

August 16, 2008

The Debate Is Over In California

The [Sacramento Bee](#)

reports from California. "Nearly 10,000 Sacramento-area jobs disappeared last month as California's troubled economy pushed the state's July unemployment rate to its highest point in 12 years. Statewide joblessness grew to 7.3 percent, up from 7 percent in June, according to California Employment Development Department figures released Friday."

"The story behind the job numbers is that the state's economic weakness is spilling outside of real estate," said economist Jeff Michael, director of business forecasting at the University of the Pacific in Stockton. "Some people are still debating whether the nation is in a recession. For California, I think the debate is over."

The [Desert Sun](#). "Cities in the Coachella Valley, which experts say is in a recession, also saw their unemployment rates rise in July. The east valley was hardest hit. Indio rose to 10.1 percent while Mecca saw 18.2 percent unemployment. Desert Hot Springs was also among the highest at 12.6 percent."

"The impact of the valley's jobless rate has been apparent over the past two weeks as nearly 4,000 people have applied for about 500 jobs or so at WinCo Foods and SuperTarget in Indio."

"John Husing, economic consultant to the Coachella Valley Economic Partnership, said the most telling numbers for him came from bi-county data from Riverside and San Bernardino that pointed to a total loss of 22,000 jobs last month."

"We've gone into a deep recession," Husing said. "There is no question about that in the Inland Empire - caused by the cutback in construction, most of which are housing construction."

The [North County](#)

Times. "San Diego County's jobless rate shot up to its highest level in 13 years last month as mortgage brokers, hardware stores and construction companies continued to slash payrolls in response to the cratering housing market."

"It all depends on your exposure to housing," said Christopher Thornberg, a partner with Beacon Economics."

"The key factor in the housing bubble — tens of thousands of buyers who borrowed beyond their ability to repay — has affected other industries, too, Thornberg said. From the late 1990s into 2006, consumers financed all sort of purchases with home equity loans."

"The problem we have in the U.S. economy is too much spending, too much debt," Thornberg said. "This is an economy that will underperform for a number of years."

The [Pasadena Star](#)

News. "Employment figures released Friday offer a deteriorating job picture for Los Angeles County, with the region's jobless rate hitting its highest point in more than 11 years."

"The county's biggest year-over-year job losses occurred in construction, with 10,700 jobs lost. Specialty trade contractors accounted for the majority of those losses - 8,800 jobs."

"Steve Thurgood, general manager for Barr Lumber Co. Inc. in West Covina, said the housing meltdown has wreaked havoc with Southland contractors. "That business is off a good 55 to 60 percent," he said. "Drywall people, plumbers, electricians, plasterers ... there's almost no work to be done."

"And amid all of this, the Southland's housing market continues to deteriorate. "There are a lot of foreclosure properties on the market," said Jack Kyser, chief economist for the Los Angeles County Economic Development Corp. "We've heard about a lot of flippers who are coming in and buying up homes, keeping them for a couple months and then turning them around to try to make a few hundred dollars."

The [Marin Independent](#)

Journal. "The Marin jobless rate jumped in July by nearly half a percentage point, reaching 5 percent for the first time in five years. Some 7,000 people were out of work in an estimated county labor force of 140,000, according to figures released Friday by the state Department of Employment Development."

"Ruth Kavanagh, labor market consultant for the employment department, noted the western portion of the Bay Area, including Marin, San Francisco and San Mateo counties, experienced a greater increase in the unemployment rate than typically occurs between June and July based on an average for the prior 18 years."

"Racy Ming, program manager for the Marin Employment Connection, said Marin is feeling the impact of the sliding economy. "I hear that it is taking people longer to find jobs."

The [Contra Costa](#)

Times. "The East Bay lost 2,700 jobs during July, a fresh setback for a struggling economy that has suffered a string of employment losses that now stretches to seven-straight months, according to a state labor report released Friday."

“Adjusted for seasonal changes, the East Bay has lost nearly 19,000 jobs so far in 2008, the Employment Development Department reported. The biggest job losses came in industries linked to the fallen housing market, but economic woes have begun to spread to other sectors.”

“Jon Haveman, an economist with Beacon Economics, was asked if the East Bay is near the bottom of the downturn. ‘I would try hard to find a way to say yes, but the answer is no,’ Haveman said. ‘Everything keeps going down. The housing downturn hit the East Bay much harder and earlier than other parts of the Bay Area.’”

“The ailments have intensified, here and statewide. ‘If anything, the jobs recession that we have been talking about at Beacon is accelerating,’ Haveman said.”

The [Santa Cruz](#)

Sentinel. “Nearly four out of 10 single-family homes sold for less than \$500,000 in Santa Cruz County in July, as buyers took advantage of falling prices. The median price was \$607,500, dramatically down from \$775,000 a year ago.”

“Justin Harp, 25, an electrician with American Licorice Co., and his wife, a stay-at-home mom, bought a three-bedroom, one-bath home in Felton for \$350,000 for their family of three. ‘The correction in the market opened up a lot of opportunity,’ he said.”

“When the Harps first saw the 1,100-square-foot home, the sellers had accepted an earlier offer. ‘When the other family backed out, we jumped on it,’ Harp said. ‘We got lucky.’”

The [Hollister](#)

Free Lance. “While the number of San Benito County homes entering the foreclosure process continues to inflate over already stunning figures, the area also has shown a hefty hike in bank repossessions after properties fail to sell at public auctions, according to RealtyTrack.”

“During the second quarter of 2008, banks seized 120 foreclosed homes in San Benito County that failed to sell. During that same time last year, there were just three.”

“In total, the number of homes at some level of foreclosure reached 528 for the second quarter, including 279 notices of default. In that period last year, there were 90 cases of homes entering the foreclosure process, and that had been a near tripling of the figure from 2006, according to RealtyTrack’s statistics.”

“Israel Gonzalez of Beale Properties believes that no one can really tell if the market has hit rock bottom. ‘You have all these homes on the market at low prices making buyers salivate,’ he said. ‘Meanwhile, a lot of people have lost their homes, and a lot have moved out and just decided to let the bank have it because they have lost \$200,000 in equity.’”

“‘Then you have all these people whose adjustable rates are going to go way up in the next year,’ said Gonzalez, noting that some of them would increase from 1 percent to 6.5 percent.”

“Gonzalez, like everyone involved in the housing issue, can’t say for sure whether it’ll get any worse. ‘I would say we are between the middle and the tail end,’ he sighed. ‘No one can say for sure right now.’”

