CAREPA NEWS

華裔房地產專業協會新聞

2010 年十二月號 December 2010

President's Message ~ 會長的話

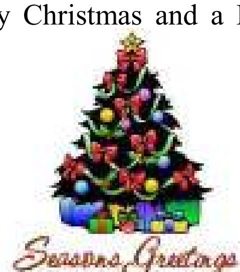
CAREPA has elected the 2011 Board of Directors and Executive Officers. Executive Officers include: Nancy Lin, President; Ling Chow, Vice-President; Brian Chen, President-elect; Lucia Tam, Secretary; Margaret Chiu, Treasurer and Philip Hsu, Historian. Our directors will be: Lorinda Chou, Suzie Koo, Saul Larner, Vincent Lieu, Carina Pang, John Wong and John C. Wu. The Board of Directors will be installed by 49th District Assembly member Mike Eng at our Annual Christmas and Installation Dinner Banquet on Sunday, December 12 at the San Gabriel Hilton. Hope to see you all there.

I would like to also thank all the speakers who have come to update and educate our members and guests in real estate related topics. Your information has been invaluable and has helped us become more aware of matters surrounding our profession. Thanks to Nancy Lin, our Program Chair, who arranged them every month.

2010 has been a very challenging year. I would like to thank the 2010 Board for all its time, effort and volunteerism throughout the year. It takes a team to accomplish goals. And we, together, made a difference. I am very grateful for your dedication and support. Thanks!

I like to wish you a very Merry Christmas and a Happy New Year 2011.

PHILIP HSU 徐一飛
華裔房地產專業協會
2010 CAREPA President



New California Laws for 2011

The recent end of the 2009-10 legislative session has brought the end of short sale deficiency judgments for first loans, and other new laws affecting REALTORS® and their clients. To view the full text of the following bills, go to **www.leginfo.ca.gov**.

- **No Short Sale Deficiencies:** Starting January 1, 2011, a seller's first trust deed lender cannot obtain a deficiency judgment against the seller after a short sale. Providing written consent to a short sale shall obligate the first trust deed lender to accept the sales proceeds as full payment and discharge of the remaining amount owed on the loan. This law applies to first trust deeds secured by one-to-four residential units, but does not limit the lender from seeking damages for fraud or waste by the borrower. Senate Bill 931. Governor Schwarzenegger vetoed Senate Bill 1178, our sponsored bill, which would have extended California's anti-deficiency protection to refinance loans.
- **Energy Audit in Home Inspection Report:** Beginning January 1, 2011, a home inspection and inspection report may, upon a client's request, include an audit of the energy efficiency of a home, according to the standards of the Home Energy Rating Systems (HERS). REALTORS® are also strongly encouraged to give the newly released HERS booklet to residential buyers, because doing so provides a valuable shield from liability. Delivery of the booklet will be deemed to be adequate to inform the buyer about the statewide HERS program. Assembly Bill 1809 and California Civil Code section 2079.10.
- **Restriction on Adverse Possession Claim:** Effective January 1, 2011, a claim for adverse possession requires, among other things, certified records of the county tax collector showing that all state, county, or municipal taxes have been timely paid for the five-year period the property has been occupied and claimed. Existing law merely requires proof that taxes have been paid for the five-year period, not certified proof of timely payments. Assembly Bill 1684.
- **Enforcement of MLO Requirements:** Effective January 1, 2011, anyone acting as a mortgage
- Loan originator (MLO) without an MLO license endorsement will be guilty of a crime punishable by six months imprisonment, plus a $20,000 fine. Furthermore, a broker cannot employ or compensate a real estate licensee for MLO activities unless that licensee has a license endorsement. This law has also given the Department of Real Estate (DRE) the authority to deny or revoke a MLO license endorsement or take other action. This law also amends the

