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OFFICIAL MAGAZINE OF THE CALIFORNIA ASSOCIATION OF REALTORS®
NOVEMBER/DECEMBER 2015 \$3.00



2016 LEADERSHIP TEAM

HELPING
REALTORS®
REALIZE
THEIR FULL
POTENTIAL



A LOOK BACK AT
THE TOP INDUSTRY
TRENDS OF 2015

INCOMING C.A.R.
PRESIDENT PAT "ZIGGY"
ZICARELLI DISCUSSES
HIS GOALS FOR 2016

One Cool Thing

READ IT. USE IT.

HOW DID HOME SELLERS HANDLE MULTIPLE OFFERS?

Average number of offers received from buyers:

In 2013, **98%** of sellers received multiple offers

2012: 3.1
2013: 5.9

HOW DID SELLERS RESPOND?

77%	47%	39%	23%	14%
took the highest offer	took the best mortgage-qualified buyer	took the offer without contingencies	took the all-cash offer	took the offer because of the buyer's ability to close the fastest

Source: C.A.R. 2013 Home Seller Survey

THE WATER CRISIS

Where Are We Wasting?

A typical three-bedroom, single-family home in California uses approximately 174,000 gallons a year.

Where Do Families Use the Most Water?

- Showering: 17%
- Toilets: 4%
- Clothes washer: 4%
- Landscaping: 57%
- Overwatering: 9%
- Kitchen and bathroom faucets: 9%

Water-Saving Solutions

Cost: \$10 = 1 gal. Save: 1 gal. = 1 gal.

Low-flow Toilet Cost: \$60-\$200 Saves: 1.5 gallons per flush	Faucet Aerators Cost: \$2 Saves: 1.5 gallons per minute	Low-flow Shower Head Cost: \$10-\$40 Saves: 2.5-3.5 gallons per minute
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Saves: 6.4 gallons per flush

Important Water-Saving Legislation

California Senate Bill 407

By Jan. 1, 2017, all residential properties in California that were built prior to 1994 will be required to retrofit with:

- Toilets that use no more than 1.6 gallons per flush
- Shower heads with flow rates of no more than 2.5 gallons per minute
- Other interior fixtures that use less than 2.2 gallons of water per minute

Source: California Homebuilding Foundation

HOMES Are Selling Fast!

In 2013, half of all homes were on the market for 6 weeks or less!

Time on Market:

1-3 weeks: 25%	4-6 weeks: 25%	7-9 weeks: 10%	10-12 weeks: 12%	13+ weeks: 28%
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2012: 26 WEEKS Average weeks on market 2013: 8.5 WEEKS

2013 marks the **SHORTEST** time homes have sat on the market since 2005!

Source: C.A.R. 2013 Home Seller Survey

— THE —

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VIDEO V

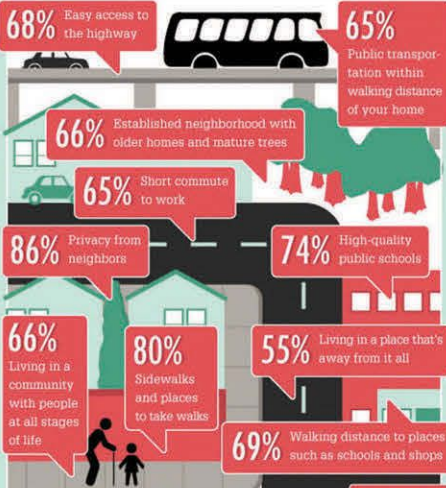
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IT. SHARE IT.

WHAT DO YOU WANT IN A NEIGHBORHOOD?

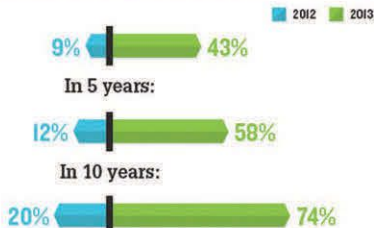
There are several things that are important to home buyers when selecting their neighborhood.



SOURCE: NAR's National Community Preference Survey

Sellers Are Feeling Good About HOME PRICES

Sellers who think home prices will rise in one year:



Reasons for selling were much more positive in 2013!

#1 reason for selling in 2012: FINANCIAL DIFFICULTIES

#1 reason for selling in 2013: THE TIME AND PRICE ARE RIGHT FOR MOVING UP!



Source: C.A.R. 2013 Home Seller Survey

Offers Above the Asking Price

How often were homes sold for more than the asking price?



Source: C.A.R. 2013 Annual Housing Market Survey

2013 saw an all-time high of 50%! That's the highest ever recorded.



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C.A.R.'s New Team



» Pictured left to right: President-elect Geoff McIntosh, President Pat "Ziggy" Zicarelli, Treasurer Jared Martin, C.E.O. Joel Singer,

This coming year will be one of great opportunity for the 2016 leadership team, as they tackle crucial issues in real estate that range from affordability to regulations. The team will make direct contact with legislators and congressional leaders to inspire change, address public policy in order to increase housing affordability and inventory, and continue to help REALTORS® understand new industry models, technology and regulations to help professionals in everyday business. To find out more about 2016 President Pat "Ziggy" Zicarelli, turn to "Goals for the Year Ahead" on page 14.

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Check out the profile on REALTOR® Mark Fitzpatrick, CEO of luxury real estate firm RUHM, in the January/February edition. This issue will also delve into hot trends for 2016.

View us online at www.car.org/newsstand/crem/current-issue

[INVENTORY]

The Affordability Squeeze



Even with rising home prices over the past few years, many homeowners who have considered selling are deciding not to because they are caught in an affordability squeeze that is compounded by a lack of inventory, according to findings from the CALIFORNIA ASSOCIATION OF REALTORS®' "2015 Survey of California Homeowners."

More than one-third (35 percent) of

homeowners have considered selling their home in the past year, and of that share, about two-thirds (64 percent) are reluctant to sell because they are finding they can't afford the home they really want, the survey found.

C.A.R.'s inaugural Survey of California Homeowners also found that more than half (59 percent) of homeowners have not seriously considered selling their home in the past year, with more than half (60 percent) saying their current home will be their retirement residence. For those who have been in their home 15 years or more, that figure rises to 70 percent who indicated they have not considered selling because their current residence will be their retirement home.

But for others (44 percent), the affordability crunch, higher property taxes, and home prices are keeping them in their current home.

In first-quarter 2012, when housing in

California was at its most affordable, a median income of \$56,324 was needed to purchase a median-priced home. In second-quarter 2015, that figure jumped to \$96,160, with 99 percent of that required income increase attributable to home price increases.

Sixty-one percent of all homeowners could be prompted to sell if they got the price they want for their home; 56 percent would sell if they had a gain in their home value; and 53 percent would sell if a better or equivalent house was available.

Fifty-six percent of homeowners who have considered selling said they desire a larger home; and 48 percent would sell because they desire a smaller home. Those who have owned their home less than 15 years were nearly twice as likely (66 percent) to consider selling due to their desire for a larger home than those who have owned their home over 15 years (34 percent).

NewsScan

Business Briefs & Bottom-line Boosters

Sales Climb in 2015

» The state's pending home sales soared from the previous year in July, posting the strongest year-over-year increase in more than six years, according to C.A.R. Market Pulse Survey data. While sales typically slow down into the fall and winter, California's home sales have been particularly strong this year.