From [KCRA 3](#). “A new trend within bank-owned foreclosures may be causing an artificial price jump that could cost taxpayers hundreds of thousands of dollars, some real estate experts said. Beefed-up code enforcement of bank-owned homes is leading to more violations and liens being placed on foreclosed properties, officials said.”

“The problem for taxpayers, KCRA 3 has learned, is that multiple banks — instead of paying those fees to fix the properties — are dropping sale prices as much as 50 percent to get the property out of their hands.”

“‘What they (code enforcement agencies) are doing is not forcing the bank to fix it up,’ said Mike Lyon of Lyon Real Estate. ‘They are forcing the bank to give it away.’”

The [Voice of](#)

San Diego. “When the buyers at El Cortez signed stacks of papers to purchase their condos in fall 2004 and 2005, they signed a two-page item called a ‘repurchase addendum.’ Buyers say it was marketed to them as a protection — if they had any qualms with the developer over the construction or design of the project, the developer would purchase their unit back at whatever the current market value would be.”

“They signed it in the heady days when appreciation in real estate seemed a sure thing. It seemed like a ‘satisfaction guaranteed’ promise at a store.”

“‘The way the real estate agents presented it, it was like a comforting thing,’ said Barry Bruins, one of the first condo buyers at El Cortez and the president of the building’s HOA.”

“Barry and his wife Deborah Bruins own a condo in the building, for which they paid \$419,000 in fall 2004. They were among the first buyers in the building after it was converted to condos by developers Peter Janopaul and Anthony Block.”

“In fall 2006, the Bruins added their names to the list of plaintiffs in a lawsuit against the Centre City Development Corp. and the developers, alleging fraud, breach of fiduciary duty and construction defects.”

“Since last summer, the Bruins have received letters from the developers threatening to invoke the repurchase addendum. That would force them to sell their condo back to the developers for \$260,000, which the letters claimed was the current market value. The Bruins refused. In March, the Bruins were served with a lawsuit.”

“Judge Ronald S. Prager found that the Bruins’ lawsuit against the developer fit within their constitutionally protected rights in a final ruling issued last Friday. ‘The provisions of the Repurchase Addendum are highly unconscionable,’ the judge wrote in his ruling.”

“He wrote that the contract was ‘oppressive’ because it left buyers of the condos with no choice. In the frenzied real estate market of 2004 and 2005, buyers signed purchase documents and closed sales as quickly as possible. By the time buyers found the item in their purchase agreement, they knew that if they refused to sign the forms, their unit would be snapped up by a nother buyer, the judge wrote.”

““Given the current condition of the housing market, Defendants argue that the forced sale of their home at a price far below what they bought it for in 2004 would cause them considerable financial hardship as they would be forced to come up with additional money to pay off the current mortgage on the home,’ the judge wrote.”

Posted By: Ben Jones @ 11:43 am



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106 Comments »

Comment by [Ben Jones](#)

2008-08-16 11:50:11

‘John Husing, economic consultant to the Coachella Valley Economic Partnership, said the most telling numbers for him came from bi-county data from Riverside and San Bernardino that pointed to a total loss of 22,000 jobs last month.’

‘We’ve gone into a deep recession,’ Husing said. ‘There is no question about that in the Inland Empire - caused by the cutback in construction, most of which are housing construction.’

It doesn’t give me any pleasure to see these numbers. But it does refute a claim the trolls often made back in 2005-06; that if housing prices fell, the Fed would simply cut rates and prices would go back up. What the heck do rates matter after a housing bubble?

And for this economist; yes, it is housing construction decline that is causing this. But does anyone think that adding more houses to the vast overbuilding is an answer at this point?

I’ll say it again; wake up Washington and wake up media. Forget about house prices and start working on the post housing bubble economy.

[Reply to this comment](#)

■ *Comment by [Professor Bear](#)*

2008-08-16 12:06:11

“But does anyone think that adding more houses to the vast overbuilding is an answer at this point?”

Hair-of-the-dog economic stimulus and punchbowl respiking operations are popular remedies in Washington policy circles.

[Reply to this comment](#)

Comment by [Ben Jones](#)

2008-08-16 12:26:09

I understand. But people must see that we have experienced a once in a lifetime financial mania in housing, and such programs are simply not going to work.

Here's a quote from the Sac Bee:

'Mike Dourgarian, a franchise president of Manpower Inc. on Arden Way in Sacramento, said his job-placement firm is hearing similar stories. 'People are just having a tough time finding a job,' Dourgarian said. 'There are just fewer and fewer seats available.'

'Unless you have a skill that's in demand. Companies are starving for workers in areas such as computer programming, green energy and nursing, Dourgarian said.'

'These are great jobs with great pay,' he said, 'but it's the kind of work where you can't wake up one morning and say, 'Hey, today I want to be a nurse.'

The housing bubble distorted the jobs economy so much, that we have a huge industry with nothing to do. There is much work ahead to fix this situation, and IMO we need to get started.

[Reply to this comment](#)

Comment by aladinsane

2008-08-16 12:41:40

One of the big problems with losing your job is the lack of esteem that comes with it.

Add a workplace that is winding down, not expanding, and pretty soon it starts playing with your mind when you can't find work, or have to drastically lower your sights to get a job, any job...

This is the tsunami that's strangling the country, a silent storm that effects everyb ody differently, and wont be found in any government statistics, just file it under the category: lowered expectations.

(Comments wont nest below this level)

Comment by Faster Pussycat, Sell Sell

2008-08-16 12:56:53

Lowered incomes too.

Yeah, that'll really make the housing bubble boom again.

Comment by combotechie

2008-08-16 12:59:49

"One of the big problems with losing your job is the lack of esteem that comes with it."

The lack of income is another.

"Add a workplace that is winding down, not expanding, and pretty soo it starts playing with your mind when you can't find work, or have to drastically lower your sights to get a job, any job ..."

Lowering your sights to get a job, any job, usually entails a wage cut, a sign of deflation. The jobs created during the inflation of the money supply are disappearing with the money supply's deflation, are they not? Su ch cuts in wages plus the removal of cash from the system results in the increase of value of the remaining cash, no?

Comment by aladinsane

2008-08-16 13:09:18

Imagine that situation, but as your currency was losing value on a daily basis, and you've got Mexico-Circa 1977 to 1992.

The lower to middle classes were effectively wiped out because of the double whammy of no jobs and hyperinflation, which is why we have so many Mexicans in our country the past 25 years or so, as there was no opportunity in their country because of the ravages it endured and hasn't even yet recovered from...

Comment by vozworth

2008-08-16 19:31:16

that is pretty close to the mark.