MLO requirements for finance lenders and residential mortgage lenders under the Department of Corporation. Senate Bill 1137.
- **Post-Foreclosure Protection for Tenants:** Commencing January 1, 2011, a notice to terminate a residential tenant who remains after a foreclosure sale must generally include a statutory notice of the tenant's rights. This requirement, which sunsets on January 1, 2013, applies to an immediate successor-in-interest for one year after a foreclosure sale. The tenant's rights must be on a separate cover sheet or, for a 90-day termination, incorporated into the notice to terminate. Another provision of this bill protects a residential tenant's credit by generally prohibiting the court clerk from revealing unlawful detainer court records unless the plaintiff prevails at trial. Senate Bill 1149.
- **Tenant Protection for Domestic Violence Victims:** Starting January 1, 2011, a residential landlord cannot terminate or fail to renew a tenancy based on domestic violence against the tenant or tenant's household members as specified. This law applies if the person restrained from contact with the tenant by court order or named in a police report is not also a tenant of the same dwelling unit. If the protected tenant subsequently allows the person restrained to visit the property, or the landlord reasonably believes the person restrained poses a physical threat to others or to quiet possession by other tenants, the landlord may serve a three-day notice to correct or quit. To further ensure safe housing for domestic violence victims, this law also requires that, for leases entered into after January 1, 2011, a landlord changes the exterior locks of a protected tenant's dwelling unit within 24 hours after the tenant provides a written request and supporting court or police documentation as specified. Senate Bill 782.

Protections Against Real Estate Fraud - new laws protecting consumers from real estate fraud include:
- Expanding the foreclosure consultant law to include someone who performs a forensic audit of a residential mortgage loan (Assembly Bill 2325)
- Requiring any mailed solicitation that offers to provide a copy of an owner's grant deed or other title records for a fee to include a prominent statutory disclosure that the copy service is not associated with any governmental agency and that the homeowner can obtain such records from the county recorder (Assembly Bill 1373).
- Increasing the criminal punishment for renting out a residential dwelling without the owner's consent from six months imprisonment plus a $1,000 fine, to one year imprisonment, plus a $2,500 fine (AB1800, effective January 1, 2011).

Other new California laws impacting real estate and real estate professionals -
- Extension of CalVet Home Loan program to include 2-to-4 residential units (AB 2087)
- Lien enforcement by a municipal utility district for a tenant's delinquent charges (SB 1035).

New, free C.A.R. Member Benefits coming in 2011

Beginning in January 2011, C.A.R. is offering two free member benefits: zipLogix Digital Ink™ electronic signatures and document storage. zipLogix Digital Ink™, which will be offered for free to C.A.R. members, is a digital signature solution for signing C.A.R. forms within zipForm® 6. Electronic signatures facilitate quick, easy interaction between REALTOR® and client, and encourage a paperless transaction. zipLogix Digital Ink™ works seamlessly with zipForm® 6, allowing REALTORS® to instantly e-mail real estate forms requiring signatures, and eliminate the cost and time expense of printing, faxing, or cross-town meetings to get paper copies signed.

Features of the zipLogix Digital Ink™ program include:
- The ability to sign and upload non-zipForm® documents
- Text boxes that allow clients to insert additional information on forms
- Address book which stores client information
- Pre-defined signature, initial, and date fields for ease of signing

zipLogix Digital Ink™ currently is available for purchase. Users may buy 10 digital signature credits for $40. Credits are consumed per transaction, offering unlimited digital signatures over the course of that specific transaction. Beginning January 2011, zipLogix Digital Ink™ electronic signatures will be available at no cost to C.A.R. members, potentially saving members more than $40 each year in digital signature services. For more information about zipLogix Digital Ink™, or to attend a free training webinar, visit http://www.car.org/tools/zipForm6/esign/.

Also available in January 2011, C.A.R. members will have an opportunity to take advantage of a free document storage feature in zipForm® 6. This new member benefit will allow members to store unlimited transactional documents online for up to five years within their zipForm® 6 Professional transactions. Some of the capabilities include document upload and delivery via web, e-mail, fax, or scanning directly to a specific transaction. More information will be available in the coming months regarding this free benefit with accompanying webinars to help familiarize REALTORS® with these services.

2010 CAREPA BOARD OF DIRECTORS

感謝所有理事會成員為本協會所做出的貢獻

Thank to the Board of Directors for their voluntarism

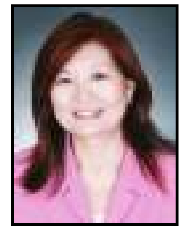
Gracias a la Junta de Directores por ser voluntarios.


