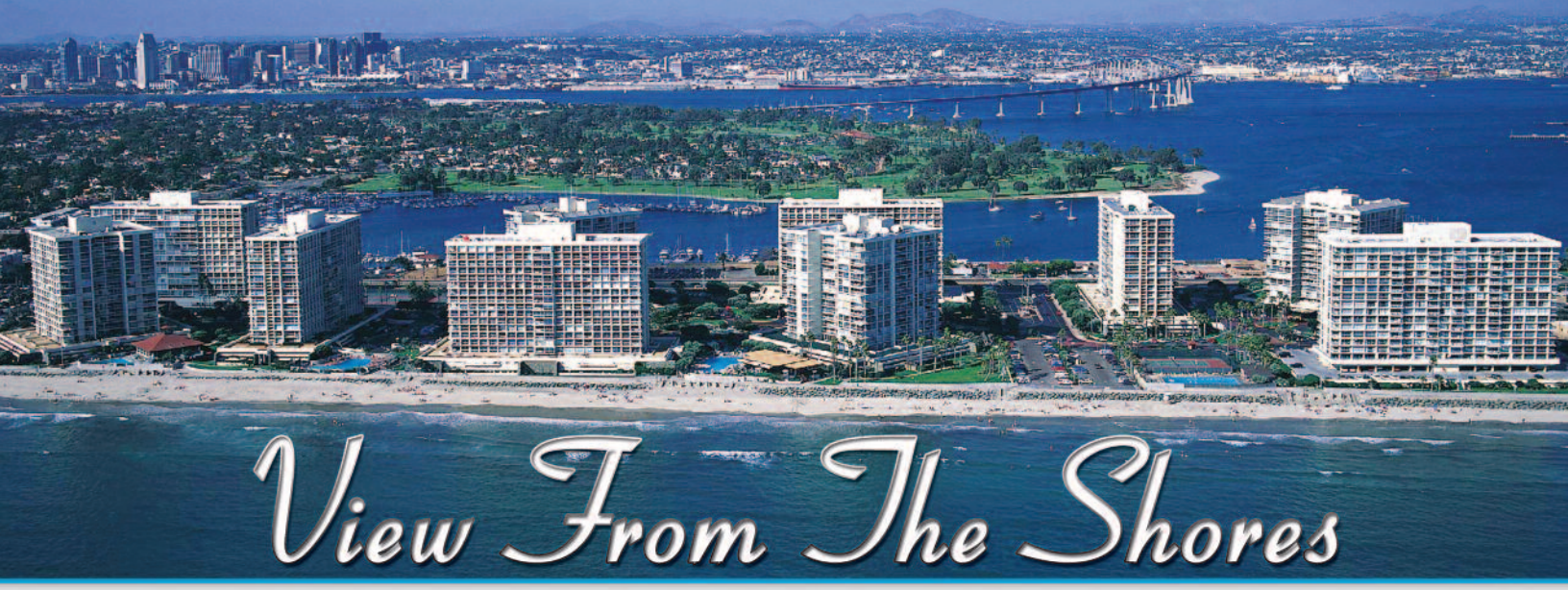

VIEWS FROM THE SHORES MARCH/APRIL 2010

Sales Activity At The Shores

Real Estate in general is still in first gear. We are hoping the good weather will bring the buyers out with open pocketbooks. When it is hard to find something to write about, I like to review our past history. The following is from our newsletter dated "Spring of 1985". The news from 25 years ago written by Dick Maitland, the founder and previous owner of Coronado Shores Co., tells a story worth repeating. "We receive many calls asking about real estate activity, about what's happening to prices, about whether to sell or rent and so on. Here is our overview of recent activity. Interest and action have increased since the November election. …It is helpful that interest rates are down and buyer confidence is up, resulting in sales through this office in excess of one per week. Prices are off 15% to 20% from the highs of 1981-82, in Coronado as well as other San Diego areas, and have now appeared to stabilize. Condos are SELLING at these realistic market rates, but those priced at 1981 market levels remain unsold. To the best of our knowledge, allowing for some exceptions, these are 1985 price ranges:

1 Bedroom	$165,000 to $275,000
2 Bedroom	$275,000 to $425,000
3 Bedroom	$360,000 to $600,000"

There are some lessons to be learned from history. The reality of what sells is still related to the list price of what the market will sustain and the availability of money to lend. The most dramatic factor in 1985, the interest rates, were reported "falling to a 30 year fixed at 10½ percent for an owner occupied unit." The banks were very anxious to make loans, and at that interest rate, no wonder! This interest rate didn't stop the buyers since that was the norm during that period of time. Dick said the office was selling "one per week", representing 52 sales more or less for that year. This past year there were 32 sales; however, don't forget to factor in the percentage of appreciation today to selling prices of 25 years ago. The following are the price range of sales in the 2009 market.