Inventory Concerns

» More than one in four (26 percent) REALTORS® polled by

C.A.R. indicated that lack of inventory was among their top concerns. Sixteen percent said rising interest rates were their biggest concern, while 12 percent are concerned with home prices.

Conquering Social Media

» Redfin has targeted homebuyers in a national Instagram campaign. Instagram's platform for ads, which emerged in August, allows firms to design and run campaigns themselves. "The Instagram Ads API will help us make ads more relevant to the community, serve more diverse business objectives, and make

buying on the platform easier for advertisers. ... We'll continue to build upon the Instagram Ads API in the coming weeks and months," Instagram told *Business Insider*.

Commercial Construction

» The state's commercial construction activity has risen to its highest level since 2001, according to a new Allen Matkins and UCLA Anderson Forecast Commercial Real Estate Survey for the Summer/Fall 2015. Seventy-four percent of the survey panelists started a new project within the past year and even more are expecting to begin

new projects in the coming six months, according to the report. The survey examined seven of the state's major markets.

EXPO in San Jose

» C.A.R. celebrated its 110th anniversary at EXPO in San Jose on Oct. 6-9. REALTORS® from different parts of the state turned out for the premier tradeshow for California's real estate industry. Featured speakers included C.A.R. CEO Joel Singer, Chairman and CEO of Mandalay Entertainment Group Peter Gruber, C.A.R. Chief Economist Leslie Appleton-Young and more. Pick up your January/February issue of *California Real Estate* to read the highlights.

[HOMEOWNERS' SURVEY]

It's About the Equity

Additional findings from C.A.R.'s "2015 Survey of California Homeowners" examined homeowners' equity on their properties and what it means about selling or buying. Of those polled, 60 percent of homeowners bought their home within the past 15 years. The median purchase price for all homeowners was \$265,000, with the purchase price being more than twice as high for those who bought less than 15 years ago (\$350,000) than those who purchased their home 15 or more years ago (\$162,000). All homeowners surveyed have a median home equity amount of \$200,000, and those who have owned their home more than 15 years have 60 percent more equity (\$300,000) than those who bought within the past 15 years (\$179,000).

Twenty-seven percent of homeowners have tapped into their equity. Those who bought 15 or more years ago were more likely to have tapped into their equity (32 percent) than those who bought within the past 15 years (24 percent), indicating a healthy market where homeowners are not overleveraged on their home.

[WATER CONSERVATION]

State's Drought

Homeowners in Southern California have been particularly hit hard by drought mandates. For instance, single-family homeowners have responded by replacing 150 million square feet of lawn in an effort to avoid fines or surcharges on their bills, according to state data. Residents in California racked up water conservation numbers that defied expectations—a 27 percent reduction in June and 31.3 percent in July.

While single-family homeowners have sacrificed their lawns and are doing their part to save water, multi-family residents are lagging far behind. WegoWise, a Boston-based building efficiency software provider, released findings recently from a two-year study of water efficiency in multi-family buildings. On average, California apartment buildings used 6 percent less water in the first half



of 2015 compared to the first half of 2013, Barun Singh, the company's founder and CTO, told C.A.R. "Typically, multi-family building owners pay for their buildings' water bills rather than passing on costs to tenants. Without that financial incentive, residents often do not conserve water through behavioral changes," said Singh. "Apartment building owners that do implement targeted upgrades can meet statewide goals while lowering utility expenses and boosting cash flow: a pretty compelling incentive."



[DEMOGRAPHICS]

Hispanic Women and the Market

» The Hispanic population has become a catalyst for the U.S. housing market, with Hispanic women in particular being essential to unlocking this buying power, according to data released by Better Homes and Gardens® Real Estate and the National Association of Hispanic Real Estate Professionals®. The national study of more than 1,000 Latin American/Hispanic women ages 25 to 60 reveals that 91 percent of respondents think buying a home is the best financial investment they can make.

[SECOND QUARTER]

National Numbers

» Home sales throughout the country rose in the second quarter of 2015, according to the NATIONAL ASSOCIATION OF REALTORS® quarterly report. The national median existing single-family home price in the second quarter was \$229,400, up 8.2 percent from the second quarter of 2014 (\$212,000).

[MARKET TRENDS]

Summer Numbers

» Following a hotter than usual summer of home sales, California's housing market cooled in August, but still posted higher year over year for the seventh straight month.

Home sales remained above the 400,000 mark in August for the fifth consecutive month and rose to the highest level since October 2012. Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 431,800 units in August, according to information collected by C.A.R. from more than 90 local REALTOR® associations and MLSs statewide. The statewide sales figure represents what would be the total number of homes sold during 2015 if sales maintained the August pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

The median price of an existing, single-family detached California home edged up 1 percent in August to \$493,420 from a revised \$488,470 in July. August's median price was 2.5 percent higher than the revised \$481,240 recorded in August 2014. The median sales price is the point at which half of homes sold for more and half sold for less; it is influenced by the types of homes selling as well as a general change in values.

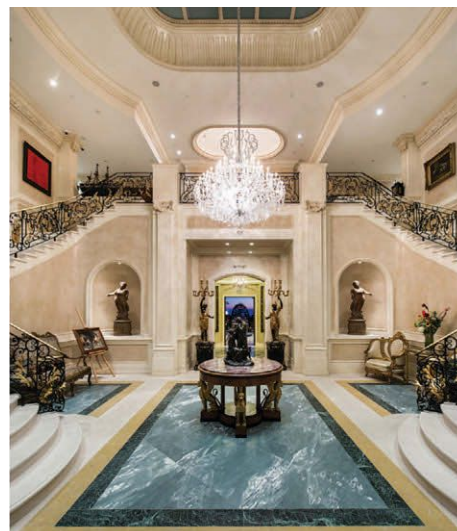
[TECH SAVVY]

Luxury Listings Via Video

Caimeiju, a provider of Chinese luxury marketing real estate services in the U.S., is now offering HD video to luxury real estate clients on Caimeiju.com. The company is the first U.S. based luxury marketing agency to offer this technology in China.

"Luxury real estate professionals at this level devote tremendous time and resources to produce the highest quality videos for their listings," said Caimeiju founder Jeff Toth. "Popular video players like YouTube and Vimeo are not accessible from within mainland China." Toth said the company realized they needed to invest in a platform to flawlessly represent those videos within the country.

The video trend is clear. The number of Chinese online video users exceeded 439 million in 2014—with one third (33 percent) in mainland China, 32 percent in Hong Kong, watching online video every day, on either PC or mobile devices, according to TNS Connected Lif study. With many U.S. marketing services blocked in China, Caimeiju offers a unique opportunity to showcase property videos to Chinese audiences.



"The video for my listing, Palazzo di Amore, took four days to shoot: encompassing models, camera crew, producer, etc.; it was like a movie set," said Joyce Rey, executive director for Coldwell Banker Previews International in Beverly Hills. "This listing is America's most expensive home and commands global attention. We've worked with Caimeiju for years showcasing our estates to the Chinese market. Their quality of service and commitment to technology are unparalleled."