I would argue that the types of folks who worked hard in the trade, travelled, and at least got some type of pension, bout 59 years old looking to retire....when that guy gets hurt, after putting 2 kids through college, almost paid off the house, hurt that guy....you'll fully begin to understand how coupled the emerging markets are to that guy.

Comment by Barbara King

2008-08-16 20:41:37

Aladinsane, I can totally agree with the self esteem issue. I worked for a homebuilder for several years and was finally able to leave my husband with the commissions I saved up for all these years. Shortly after being a single mom, I got laid off. Being from another country, I have no formal education to get me a different better paying job. Talking about being at the bottom and starting over. I started college and decided to pursue a nursing degree and hope I won't run out of money.

[Reply here](#)

■ *Comment by Lisa*

2008-08-16 13:07:03

“But people must see that we have experienced a once in a lifetime financial mania in housing, and such programs are simply not going to work.”

The whole economic “recovery” after the dot.com bust and 9/11 has been false...predicated on consumers being allowed to take on absurd levels of debt to enjoy a standard of living they couldn't afford...certainly not based on flat/declining incomes.

When I sold in '04, my RE agent said something very telling (and this is in Marin). I asked how could anyone afford these prices? Was everyone making that much more than I did? She flat out said they couldn't afford it...that most of her sales were first mortgage/second mortgage/interest only/tiny or no down payment...but that people were buying these houses anyway.

It's like a huge chemistry experiment gone bad.

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by sartre*

2008-08-16 13:31:27

“Unless you have a skill that's in demand. Companies are starving for workers in areas such as computer programming, green energy and nursing, Dourgarian said.”

Comp Sci/Engg enrollment levels keep dropping while job demand (yes, even in US) is all time high. But then engineering can be hard work....

(Comments wont nest below this level)

Comment by Faster Pussycat, Sell Sell

2008-08-16 13:38:08

Dropping from what levels?

There was an inordinate boom due to the bubble and every department staffed up across the country. Most even introduced dubious “bridge Master's” programs all around 2000 just in time for the big bust.

Are they really dropping from a long-term trend basis?

Comment by Bill in Maryland

2008-08-16 13:38:37

Those here who hate me will hate me even more (jackboots on my throat) as I say this, but the staffing company I work with is involved with health care mostly and a little IT and other computer engineering. Recently reported more record profits this quarter. My pay is very good. I have a sister and a cousin also in the health care industry. Another sister is in IT.

Life is not all gloom and doom. It's time to understand this is an information-based economy and boomers are demanding more medical services.

A newspaper article I cut out in the early 1980s said that computer science will be the best area of employment the next 20 years. The writer was wrong. It's been at least 25 years and still going strong.

Time to retool or get into health care fields, such as physical therapy and not fret about manufacturing jobs going to Bangalore.

Comment by implosion

2008-08-16 14:25:56

So Bill, you think healthcare might be the next bubble? I tend to agree that it could be the last man standing until it gets too expensive.

Many of the grad programs in engineering have a substantial proportion of non-US citizens - varies by school. This is somewhat anecdotal and based on my own observations and experience.

2008 S&E indicators put out by the NSF. Note science includes social/behavioral and physical sciences.

<http://www.nsf.gov/statistics/seind08/c2/c2s2.htm>

Comment by SaladSD

2008-08-16 14:25:58

Health care is a racket. The US has the highest medical costs in the world, yet rank lower than many smaller countries for the quality of services rendered.

Comment by [Ben Jones](#)

2008-08-16 14:30:29

'Time to retool or get into health care fields, such as physical therapy'

Sure, we can base an economy on taking care of grandpa or typing on a computer. IMO, the experiment in globalization is a failure and just saying 'get used to it' isn't much of a defense.

Comment by SDGreg

2008-08-16 14:47:14

"Life is not all gloom and doom. It's time to understand this is an information-based economy and boomers are demanding more medical services."

Housing and health care cannot be the underpinnings of a sound economy. They are necessary and can make life more comfortable, but they are a net drain. They can support an economy, but not sustain it over time. The boomers may want more medical services, but who is going to pay for it?

Comment by [Faster Pussycat, Sell Sell](#)

2008-08-16 14:52:32

Precisely.

There is a massive difference between activities that produce wealth and that merely transfer it. With healthcare all you are doing is an inter-generational wealth transfer (of course for services rendered.)

Comment by [Faster Pussycat, Sell Sell](#)

2008-08-16 14:55:47

Sure, we can base an economy on taking care of grandpa or typing on a computer.

Actually, I beg to differ about the latter. The latter can easily make processes more efficient.

For example, we are at a point that you can easily have three different doctors examine an X-ray so you get multiple opinions on the subject reducing failure. You need to be able to move the bits to be able to do this, and consolidate the results.

This is an increase in efficiency, and simple economics say it is already cost-effective.

Comment by [Ben Jones](#)

2008-08-16 14:57:53

Good points. I once did some work for a group home company that housed mentally retarded folks. It was all paid for by medicare. So this was 24 hour care. But get this; only 5% of those eligible for it could get in. (And some of those that did had rich families.) To top it off, guess what the starting pay was for the actual caregivers? Minimum wage and if they were lucky, they might get up to \$8/hour. I understand there has been some reform of this system since. But still, look at the pay at nursing homes.

Comment by [implosion](#)

2008-08-16 14:58:00

So Bill, do you think healthcare, direct and indirect, will turn into a bubble? I can see where it might be the last man standing until it gets too expensive.

Many grad programs in engineering have a large proportion of foreign students. Varies by school and field.

2008 S&E indicators put out by the NSF. Note science includes social/behavioral along with physical.

<http://www.nsf.gov/statistics/seind08/c2/c2s2.htm>

H-1B another issue.

<http://www.informationweek.com/news/management/showArticle.jhtml?articleID=207000716>

Comment by [mikey](#)

2008-08-16 15:07:53

Rats on IT and physical therapy.

Anesthesia is the way to go. Deep six them all and steal their wallets BEFORE the Dr's and hospital billing manage to ROB them 😊

“Hi...My name is mikey and I will be your nurse anesthetist this morning”. “Please relax, count backwards from 100 and take your LAST LONG deep breaths into the mask” 😊

Comment by [Ben Jones](#)

2008-08-16 15:11:25

'processes more efficient'

I am all for efficiency. My point is more of a general economic direction. We have a lot of busted things that are holding us back.

My first target, being a former accountant, is the tax code. While generously rewarding people for flipping houses, it steers corporations toward merger and acquisition rather than innovation and invention. Our trade policy encourages off-shoring while our education system churns out useless degrees and poorly trained people. Everyone in the town I live in complains about the low pay. But when employers are asked about what they see, they reply it is an undereducated and poorly motivated workforce.

