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Embarrassment of riches in unsold TV pilot

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Real estate

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I never can remember the difference between "flotsam" and "jetsam," but in all likelihood, both apply here:

Reason 97 that we've maxed-out on real estate reality shows: A Scottsdale, Ariz., couple are participating in a pilot for a TV series that aims to show, via their experiences, that the downturn in the market is pinching the wealthy, too.

The short version of the "Real Estate Rescue" pilot, according to the Arizona Republic newspaper: A well-off guy takes early retirement, gets stuck with two very expensive houses and his new business, a tutoring service. To make ends meet, he goes back to his early career, as a pharmacist at a local grocery.

The fledgling producers hope to make a weekly go of chronicling the real estate travails of the well-to-do.

There are no network or cable takers for the pilot, the newspaper reported. Big surprise.

Selling the 'sold' signs

Look for a slight shift in real estate advertising content as the industry tries to coax buyers back into the water: Ads that don't tout just what's for sale, but also what has been sold, according to Real Trends, an industry publication.

Alex Periello, chief executive of a leading real estate company, is suggesting at industry meetings that for every five homes for advertised for sale, broker ads ought to feature one that has been sold to counter consumer presumptions that nothing is moving, the publication said.

Periello heads Realogy Inc., franchiser of the Century 21, Coldwell Banker, ERA and Sotheby's real estate brands.

Back in the real market

One local housing snapshot says Chicago-area sales continue to decline, as do the numbers of homes under contract.

Headrick-Wagner Consulting reports that in the 12-month period ending Oct. 1, the Chicago region averaged about 5,000 sales per month, down from about 6,300 the previous year. In the 2005 period, sales averaged 7,300 a month.

The report said there were 1,649 fewer homes under contract Oct. 1, compared to a year earlier, and about 4,300 fewer than two years earlier, generally considered the very end of the boom.

The good news, according to the report, is that prices still have managed a 2.8 percent increase from last year's.

Red, red ink

The headlines this summer were full of reports of mortgage companies going bust.

The biggest reason was that they backed a lot of loser loans. But here's another: The average mortgage-banking firm lost $50 for each loan it originated last year, according to an annual survey by the Mortgage Bankers Association. The trade group found that just four years ago, the average mortgage banker earned about $1,200 on each loan. In 2005, profits slipped to about $250 a loan. In 2006, they went negative.

The MBA, which annually surveys a sampling of 189 mortgage banking companies, said that while per-loan revenue grew in 2006, the increase didn't keep pace with operating expenses, which rose to $3,416 per loan last year.

Condo boards, take note

Officials in Le Havre, France, decided their port city has a problem with delinquent youths hanging out in the entry halls of apartment buildings and intimidating the residents. So they built an "entry hall" -- with no apartments attached to it.

In the low-income Graville la Valle neighborhood known locally as "Chicago," they refurbished a metal shipping container to look like an apartment-building foyer, with a door and windows, an intercom, mailboxes, false elevator and staircase leading to the roof, according to local media reports.

The idea was to lure the youths away from real buildings by giving them a place to hang out, officials said. The shipping container was immediately vandalized.

Hear Mary Umberger on WBBM Newsradio 780 at 6:21 p.m. and 10:22 p.m. each Thursday and Friday and 7:20 a.m. each Saturday and Sunday.

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