[LENDING STANDARDS]

Credit Standards Easing

» Fannie Mae's third quarter 2015 Mortgage Lender Sentiment Survey™ reveals that more lenders report easing of mortgage lending standards across all loan types. Conducted in August 2015, the survey asked senior mortgage executives whether their lending organization's credit standards have eased, tightened, or remained essentially unchanged for GSE eligible, non-GSE eligible, and government loans during the prior three months. No-

tably, the gap between lenders reporting easing as opposed to tightening over the prior three months jumped to 20 percentage points and 18 percentage points for GSE eligible and non-GSE eligible loans, respectively—reaching new survey highs of "net easing." In addition, the share of lenders who expect their organizations to ease credit standards over the next three months ticked up this quarter for both GSE eligible and non-GSE eligible loans.



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PACE Liens and Real Estate Transactions

Property Assessed Clean Energy (PACE) programs provide assistance for homeowners who wish to finance the purchase of energy efficiency, renewable energy and water conservation improvements for their homes. As of September, there have been over 51,000 homes upgraded as a result of the program, according to PACE data. Sixty-seven percent of these upgraded homes tapped into energy efficiency improvements, 19 percent utilized renewable energy updates, and 14 percent used a combination of both.

Such improvements can both save money for the homeowner and benefit the environment. Furthermore, financing is secured by a lien on the homeowner's property; the payments for the lien appear on and are due at the same time as the homeowner's property tax bill. PACE programs are increasingly popular, although many people don't realize that they are participating in a PACE program as many of the most popular programs do not include the acronym "PACE" in their names.

For example, the HERO program, California First and Ygrene are all PACE programs. This article will review how PACE programs work and, in particular, how PACE liens can impact the transferability of properties.

PACE programs are initiated by a local public entity, such as a city or county. The programs can be administered by private entities. While programs vary in their administration, generally if a homeowner wants to finance an improvement that falls within the program's guidelines, the homeowner applies to the program to see how much he or she can be approved for. Following that, the owner contacts a program-approved contractor, signs off on the financing documents, and the

work is performed. The contractor is paid directly by the program.

PACE programs are appealing because the financing process is relatively easy. Financing is generally true—100 percent financing with no down payment or up front expenses. In fact, most programs do not require a credit check or many of other potentially onerous requirements of underwriters for equity loans on the property. Also, unlike home equity loans, the PACE lien follows the property and does not have to be paid off at the time of transfer, as long as the buyer of the home is willing to take on the lien. Finally, repayment terms generally vary from five to 25 years.

That is not to say there are no requirements. Homeowners generally must be current on their property taxes, cannot be delinquent on existing mortgages and must have a good history in their payment of property taxes, and the property cannot be upside down. Also, the total amount of any annual property tax assessment and the assessment for the PACE lien cannot exceed 5 percent of the market value of the property at the time the PACE lien is approved.

While PACE programs make it easy to finance improvements, homeowners

should carefully examine whether the cost of the financing makes sense for them. Interest rates and origination, and administrative fees for these programs, can be higher than home equity loans and can add significantly to the base cost of the improvement being financed. Unlike regular lenders, PACE programs are not required to provide the same up front truth in lending disclosures in their advertising. So consumers must be more vigilant.

One of the critical attributes of PACE liens is that they are super priority liens. Therefore, these liens take priority over any mortgages that are on the property, in much the way that property tax liens do. This super priority status has created a major problem with the Federal Housing Finance Agency (FHFA) which is the conservator of both Fannie Mae and Freddie Mac. FHFA has stated that it will not allow the purchase of a mortgage for a property with a PACE lien on it, due to its super priority status.

As most lenders also follow the Fannie and Freddie guidelines for their portfolio loans, this effectively means that a homeowner cannot refinance their mortgage with conventional financing, and a buyer cannot purchase a home with an existing PACE lien using conventional financing while the PACE lien maintains its super priority status.

As a result of FHFA's position, a homeowner who wishes to refinance or wishes to have a property which will be available for purchase by buyers who will be purchasing with conventional financing will generally have to pay off the PACE lien. Generally, this can be done without penalty but some PACE

programs do have prepayment penalties. Depending on the amount that was financed, the requirement to pay off the lien could be a minimal issue or could significantly impact the amount of the proceeds the seller was hoping to obtain or make refinancing uneconomical.

The need to possibly pay off the PACE lien when the property is sold to buyers with conventional financing reduces the attractiveness of the program, particularly for expensive improvements. The HERO program has now tried to address this by offering (generally for a fee) to subordinate its lien and others may follow. True subordination of the lien is not possible as the liens are super priority by law, but the program will agree contractually to preserve the priority of any new first mortgage.

But does an agreement allowing a conventional lender to maintain priority above the PACE lien satisfy FHFA? So far the answer is no. FHFA has not changed its stance and no other lenders have taken a blanket position on approving such agreements. There apparently have been some successful transfers with these types of contractual agreements but they are by transaction, and it is unclear why some go through and others do not.

There is concern that consumers are not getting sufficient information on the issues surrounding transferability nor sufficient up front disclosures on financing. In part because of these issues, three Associations of REALTORS® in Riverside County adopted motions in June, 2015 opposing the PACE program in their area until such issues are resolved. PACE programs are aware of these concerns and have been very receptive to engaging in talks with those Boards and other concerned parties to resolve REALTOR® concerns.

The Federal Housing Administration (FHA) recently issued a statement on the PACE programs and says it wishes to support such programs, and is developing PACE guidance. FHA has said that guidance will require that a PACE program preserve payment priority for

first lien mortgages through subordination. Whether the contractual subordination currently offered by some PACE programs will be sufficient is unknown at this point. The pending guidance will also require additional consumer protections. The pending FHA guidelines if followed by the PACE programs may end up resolving REALTOR® concerns about the program. So what are you to do if you are in a transaction with a PACE lien? If it is a cash deal or some type of non-conventional financing, the lien can transfer; the transfer of the lien would just be a negotiating point. However, if the seller would like to make the property available to buyers who might use conventional financing—in the hopes of bringing in a higher price—the seller and/or agent should contact the PACE program to discuss options upon transfer. If the PACE program offers subordination, the buyer's side would need to check with the lender to see if that will satisfy the lender. If the buyer's lender will not issue a loan with

the PACE lien regardless of any subordination, either the seller would need to pay off the lien or the buyer assuming contingencies are in place could cancel the agreement without penalty. The buyer's ability and willingness to accept a lien on a fixture on the property is a contingency of the C.A.R. residential purchase agreement.

The situation with PACE liens is in flux, and government agencies, the PACE programs, REALTORS® and other interested parties are trying to resolve various concerns about the program. In the meantime, however, sellers with such liens or homeowners thinking about taking on such liens need to be aware of the possible need to pay them off at sale which, depending on the amount of the lien and the timeline for when the seller wants to sell, may influence whether a homeowner should take on such a lien in the first place. ♦

Sanjay Wagle, Esq., is Senior Counsel with C.A.R.'s Member Legal Services.



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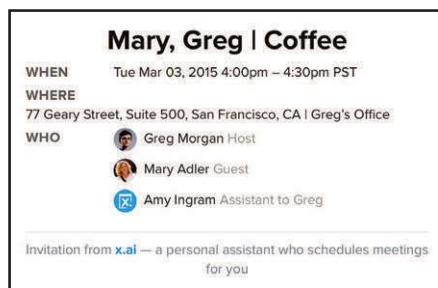
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Look Ahead in Tech

Technology in the New Year promises solutions to make your business more productive

With each passing year, we increasingly take astounding technology for granted. Twenty years ago, the ability to carry tens of thousands of songs in your pocket was even beyond the imagination of “Star Trek” writers. “Star Trek” depicted futuristic characters asking the ship’s main computer to play music from its central storehouse. Likewise, 2016 will send us further down the path of becoming accustomed to extraordinary technology. Here are five technologies that will help to transform the way you work in the coming year.



