



RE/MAX 2000 Realty
17843 N. Colima Road
City of Industry, CA 91748
(626) 964 – 8999
www.remax2000ca.com

OFFICE AGENDA – April 7th, 2017 RE/MAX

REAL ESTATE: Fire and Ice

Market is on Fire, But How long is it going to last?

We have experience this type of market since 2012 and 2013. Inventory continue to decline for affordable housing yet buyers list are continue to grow. In 2012 and 2013, we have investor account 30% to 40% of total market. Move up market is none exist. Millennium is not buying in 2012. Now, market is no longer the same as of 2012. Investor is not the dominate form to push the market higher. First time buyer, Move up buyer and Millennium are all coming out and scream they want to buy now. It is especially heated for entry level and midrange pricing in all area. This phenomenon is not isolated in California only. All market is claiming shortage of inventory. High end market in the other hand is showing the same sign. Each market show different reaction to this market frenzy. Luxury market react differently in each market.

For Price Range that is between \$300,000 to \$650,000, seller getting more than 6 offer or more is very common. Property sold 2 months ago for \$500,000 and new listing with same size get offer accepted for \$560,000 is not impossible. Agent really need to redefine what is fair market value when market is react in frenzy. Obviously.

Do you still think Home Prices will fall?

Outstanding growth in Homes Prices for half a decade, decreasing affordability index and increasing income required to own a median priced house in Los Angeles is some of the main reasons agents are stuck with the outlook that we will be expecting a housing bubble soon. Yes, on the short term, we all know house prices will increase. But how about two years down the road?

This is what our research have found out for you. Arch MI Risk showed the probability of home prices falling to 4% for the next two years. In 2016, the chances were slightly higher at 5% and even higher in 2015 with 8%. In contrast, the chances of a housing bubble are actually decreasing. Not convinced? According to the report, no single state had more than 50-percent chance of housing price drops over the next two years. This means home price growth will likely continue—and on a sweeping scale.

This year, conditions are in place for home prices to grow faster than incomes as a result of a tightening job market, still relatively low interest rates, tight supply, and an overall shortage of housing.

Affordability index has increased to 33.6% of wages to afford a median priced home but it is still below the historic average of 34.6%. This means that affordability to buy has worsen since 2013 but that was because in 2013, affording a house was TOO easy and now it just climbed backed up to a level that is still lower than the average affordability index of 34.6%



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March Market Quick Recap

Increasing Home Prices Index (HPI)

Home Prices is predicted to rise by 4.8% year over year from Jan 2017 to Jan 2018. Home prices indicated strong future growth,

HOT Buyer & Seller Market

Regain in Home Equity is helping Gen X to sell and upgrade to a bigger home. Increases in Home Purchase Sentiment Index (HPSI) shows that Millennials are eager to buy more than ever.

Low Inventory & Crazy Demand for Low to Mid-Level Price Point.

A lot of buyers esp. first time home buyers are flocking to buy low to Mid-level priced property. Selling agent need to work with getting offer accepted.

Speaker:

Speaker: Kevin Yang from CTBC Bank

Topic: Foreigner Loan and State-Income Loan

Speaker: Bobbye McKelvey

Topic: Tax Strategies for Business Professionals



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OFFICE NEWS:

1. Qualifying Foreign Buyers

Agents are having issues with qualifying foreign buyers. Agents feel like time and effort has been wasted on these leads that ended up not buying, finding other agents to buy or buyers not being able to get their money transferred here. When encountering Foreign Buyer leads, you will need to find out where is the buyer's money. If it is in China and they do not have bank accounts in USA, buyer might not be ready to buy now and you want to follow up on a monthly or quarterly basis only. If buyer already has bank accounts here with enough money for down payment or all-cash. This will be the buyer you need to pay most of your attention to.

2. FREE Chinese Classified for Agents!

We are proud to inform you that REMAX 2000 Realty will continue to translate and post your listings on Local Chinese Websites for free! Limit two listings per agent per week.

Please contact CK if you have listings to post on Chineseinla.com and 58.com

3. Open House Hosting Program

If you are looking for experience and reliable agent to host your Open House or if you are looking to host our agent's open house, look no more! Contact CK, we will help you!

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5. Claim Your Business on Google!

Agents, here is a FREE way to increase your presence online without spending a single DIME! Visit the link below and setup your Business Info on google. You will receive a verification code on a postcard. You will need to use this code to activate your business on google.

<https://www.google.com/business/how-it-works/>



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6. Claim your Clients Mail! Scan QR Code Below!

Influx of Mails that do not belong to RE/MAX 2000 Realty's staff & agents has pushed our storage capacity to Maximum

Agents that are name in this List will need to pick up their clients' mail at Rowland Heights front desk to pick up their clients' mail.