We need some serious leadership in this country, yet our political system looks broken and unable to give us people that can even make the changes we nearly all agree need to be made.

I once had a discussion with a USAn who I found out was doing a state highway project in Victoria, TX. He was working for CEMEX. They got tons of cement, which is largely limestone I believe, from Korea. So they haul all this concrete across the ocean, through the Panama canal up to the coast and on trains to Victoria. All this while the Edwards plateau, just a few hundred miles away is a giant block of the stuff and has several cement plants on it.

Something is seriously screwed up when a state project goes to a Mexican monopoly which buys cement from Korea when half the state has the stuff on the surface!

I think I'm gonna watch the movie Network again tonight.

Comment by hoz

2008-08-16 17:44:21

"My first target, being a former accountant, is the tax code. While generously rewarding people for flipping houses, it steers corporations toward merger and acquisition rather than innovation and invention."

I spent quite a lot of time fighting for this argument in the '80s. Obviously I was not successful. It rewards companies for short term planning, rewards the Pete Peterson's of the world for stripping company assets including pension plans and it punishes a company for making long term goals. The end result is over 70% of the companies are junk debt. They stripped themselves to keep the Petersons out.

A fairly recent example of a company that had longer term plans and was raided Texas Utilities in Feb, 2007. The first thing done was cancel plans for 8 out of 11 more power plants. Why question an energy shortage when anybody can strip a company for cash?

Comment by [neil](#)

2008-08-16 18:17:10

Bill said:

Life is not all gloom and doom. It's time to understand this is an information-based economy and boomers are demanding more medical services.

Definitely. 50%+ of the engineering/scientific work force retires between now and the end of 2020!

But there isn't the manpower in the Universities to replace that workforce. We're going to a higher tech society and yet we're training Realtors™ and other sales people.

/rant

Got Popcorn?

Neil

Comment by Skroodle

2008-08-16 18:58:55

I hate it when people spout off about there being a shortage of IT workers. Bill Gates complaining to Congress that he can't hire enough cheap H1-Bs does not a shortage make!

According to the Department of Labor, **50,000 IT jobs vanished last year:**

http://www.infoworld.com/article/08/08/06/Bureau-of-Labor-Statistics-reports-big-drop-in-tech-jobs_1.html

Add in the 80,000 H1-Bs that were issued last year and that's 130,000 Americans that are no longer employed in the IT industry in just 2007.

Comment by Bill in Maryland

2008-08-17 05:58:58

My company's IT segment is growing, and yes also growing overseas. But I'm profiting from *that* too.

The one bubble that won't deflate is the bubble of human creativity and the drive for wealth. There will be more Steve Wozniaks and Steve Jobs in the future, and not just in the computer industry.

One thing you are all forgetting is that there is a large amount of research going on in biochemistry. In last month's Bloomberg Magazine there was a very interesting article about HIV research. Bill Gates is funding a large amount of that research. That money is mostly going to American researchers coast to coast. Besides AIDS, there is a lot of ongoing cancer and heart disease research, as well as research into Alzheimer's Disease by drug companies. in - (doom and gloomers, don't look...) the U.S.

Julian Simon blew apart the Club of Rome's "Limits to Growth" conclusions in the 1970s. Mr. Simon said that gloom and doomers keep failing to ignore the possibility of extra variables into the equation that equals doom. One variable that is hard to predict, of course, is human creativity.

[Reply here](#)

■ *Comment by [Jas Jain](#)*

2008-08-16 15:57:01

–

“But people must see that we have experienced a once in a lifetime financial mania in housing, and such programs are simply not going to work.”

Ben,

But these people don't include economists in the policy prescription business. They have ready remedies for all economic ailments. Economists were also culprits in pumping up the bubble by ridiculous estimates for the housing demand in 1.65-1.9M range.

Jas

(Comments wont nest below this level)

Comment by vozworth

2008-08-16 19:50:34

unusually expensive puts across the board for GM.

I dont bury survivors.

[Reply here](#)

Comment by Faster Pussycat, Sell Sell

2008-08-16 12:32:39

I do not know of a single bubble that ever got respiked.

It's called human psychology.

I am willing to accept any evidence to the contrary.

[Reply to this comment](#)

Comment by Professor Bear

2008-08-16 12:58:50

One must distinguish between the attempt and the result.

Apparently the attempt has already been made (BSC & Countrywide bailouts, explicit affirmation of GSE debt guarantee, various special lending facilities offered by the Fed, massive preemptive drop in FFR, economic stimulus package, signing of Housing Rescue Plan legislation into law, etc, etc, etc), but if we are talking about outcomes, then I agree with you.

(Comments wont nest below this level)

Comment by Faster Pussycat, Sell Sell

2008-08-16 13:18:43

I am only interested in outcomes because that's what will get reflected at the end of the day.

I pay attention to the attempts only because you can frequently initiate your trades at a better price than in an "efficient" market.

They will fail.

Where are the incomes for the next 30 years to support this madness? It's the only variable that counts.

Comment by Professor Bear

2008-08-16 14:26:43

Worse than failing, attempts can potentially squeeze other areas of the economy. For instance, don't you suppose all the special ways the Fed is funneling monies to investment banks at below-market interest rates to make up for gambling losses might have an effect on loanable funds available for other projects that might be more worthwhile? Or does money grow on trees in unlimited quantities?

Comment by Faster Pussycat, Sell Sell

2008-08-16 14:47:47

Of course. I know my Bastiat.

I understand the "broken window fallacy" very well indeed.

Comment by santacruzsux

2008-08-16 15:41:35

"I understand the "broken window fallacy" very well indeed."

Yes, but it must be admitted that it is very VERY seductive to ignore it and continue on breaking windows for the sake of continuous labor and monetary velocity. IMHO, serial asset bubble blowing is a form of the broken window fallacy.

I believe that the Metropolis concept is more important in large scale economies: to keep the masses busy is the primary goal of our leaders than to actually care about the real value of their output. If something goes wrong, start 'em on a new project.

So it looks like the home building and house flipping thing is dying out. Howzabout green energy? Yeah, that'll keep 'em busy for a while! And if that doesn't work, why not have 'em all become sustainable farmers? Yeah that'll be sweet!

Comment by Professor Bear

2008-08-16 16:50:31

Breaking windows is a particularly attractive strategy at the moment of opportunity to pass culpability for a bad economic situation on to one's political successors.

[Reply here](#)

Comment by [Jas Jain](#)

2008-08-16 16:04:51

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The tech bubble (or Internet Bubble II) did get re-spiked during 2003-07. AMZN is close to the all-time high and one of the best performing Scams. Then there is GOOG. Even e-Bay has not done badly despite recent troubles.

