



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

OFFICE AGENDA – July 7th, 2017

RE/MAX

Real Estate Market Outlook

Pending Sales is bouncing back up again as predicted from last month's economic outlook. However, inventory is still low and decreasing by double digit. We are still expecting a very gradual increase in inventory by the end of Summer as Sellers' expectation gets too high causing buyers' fatigue in high home prices. This is already happening in other hot markets such as San Francisco, Miami and New York City which actually caused prices to dipped by a little bit.

On the other hand, we believe there will be a lot of homeowners out there who is considering to sell since Valued Insured's Modern Homebuyer Survey points that approximately 74% of homeowners think right now is the time to sell. Among them, the millennials are the most adamant with 80% of millennial homeowners believing it is the time to sell. Agents, be ready to prospect for sellers.

Looking at Homeownership & the Opportunities as a Realtor

Looking at the homeownership rates in California, 63% Caucasian and 58% Asian build up the top two homeownership rates. However. A combine 38 of homeownership rates between African American and Hispanic shows a big gap between homeownership rates.

A closer look also reveals that there are approximately 1 Million renter household in California can actually afford to buy based on their income. This further supports last month's Outlook about Renters being able to afford buying a median priced house. TransUnion reported on Q1 of 2017 that a whopping 55% of current homebuyers are renters or non-homeowners. TransUnion later shown that 37% of these homeowners within the age of 25 to 34 has a score below 580 & 42% of those between 35 to 44 have scores that low. Meaning non-homeowners and renters are the majority homebuyers and approximately 60% of them can afford to purchase a home with a majority number being Millennials.

Does Rising Prices Indicate a Crash?

Despite the low affordability index where more and more could not afford to buy a median priced property, home prices are still rising overall even though the growth rate is 5.9% slower compared to last year. This brings out two main questions, why are home prices rising and will it cause a crash in near future.

In the near future (2 years), we should not worry about it. For the moment, conditions appear favorable for avoiding a crash. Housing starts are trending higher, and rising prices may encourage some homeowners to sell. Moreover, mortgage default rates are low and household debt levels are manageable.



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Office Announcement

1. June 2017 New Forms Release on CAR.org

* **Seller's Affidavit of NonForeign Status:** Defaults to the use of a Qualified Substitute to document federal withholding. Optional paragraph if seller to provide information direct to buyer. Reorganized form. Removed explicit language regarding California tax withholding and replaced with reference to escrow compliance.

* **Lease Listing Agreement:** Optional arbitration clause removed. Replaced by language advising of need to use separate arbitration agreement if both parties consent. Added reference to representative signatures.

* **Residential Lease or Month-to-Month Rental Agreement:** Added references to bed bugs and water submeters. Permits landlord to terminate lease if tenant has not made payments required before possession. Updated language concerning photos. Revised paragraph regarding smoking. Explicit prohibition on short term rentals.

* **Residential Listing Agreement:** Optional arbitration clause removed. Replaced by language advising of need to use separate arbitration agreement if both parties consent. Added language about disclosing security devices.

* **Trust Advisory:** Added language concerning need to comply with water conserving plumbing fixtures law. Form reorganized so requirements come first. Exemption, second. Modified explanation of when seller who is trustee has to provide a TDS. Add broker signature lines so same form can be used at time of listing or at time of sale.

All new forms are available in ZipForm. Please go to the following link for more information:
<http://www.car.org/zipform/standard-forms/summary-forms-releases-chart/june2017formsrelease/>

2. Property Management:

An agent who holds salesperson's license is NOT eligible to perform property management. For broker license holder, office requires the agent who plan to do property management to take related course on CAR.org. Office highly recommend agents should refer out the client to a property management company. Difference between Leasing a property and Property Management.
Trust Accounts

For more info about property management. Please go to the following link:
<http://www.car.org/riskmanagement/qa/landlord-tenant-folder/property-management-faq/>

3. CAR LEGAL APP

You Must download this app that was recently launched by CAR. It will instantly connect you to get LEGAL ADVICE from the CAR at the most convenient way possible.

Search for **CAR Legal App** on Google Play or Apply Store to download.
Or use this link to download: <http://www.car.org/marketing/digitaltools/hotlineapp/>

4. REDFIN IPO & REDFIN NOW?

The brokerage that offers buyers a cash back for buying houses and charging a low interest on sellers for listing their property is now going public and raising **\$100 Million** to fund for more growth.



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They also announced that they are testing their new service, REDFIN NOW. Sellers can sell their property at a lower price to REDFIN NOW where REDFIN will later sell it for profit. Sellers will get less money from their property but Redfin seems to be giving sellers an option of fast money & less risk.

5. FANNIE MAE TO LOOSEN MORTGAGE REQUIREMENTS

Fannie Mae has done some research on people with a Debt-to-Income Ratio between 45% to 50% and find out that they are at low risk of default and has good credit. Meaning, more buyers especially the millennials who burdened by Student Loan will be able to be approved for a loan. However, this still does not mean everyone with a DTI ratio of below 50% will be approved as they will still go through Fannie Mae underwriting system.

6. WIRE SCAMMERS STRIKES AGAIN!

These scammers will hack into agent's or title company's account to fish out information of an upcoming transaction where activity of wiring money will be involved. Scammer will then send a bogus email to buyer posing as title company or agent to wire the money into a different account belonging to the scammer.