On a SIDE NOTE, the office will not receive mails that it does not recognize anymore if the mail is certified.

Scan the QR Code or Visit this website URL now: <https://join2000.com/213-2/>



7. New form WCMD (Water-Conserving Plumbing Fixtures and Carbon Monoxide Detector Notice). The previous forms WHSD (Water Heater and Smote Detector Statement) and CMD (Carbon Monoxide Detector Notice) is replaced by WCMD (Water-Conserving Plumbing Fixtures and Carbon Monoxide Detector Notice). The WCMD form will be required for all purchase and lease transactions from now on. The installation of water-conserving plumbing fixtures is not a point of sale requirement, but it requires the seller to disclose to the buyer the requirements concerning water-conserving plumbing fixtures and whether the property contains any noncompliant water fixtures.
8. Listing transactions with the seller in divorce or separation: Agents need to communicate and get consent from both parties before putting the listing on market. The office has a recent case of the husband and the wife signed the listing agreement with different real estate agents. Both sides of agents ended up went to the hearing board due to the non-ethic complaints to each other.



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- Agent sells or purchases own property. Disclose Disclose Disclose. When an agent represents himself or herself to sell or purchase a property. The liability and risk to get sued increases substantially. The agent needs to fully disclose EVERYTHING about the property. The office recommends agent to ask a colleague for the representation of the transaction.
- National Do Not Call List: when an agent makes cold calling, the agent should avoid asking homeowner about selling the property. The agent can call to announce an Open House in the neighborhood or take a survey about recent market changes.

9. INFOSPARK

Value your Listing! How to in a dynamic changing market?

How do you price a listing without any form of Comparable available? The community is brand new and there are no transaction records on the MLS? Do your homework by researching the listings that are active, just sold and most importantly, recently pending within the city.

Pick out the listings that resembles your listing the most (These listings will be your main competitor). You will not be able to price it right by comparing data on the computer only. You need to visit the actual property for active, pending property to compare the subject property. “Please do not value the property only based on information from MLS”, If you just value the property base on MLS data without the actual visit than Seller is better off hire Zillow or Redfin to sell their property. The other key point for agent to do is determine ways to increase the value of the property that will cater to current market condition.

Problems with getting Offers Accepted

Are you encountering problems with your buyer’s offer rejected even if offer is at asking price? The supply for property is still very low and will probably stay low this year hence, you will need to have your buyers willing to pay 3% to 5% above asking price to stand a chance to get offer accepted. Do not panic if you fail a few offers initially. Take it as an opportunity to educate your buyers that they need to be willing to pay more for a listing that is high in demand. Saving the \$20,000 for not paying above asking price right now may cost them more than \$50,000 of appreciated value in future.

10. Leasing for your clients

Please be aware of leasing on behalf of your client:

1. Pull credit report regardless of who they are or they are prepaid 12 months.
 2. Language “Owner/Property Manager will visit property (inside/outside) every 2 months to maintain property condition.
 3. Make sure you have proof of identity.
 4. Personally verify income, rental and work history.
 5. Visit the rental property inside and outside at least 2 times in the first months and 2 times in the years.
 6. All record must retain at the file, skyslope
- The reason you must be caution about leasing:



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1. Tenant pretend as owner to resale the property with faulty indentity
2. Marijuana property, this problem extend to high cost area and all neighborhood
3. Using rental property to operate business without landlord consent
4. Labortory for illegal drug

All leasing must go through office and paid with commission even if you are working free for your client in order for you to be protected by office E&O insurance.

11. Scam

Fake Escrow, your buyer just get their offer accepted, listing agent email you that the sales delay due to seller's purchase get delay. After 3 months, it is still not getting anywhere. You call listing agent, not responding and always respond with email. Finally you call escrow and found out this escrow is fake. Finally you talk to listing agent in person, she tell you, you are #7 victim of this scam. She does not aware of any of the escrow.

Fake buyer, send you higher than normal cash offer. You thought this is acceptance, forward the email to escrow and have escrow contact the agent. In between, you never talk to agent. Once escrow contact the buyer agent, there is no such number or person.

Fake shore sale. You thought your short sale got accepted and forward the deposit to escrow. Later found out Escrow is fake. Or , Escrow never receive your deposit. Your receipt is generate from fake escrow.

12. Multiple Counters and Verbal negotiation

See attach

13. Standard Care When Multiple Offers

April 6, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.10 %	3.36 %	3.19 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

March 30, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.14 %	3.39 %	3.18 %
Fees & Points	0.5	0.4	0.4
Margin	N/A	N/A	2.74



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March 23, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.23 %	3.44 %	3.24 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

March 16, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.30 %	3.50 %	3.28 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

March 9, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.21 %	3.42 %	3.23 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

March 2, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.10 %	3.32 %	3.14 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74