Jas

(Comments wont nest below this level)

Comment by Professor Bear

2008-08-16 16:55:10

Apparently narrow respiking (GOOG, AAPL, EBAY) is feasible, while broad respiking (the broadly collapsed tech and telecom sectors) is not.

[Reply here](#)

Comment by [pismoclam](#)

2008-08-16 16:46:44

Re Spike : Another shot on top. How about the bubble under Jimmy Carter? It took a dose of castor oil from Volker and 20% interest rates to solve things. Then it was rosy after about '86 til '90-'96 or so. I won't talk about the 72-74 years.but, I just did. hehehehehe

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by denquiry*

2008-08-16 17:10:45

I do not know of a single bubble that ever got respiked.

How about Florida real estate? It will respike but not in our lifetimes.

(Comments wont nest below this level)

Comment by Faster Pussycat, Sell Sell

2008-08-16 20:32:57

I would not call a 75-year waiting period as a "respiking" of anything.

You wait for 75 years. I'll be dead by then.

[Reply here](#)

Comment by SoBay

2008-08-16 12:42:56

'John Husing, economic consultant to the Coachella Valley Economic Partnership, said the most telling numbers for him came from bi-county data from Riverside and San Bernardino that pointed to a total loss of 22,000 jobs last month.'

- Of course John is lying again. The Inland Empire has the largest illegal population in CA. There are probably another 100k unemployed in the area.

- The next report to surface will be the dropping of auto insurance in CA no illegal or Joe6PK is going to keep the insurance after we give him his new driver license.

[Reply to this comment](#)

Comment by [Ben Jones](#)

2008-08-16 15:00:32

Since I read that 22k figure this morning, I can't get it out of my head. It is truly astounding.

[Reply to this comment](#)

Comment by [Jas Jain](#)

2008-08-16 16:08:35

–

Yes, that would be like 2-3M for the US. BTW, the way the UR is calculated in the US, a rate above 10% is depressionary.

Jas

(Comments wont nest below this level)

[Reply here](#)

Comment by SaladSD

2008-08-16 14:07:59

Since the government set the tone for incurring debt without raising taxes to appease the No Tax Ever crowd, this is the result. I'm not suggesting that we pay higher taxes just for hugs n' giggles, but I think the GOPs are pretty far-fetched in deploring a future of higher taxes, when this administration has dug us completely in a hole. So, if we don't see the debt, it doesn't exist? Okay, fine, there's not enough money for Social Security and other entitlements. Slash them, completely. And while we're at it, let's just eliminate the judicial system and infrastructure. Everyone can just be Libertarians and pay for their own police/fire crews/ERs, roadways, water & sewer lines, oh and that Embassy the size of the Vatican that we built in our 51st state, Iraq.

[Reply to this comment](#)

Comment by DebtInNation

2008-08-16 18:57:31

Why should taxes as a percent of GNP or income EVER go up? I am so sick of schools, municipalities, etc. whining about how they don't have enough revenue when their predecessors did just fine on a lesser percentage. Who wants to say our education system, for example, is better off than 40 years ago, when we are throwing more money at the problem than ever? The problem is inefficiency, plain and simple; no accountability, no competition, no firing, etc. We have enough money for "diversity coordinators" but not enough for mathematics?

[Reply to this comment](#)

■ *Comment by SaladSD*

2008-08-16 20:25:44

Well, it goes back to the parents suing everyone in sight because Johnny can't read, or Johnny has a learning disability that requires a special program that costs an extra zillion dollars. I'm not defending the bloated academic bureaucracy, however, it's just a symptom of nobody wanting to take responsibility for anything these days. From fertility drugs that produce bumper crops of babies, to palative care that perpetuates life until the corpse/mind rots, we have created our own ethical nightmare that no one wants to pay for. Show me the money!

(Comments wont nest below this level)

[Reply here](#)

Comment by [reuven avram](#)

2008-08-17 07:47:26

I am a big supporter of Public Schools. Yet, I've voted "NO" for every school budget/bond proposal since I moved to California almost 20 years ago.

I just figure with their large population, 9% state income tax, 8.25% sales tax, and property taxes (even with Prop 13!) there's no good reason why California shouldn't be ROLLING in money. Where the hell is it all going?

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by David Cee*

2008-08-16 15:22:33

“data from Riverside and San Bernardino that pointed to a total loss of 22,000 jobs last month.”

It's important to analyze home the employed numbers along side the unemployment figures. As population increases, the employed number of figures is also increasing, even when the unemployed spike up.

That means to me, there are employed individuals who will want to buy and rent houses. If Riverside had 900,000 employed individual this month and last month there were 903,000 last month, the loss of 3,000 jobs this month vs. an unemployment rate of 7.6% doesn't look so devastating. The increased population will need housing, both to own and rent. I predict the new demand with based on Location. The closer the housing to the jobs, the more valuable it becomes. So there will be competition for close in housing that will not be reflection in the mean price drop the the city of Riverside as a whole.

[Reply to this comment](#)

Comment by ex-nnvmgtbrkr

2008-08-16 17:47:11

I predict your prediction sucks.

[Reply to this comment](#)

■ *Comment by dude*

2008-08-16 18:27:53

I agree ex, the poster forgot that Riverside doesn't have many, if any good jobs.

Anyplace further than 25 miles from downtown L.A. is going down hard.

It seemed that every place that has even a modicum of civilization was dubbed a “metro” during the bubble. I even saw an article that named St. George, UT as “metro St. George”! LOL!

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by Rich*

2008-08-16 19:16:12

HAHAHAH, LMAO...

Thanks, had a great chuckle!

(Comments wont nest below this level)

[Reply here](#)

Comment by DebtInNation

2008-08-16 19:06:11

David, you are forgetting that housing prices weren't a realistic reflection of the job picture in the first place, hence the drastic drops to begin with. Why should further bad news make the market bounce back?

[Reply to this comment](#)

■ *Comment by Kyle*

2008-08-16 15:38:50

Fed would simply cut rates and prices would go back up.

Yes, just like the Japanese stock market, languishing at about a third of its 1989 high after over a decade and a half of 1% interest rates.

[Reply to this comment](#)

Comment by aladinsane

2008-08-16 12:24:08

These are 8 people for every \$8 an hour job, in Indio...

=====
“The impact of the valley’s jobless rate has been apparent over the past two weeks as nearly 4,000 people have applied for about 500 jobs or so at WinCo Foods and SuperTarget in Indio.”

