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**Terri Adams-Scott**  
Realtor

Terri comes to Real Estate with a career background in marketing and sales. With today's advanced technology, buying and selling Real Estate requires a tech-savvy Realtor... with the touch of traditional, personalized service.

Terri has enthusiastically embraced the technology tools, skills and certifications that help to serve her clients quickly, effectively and personally. Her hobby of video production offers a valuable marketing tool and provides her clients with the cutting edge technology. When life's journey calls for a move, call Terri! 925-765-4339  
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## Residents Not So Happy About Happy Valley Pathway

By Cathy Tyson



View of new Happy Valley Road Pathway near Franklin Lane Photo by Cathy Tyson

Earlier this year the City of Lafayette followed their normal protocol and posted notices of an upcoming meeting about sidewalk improvements in the Happy Valley area. Very few residents attended the meeting to review the intended design and construction of Happy Valley pathway modifications from Franklin Lane to Valory Lane. When the pathway was complete, residents weren't happy and asked that the new pathway be reconfigured.

Given the current budget crunch, the city is reluctant to rebuild the new pathway, especially when the neighbors had a chance to comment early on.

"Staff indicated to the City Council that (the pathway) was designed after consultation with the neighbors at a publicly noticed meeting, is fully compliant with current standards and practices and is consistent with similar facilities city-wide that have operated without any known history of safety issues," said Associate Engineer John M Luttrupp.

Parents expressed their displeasure at a late October City Council meeting. Because of speeding cars and the edge of the walkway abutting the road, residents feel that it's dangerous and would like the pathway modified.

Quite a few children use the pathway on their way to Happy Valley Elementary school. Since the area immediately around the school can be congested at pick-up and drop-off times, many students walk from Franklin Lane.

In order to solve the sidewalk dilemma a meeting was held in November with concerned residents, city staff, Council Member Brandt Anderson and Bill Bucher, President of the Happy Valley Improvement Association. Residents came to an agreement on a number of issues; first, to paint the existing asphalt berm white. Second, as a temporary solution, the neighbors have volunteered to construct a temporary base rock pathway on private property away from the road and existing pathway, but will need to get the approval of property owners.

What residents really want is to have a permanent pathway away from the edge of the road that would require easements beyond the City's right of way. This option is estimated to cost \$56,000 - although there is \$16,000 in grant money remaining from the Happy Valley Pathway project.

Rumor has it a compromise may be reached at the December 8th City Council meeting.

## How Long Will The Turmoil Last? This is a Great Time to Buy a Home?

By Steve Snyder

### How long will the turmoil in the housing markets last?

This is the first time in our country's history in which home values have declined nationally without a corresponding large rise in unemployment. During the Great Depression, the unemployment rate was around 25% compared to approximately 6.7% today. Therefore, the challenges being faced today are different than the challenges that were faced in the 1930s.

Today, states like Michigan and Ohio have high rates of unemployment and this is causing many people in those markets to default on their loans and go into foreclosure. Those markets will not likely rebound until the employment situation improves. On the other hand, states like Florida, Arizona and California have stronger employment. Home prices in those states have declined largely due to unsustainable speculation on the part of investors who over-extended themselves by betting that housing prices would always rise. Those markets have a large glut of investor-owned properties that are going through foreclosure. The downward pressure on housing values due to foreclosures will likely last in most markets across the country throughout 2009, and in some markets, perhaps even through 2010. This does not necessarily mean that home prices will decline for another 12-24 months. This simply means that home values are not likely to recover very quickly due to the downward pressure on home prices.

### How long will the turmoil in the mortgage markets last?

The sub-prime market has virtually evaporated and lending guidelines have tightened significantly. Interest rates on jumbo mortgages and loans for borrowers with unique situations are considerably higher than loans for borrowers who have smaller mortgage balances, high credit scores, large down payments, and long, steady job histories. There are two factors necessary for lending guidelines to loosen back up: Housing market recovery - lending guidelines are likely to remain very tight until housing prices at least find a bottom. This is because lenders, mort-

gage insurance companies and Wall Street investors don't want to assume the risk that homeowners will walk away from their mortgage if the home declines in value.

