



Consider Authority for Negotiating Range for Valley View House near Diemer

Real Property & Asset Management Committee

Item 8-1

September 27, 2011

Property Description

- Single Family Residence
 - Built in 1953
 - One story, 1466 square foot (388 square feet is a non-permitted use; total 1854 square feet)
 - 3 bedrooms, 2.5 baths, 2 car attached garage
 - Lot size 0.17 acres
- Zoned – Residential Urban



Orange County Market Trends

- Orange County house sales prices have dropped 7.6% from one year ago
- The median selling price of a single-family home is 34% less than its peak pricing (June 2007)
- Total Orange County August 2011 sales of 1,643 houses down 2.5% vs. one year ago
- Residential sales have dropped on a year-over-year basis in 12 of the last 13 months
- The current house sales are 26.8% lower than the average house sales for the period 1988 to 2010

Issues Affecting Sale

- Dynamics in Orange County have changed
 - Existing house sales and median house prices have decreased
 - Large inventory of homes in the market.
More inventory + less buyers = lower values
- Lenders typically don't make commitments longer than 30 days for interest rates
- Disclosure regarding intermittent vibrations from MWD's facilities across the street has a definite, but not quantifiable, negative impact on the value of the house
- Currently, the General Manager cannot accept an offer or open an escrow if offer is below \$395,000

Board Options

- Option #1

- Adopt the CEQA determination and authorize the General Manager to negotiate and accept a reasonable offer within 10 percent of the lowest appraised value of \$395,000

- Option #2

- Do not authorize the General Manager to accept an offer within 10 percent of the lowest appraised value, continue to market the property at its fair market value of \$395,000, and bring to the Board prior to acceptance any reasonable offer less than \$395,000 for the Board's approval

Board Options (con't)

- Option #3
 - Do not continue marketing the property for sale

Staff Recommendation

- Option #1
 - Adopt the CEQA determination and authorize the General Manager to negotiate and accept a reasonable offer within 10 percent of the lowest appraised value of \$395,000