Philip Hsu
2010 President


Nancy Lin
President Elect


Lucia Tam
Vice-President

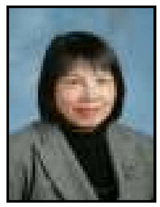

Suzie Koo
Secretary


Margaret Chiu
Treasurer

Directors


Brian Chen


Lorinda Chou


Paulina Lee

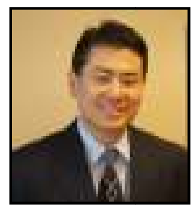

Vincent Lieu


Sonny Mao


Carina Pang


Cathy Wong


John Y. Wong


Paul Cheng, Legal Advisor

COMMITTEE CHAIRS

BUDGET AND FINANCE	**Margaret Chiu**
ELECTION	**Nancy Lin**
CHRISTMAS/INSTALLATION	**Nancy Lin**
GOLF TOURNAMENT	**John Wong**
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INTERNATIONAL	**Suzie Koo**
MEMBERSHIP	**Carina Pang**
PROGRAMS/MIXERS	**Nancy Lin**
PUBLICATIONS/PUBLIC RELATIONS	**Lucia Tam**
WEBSITE	**Lucia Tam**

NOVEMBER GENERAL MEETING
NOVEMBER 10, 2010
6:30PM

SPEAKER
EDWARD HUANG, PE

TOPIC
SUSTAINABLE DEVELOPMENT & REDEVELOPMENT
GREEN YOUR PROPERTY ON AMERICA RECYCLE DAY

EMPRESS HARBOR ESTAURANT
111 N. Atlantic Blvd. 3rd floor
Monterey Park, CA 91754

For reservations and information,
contact Nancy Lin @ 626-285-8333

ANNUAL CHRISTMAS & INSTALLATION
DECEMBER 12, 2010
6:30PM

OUTGOING PRESIDENT
PHILIP HSU

INCOMING PRESIDENT
NANCY LIN

SAN GABRIEL HILTON
225 W. VALLEY BLVD. BALLROOM BC
SAN GABRIEL, CA 91776

For reservations and information,
contact Nancy Lin @ 626-285-8333

Southland Home Sales Dip; Prices Change Little

La Jolla, CA---Southern California home sales fell in November to the second-lowest level for that month in 18 years, reflecting the weak economic recovery, a dormant new-home market and tight credit conditions. The median price paid for a home rose above a year earlier for the 12th consecutive month, though November's gain was the tiniest yet, a real estate information service reported.

A total of 16,208 new and resale houses and condos sold in Los Angeles, Riverside, San Diego, Ventura, San Bernardino and Orange counties last month. That was down 3.2 percent from 16,744 sales in October, and down 15.5 percent from 19,181 in November 2009, according to MDA DataQuick of San Diego.

A drop in sales from October to November is normal for the season, with the decline averaging 8.1 percent since 1988, when DataQuick's statistics begin. November's sales were the lowest for that month since 2007, when 13,173 sold, and the second-lowest since 1992, when 15,446 sold. Last month's sales fell 26.5 percent below the average November sales tally of 22,047.

In the new-home market, sales were the slowest for a November since at least 1988. In many growth areas the math for builders just doesn't work: The cost to construct is higher than what buyers can afford or are willing to pay. Often builders can't compete with the pricing of nearby resale homes, especially foreclosures and short sales.

"The great waiting game of 2010 continues. This is the year when the economy sputtered and a lot of potential home buyers opted to sit tight, especially once the government incentives dried up. Fundamentally home sales remain weak because the job market has been slow to mend and credit policies remain unusually tight," said John Walsh, MDA DataQuick president.

"But with sales this low, for this long, you know there are a lot of people just waiting to jump into the market once they feel the time is right. For many the key signal will be a greater sense of job security. For others the cue could be evidence that home prices have bottomed for good, or that ultra-low mortgage rates are slipping away," he said.

The median price paid for a Southland home was $287,000 in November. That was up 1.4 percent from $283,000 in October, and up 0.7 percent from $285,000 in November 2009. The 0.7 percent annual gain was the lowest since the median began rising year-over-year each month since last December.

The median's low point for the current real estate cycle was $247,000 in April 2009, while the high point was $505,000 in mid 2007. The peak-to-trough drop was due to a decline in home values as well as a shift in sales toward low-cost homes, especially inland foreclosures.

Foreclosure resales – homes foreclosed on in the past year – accounted for 35.1 percent of the resale market last month, up from 34.7 percent in October but down from 39.0 percent a year ago. Foreclosure resales hit a low this year of 32.8 percent in June and, with the exception of a dip in September, have trended slightly higher ever since. The peak was in February 2009 at 56.7 percent, DataQuick reported.