Clear rules and regulations - lenders and Wall Street investors today are very hesitant to be flexible in their guidelines as long as the rules of the game are still undefined. There is a very large fear in the marketplace among lenders that they will be faced with large legal liability if they extend loans to people who may not be able to afford the payments at some point in the future. On July 14, 2008, the Federal Reserve issued new guidelines that clarify the rules that lenders must follow when evaluating a borrower's ability to repay. This was the first time since the credit crisis began in July 2007 that lenders have clear guidance on the rules of the game. This should give lenders a larger comfort level in creating new loan programs and becoming more flexible in their guidelines. Obviously, "flexible" guidelines in the coming months will be defined differently than the reckless "flexible" of the past. Regulators are also considering new rules for Wall Street financial institutions and investors, and these rules should also help in jumpstarting the mortgage lending industry once again. Therefore, lending guidelines will likely become more flexible sometime in 2009.

This is definitely a buyer's market! Negotiating power in this market is greater than at any point in the last several years. If you are interested in buying a home for the long-term, this is a great time to do

so. However, if you are a novice looking to speculate in the real estate markets, now is the worst time to do so because this market is more dangerous than ever. Only the truly savvy investors will be able to navigate the market today, but they need to act quickly. There is so much panic selling in the marketplace right now that the deals that are available today will not likely be around in the future. Of course, there will always be deals available, but the types of deals available today are not going to last forever. Everyone talks about buying low and selling high, but hardly anyone actually does it! Once the market stabilizes, everyone will want to jump in again and the best deals will have disappeared.

As long as your time frame is greater than two years, now is probably the best real estate buying opportunity in over two decades.

The best thing for you to do is work with a team of professionals to help you structure your home purchase transaction in ways where you could save the most money. Strategies for you to consider include seller-paid closing costs, maximizing acquisition indebtedness to create tax benefits, structuring the down payment in the proper way and other useful strategies. Make sure you have a knowledgeable Real Estate professional and their team on your side!

Steve Snyder is a Mortgage Consultant with RPM Mortgage in Walnut Creek. He can be reached at 925-295-9322 or [ssnyder@rpm-mtg.com](mailto:ssnyder@rpm-mtg.com).

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## Lamorinda Home Sales continued

<b>SOLD</b>	<b>LAFAYETTE</b> Last reported: 4
<b>HOME SALES presented by LAMORINDA</b>	<b>LOWEST AMOUNT:</b> \$485,000
<b>LAMORINDA</b>	<b>HIGHEST AMOUNT:</b> \$1,372,500
	<b>MORAGA</b> Last reported: 0
	<b>LOWEST AMOUNT:</b> \$0
	<b>HIGHEST AMOUNT:</b> \$0
	<b>ORINDA</b> Last reported: 4
	<b>LOWEST AMOUNT:</b> \$738,000
	<b>HIGHEST AMOUNT:</b> \$1,900,000
	<small>Home sales are compiled by Cal REsource, an Oakland real estate information company. Sale prices are computed from the county transfer tax information shown on the deeds that record at close of escrow and are published five to eight weeks after such recording. This information is obtained from public county records and is provided to us by California REsource. Neither Cal REsource nor this publication are liable for errors or omissions.</small>
	<b>LAFAYETTE</b>
	3215 Andraesen Drive, \$1,695,000, 4 Bdrms, 3062 SqFt, 1952 YrBlt, 10-31-08
	3442 Black Hawk Road, \$1,425,000, 4 Bdrms, 2910 SqFt, 1958 YrBlt, 10-31-08
	3173 Diablo View Road, \$1,450,000, 3 Bdrms, 2367 SqFt, 1964 YrBlt, 11-5-08
	917 Hough Avenue #8, \$485,000, 2 Bdrms, 1038 SqFt, 1969 YrBlt, 11-13-08
	3307 Sweet Drive, \$685,000, 5 Bdrms, 1811 SqFt, 1953 YrBlt, 11-10-08
	21 Topper Court, \$1,372,500, 4 Bdrms, 1806 SqFt, 1945 YrBlt, 11-13-08
	1163 Upper Happy Valley Rd., \$700,000, 2 Bdrms, 970 SqFt, 1945 YrBlt, 11-7-08
	<b>ORINDA</b>
	200 Longview Terrace, \$840,000, 4 Bdrms, 1442 SqFt, 1962 YrBlt, 11-13-08
	26 Muth Drive, \$738,000, 3 Bdrms, 1804 SqFt, 1959 YrBlt, 11-13-08
	108 Oak Road, \$1,725,000, 3 Bdrms, 3377 SqFt, 2000 YrBlt, 11-7-08
	570 Orinda Woods Drive, \$1,900,000, 4 Bdrms, 2980 SqFt, 2005 YrBlt, 11-7-08
	<b>MORAGA</b> none

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