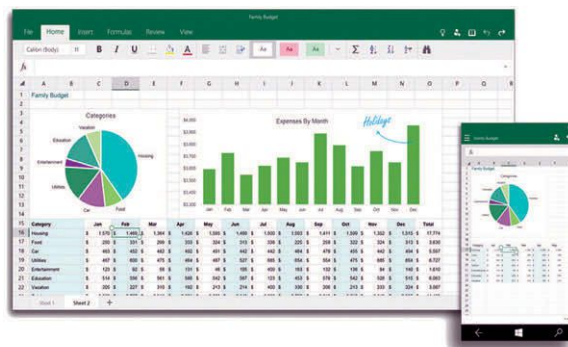
X.ai
<https://x.ai/>
 >> If you watch an old movie that takes place in an office, one of the most shockingly anachronistic things you’ll see is the personal secretary. Though at one time people took the idea of a secretary for granted, the personal computer killed that position for all but the most senior executives in large companies. But personal assistants are coming back—in electronic form. X.ai is developing a sort of “chatbot”—named Amy—designed to help you schedule meetings. Amy understands conversational English and connects to your calendar, so you can send “her” an email asking her to set up a meeting with a client, and she’ll exchange messages with the other party until everyone is happy. Amy is in beta now, available to those who sign up on a waiting list, but look for her to be gen-

erally available in 2016—where she will revolutionize the way you schedule your day, saving you tons of time in the process. And Amy isn’t even the only example of a chatty smart scheduler. Genee is a similar scheduler that’s also in beta.

Office 2016
<https://products.office.com>

>> Like the regular migration of Capistrano swallows or the turning of autumn leaves, Microsoft updates its Office suite every couple of years. This year, Office 2016 is coming. The question: Should you actually care?

Probably. There are a number of features under the hood that bring the 25-year-old suite of productivity apps into the modern era. The suite is redesigned to be mobile friendly, for example,



working equally well on the desktop, on a tablet, and even on your phone. Collaborators will like the real-time editing capabilities, reminiscent of what you can do today in Google Docs. For the first time, for example, two people will be able to work within a Word doc at the same time and see their respective changes in real time. And Microsoft is opening up Office to work with third party plug-ins in ways you’ve never seen before. For example, you will be able to import photos from stock photo agencies within PowerPoint, for example, or potentially call a Lyft ride from within your Outlook calendar.

StoreDot
<http://store-dot.com/>

>> There’s no question that these days, we live on our phones. Which makes it doubly frustrating that modern phones have such short battery lives—it’s hard to make it through a single day without a lengthy top-off at a charger. 2016 might be the year all that changes if StoreDot proves to be as revolutionary as the hype is promising. In



a nutshell, StoreDot is a battery that can be fully charged in mere seconds. Science and tech blogs rave about revolutionary battery technology all the time, but the promised tech they announce is almost always five to 10 years from reaching the market, hobbled by innumerable practical challenges. StoreDot, though,

claims to be ready for the real world. Made from a radically different chemical composition than standard smartphone batteries, StoreDot batteries won't last as long on a single charge (perhaps 4-5 hours) but the battery can go from dead to 100 percent in about a minute. That changes everything; the only real question is if and when smartphone manufacturers will start to incorporate StoreDot batteries in their new models.

TextRecord

<http://www.textrecord.net/>

»» Are you concerned that a lot of your business communication happens over somewhat ephemeral SMS text messages? TextRecord is an app that addresses this very 21st century problem; it's an app that saves a record of your text messages as a PDF file—a reasonable precaution against legal action or contract disputes in which critical communication is locked away in SMS. TextRecord lets you export all of your messages or just those within a specified date range. This app is available

now for Android owners, but it's promised to be coming soon to iOS users.



Project Ara

<http://www.projectara.com/>

»» The near future might be chock full of technology like artificially intelligent scheduling assistants and super-fast battery charging, but those innovations can't hold a candle to Project Ara—an engineering effort launched by Google to fundamentally redefine the smartphone.

Ara promises to be a modular, user-configurable phone that, in its simplest form, might cost as little as \$50. Imagine that, instead of choosing from a set menu of phone models from companies like

Apple, Samsung, and Motorola, you had the ultimate say in what your phone contained and what it was capable of. Ara, in essence, is a mix-and-match phone that you assemble like Legos, and in which you only pay for the features you actually want in a phone.

As currently being prototyped, the core of an Ara phone is a frame called the Endoskeleton, onto which you can snap in modules that give the phone the specific features you care about. You can add a camera, for example, or specially wireless modules (like one that can open lockboxes or front doors). You can change the screen for a higher resolution version. Or add biometrics like a fingerprint reader or iris scanner for custom security. Google is piloting Ara in Puerto Rico late this year, and we may see the module phone project become widely available in the U.S. in 2016. ♦

Dave Johnson is the editorial director of eHow Tech and a contributor to CBS MoneyWatch.



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Goals

FOR THE YEAR AHEAD

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C.A.R. President
Pat “Ziggy”
Zicarelli
discusses his
objectives for
2016 and why
real estate
matters.

BY RORY COHEN

Real estate is in Pat “Ziggy” Zicarelli’s blood. The CALIFORNIA ASSOCIATION OF REALTORS® incoming president sat down to talk to *California Real Estate* about what the industry means to him. “I grew up in Birmingham, Ala., where my father was a REALTOR®. Coming from a REALTOR® family provided the advantage of getting to see the inner workings of the business, and taught me early on that character, honor and integrity are very important in our profession,” he said.

Zicarelli is the founder, CEO and broker of Style Realty & Investments Company in Tarzana. Active in organized real estate since 1976, he has served in leadership positions for his local, state, and national associations of REALTORS® and brings considerable real estate experience to the position.

Zicarelli credits his upbringing—namely his parents and grandparents—with instilling in him a carefully honed set of ethics that has led to his successes.

His grandparents emigrated from Italy and demonstrated to him what strong values can accomplish.

With just \$2 in his pocket, his paternal grandfather arrived in the U.S. and started out as a steel worker, eventually becoming head of the Steel Workers’ Union in Alabama after many years of hard, back-breaking work. “He married his Italian sweetheart and together they raised 11 children and made a beautiful home—the American Dream realized!”

Zicarelli’s maternal grandfather was from Palermo, Sicily. He came to the U.S. with his young wife and immediately began a food importing company during the Depression, which grew into a very successful business. “They, too, were an example of what hard work and good values can accomplish,” said C.A.R.’s new president.

He learned a lot about the value of teamwork through participation in sports. “I was active in football, basketball, track, and swimming and was voted head cheerleader in college,” he said. Zicarelli graduated from the University of Mississippi with a Bachelor of Arts in Education and Communications with a teaching credential. He began his business career in radio, television, and film in Mississippi, Tennessee and New York. In 1975, Zicarelli moved to California to work in film and stage, before pursuing his real estate license in 1976.



ON LOCATION



C.A.R. chose the acclaimed VDL Neutra House in Los Angeles for this year's leadership photo-shoot.