Government-insured FHA loans, a popular low-down-payment choice among first-time buyers, accounted for 36.2 percent of all mortgages used to purchase homes in November, up from 35.8 percent in October but down slightly from 36.5 percent in November 2009. Two years ago FHA loans made up 34.3 percent of the purchase loan market, while three years ago it was just 2.6 percent.

Last month 20.7 percent of all sales were for $500,000 or more, about even with 20.8 percent in October and up from 19.8 percent a year earlier. The low point for $500,000-plus sales was in February last year, when 13.6 percent of sales crossed that threshold. Over the past decade, a monthly average of 26.8 percent of homes sold for $500,000 or more.

Viewed differently, Southland zip codes in the top one-third of the housing market, based on historical prices, accounted for 35.6 percent of total sales last month. That was up from 34.7 percent in October and 34.1 percent a year ago. Over the last decade, however, those higher-end areas contributed a monthly average of 37.2 percent of regional sales. Their contribution to overall sales hit a low of 26.2 percent in January 2009.

High-end sales still suffer from tight credit policies. Adjustable-rate mortgages (ARMs) and so-called jumbo home loans have been relatively difficult to get ever since the credit crunch hit more than three years ago.

Last month ARMs represented 5.6 percent of Southland purchase loans, up from 5.4 percent in October and 4.3 percent a year ago. However, over the past decade, a monthly average of 38.2 percent of purchase loans were ARMs.

Jumbo loans, mortgages above the old conforming limit of $417,000, accounted for 17.8 percent of last month's purchase lending, the same as in October and up from 15.1 percent a year earlier. But back in 2007, in the months leading up to the credit crisis that began in August that year, jumbos accounted for 40 percent of the market.

Absentee buyers – mostly investors and some second-home purchasers – bought 23.1 percent of the homes sold in November, paying a median $204,000. Over the last decade, absentee buyers purchased a monthly average of 16.0 percent of all homes, while the peak level was 23.2 percent this February.

Buyers who appeared to have paid all cash – meaning there was no indication that a corresponding purchase loan was recorded – accounted for 28.0 percent of November sales, paying a median $205,000. In February this year, cash sales peaked at 30.1 percent. The 22-year monthly average for Southland homes purchased with cash is 14.3 percent.

The "flipping" of homes has generally trended higher over the past year. Last month the percentage of Southland homes bought and re-sold within a six-month period was 3.6 percent, down from 3.7 percent in October but up from 3.0 percent a year earlier. Last month's flipping rates varied from as little as 3.4 percent in Orange and Ventura counties to as much as 4.2 percent in San Bernardino County.

MDA DataQuick, a subsidiary of Vancouver-based MacDonald Dettwiler and Associates, monitors real estate activity nationwide and provides information to consumers, educational institutions, public agencies, lending institutions, title companies and industry analysts.

The typical monthly mortgage payment that Southland buyers committed themselves to paying was $1,136 last month, up from $1,111 in October but down from $1,207 in November 2009. Adjusted for inflation, current payments are 49.3 percent below typical payments in the spring of 1989, the peak of the prior real estate cycle. They are 58.5 percent below the current cycle's peak in July 2007.

Indicators of market distress continue to move in different directions. Foreclosure activity remains high by historical standards but is lower than peak levels reached over the last two years. Financing with multiple mortgages is very low, and down payment sizes are stable, MDA DataQuick reported.

Source: DQNews.

	Sales Volume			Median Price		
All homes	Nov-09	Nov-10	%Chng	Nov-09	Nov-10	%Chng
Los Angeles	6,257	5,540	-11.50%	$329,000	$325,000	-1.20%
Orange	2,528	2,257	-10.70%	$432,500	$435,000	0.60%
Riverside	3,745	2,977	-20.50%	$200,000	$195,000	-2.50%
San Bernardino	2,751	2,271	-17.40%	$160,000	$152,000	-5.00%
San Diego	3,148	2,566	-18.50%	$325,000	$335,000	3.10%
Ventura	752	597	-20.60%	$365,000	$375,000	2.70%
SoCal	19,181	16,208	-15.50%	$285,000	$287,000	0.70%

California's economy will pick up somewhat in 2011, forecasts say

By Alana Semuels, Los Angeles Times

The state will add jobs and unemployment will drop but still exceed the nation's jobless rate, economists at UCLA and Chapman University predict. But the housing market will continue to struggle.

Consumer spending is expected to be stronger in California than in the nation. Above, shoppers look for Black Friday bargains at South Coast Plaza mall in Costa Mesa. (Mark Boster, Los Angeles Times / November 25, 2010)

The state is still stuck with a stubbornly high unemployment rate and few job openings, but things may be looking up for California in the year ahead.

That's the conclusion of two forecasts released this week by UCLA and Chapman University in Orange. Both predict that California's economy will expand at a faster pace than the nation's, thanks in part to improvement in global trade and the technology sector.

"The growth sectors in manufacturing are computers and electronics, medical devices and aerospace components," said Jerry Nickelsburg, senior economist of the UCLA Anderson Forecast. "Those are proportionally California export items."

On the downside, however, the state's housing market will remain in the doldrums, and unemployment will continue to exceed that of the nation overall.

"Construction will still be a weak factor," said Esmael Adibi, director of the A. Gary Anderson Center for Economic Research at Chapman University. "Nonresidential is really holding down the sector."

Chapman predicts that California will add 167,000 new jobs next year, while UCLA economists expect the state to add 183,000. UCLA also forecasts that the unemployment rate in California will slowly shrink to 10.9% by the end of next year and not fall below 10% until the end of 2012.

Residential construction will continue to grow through the next two years, but other types of building will face more pain next year before beginning to rebound in 2012. More foreclosures have yet to hit the market in inland areas, which will add to excess supply.

Exports are expected to lead the state's recovery, Adibi said. He also predicts the high-tech sector will start to hire again soon as overseas consumers demand California products.

Consumption in Asia is particularly positive for California, Nickelsburg said.

California's high unemployment rate may also drive more workers to growing industries to seek jobs. Typically, people move to expanding sectors more quickly in areas of high unemployment, he said.

Nickelsburg also said that with Jerry Brown's election last month, Democrats will control both the Legislature and the governor's office, which could enable the state to pass budgets and bills more quickly. That could increase spending on infrastructure projects and create jobs.

Consumer spending will also be stronger in California than in the nation, Adibi of Chapman said. The depth of the recession in the state led many consumers to save rather than spend; now that consumer confidence is recovering, they'll be able to make the purchases they had put off.

Here's how the two reports stack up in other key areas:
• Personal income: Chapman and UCLA forecast that personal income in California will grow 3% in 2011 to $1.7 trillion. By comparison, UCLA said personal income grew 2.7% this year, while Chapman said it rose 2.2%.
• Construction: Chapman and UCLA predict that the value of commercial real estate permits will shrink in 2011, although that value grew about 3% this year. UCLA says the value will climb again in 2012

• National employment: Chapman predicts the unemployment rate will fall to 8.8% in the third quarter of 2011, and drop to 8.6% by the end of that year. UCLA says the nation's unemployment rate will remain above 9% through most of 2012, slipping to 8.9% only in the fourth quarter of 2012. The U.S. unemployment rate is now 9.8% and the California rate is 12.4%.

• GDP: Chapman forecasts that the nation's real gross domestic product will grow 3.3% in 2011, compared with UCLA's forecast of 2.2%.

Economists agree that even as the GDP grows slightly, job creation is a long way off. Part of the problem is the surfeit of workers in trades such as construction, who aren't able to find other jobs.

In past recessions, displaced construction workers might go into other industries, such as manufacturing. But increasing automation and outsourcing have eliminated many of those manufacturing jobs, UCLA economist Edward Leamer said. That means that even if GDP grows, unemployment could still remain high.

"As many as 5 million workers are not likely to be reemployed in construction, manufacturing and retail," Leamer wrote. "Those displaced workers are likely to have a difficult time finding jobs elsewhere."

That probably will mean that the nation will struggle as workers struggle to find jobs.

"The economy will continue to muddle through with modest growth and distressingly high unemployment," UCLA economist David Shulman wrote in the Anderson Forecast.

Why Real Estate Agents Need Errors and Omissions Insurance in 2011

Given a questionable job market, soaring unemployment rates, and sagging employee confidence, it is no wonder so many would be homebuyers are sitting on the sidelines just waiting for something - anything - to give them the warm fuzzy feeling they need to take the next step. As such, with home buyer confidence at or near an all-time lows many real estate agents and their businesses are running real slow as we end 2010. One impact of this slowdown is that one could become complacent and take their eye off some imparts of their business like - keeping up insurance - errors and omissions (E&O) insurance to be specific.

