

# CAREPA NEWS

## CAREPA NEWS

### 華裔房地產專業協會新聞

2012 年七月號

July 2012

#### President's Message ~ 會長的話



Hope summer is treating everyone well. In July we all celebrate the independence of our great nation. Stay safe as you barbeque and watch the fireworks on the 4<sup>th</sup> of July.

Time flies. Half the year has passed already. As we look forward to a promising summer closing, I hope your real estate business is doing well. Use the advances in technology to enhance marketing yourself and your listings. Take advantage of all the networking opportunities available to you.

This month, our speaker Mr. Ren Tang, P.E. will talk about solar water heating systems for residential and commercial use, a topic not often talked about in the real estate industry. You are invited to come and learn from the expert how solar water heating can help conserve energy.

Also want to remind you that CAREPA is already accepting nominations for 2013 directors. Form can be downloaded from our website carepa.org. If you know of anyone who is willing to serve and make a difference, please bring this to our attention. CAREPA is always looking for good leaders. Nomination submittal deadline is August 8, 2012 at 8pm.

Hope you enjoy a Happy 4<sup>th</sup> of July.

Very truly yours,

Brian H. Chen, CRS, GRI, SRES  
2012 CAREPA President



### Live More, Work Less. Here's How.

**Ever heard of the 80/20 rule? Also known as the Pareto Principle, it goes something like this: 20% of your time creates 80% of your results. If that's true, it would help to identify your 20% and make the most of your valuable time. Try using these guidelines to help define where your focus should be and how to generate positive results in your real estate career.**

1. **Know what's important to you.** Set goals in five of the most essential elements of life: Family, Financial, Mental/Spiritual, Physical and Educational. Many successful agents don't just define these goals, they post them in their office and review them daily.
2. **Lather, rinse, repeat.** Have a schedule and take it seriously. In real estate, this means prospecting, lead follow-up, pre-qualifying, presenting, negotiating, and closing.
3. **Battle the boredom.** Yes, following a schedule can feel monotonous at times, but push through and stick with it. Repetitious boredom pays off when momentum kicks into gear. Stopping and starting your process creates the stopping and starting of your income. Stay the course and establish a more predictable, profitable outcome.
4. **Follow up, follow up, follow up.** Can you name your top five prospects off the top of your head and what motivates them? Have you set your next appointment with them? Your leads are waiting for you, so it may help to track them on a spreadsheet or white board you can see every day.
5. **Use scripts.** Role play new scenarios with a partner before trying them out on actual prospects.
6. **Don't stop learning.** Try to devote 10% of your income and 10% of your time to education, even when you're producing the earnings you need to meet your goals. There's always something you can do to improve and hone your skill set.
7. **Master your own universe.** Take control of your focus, body, calendar, and wallet. That means planning ahead and following a schedule, both personal and prospecting. If at all possible, it's a good idea to maintain a savings account, even if it starts with just 5% of each check.
8. **Ask for help when you need it.** Call your colleagues, reach out to a coach, and tap into the resources available through your firm or the [C.A.R. website](#).

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9. **Know your numbers.** Exactly where is your business coming from, and how much are you spending on each lead source in terms of time and money?
10. **Be consistent.** Many top producers start and end each work day in exactly the same way. It's no coincidence that many of them also manage to exercise regularly – the discipline is the same.

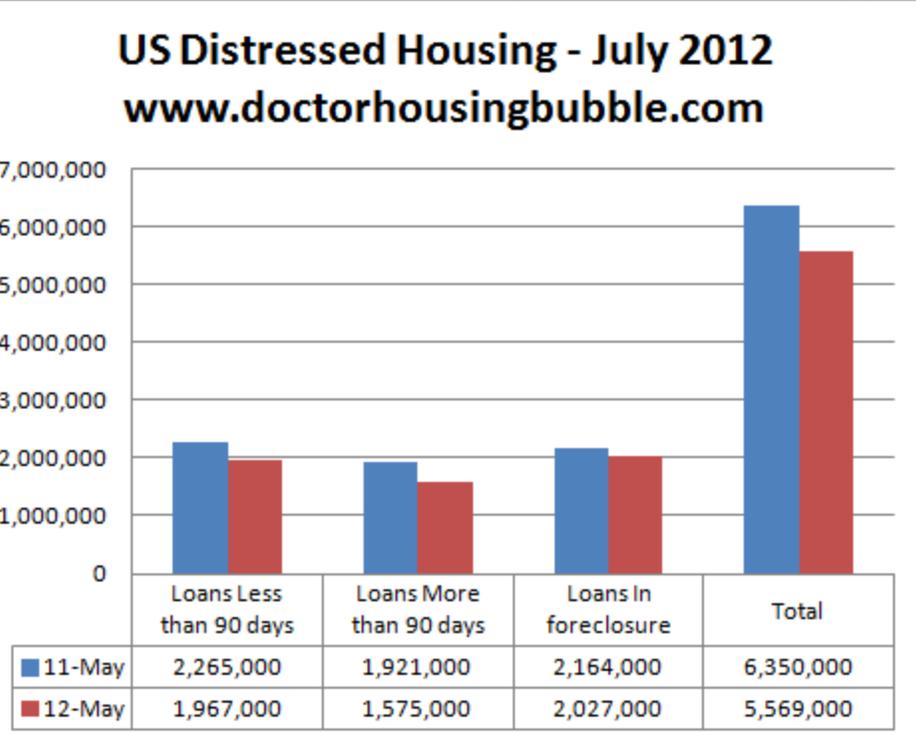
Success stories don't happen on their own, but they *can* happen. Getting there can be challenging, but know that your hard work will be worth it in the end. Remember, it's okay to be frustrated and it's okay to need help, but it's up to you do something about it. Figure out your 20% and spend your energy on the things that matter most.

**United States of Investment Properties – The role of property investors in the current housing market.  
Las Vegas reaches 6-year high on sales with nearly half of sales going to investors.**

The number of investors purchasing properties in the US is historically high. It is an interesting phenomenon to see markets like those in Las Vegas being dominated by investors. It is difficult to predict what the long-term impacts will be from years of high volume sales going to investors. Many are purchasing to rent these places out unlike those in the boom that were looking for the fast flip and profit. Unlike a quick flip, being a long-term property investors takes a lot of work especially in a volatile economy. