Torelli of Torelli Realty about what's up — what what's not — with housing in her specialty area: Costa Mesa. Click on*

*photos above of 3 sample properties from the city for larger images and house details ...*

**Us:** In general, how does the city market look?

**Valerie:** The Costa Mesa market is fairly healthy with just under 150 units currently listed in the Multiple Listing Service: 114 are single family, the rest condos. The amount of homes for sale under \$500,000, which is where there is the highest demand, is in very short supply with only 22 single family homes for sale. The catch is that almost every one of them is a short sale and the price listed may or may not be the price that the lender will ultimately sell for. In fact, many of these wind up being "teaser prices" and get bid up. The first-time buyer or lower-priced buyer has the most difficult time finding a property to even bid on. The homes over \$800,000 — about 30 with the majority located in Eastside Costa Mesa — are sitting out there with not a lot of activity. Unless the property truly has something special going for it, these homes tend to linger on the market longer. The homes over \$1,000,000 have very few takers in this market.



**Us:** Geographically, do any neighborhoods look stronger than others?

**Valerie:** The Eastside and Mesa Verde areas of Costa Mesa are still the most sought after, mostly due to what those neighborhoods have to offer: proximity to Newport Beach, and golf courses, respectively, and larger type homes. These two areas are usually high on buyer's priority lists, and still remain so, but with the larger price tags it prohibits many entry-level buyers. With price-to-value being very high on both the buyer's and lender's radar, the central areas, South Coast Metro and Westside have fared quite well. We expect to see continued demand in these areas because of their relative affordability.

**Us:** What are you telling Costa Mesa sellers?

**Valerie:** We are telling Costa Mesa sellers not to become greedy, under no circumstances. This tactic is not going to work. We advise them not to be just a headline reader because when a news article raves about there being "a 10% increase in the amount of homes closing escrow," this might have nothing to do with their market. There are still a number of home owners that are having a difficult time with their current mortgages in Costa Mesa. There could very well be more properties coming on the market within the next six months, should the loan modifications not be successful. The appraisals have been a real issue and unless the home merits an increase in price from the last comparable sale, you probably are not going to get it. It is my opinion, and the statistics seem to verify, that the lower-priced homes have probably reached their bottom.