Seventy-five years ago, with a no-interest loan from Dutch philanthropist Dr. C.H. van der Leeuw, Viennese-American architect Richard Neutra built a radical "glass house" with rooftop and balcony gardens on Silverlake Boulevard in Los Angeles. He called it the VDL Research House, after his benefactor. It was designed to accommodate his office and two families on a small 60 x 70 foot lot.

Seven years later, as his family expanded, he built a garden house on the back of the lot. This compact wing had walls that slid open onto a pocket garden to be shared by the addition and main house. In 1963, a disastrous fire left only the 1940 Garden House and basement of the original wing unscathed. It was time to redesign the main house. Two floors and a penthouse solarium were built on the original prefabricated basement structure.

The structure is one that could tell many stories. Over a 30-year period, hundreds

of projects on four continents were designed there. These included the country's first modern school, many distinguished residences, and important public buildings. In the mid-century, Neutra's influence was considerable. In 1949, a *Time Magazine* cover story characterized him as "second only to lordly Frank Lloyd Wright." VDL saw the beginnings of the careers of architects who came as apprentices to work there from all over the world. These included, among others, Gregory Ain, Raphael Soriano and Donald Wexler. Photographer Julius Schulman's career started with this office. VDL played host to cultural figures like Frank Lloyd Wright, Laszlo Moholy Nagy, Jorn Utson, Charles and Ray Eames; religious figures like Robert Schuler and J. Krishnamurti; scientists like Rene Dubos and Linus Pauling; and political figures and activists like John Anson Ford, Frank Wilkinson and Vice President Hubert Humphrey.

In 1990 Richard Neutra's wife, Dione, left the VDL Research Compound to the Cal Poly Pomona College of Environmental Design.

Source: VDL Neutra House

Now, with 39 years of experience as a REALTOR®, during which he was president of his local association and spent two terms as president of the Tarzana Chamber of Commerce, Zicarelli looks forward to serving as C.A.R.'s president in 2016. "I plan to work hard to promote the values I learned in my youth," he said. "These are the values which are at the core of the industry," he explained. "As president, I will embrace our efforts to increase the competency, ethics and professionalism of all our members."

Known for his fast-paced energy and contagious enthusiasm, Zicarelli has pursued his interest in public speaking throughout his career, addressing many organizations around the state and nationally about the important role REALTORS® play in the community and the positive impact the industry has on the economy. He has also had numerous opportunities to teach new and veteran REALTORS® how to keep the REALTOR® at the center of the transaction. "Motivating REALTORS® is just one way that I feel I can use my knowledge and experience to give back to the industry that has given me so much," he explained.

C.A.R.'s president identified his key goals, which include working with the leadership team to ensure the organization is focused, relevant and ready to act on critical issues. "The flow of capital is essential to our business, and we must continue to work toward fixing Fannie Mae and Freddie Mac and creating favorable lending reforms," he said. Furthermore, Zicarelli touched on public policies that protect the real estate industry, including private property rights and sustainable property ownership. "It's also essential that tax reform, at every level, does no harm to real estate or its practitioners."

Legislatively, he said, it's important to educate and inspire members "so that they understand the culture of the REALTORS® Political Action Committee and continue to support and invest in our future."

Business is changing and evolving on a daily basis, he noted, explaining that it won't be the same in the years to come. "It is also crucial that we ensure the REALTOR® remains at the center of the home buying and selling transaction. With that in mind, I plan on working to ensure that we adapt to new business models, regulations and technology," Zicarelli expounded. "We will continue to face 'game changers' in real estate—whether it is data exchange, third party aggregators or intense competition. We need to be incredibly innovative from the perspectives of product and service."

He stressed the importance of motivating more young people to come into the real estate business. "The Young Professionals Network is proving to be very successful. Experienced veterans and youthful professionals in the industry will make for a great 2016, especially where the Internet,



technology and social networking are concerned.”

Zicarelli described the “need to articulate our value proposition as REALTORS®” in order to inspire members and customers to be advocates. “The formula works,” he said.

“One of the things I do well is bring people together. I work hard to bring out the best in others, be it through a pat on the back, a handshake, a hug or a welcoming smile,” he said with enthusiasm. “Every leader needs to have the ‘pulse’ of his or her membership. In preparing to be your 2016 president, I have made it my goal to touch as many members as possible, which has already proven to be successful and personally rewarding. I intend to be inclusive and get every member involved. I want to challenge each and every member to go out and make a difference with the consumers that we serve, our constituents, to each other, and to our great Association.” ♦

Rory Cohen is a communications specialist and senior editor at the CALIFORNIA ASSOCIATION OF REALTORS®.

AT C.A.R.

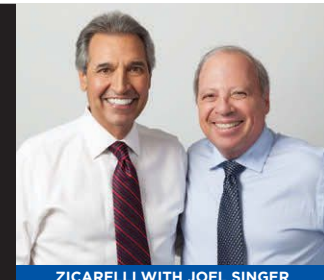
Zicarelli has served on and chaired numerous committees, including:

» C.A.R.’s Strategic Planning and Finance Committee, 2014 - 2015 and 2003 - 2005

» Executive Committee, 2013 - 2015 and 1999.

» C.A.R.’s Association Presidents Committee, 2012 (chair)

» Legislative Committee, 2010 (chair)



ZICARELLI WITH JOEL SINGER

» Housing Affordability, 2008 (chair)

» Liaison to Committees, 2006

» Political Affairs, 2001 (chair)

» IMPAC Trustees, 2000 (chair)

TOP TRENDS OF 2015

As the housing market sees a recovery, inventory and affordability continue to concern

In this age of “big data,” trends are, well, “trendy.” That is why *California Real Estate* invited a handful of industry influencers to weigh in on some of the key trends that influenced California real estate and California REALTORS® in 2015. Here are the top seven that stuck out this year.

BY ROGER CRUZEN

1.

The Housing Recovery Gains Momentum

The recession continued to show symptoms of becoming a full-fledged recovery in 2015. Existing home sales hit nine-year highs statewide in June and July thanks to job growth, rising consumer confidence and low interest rates, according to data from the CALIFORNIA ASSOCIATION OF REALTORS® and the Department of Labor.

The result was a dose of cautious optimism. “I feel the market is healthy for just about everybody: buyers, sellers, investors, agents, brokers and lenders,” said John Venti, Los Angeles-area manager at Redfin. “It’s a very collaborative market with all aspects of the industry working together in a way I haven’t seen in a long time.”

The biggest challenge seemed to be finding enough product. With only three months of inventory (six to seven is considered “normal”) and builders scrambling to meet pent-up demand, would-be homebuyers faced stiff competition in the form of multiple and all-cash offers that nudged prices higher and left many first-timers in the lurch.

Is the recovery sustainable? Raphael Bostic, Ph.D., Judith and John Bedrosian Chair in Governance and the Public Enterprise at USC’s Price School of Public Policy, isn’t certain. “Over the next year, probably,” he suggested. “Over the longer run, there could be some pretty significant challenges. With so many of these trends, you can have your short-run gain, but it can be accompanied by long-run pain. We should all try to be mindful of that.”



2.

Lack of Affordable Homes Threatens State's Future

Housing affordability is one area where California can expect to experience long-term pain. Statewide, the percentage of households that earn enough to purchase a median-priced home rose to 34 percent in early 2015 before settling in the low 30s—down from a high of 53 percent in 2011 and 36 percent in 2014. In high-priced coastal cities, percentages have fallen into the teens and lower.