[Reply to this comment](#)

Comment by Jerry D

2008-08-16 16:37:21

California middle class will be pushing out those mexican, come to USA for jobs. What a mess. Manufacturing jobs overseas, gone nowhere else but fast food outlets, etc. Wall Mart is looking pretty good now for those lucky to work 40 hour weeks.

[Reply to this comment](#)

Comment by DennisN

2008-08-16 12:38:21

“Justin Harp ... bought a three-bedroom, one-bath home in Felton for \$350,000 for their family of three. ‘The correction in the market opened up a lot of opportunity,’ he said. When the Harps first saw the 1,100-square-foot home...”

\$350K for a house like that in hippie trash-down Felton? That still sounds high to me. Around here (Boise) that buys you a McMansion on a golf course.

[Reply to this comment](#)

■ *Comment by Red Baron*

2008-08-16 13:55:19

Justin Harp got lucky all right—he just bought a \$350,000 house that will be worth \$250,000 in three years as the California economy implodes.

Keep the popcorn popping,

Red Baron

[Reply to this comment](#)

Comment by zigi

2008-08-16 19:08:19

3 years is a lot of time. It will hit sooner, much sooner. Its not just the US economy its a trend. Maybe the bubble in Moscow will not burst so soon because the rich oil lords there pay in cash and don't care about the price...but that wont last forever...as the price of oil..

[Reply to this comment](#)

■ *Comment by dude*

2008-08-16 18:42:21

“Around here (Boise) that buys you a McMansion on a golf course.”

In another year or two, it will buy half a dozen.

[Reply to this comment](#)

■ *Comment by DebtInNation*

2008-08-16 19:09:34

And if it's a 1BR, chances are that means it's pre-1960's at the very least. Happy trails on the maintenance to you.

[Reply to this comment](#)

Comment by DebtInNation

2008-08-16 19:11:14

Sorry, meant to say 1 BA.

[Reply to this comment](#)

Comment by michael

2008-08-16 12:38:31

somewhere, someplace, millions of illegal immigrants are going to come to the realization that when americans wake up and realize that the americans NEED the jobs that they were "not willing" to do just a short few years ago then the illegal immigrants will NEED to get the hell out of dodge.

[Reply to this comment](#)

Comment by Housing Wizard

2008-08-16 12:43:44

Wow ,just wow . Do we need any more proof that people need jobs these days and real estate related jobs aren't going to be the answer. How big should a housing industry be when the industry already sold everybody and their brother a over-priced piece of junk house or two already ,that they couldn't afford .It's going to take years to just get this current bogus glut of inventory of homes sold .

Sometimes I really get the feeling that the government is trying to re-spike the real estate industry into a booming business again . It's over ,deal with the aftermath ,like Ben said ,and move on .

[Reply to this comment](#)

Comment by aladinsane

2008-08-16 12:47:36

There is something deliciously ironic about Mecca not being much of a mecca, for those seeking employment...

=====
 "Cities in the Coachella Valley, which experts say is in a recession, also saw their unemployment rates rise in July. The east valley was hardest hit. Indio rose to 10.1 percent while Mecca saw 18.2 percent unemployment. Desert Hot Springs was also among the highest at 12.6 percent."

[Reply to this comment](#)

■ *Comment by DennisN*

2008-08-16 14:35:21

Maybe they should change the spelling to "Mecha".

[Reply to this comment](#)

Comment by Housing Wizard

2008-08-16 16:44:57

I would love to know how many jobs were lost to outsourcing in the last 15 years and how many factories were moved or closed down in the USA as a result of Global competition in pricing . I would also like to know how many jobs could be created by the energy business or new drilling or repairs of bridges and roads and things like that .

The thought of health care being our biggest business in the USA now is just not right .

[Reply to this comment](#)

Comment by Carlos Cisco

2008-08-16 17:48:54

The Cleveland Clinic Hospitals Foundation is Ohio's second largest employer....Walmart is numero uno.

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by santacruzsus*

2008-08-16 17:59:54

To put an exclamation point on that statment, here in Pittsburgh, UPMC (University of Pittsburgh Medical Center) has placed their logo on all three sides of what used to be called the US Steel building.

I find that depressing and hilarious at the same time. UPMC will discover soon enough that health care here in Western PA is in a bubble as well. This area has one of the highest percentages of old people in the country. Unless the area gets more youngins to replace the oldies, UPMC may go the way of US Steel.

But if it's true that 80% of healthcare funds are spent in the last few years of living (please give me the proper figures if anyone knows), then UPMC is in for some salad days in this neck of the woods for the next decade.

(Comments wont nest below this level)

Comment by Derek

2008-08-17 07:23:43

It's 80% of medicade spent in last 6 months of life.

[Reply here](#)

■ *Comment by DebtInNation*

2008-08-16 19:13:56

In the past several years, I think all the RE bubble jobs/HELOC money masked a lot of real jobs that were being lost to overseas.

(Comments wont nest below this level)

[Reply here](#)

Comment by Eudemon

2008-08-16 19:17:41

The biggest business in the United States is Government. By far.

What is the production value of the typical government "employee" anyway? Should they make the income they make?

Too bad we can't export THOSE jobs overseas.

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by SV guy*

2008-08-17 07:27:40

Remember Ross Perot and his prediction of "a giant sucking sound" of jobs going to Mexico.

Doesn't sound too wacky now, does it?

Remember this when you are being sucked into the Obama 'Change' vortex.

I can't stand McCain either.

Wake up people.

Mike

(Comments wont nest below this level)

[Reply here](#)

Comment by aladinsane

2008-08-16 12:58:56

Californians HELOC'd on their houses in order to purchase new cars, @ almost 3x the rate of the rest of the country, in 2007...

One would assume that we outdistanced others in all other categories of bling buying, by similar margins.

That's the ticking time bomb under the carpet, just right next to the 800 pound Gorilla...

[Reply to this comment](#)

■ *Comment by [reuven avram](#)*

2008-08-17 07:52:22

I was shocked to see a mention in Business Week a few weeks back that 27% of all cars sold in 2007 were "paid for" with Home Equity loans!

(As someone who's never financed a car in his life, I can't understand the whole concept of it.)

[Reply to this comment](#)

Comment by Lisa

2008-08-16 13:11:40

"Californians HELOC'd on their houses in order to purchase new cars, @ almost 3x the rate of the rest of the country, in 2007... One would assume that we outdistanced others in all other categories of bling buying, by similar margins."

Yep, I remember seeing houses sell like hotcakes and then the next day a dumpster would show up...and out went the kitchen cabinets, carpet, tile, windows, doors, etc.

