



Don, Norma  
& Erik  
FLASKERUD

REAL News

Summer 2013

## Home prices SOAR!

- HEADLINES: Pleasant Hill home prices up 10%!  
20% ! How high can they go? When will it stop?  
Why has it gone up so high, so fast?
- IMAGINE THIS: a group of Realtors, standing around  
chatting, everyone shaking heads in disbelief; this  
is a common occurrence. The subject? How high  
prices have risen, with no end in sight.
- IMAGINE THIS: a home priced at fair market value,  
based on recent comparable sales, receives 5-20  
offers and gets bid up 10-30% higher.
- IMAGINE THIS: an open house swarming with  
visitors, people admiring the house, falling in love  
with it, but shaking their heads in dismay. "Love  
the house, but what are the chances we will get it?"  
they say. So sad, felt more like a funeral than a  
Sunday open house. So many discouraged buyers!

All of these scenes are real events that happened in  
May 2013. Some in Pleasant Hill, some in Walnut  
Creek, Concord, Martinez, Lafayette...all over, it's the  
same story— not enough inventory to meet demand!

### What's created the demand?

Headlines like "Market for resale homes has hit  
bottom, the time to buy is now!" Or "Prices are going  
up; buy now before they go up further!" And last but  
NOT least, "Historically low interest rates are  
creeping up! Buy now before they go up further!"

In our experience, all of those headlines are relevant,  
accurate. We've met so many young couples eager to  
buy their first home! But there are not enough homes for  
sale to satisfy the need. And while they bid, hope to get



their house, prices continue to go up, pricing many  
out of the market, forcing others to lower their  
requirements, or discouraging them to the point they  
step away from the process. Other buyers are  
downsizing from more affluent areas, like Moraga,  
Lafayette, and Orinda. They seek an updated, single  
story home on a nice lot, fueling the demand for those  
style homes.

### Why is inventory so low?

Many are under-water, owing more than the  
house is worth. But with this jump up in prices, some  
will be able to sell now. They may not have  
recovered the full value of what they paid back in  
2006 or '07, but the need to do a short-sale will be  
gone; they can sell without damaging their credit.  
Also, move-up buyers may not have enough equity to  
sell and buy, yet. And the choices for move-up  
buyers are very slim, as currently there is very little  
inventory that meets a move-up buyer's criteria.

### For example

Despite increasing prices, many homeowners  
have little equity. A homeowner would need about  
20% equity to sell and move up, to cover down  
payment on the next house and real estate fees and  
other expenses. So just being "above water" is not  
enough.

The President of Realtor.com was quoted  
recently: "The Bay Area home market is the hottest  
market in the country, so it's a little difficult to say  
where this market is going to be in six months." With

—continued on back page

## Don and Norma's listings—fabulous buying opportunities!



225 Devonshire Ct, Pleasant Hill

\$699,000

SALE  
PENDING



The mastersuite's luxurious bathroom remodel with garden view includes spa shower, soaking tub, dual sink vanity with Carrar marble countertop. Step outside onto 1000+ sq ft of deck surrounded by open space, mature trees. Relax under the arbor or in the bubbling hot tub. Use the detached cottage as a wonderful home office or play room. This 3 bedroom, 2.5 bath home at the end of a court won't last long at \$699,000.



560 Maureen Ln, Pleasant Hill

\$565,000

Creekside Park, expanded and loved by the same family for generations. Walking distance to Strandwood Elementary School. 5 bedrooms, 2 baths, there is a lot of room for family, plus the living room, dining area and spacious family room. A separate carport offers storage and shelter for cars. Get out for a walk on the neighboring canal walking trail or walk to town or nearby shops. Gleaming hardwood floors at \$565,000.



154 Doris Dr, Pleasant Hill

\$450,000

\$450,000 charming Gregory Gardens rancher on quiet street; freshly painted in and out, new floor coverings, dual-pane windows and a lovely bathroom remodel!

2104 Morello Ave, Pleasant Hill

\$635,000

2040 sq ft home on a .18 acre lot. 4 bedrooms, 2.5 baths, updated kitchen, baths, flooring, new paint. Must see park-like backyard. Convenient, close-in location.

1967 Rose Ln, Pleasant Hill

\$495,000

1052 sq-ft Gregory Gardens home on .18 acre lot. 3 bedrooms, 1 bath, remodeled, updated interior, lovely professional landscaping. Walk to Strandwood Elementary.

255 MacGregor Rd, Pleasant Hill

\$775,000

2341 sq-ft custom home on a .24 acre lot. 4 bedrooms, 3 baths, updated and remodeled! Near Contra Costa Country Club, easy access to shops and freeways, lovely gardens, and a very rural feeling!



Coming  
soon!

### Testimonial

*We approached selling our home, having owned it for 35 years, with some trepidation. We also had a very short and stressful timeline to follow between buying another home and selling ours. The process was made very smooth by Don and Norma Flakerud. They were ready with answers to questions right from the beginning, starting with really good advice for preparing the house for sale, right through to close. We were impressed by their professional approach, their in-depth knowledge of our local housing market, as well as their timely responses and support in our negotiations with the buyers and their agent. We knew that they were with us the whole way in selling our home; that gave us a great deal of confidence throughout the process, and we would heartily recommend them.* —Sheila and Mike Weston