The cause? Too many people, not enough homes being built, and rising prices that make it difficult, if not impossible, for many renters to buy. With renters paying a larger share of their income on rent, it is more difficult for them to save for a down payment.

“When I think about affordability, the first thing I think is, ‘Do we have an adequate supply?’” said Bostic, who recently returned to USC following three years as chief policy and research advisor to the Secretary of the U.S. Department of Housing and Urban Development (HUD). “In many markets in California, the answer is no.”

23%

of buyers
paid all-cash
in 2015

“Credit is expanding very, very slightly from absurdly tight levels. Lenders needed clarity before they were going to underwrite more risky loans, and they have not had that clarity.”

—Laurie Goodman

3.

Foreign Buyers Keep the High End Hot

From San Francisco and the Silicon Valley to Los Angeles and Orange counties, everything high-end is “hot”—despite worries about the economy in other countries.

Asian buyers continue to fuel an active luxury home market in the Bay Area and Southern California, according to Zackary Wright, senior vice president of Christie's International Real Estate for the Western and Asia Pacific Region.

“We don't anticipate a significant impact,” said Wright about the economy's effect on the luxury market. “If anything, it could boost investment in the very top end by motivating them to hasten their investment in hard assets like real estate.”

Are luxury home prices sustainable?

“I've been doing this [for] 30 years, and I can assure you that markets are cyclical,” said Sotheby's International Realty agent Janet Feinberg Schindler. “But every time the San Francisco market takes a step back, it seems like it takes two more steps forward.”



4.

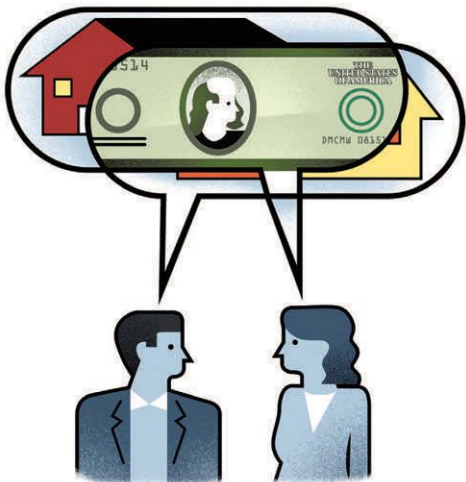
Got Cash?

It's a cliché, but in today's real estate market, cash is king—and that won't change.

"My buyers are [usually] all cash, and if they're not all cash, it's just not an issue for them to get loans because of their substantial wealth," said Schindler. "Buyers who are all cash win the bids, and buyers who are getting loans generally don't get the property."

Data released earlier this year showed that in 2014, two-thirds (66 percent) of international buyers paid all cash, according to C.A.R. Those who purchased homes below \$500,000 had the greatest tendency to pay all cash (66 percent), compared to those who purchased homes costing \$500,000 to \$1 million (57 percent). Being more affluent than the average California home buyer, overseas buyers purchased more expensive homes at a median price of \$490,000, compared to 2014's single-family median home price of \$447,000.

Furthermore, 23 percent of buyers paid all-cash in 2015, according to a C.A.R. home buyers survey released this summer. That number, according to C.A.R., indicated a cash buyer market that is still going strong.



5.

Mortgage Lenders Are Easing Up on Credit (but not much)

"Lefty Loosy" and "Righty Tightly." That's the way most of us remember how to tighten a screw.

Mortgage lenders have been pretty good at tightening the screws when it comes to qualifying consumers for a mortgage. Although the economy seems to be back on track, lenders are still trying to sort out how far to loosen criteria based on new regulations intended to avoid future meltdowns.

"Credit is expanding very, very slightly from absurdly tight levels," said Laurie Goodman, Ph.D., director of Housing Policy at the Urban Institute. "Lenders needed clarity before they were going to be willing to underwrite more risky loans, and they have not had that clarity. The good news is that everyone is aware that they need it, and it is beginning to happen very slowly."

The Institute's Housing Credit Availability Index (HCAI) measures the probability of a loan ever going 90 days delinquent. Based on the Index, even if the first-quarter 2015 default rate of 5.7 percent doubled, it still would be lower than the average default rate of 12.5 percent reported in the years leading up to the mortgage crisis. That's evidence, Goodman maintained, that lenders have less to fear by taking on more risk.

Both the GSEs (Fannie Mae and Freddie Mac) and FHA are trying to give lenders the certainty they need to be comfortable with assuming the risks of "manufacturing" defects. "They just want to understand what the parameters are, what is considered a defect, and what the penalties are," Goodman explained.

34%

of households
earn enough
to purchase a
median-priced
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"The dilemma today is that people are at greater risk renting than in owning. When you can borrow money at today's fixed rates, you have locked in your housing cost for the rest of your life."

—Michael Zagaris



6.

Rents Skyrocket as Demand Climbs

In addition to those who rent because they can't get a loan, more and more Californians of all ages are choosing to rent—despite monthly rates 50 percent higher than in any other state.

Rents have increased “a staggering amount,” contended USC's Bostic. “Our forecast continues to report that we will see rents increase pretty aggressively, and I don't see any signs that is going to slow.”

“The dilemma today is that people are at greater risk renting than in owning,” said Michael Zagaris, CEO of Modesto-based PMZ Real Estate, a diversified brokerage with 27 mid-state locations. “When you can borrow money at today's fixed rates, you have locked in your housing cost for the rest of your life. If you haven't done that, you are totally exposed to the rental market.

“People are still traumatized by what happened 10 years ago and somehow think renting may be a better bet than owning,” he continued. “I think they are going to regret having made that decision.”

7.

Online Real Estate Listing Companies Continue to Concern REALTORS®

The way REALTOR® Landrus Clark sees it, Zillow/Trulia and its chief competitor, Realtor.com, are detrimental to the real estate industry.

“These guys are practicing real estate without a license, as far as I'm concerned,” explained Clark, broker/owner of Club California Properties based in Los Angeles.

His opinion is shared by many brokers, who for years have feared that outsiders will take control of their most valuable commodity—MLS data. Those worries have intensified now that the combined Zillow/Trulia and its recent acquisitions, and Realtor.com, are shareholder-owned. Some fear it may be too late.

“A lot of people interpret these things as, ‘It's a move toward being a broker,’ which is not the case. It's just a move toward having command of all the data and extracting all the value they can out of that,” explained Zagaris, who also is a member of the board of Realty Alliance, a group of brokerages that provided initial funding for N.A.R.'s Project Upstream, a front-end platform that will serve as a middleman between brokerages and MLSs. “Why on earth would they go into the brokerage business when they can have all the profits with none of the headaches and none of the liabilities?”

Zillow, which has sworn that it has no interest in becoming a brokerage, may have crossed the line with its recent acquisition of DotLoop, a transaction management platform that—among other things—helps agents manage their leads.

“My people are doing the best we can to work with them in a constructive manner. But I would never in a million years use their transaction management platform, because I don't want the details of my transactions housed inside of Zillow,” said Zagaris.

“What happened [with Zillow/Trulia and Realtor.com] happened because we allowed it to,” Zagaris continued. “What concerns me about Upstream and these other projects is it's really hard to get something done by committee. It's a lot easier to have one passionate founder who is out there just going for it.” ♦

Roger Cruzen (rogercruzen@yahoo.com) is a freelance writer who specializes in real estate.