Real estate agents and brokers who keep errors and omissions (E&O) insurance in their costs column will likely benefit them in the tumultuous housing market in 2011 and beyond. Why? Let's take a look.
Severe drops in home prices and home sales mean real estate professionals can expect liability problems related to E&O. Buyers who are upset about the decreasing value of their recently purchased real estate can sue any professional who took part in the sale. Real estate agents and brokers beware.

Keep in mind that such suits take three to five years to develop.
Two allegations that often present themselves are:

- Real estate professionals' misrepresenting or not disclosing information, which hurt the plaintiff's finances, or Plaintiffs claiming they were cajoled into purchasing an unaffordable home.
- Frivolous or not, these claims can result in a broker or agent being listed as a defendant. Unfortunately, property sales have tons to do with timing and market cycles. But once the suit starts, there's no bailing out. Costs range from $10,000 to $30,000, not to mention the time and energy that cannot be earned in a bottom line.

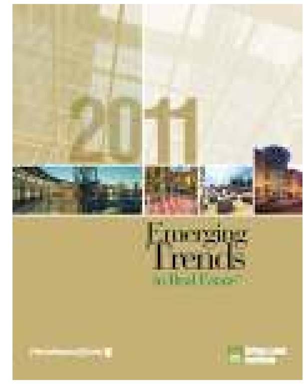
The lesson to be learned: Keep E&O coverage to avoid being an uninsured professional faced with defense and settlement costs. Paying the premiums is a small price compared to racking up thousands of dollars in court.

REAL ESTATE INVESTORS CAN CHOOSE IN 2011

By Jodi Summers

Bye, bye pride of ownership. In 2011, Real Estate Investors will be looking for properties whose rents cover mortgages, according to a recent report by the Urban Land Institute and PricewaterhouseCoopers.

"You can no longer make money off flipping; you must be able to manage assets at the property level," divulged one respondent.
The report, titled "Emerging Trends in Real Estate 2011," summarizes observations of 875 property owners, developers, advisors investors, lenders and other property companies.



Buyers will have the opportunity to be discretionary. Approximately $1.4 trillion of mortgages on U.S. commercial real estate are expected to mature between now and 2014, revealed real estate loan data provider Trepp in the report.

Because of the state of the U.S.A. today, it is expected that lenders will be less generous when refinancing maturing notes –> which could lead to a" handsome collection of apartment buildings, hotels, office buildings, warehouses, distribution centers, malls and shopping centers on the market."

As these assets become available, the report reveals that real estate will go basic, with property going for a price rents can support. They expect well-capitalized borrowers, such as real estate investment trusts and insurance companies to be among the top buyers.

A lot of cash has been raised to buy distressed properties. But for the past two years, their efforts have been thwarted by lenders extending maturities rather than foreclosing and taking back properties.

Expectations of a crash in commercial real estate market are "greatly exaggerated," noted media and real estate magnet Sam Zell. "Everyone is waiting for the grave dancer to come and exercise his magic potion, but you need two to tango."

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CALIFORNIA ASSOCIATION OF REALTORS®

WINTER 2011 BUSINESS MEETINGS

MANCHESTER GRAND HYATT , SAN DIEGO

Sunday, January 23 ~ Saturday, January 29, 2011

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MERRY CHRISTMAS FROM CAREPA TO YOU

EDITOR MESSAGE: **Congratulations to the 2011 Board of Directors**

CAREPA News" is newsletter published by CAREPA, Chinese American Real Estate Professionals Association with the goal to facilitate and serve our membership needs. CAREPA does not endorse and may not agree with the content of each article. If you would like to contribute an article, include an advertisement, make a comment and/or sponsor any program, please contact Lucia Tam at 626-221-2888 or e-mail to luciatam@yahoo.com or contact CAREPA President, Philip Hsu, at 626-230-9655。

ADVERTISING OPPORTUNITIES

You may want to put an ad in our monthly CAREPA NEWS: 1/4 PAGE AD $25 ~ 1/2 PAGE AD $50 ~ FULL PAGE AD $100 Feel free to contract Lucia Tam at 626-221-2888 or luciatam@yahoo.com for further information.

ARTICLES/WRITE-UP

If you have an interesting article you would like to submit, please send to luciatam@yahoo.com by the 20th day of the month before the article is to appear.

華裔房地產專業協會
CHINESE AMERICAN REAL ESTATE
PROFESSIONALS ASSOCIATION
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place
stamp