THANK  
You

## Recent activity by Don, Norma, and Erik

Street	City	Price	Status	Represented
1943 Ardith	Pleasant Hill	\$450,000	SOLD	Seller
119 Starlyn Dr	Pleasant Hill	\$670,000	SOLD	Seller
1984 Faye Ct	Pleasant Hill	\$522,500	SOLD	Seller
6 St Lawrence	Pleasant Hill	\$545,000	SOLD	Buyer
529 Westover Ln	Pleasant Hill	\$605,000	SOLD	Buyer/Seller
307 Strand Ave	Pleasant Hill	\$675,500	SOLD	Seller
214 Powell Ave	Pleasant Hill	\$840,000	SOLD	Buyer/Seller
150 Chaucer Ct	Pleasant Hill	\$605,000	SOLD	Seller
136 Adria Dr	Pleasant Hill	\$485,000	SOLD	Seller
5 Chadima Ct	Pleasant Hill	\$600,000	SOLD	Buyer/Seller
405 Monti Cir	Pleasant Hill	\$788,300	SOLD	Seller
346 Valley View Rd	Pleasant Hill	\$445,000	SOLD	Buyer/Seller
969 Salter Ct	Pleasant Hill	\$415,000	SOLD	Seller
1917 Westover Dr	Pleasant Hill	\$640,000	SOLD	Seller
249 Gregory Ln	Pleasant Hill	\$380,000	SOLD	Seller
1400 Ashwood Dr	Martinez	\$252,000	SOLD	Seller
155 Harriet Dr	Pleasant Hill	\$500,000	PENDING	Seller
212 Ironwood Ct	Pleasant Hill	\$748,000	PENDING	Buyer
2080 Celeste Ave	Walnut Creek	\$550,000	PENDING	Seller
2972 Hannan Dr	Pleasant Hill	\$725,000	PENDING	Seller



## What a difference a year makes!

		TOTAL SALES	AVERAGE PRICE	DAYS ON MARKET
Detached single family homes	Jan 1, 2012–May 30, 2012	137	\$424,811	40
	Jan 2, 2013–May 30, 2013	127	\$531,736	17
<i>(number of closed sales down 7.3%; average sales price up 25.2%)</i>				
Condos/townhouses	Jan 1, 2012–May 30, 2012	51	\$254,168	38
	Jan 2, 2013–May 30, 2013	44	\$286,329	27
<i>(number of closed sales down 13.7%; average sales price up 12.7%)</i>				

**To sum it up:** At the peak in 2007, if your detached single family home was worth \$800,000, it went down approximately 35% to \$520,000; then in the last year it has gone up approximately 25% to \$650,000. We are approximately 20% from the value at the peak, and the market is still going up!!!

These statistics only reflect sold homes, not those under contract (pendings). It's only speculation, but the pendings seemed to have increased an additional 5%–10%, therefore, your home value now would be \$682,500 to \$715,000, only 12%–17% from the peak. **What a difference a year makes!**

**Don, Norma  
& Erik**  
FLASKERUD

**RE/MAX Today**  
367 Civic Drive # 7  
Pleasant Hill, CA 94523

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Pleasant Hill Real Estate—The Flaskerud Team

**Call DON, NORMA**  
**at 925-676-5859**

**Call Erik at 925-381-7276**

Don DRE# 00971602 ■ Norma DRE# 00867031 ■ Erik DRE# 01891688 ■ Remax Today DRE# 00987361

Visit them at [www.PleasantHillRealEstate.com](http://www.PleasantHillRealEstate.com).

Email them at [DonandNorma@gmail.com](mailto:DonandNorma@gmail.com)  
or [EFflaskerud@Remax.net](mailto:EFflaskerud@Remax.net).

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## Flipper!

For this writer's generation Flipper was a cute dolphin on a popular TV show. But in today's market, it's a person who buys a cosmetic fixer-upper, remodels it, and resells it for a profit!

In the past we advised sellers with "tired" houses to invest in paint and floor coverings to increase their value more than the cost of said improvements; it always worked to their advantage. Today? There are SO many corporate buyers with cash, small contractors, couples, looking to buy a fixer to remodel and sell for a profit, the game's changed. Owners of "tired" houses can simply put a For Sale sign out and get multiple offers and sell for top dollar, assuming the house is priced appropriately to begin with. Most cash buyers are buying fixer-uppers. The buyers of fixed up homes generally are not all cash.

One great thing about the "Flippers"; they are creating some gorgeous homes. A good percentage of Pleasant Hill's housing stock is in excess of 60 years old and some in much need of updating, improvement. It's nice to see the lovely creations of today's Flippers!

## Home prices soar—continued from page 1

drastically low inventory, down more than 50% in our area, median prices increasing by double digits from a year ago, the time it takes to sell a home dropping by 50% or more, "it's not just a seller's market, that is an incredibly hot seller's market," Samuelson said. (Source: *Contra Costa Times* article: 5/23/13)

The most current Case-Shiller Home Price Index predicts home prices will continue to go up through 2017. But since they are looking at the broad, nationwide marketplace, their prediction that prices will go up an annualized rate of 3.9% is conservative for our area; we've far exceeded that this year alone! That is a healthy market; our Bay Area is unique, our economy is uniquely strong, and as in the past, our statistics are exceptional.

## How to sell and buy

This year we have helped a few families sell one house and buy another. It is a complex process and there are several ways you can approach making it happen. If making a move from one house to another locally is on your radar, give us a call for a consultation. We'll work with you to determine the best option for you to follow. Problem solving is a big part of what we do and we'd love to help you!

### Want to discuss your home value?

Drop by 367 Civic Drive, Suite 7, on the Taylor Blvd side of the building. Sometimes we are out showing property so feel free to call first! 925-676-5859. We'd love to see you!

Blog with us at <http://PleasantHillRealEstateandArea.blogspot.com>

*If your property is listed with us, we have the best of both worlds: a realtor and a realtor's realtor.*