A Year of Acco

WHAT HAS C.A.R. DONE FOR ME THIS YEAR?

For 110 years, the CALIFORNIA ASSOCIATION OF REALTORS® has worked diligently to preserve and promote a commitment to excellence, professionalism and integrity within the real estate industry.

It all started when nearly 100 men gathered at the Lankershim Hotel in Los Angeles on May 27, 1905. They envisioned an organization that would work to create a bond of trust and respect between REALTORS® and homebuyers and sellers throughout California. Today, that vision is a reality.

C.A.R. provides educational programs and business services to more than 178,000 members, enhancing the ability of REALTORS® to conduct successful real estate transactions—and produce satisfied clients. 2015 marks the 110th year that C.A.R. and its membership will work together to bring the dream of homeownership within reach of thousands of Californians.

“Decade after decade, C.A.R. has been proud to be a long-standing resource to members in order to help them be successful with a variety of products and services,” C.A.R. CEO Joel Singer stated. “As C.A.R. observes its 110th anniversary—and in looking forward—it will continue to work on creating an environment that is favorable to our members through business, legal, education, and legislative efforts.”

Industry Knowledge and Education

C.A.R. established the Center for California Real Estate (CCRE) in 2014, a new institute dedicated to advancing real estate knowledge and giving members access to a wide breadth of new research and reports. Since 2014, CCRE initiatives, which stem from the efforts of C.A.R.’s Thought Leadership

program, have expanded. For instance, this year, the creation of CCRE included a revamped website where members can read executive reports from roundtables that feature experts and watch videos that highlight industry leaders. Furthermore, in 2015, CCRE gave members exclusive access to consumer insights from the Futures Company.



Finance and Legal Resources

Benefits that aid members in navigating the financial side of transactions have been especially popular in recent years amid a tumultuous marketplace. So in 2013, C.A.R. took the lead in establishing the organization's Finance Helpline, a service that allows members to receive one-on-one assistance and help with financing issues. C.A.R. also added the C.A.R. Ombudsman Hotline in 2013 to assist REALTORS® in resolving disputes. The need for financing information also led C.A.R. to create the Down Payment Resource Directory in 2013, which is a powerful search tool for members to help their clients.

BY RORY COHEN, LAIZA GARCIA, LINDSEY IHRIG AND JEANNETTE BROWN

mp lishments

Facilitating Your Transactions

C.A.R. has expanded benefits to help REALTORS® facilitate transactions beyond just zipForm®, which is used by hundreds of thousands of REALTORS® across the country, as well as by nearly 80 percent of the membership for free since 2002. C.A.R. offers a free digital signature solution for signing online forms, zipLogix® Digital Ink. Adding to its technology offerings, in 2015, C.A.R. launched zipForm® Mobile, giving members free access to their zipForm® account from their tablet or smartphone. C.A.R. also started to offer members zipVault® in 2011 so that all types of documents can be safely stored in a zipForm® account.



Civic Engagement

In 2016, major policy decisions may be put before California's voters affecting the future of Proposition 13 and whether there is a transition to a split-roll property tax system. At the local level, officials are discussing water-use restrictions, fee increases and how to provide a sustainable water supply for California's always growing population.

In each of these cases, REALTORS® matter and can be heard by doing something as simple as voting and reminding those in your spheres of influence to do the same. Through civic engagement, REALTORS® are in a unique position to effect positive change for their businesses, employees and clients with activities like Get-Out-The-Vote (GOTV) efforts and direct dialogue with local and state leaders.

Continued on page 27

A Focus On Research

The Market Data team has tremendously grown since the 1970s, when C.A.R. established the Research and Data group to keep REALTORS® informed of important market information. C.A.R.'s leading market expertise has contributed to the ability of members to demonstrate their knowledge to clients with the latest analysis of trends in prices, sales, and other housing and economic indicators. "C.A.R.'s survey research has contributed to greater understanding of the real estate market, consumers, and members for over 35



years," said C.A.R. Chief Economist Leslie Appleton-Young. "We started the Internet vs. Traditional Buyer Survey in 2001 when only 37 percent of home buyers said they used the Internet. How things have changed!"



Consumer Advertising Campaign

C.A.R.'s communications and marketing vehicles have also invested resources in an annual advertising campaign to maximize the profile of REALTORS® and distinguish them as professionals that serve their communities. Recent advertising campaigns reached an impressive 8 million consumers in California. Last year's message was seen or heard more than 64 million times on network television and radio. The current 2015 advertising campaign took it a step further—reaching out to millions of Americans, but also launching a series of customizable commercials for REALTORS® to use on their own websites.

Confronting Affordability

You might say real estate was destiny for Kenneth Rosen. The longtime chair of the Fisher Center for Real Estate and Economics at the University of California-Berkeley Haas School of Business was almost born for the business. “I grew up in Connecticut, and my father was a REALTOR® and president of the local real estate board,” he recalled fondly. “He went to every single NAR convention.” • Like father, like son? • Well, yes and no. While the ins and outs of the housing market might be in the Rosen blood (his son is currently studying real estate law), this no-nonsense professor with his formal and confident manner never considered real estate. “I got interested in housing markets and how they work,” he said.

Early Career

» After getting his B.A. in Economics from the University of Connecticut, Rosen went to work as a lead data analyst for the Connecticut Department of Community Affairs. He was 20 years old at the time. A year later he returned to academia, obtaining his Ph.D. in Economics from the Massachusetts Institute of Technology. While he taught for a few years at Princeton University, he ended up at Berkeley quite early in his career.

“Berkeley wanted someone to reopen their real estate program,” he explained. Recruited by the dean, Rosen came on board in 1979, joining ranks with Sherman Maisel, former governor of the Federal Reserve, and Paul Wendt, who had been a lecturer at Berkeley since 1947 and was known for applying modern finance theory to real estate. Rosen admits those early years weren’t easy. He remembers going to Gov. Jerry Brown, who served his first term from 1975 to 1983 and getting money “re-authorized” for the program at Berkeley. Rosen has been at Berkeley ever since, though he retired from active teaching in 2004.

The Affordability Squeeze

» “I wrote a book on affordability in California in 1984,” Rosen said, “and it’s still an issue.” Rosen contended that it is an issue which must be addressed actively and soon before California starts to lag dramatically behind the rest of the country in job growth.

Beginning in about 1970, the gap between California’s home prices and those in the rest of the country started to widen, according to the state’s independent Legislative Analyst’s Office which advises on fiscal and policy issues. Between 1970 and 1980, “California home prices went from 30 percent above U.S. levels to more than 80 percent higher,” the LAO noted in a special report released in March.

Today, affordability is even worse, the LAO has contended. Consider, for instance, that home buyers would need to earn a minimum annual income of \$95,980 to qualify for the purchase of a \$485,100 statewide median-priced, existing single-family home in the second quarter of 2015, according to findings from the CALIFORNIA ASSOCIATION OF REALTORS® “2015 Survey of Cali-

fornia Homeowners. The monthly payment, including taxes and insurance on a 30-year, fixed-rate loan, would be \$2,400. That assumed a 20 percent down payment and an effective composite interest rate of 3.95 percent. Compared to other states, California’s mortgage and rent prices are often double. Further exacerbating the affordability squeeze where middle class Californians find it difficult to buy is the state’s problem with inventory. Even with rising home prices over the past few years, many homeowners who have considered selling are deciding not to because they can’t afford to buy something else, according to C.A.R. data. The same survey from C.A.R. found that some Californians have considered moving elsewhere.