If the buyer takes the bait, their account will be cleared out within minutes. PLEASE be educated about this and educate your clients about it too! Here is a link that we created that you as an agent must read and also send to your clients in order to educate them:

<https://join2000.com/handle-money-wire-scammers/>



7. Square footage discrepancy

Office recently have a couple of cases about buyer complains to the selling agent about square footage discrepancy. Agent should always cross check the square footage shows on MLS listing to the Realist Tax Assessor record. If the square footage is different. The agent needs to disclose to buyer and suggest the buyer to verify the square footage with city and county immediately. Per Buyer Inspection Advisory, it's Buyer's obligation to verify the square footage and city permit.

8. Solar on Lease

When you represent seller or buyer, Please be aware of solar system on lease. The lease term is not normal lease agreement, agent can not interpret or explain the lease for seller



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nor buyer. Most of the lease has pay off that is higher than normal value. Solar rental fee will increase annually.

9. Death Disclosure

Unnatural death disclosure is not limit to 3 years. It is consider Stigma and may attach to the life of the property. When ever there is suicide, homicide, or any cause of unnatural death, you must disclose.

10. Zillow has stopped accepting manual posts of listings from agents.

Beginning in May, 2017, Zillow Group, which includes both the Zillow and Trulia platforms, has decided to STOP accepting manual listing entries from real estate agents. Zillow and Trulia will ONLY accept listings through direct MLS or brokerage feeds. Agents WILL NOT be able to post listings directly to Zillow independently of your MLS or brokerage. This change WILL NOT apply to the FSBO, Coming Soon, or Make Me Move listing types. You will still be able to enter these manually.

11. Buyer objection and Seller objection

Scan the QR Code or visit the Website URL gain the list:

<https://join2000.com/buyer-seller-objection-list/>



12. FREE PODCAST on Housing Market, Luxury Listings and etc. from CAR!

CAR has recently launched its own podcast (Online Audio Channel). They frequently post market updates on a weekly basis and also talk about Housing Affordability, Luxury Listings and etc. I recommend you to listen to it when you have free time. Its very convenient. Just scan this QR Code:

Scan the QR Code or visit the Website URL gain FREE access:

<https://join2000.com/car-podcast-access/>



13. Loopnet account, CoStar account and commercial transaction

Start from April 2017. Office will not share Kuan's Loopnet account with any agent. Office suggests agents to pair with a commercial agent for all commercial transactions. If you want to get



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a CoStar account, please contact Anita. The cost of costar commitment is for 12 months period. Which mean you use it for 2 months and decide its not for you, office still need to charge you for 12 months. There is no early termination.

14. Is your Listing Not Shown on Zillow?

Zillow has syndication with CRMLS and your listing should automatically get syndicated to Zillow. However, we have received some report that agents do not see their listing on Zillow. If you are paying Zillow for their service, call your Zillow rep for this issue. If you are not a premier agent and is not paying Zillow, call this number to tell them that your listing is not syndicated to Zillow Contact #: 1-888-367-4001

15. New Data Tool from CAR to show clients:

This is another tool for agents to use to study more on the current Market provided by CAR. Very informative, user and printer Friendly and Easy to Use. You can use this tool and infospark to show Buyers and Sellers to justify your point on submitting offer and setting listing price.

<http://www.car.org/marketdata/interactive/>



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UPCOMING EVENTS

1. INDEPENDENCE DAY FLASH PARTY

The office is hosting a party next Monday 7/10/2017 from 1:00pm to 2:30pm!

The location will be at the Rowland Heights office

We are organizing a spontaneous party and will offer good comfort food and beverages for all the agents!

2. MIKE FERRY SUPERSTAR RETREAT 2017

All agents are suitable for this event that emphasizes on prospecting, mentality and self-management and discipline. It will give you a very good idea on how to lay the basis to be a top producing agent in future.

Scan the QR Code or visit the Website URL to find out how to register:

<https://join2000.com/mike-ferry-superstar-retreat-2017/>



3. RE/MAX EP2 SUMMER BARBEQUE FIESTA!

We are proud to announce the Summer Barbeque Fiesta that is organized by the office for all agents and Staff!

The fiesta will feature free Barbeque, Games and Prizes for you and your family! We will also have Jumpers, kid-friendly games & Intoxicating Drinks for the adults too. (Drink responsibly)
See the flyer at the last page for more information!

Event invitation will email to you. Please RSVP by scan the QR code in the email.

4. WHY RE/MAX?

We have collaborated with Zack Meade, the Franchise Development Consultant of RE/MAX LLC to bring you this exclusive event!



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Understand more about the brand & history of REMAX and learn how this brand can add value to your business!

Seats Limited, Scan the QR Code below to find out how to register now!





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July 06, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.16 %	3.37 %	3.58 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

June 29, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.07 %	3.31 %	3.52 %
Fees & Points	0.5	0.5	0.5
Margin	N/A	N/A	2.74

June 22, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.05 %	3.27 %	3.47 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

June 15, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.02 %	3.25 %	3.41 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

June 8, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.04 %	3.24 %	3.40 %
Fees & Points	0.5	0.5	0.5
Margin	N/A	N/A	2.74

June 1, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.09 %	3.31 %	3.41 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

May 25, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.13 %	3.32 %	3.42 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

May 18, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.15 %	3.35 %	3.42 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74



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May 11, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.22 %	3.44 %	3.48 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

May 4, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.30 %	3.54 %	3.48 %
Fees & Points	0.5	0.5	0.4
Margin	N/A	N/A	2.74

April 27, 2017

	30-Yr FRM	15-Yr FRM	5/1-Yr ARM
Average Rates	4.30 %	3.54 %	3.48 %
Fees & Points	0.6	0.5	0.4
Margin	N/A	N/A	2.74