I think in a lot of cases, this was HELOC money.

[Reply to this comment](#)

■ *Comment by [aladinsane](#)*

2008-08-16 13:21:16

My spendrift sister proudly told me she put in a \$35k bathroom about 5 years ago, and I thought "there goes more money down the crapper"...

[Reply to this comment](#)

Comment by Wickedheart

2008-08-16 13:35:13

\$35k bath = shrine to defecation

[Reply to this comment](#)

■ *Comment by [mikey](#)*

2008-08-16 15:40:38

That girl would definitely carry ALL of her own toilet paper and associated supplies on any canoe trip 😊

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by [neil](#)*

2008-08-16 18:19:47

\$35k bath = shrine to defecation

ROTFLMAO

With a new baby here, I don't have time to post much, but man do I still love the comments. 😊 Too many *needed*/*DESERVED* to gold plate everything during the bubble.

Foreclosures really get interesting next Spring... Nothing can be done to stop this debacle (other than scaring off lenders).

Got Popcorn?

Neil

(Comments wont nest below this level)

Comment by Michael Emmel

2008-08-16 23:00:47

Neil your in SoCal right ?

I'm in Irvine CA. Email me at mike dot emmel at gmail dot com

No real reason but I think we see eye to eye on a lot of stuff so I'm interested to see where we differ.

This actually extends to a lot of posters on the board. I'm a bit fascinated by where people that share a common thought differ on other stuff. I'm a big believer in peak oil for example and post on the oil drum under the handle memmel but the situation eventually ends in not enough resources and to many people. The interesting part is where people begin to disagree.

For example on this board I think things have changed from recognizing that we are in a deflating housing bubble to recognizing that we are at the verge of the next great depression.

[Reply here](#)

Comment by [Jas Jain](#)

2008-08-16 15:18:00

—
“The problem we have in the U.S. economy is too much spending, too much debt,” Thornberg said.”

Didn't some crank warn about it for the past several years? And how did this crank know? According to Josef Schumpeter, a true genius and the best student of the American political economy, the catastrophes (his term for depressions) were caused by “bankers' mischief,” i.e., too much loose credit and attendant over spending, by both businesses and consumers. And bankers, federal as well as private, have never misbehaved more in the modern Anglo-American history than the American bankers during 2002-07. Now, we are witnessing the beginning of the catastrophe to come.

“This is an economy that will underperform for a number of years.”

Underperform is an understatement.

Jas

[Reply to this comment](#)

■ *Comment by Rich*

2008-08-16 19:29:16

I agree. Computers did wonders to propel the coin changers into realms of evil here to fore unknown, impossible and unreal to either exist or fathom in the past.

I am a firm unbeliever in religions, but some of the parables fit well. The world surely did take a huge bite out of the apple of knowledge “learning” about fiat currency on the steroids of the microprocessor administered by viperous entities know as bankers, RE professionals and all other forms of polished schuckmagivers!

[Reply to this comment](#)

Comment by BubbleViewer

2008-08-16 15:27:57

“The problem for taxpayers, KCRA 3 has learned, is that multiple banks — instead of paying those fees to fix the properties — are dropping sale prices as much as 50 percent to get the property out of their hands.”

““What they (code enforcement agencies) are doing is not forcing the bank to fix it up,’ said Mike Lyon of Lyon Real Estate. ‘They are forcing the bank to give it away.’”

It just keeps getting better and better in Sacramento, doesn't it?

[Reply to this comment](#)

Comment by Mike G

2008-08-16 15:55:37

What exactly does this mean?

By fining banks for not maintaining properties they own, they are forcing them to sell?

The banks can't just, you know, hire a property manager to mow the lawns and thus avoid the fines?

[Reply to this comment](#)

Comment by DennisN

2008-08-16 20:51:58

With so many unemployed, why don't the banks set up an in-house property management team with a bunch of cheap minimum wage types performing the work?

[Reply to this comment](#)

■ *Comment by Jerry D*

2008-08-16 16:46:32

Get some of those bank bosses out from behind their desks and do some good physical work, clean out those bathrooms, haul away the trash, etc. Maybe next time they won't pre-approve so many loans but no they really did enjoy their steak/wine dinners and all the prizes of fast money. Greed is wonderful!

[Reply to this comment](#)

Comment by Eudemon

2008-08-16 19:25:27

Now this I like!

You're leaving out some other duties (scraping mold out of swimming pools and street gutters, and leaf removal from gutters on houses) that could be performed by politicians and those with parachutes.

[Reply to this comment](#)

Comment by bubblebee

2008-08-16 20:54:49

Couldn't this solve our unemployment issue? I mean, all those folks who need these jobs could be hired by the banks to clean and maintain these properties. It's a win-win...as long as it's on the banks' dime.

[Reply to this comment](#)

Comment by Housing Wizard

2008-08-16 16:12:18

Barry and Debra Bruins got themselves in a pickle when they signed a Contract that gave them only one recourse if they were not satisfied with any defects or construction or any complaints about the Condo they bought . The builder could buy back the condo at the current market value ,(which has now dropped in value .) My take is that at the time the Contract seems valid because of the belief that real estate only goes up ,but it was a very one-sided contract in favor of the builder should real estate go down .

I would love to read all those crazy one-sided contracts that were written during the housing boom that did not provide any protections for a borrower should the housing market decline or financing not be available ,or even if the borrower had any complaints about defects in building that should be fixed .

While it is true that the builder would not have been able to proceed with building had they not had the committed homeowners on Contract ,at the same time market conditions can change on a dime and you can't help but feel that the Builders saw that downside potential and wrote their Contracts accordingly to only protect the builder . Not only were the deposits huge that the builders were requesting ,but the borrowers were caught up in the no risk brainwashing of the housing mania .

I guess I see both sides of these cases ,but I really don't think a lot of these borrowers really knew how much they were gambling by signing the type of Contracts they were signing . Some of these borrowers just intended on flipping the purchase to a new buyer at a higher price ,even before close of escrow .

[Reply to this comment](#)

■ *Comment by Wickedheart*

2008-08-16 16:32:09

I have no sympathy at all. I'll bet the Bruins wouldn't have been willing to sign a contract that would have simply refunded their purchase price.

[Reply to this comment](#)

Comment by Housing Wizard

2008-08-16 17:34:21

I don't really have any sympathy either ,because contracts that are signed under mania conditions are ones in which people are blinded by greed . Now people are very concerned about what will happen if the house they buy goes down in value and they might lose money or not be able to sell .

I don't know how the Courts are going to rule in these cases ,but both the builders and the borrowers were into a Ponzi scheme with the lenders and the real estate people all involved in this hyped up fake market . I don't like any of the parties in these deals .