1 Bedroom	$539,000 to $1,280,000
2 Bedroom	$1,090,000 to $2,037,000
3 Bedroom	$1,450,000 to $2,250,000

The following are the latest closed escrows in 2010 since the last *View*.

Studios

La Sierra	#1209	$440,000	Feb/10

Two Bedrooms

La Perla	#1002	$1,025,000	Mar/10
La Perla	#0703	$1,250,000	Mar/10
El Mirador	#0402	$1,189,000	Mar/10

The Next Bubble

Is real estate in Shanghai repeating the history of the United States' recent housing bubble? It is reported

that speculators are snapping up properties on the expectation that prices will continue to rise, as they have nearly every year for more than a decade. Shanghai, China's wealthiest and most dazzling city, is the epicenter of China's real estate boom. Prices there have risen more than 150 percent since 2003, according to real estate experts in Shanghai. Whether the country is in the middle of a bubble has become the subject of a debate in the United States and in China. A recent report of a condo that sold for about $2,300 per square foot is one of the highest. The average luxury condo in Manhattan sold for just under $1,900 a square foot in the fourth quarter of 2009. In January of 2009, the highest square footage sale anywhere for coastal properties in San Diego County was for a condominium in La Jolla that sold at $1,500 per sq ft. All this makes for interesting reading and maybe helps to put our market into prospective.

The Return of Two Buck Chuck

If you have always had dreams of owning a vineyard, now is the time or not to pick up a distressed winery. There have been some great movies that sell the romance of the Napa/Sonoma Valley growing grapes and making the best pinot noir or chardonnay wine. The hard times, for some owners with those expectations and dreams, have hit the valley. They have gotten trapped by paying too much for land. There are 10 wineries and vineyards in Napa that will change hands in distress sales or foreclosures this year. The area is also being hit with a dreaded bug infestation and, of course, California's water shortage problems. Wine consumption is up but cheaper wines are what is selling today. All of this makes owning a vineyard and winery out of reach for the average guy with a dream. It all comes under the dream of a great wine and the love for real estate.

Our flying Neighbor

She was honored in Washington this March for her service to the country during its hour of need. A Congressional Gold Medal was presented to her and 200 of the remaining 1000 former WASPs, Women Airforce Service Pilots. This is the highest civilian honor given by Congress, which was many years overdue to these incredible women. Her history began in the late 30's when she attended college at Berkley and signed up for CPT, civil pilot training class. The previous class had only two gals and one almost killed herself, according to the instructor, and he was reluctant to let another young gal into the class. She showed up the first day a half hour late. The instructor made her sit in the front of the class; she crossed her legs and pulled up her skirt to let her classmates know she was a force to be reckoned with. After the class settled down, the rest is history. I am told that her future husband was in the class but he was interested in some cute little redhead. After she was certified as a pilot she got an office job with the Air Force in Long Beach. When an announcement was made that pilots were needed to ferry planes from the west cost to the east, she was one of the first to raise her hand. In 1941, she was on the job as a WASP. One of her first jobs was to fly brand new P-51s that had only 30 minutes of flight time from the factory in Long Beach to New Jersey. As she said, "we were test pilots." Anything could and did go wrong on some of these flights. In December of 1944, the WASPs were turned loose. Thanks but your government doesn't need you anymore! After that, the next step was the airlines, which were looking for young single women, and with her experience, she was in demand. For the next two years she was a stewardess for American Airlines. Marriage to Howard ended her flying career; a navy wife she became. I am delighted to have Vivian Eddy as a neighbor. Vivian and Howard have lived in The Shores since 1979 and have enjoyed every day. She is a one of a kind lady that lives her life to the fullest. Her lifestyle here has kept her healthy, and to her credit, still an original.

We built them. We sell them.
We lease them.

Yvonne

Yvonne Barnum
President

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