Stifling New Developments

» The state has already lost four million residents in the last two decades, as the middle class finds itself pushed out of home ownership by skyrocketing real estate prices, Rosen said. “California is so much more expensive than the rest of the country,” he explained, pointing to states that have benefited from the exodus of California residents.

The reason? “Restrictive land use,” he remarked.

Thanks to Proposition 53, the state has an inherent bias against new development, Rosen points out. “It keeps property taxes low, but it hurts housing,” he explained. “California can’t attract jobs if we can’t produce affordable housing.”

And so long as social reforms outbid financial reforms at the ballot box, California will continue to slide down the slippery slope. “No. 1, we need to make



The Future of Golden State Real Estate

Tackling the affordability conundrum: How can local government help would-be buyers enter the market at a time when prices have been on the upswing and inventory has remained low? This has got to come from Sacramento. The governor has not pressed hard enough for a land use override. We need someone to take his place who can talk about meeting multiple goals—housing, affordability, and climate change. The only way a city can improve affordability is to encourage new construction.

► **Should the state promote more affordable home ownership? Why or why not?**

I'm worried most about the middle class. House prices are so high relative to income. People with entry level salaries can't afford housing. The future of the state's economy depends on an affordable housing stock. This is a critical issue, and the state must take the lead.

► **Millennials: Rent or buy? And how feasible is buying a home for this demographic in the current market (considering the setbacks they've had since the Great Recession)?**

The choice of owning or renting depends

on the demographic and economic characteristics of the households. There is no right choice. But if Millennials [are going to buy], they need a down payment assistance plan, as coming up with a down payment is the major constraint they face. Rent control isn't an answer—it will only reduce building.

► **Credit restrictions: Fewer or more to promote homeownership?**

Many areas are not out of the housing crisis. Mortgage credit is making the problem worse. People are scared to sell their homes because they're afraid they won't be able to get another mortgage.

► **Dot com and real estate: How will popular housing portals change the way REALTORS® do business?**

New technologies have facilitated the housing search process and will continue to do so.

► **What does California's homeowner-ship market look like in the longer view?**

I hope 100 years from now, California will be an affordable place to live. Easier but prudent credit standards are key to increasing homeownership in California and the U.S. as a whole.

it so development is considered a thing," Rosen contended. "This isn't about the environment. Communities need to accept housing." When the average coastal Californian is spending 40 to 50 percent of household income on housing, something is definitely wrong, he added, "but the California Environmental Quality Act is only part of it." He said the state needs to institute reforms that make it so a local community can't block housing growth. He pointed to Massachusetts' Chapter 40R as an example of the kind of smart, incentivized growth that California should be promoting. The LAO also notes that building less housing than people demand in the state has driven the high housing costs. "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there," the LAO report noted. "In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrain new housing construction."

Building new developments is also a bureaucratic endeavor.

"It can take five to seven years to get a development project going," Rosen said. "We need to fast track it. House prices now are so high relative to income that we're continuing to see 'out-migration' to neighboring states."

Even in the Silicon Valley, where job growth has exploded in the wake of the recession, employers from Google to Facebook have complained about housing shortages and affordability. "Employers should want to get this done," Rosen proclaimed, noting that Californians should seek the perhaps unconventional goal of housing appreciation.

But, Rosen added, NIMBYism continues to thrive in the Golden State. "There are large numbers of people who benefit from the current system," he pointed out. "The environmental lobby has given tools to people who want to block anything." ♦

Deborah R. Huso is a freelance writer, editor and columnist.

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A Year of Accomplishments

Continued from page 23

Consider, for instance, the recent Special Election that saw voters in California's 7th State Senate District elect Steve Glazer. Local REALTORS® and the REALTOR® Party organized holding Get-Out-The-Vote activities, participating in intra-office voter turnout challenges and posting selfie photos on Facebook and Twitter with their "I voted" stickers. One80Realty from Brentwood was a leader in the SD7 race through their participation in reminding other REALTORS® to vote. One80Realty broker Nick Solis understands. "Selling real estate is about being one with the community and voting goes hand in hand in helping others realize the American dream of homeownership," he said.

That recent election was a great example of how REALTORS®, particularly given increasing demands on time running a business and serving clients, can find an activity that works with their schedule. While the REALTOR® Party can always use volunteers to make reminder calls to voters, a simple selfie taken at your polling place, casting a ballot and posting on social media can also turn out a handful of people who may not have otherwise been reminded to vote.

With 40 Members of the California State Senate, each representing more than 900,000 people, and 80 Members of the State Assembly, REALTORS® from every corner of California have helped the REALTOR® Party make a difference and collectively raise our voice in 2015.

Over the last 110 years, C.A.R. has continued to add to its vast array of member benefits to provide REALTORS® with valuable tools and support. With over 150 benefits and the largest real estate EXPO in the country, C.A.R. has aimed to provide crucial services, tools and products to allow members to propel their business forward. The goal has always been to increase the visibility of REALTORS® and make them more successful. ♦

C.A.R. staff members contributed to this article.

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Just the Facts

» **2016 FORECAST:** California's housing market will continue to improve into 2016, but a shortage of homes on the market and a crimp in housing affordability also will persist, according to the C.A.R. "2016 California Housing Market Forecast" released in October. The C.A.R. forecast sees an increase in existing home sales of 6.3 percent next year to reach 433,000 units, up from the projected 2015 sales figure of 407,500 homes sold. Sales in 2015 also will be up 6.3 percent from the 383,300 existing, single-family homes sold in 2014.

» **THE IDEAL HOME:** Nearly one-third of homeowners (32 percent) indicated a Craftsman-styled bungalow is their dream home, beating those preferring mansions by more than double (14 percent) and Neo-Colonial (19 percent), according to C.A.R.'s 2015 Survey of California Homeowners. California is home to the majority of Craftsman-styled housing.

» **NATIONAL NUMBERS:** National sales of existing homes have steadily increased. Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, increased 2.0 percent to a seasonally adjusted annual rate of 5.59 million in July from a downwardly revised 5.48 million in June, according to the NATIONAL ASSOCIATION OF REALTORS®.

NUMBER CRUNCH

» The data below is updated each month and can be found at www.car.org/marketdata/marketglance/.

Market @ A Glance

California	Reporting Period	Current Period	Last Period	Year Ago	Change from Last Period	Change from Year Ago
Existing Home Sales (SAAR) *	Aug-15	431,800	448,900	395,080	-3.8%	9.3%
Median Home Price *	Aug-15	\$493,420	\$488,470	\$481,250	1.0%	2.5%
Unsold Inventory Index (months) *	Aug-15	3.6	3.3	4.0	10.3%	-9.4%
Median Time on Market (days) *	Aug-15	29.9	29.3	33.9	2.0%	-11.8%
Traditional Housing Affordability Index (HAI) *	2015 Q2	30%	34%	30%	-4.0%	0.0%
30-year fixed-rate mortgage (FRM) **	Aug-15	3.91%	4.05%	4.12%	-0.14%	-0.21%

Source: *CALIFORNIA ASSOCIATION OF REALTORS® and **Federal Home Loan Mortgage Corp.

OVERHEARD

“Millennials will be 38 percent of the adult population in 2020, and most will reside in rental housing. The problem is significant.”

— STEVE OLSON
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