[Reply to this comment](#)

■ *Comment by vozworth*

2008-08-16 20:15:31

” flipping the purchase to a new buyer at a higher price ,even before close of escrow”

selling a deep in the money put for more than you paid, before options expiration.

seems like a disconnect.dont it.

[Reply to this comment](#)

Comment by Jas Jain

2008-08-16 16:14:13

—
‘We’ve heard about a lot of flippers who are coming in and buying up homes, keeping them for a couple months and then turning them around to try to make a few hundred dollars.’

These sales are not working off the inventory even when they are part of the total sales data. There is a lot of “hidden” inventory and no wonder that the Vacant Units keep climbing.

Jas

[Reply to this comment](#)

■ *Comment by autechre78*

2008-08-16 16:34:37

“There is lot of “hidden” inventory and no wonder that the Vacant Units keep climbing.”

I’m assuming you’re referring to the houses that aren’t for sale now, but who’s owners would put them up in a flash if they thought they could actually sell them? If that’s not the case, could you elaborate? Gratz.

[Reply to this comment](#)

Comment by [pismoclam](#)

2008-08-16 17:21:31

Sold a house in Bakersfield in 5 days!! Yes 5 days! How did I do it? First, I canvassed the neighborhood (one mile diameter) and checked all the ‘For Sales’. Then I called a couple of realwhores for MLS listings and data. Now as best I could, I tabulated all the closings in my ‘neighborhood’. Closings are a lagging indicator in a declining market. Finally, I priced the house 10% less than anything else. Told a bunch of realwhores and got a sale. Paid 3% commish. Am I so smart? No, but what I’ve learned on this blog helped. Thanks Ben and folks. Yes Dorothy, there is a real estate sales market in Bakersfield.

[Reply to this comment](#)

■ *Comment by [Housing Wizard](#)*

2008-08-16 17:41:01

Right on

(Comments wont nest below this level)

[Reply here](#)

■ *Comment by [vozworth](#)*

2008-08-16 20:20:58

solutions start here...

good on ya Pismo, keep selling the drama Jas.

(Comments wont nest below this level)

[Reply here](#)

Comment by [Anthony](#)

2008-08-16 16:23:47

And yet, knifecatchers, are putting multiple offers on houses in Sacramento, or so I’ve heard from two different people I know that are trying to buy a foreclosure. In a town that lost 10,000 jobs in a MONTH, according to the article, I would think there is far more downward pressure on pricing to come. After all, where I live in Eureka, there has been barely any downward movement at all, and our median home price, which was almost \$100,000 below Sac’s in 2005, is now \$100,000 ABOVE their median.

I think we’re in the bear market rally phase of the bubble. People are jumping in to buy, if they can get a loan or have the money, people think the dollar is back and commodities are toast, and that the stock market will make new highs soon. Maybe all these things are true—in the short term. But with the economy bleeding jobs this quickly, there is no way a bottom is in—for housing or US Stocks. I don’t think that just because oil has fallen 25% that the huge run-up in food prices will be reversed or that airlines will recant on all their fees. In fact, I read from an airline industry spokesperson that they intend to keep raising fares since they need to return to profitability. Once inflation/bad debt is out of the bag, good luck in reigning it in.

[Reply to this comment](#)

Comment by [santacruzsux](#)

2008-08-16 16:40:55

I hear ya Anthony. From what I’ve heard I came to believe that everyone wanted to live in Eureka? Wait, maybe it was Sacramento. I’m losing track of all the failed realtor memes.

Won’t someone please tell me where everyone wants to live!!!!

[Reply to this comment](#)

■ *Comment by [reuveu avram](#)*

2008-08-17 07:59:01

In areas like Sacramento, where there's always been a gang/organized crime presence, a slight rise in unemployment will cause all Hell to break loose quickly! It will rapidly become a slum.

I drove through a corner of San Jose yesterday; an area that has a lot of old houses that, despite the recent boom, remained largely unchanged. This time there were kids hanging out looking like gangsters with their pants halfway down. Nobody will be able to sell any of the (many!) houses for sale there with kids like this walking the neighborhood.

[Reply to this comment](#)

Comment by autechre78

2008-08-16 17:45:36

Sacramento notes:

Drove up to Lincoln (45 min NE) for a softball game this morning, passed a DR Horton condo sprawl with a huge banner that read: **"IT'S A BUYERS MARKET NOW! Where are you going to live when it's over?"**. Uh, hopefully not in a condo in Lincoln. There's no shade there, and the only jobs available are holding giant arrow-shaped signs on street corners.

Even further away in Plumas Lake, JTS homes is giving away a new Honda Fit with the purchase of a new home. It's Plumas Lake. They should throw in a new home with the purchase of a Honda Fit, even then it would be a hard sell.

[Reply to this comment](#)

■ *Comment by santacruzsux*

2008-08-16 18:06:11

How about Colfax? Can that be considered a suburb of Sac yet? Hmm, maybe I should look into buying land and developing condos out there for when the buyers market ends.... 😊

[Reply to this comment](#)

■ *Comment by arizonadude*

2008-08-16 18:07:01

Isn't plumas lake in a flood zone? Wait till we get another 100 year event and you will see homes floating down the river.

Lincoln does have a huge sawmill and thunder valley casino. Can you get use to running around saying "cocktails"?

Lincoln isn't a bad place but home should be around 200k.

[Reply to this comment](#)

Comment by Eudemon

2008-08-16 19:31:47

You are correct.

In addition, it also is correct to say that perhaps if one parent stayed home with the kiddies, those kiddies might do better in school.

If more kiddies were from two-parent homes rather than from divorced homes (because Mommy and Daddy couldn't keep their hands out of a third-party's pants) or welfare brood mare homes, it might also help stem the U.S. decline in education.

[Reply to this comment](#)

Comment by BKlawyer

2008-08-16 21:57:15

I've spent the last 3 weeks up in Steamboat Springs, Co. McDonalds' hourly starts at \$12/hr. The local City Market is BEGGING for applicants for baggers, clerks, etc. @ \$17-20+/hr. W/401k benes, health & dental. All the busineses in town begging for applicants. Housing has made it cost prohibitive to live/work here unless you are the uber-wealthy. Living in San Diego I'm experiencing the "for sale sign" glut and the foreclosure Kaos in town. However, after my stay here, I can honestly say that this neck of the woods has more houses/ranches/condos for sale per capita than SD. However, my realtor friend in Colo. says it's "different here, people like to ski. . ."

[Reply to this comment](#)

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E-mail (required - never shown publicly)

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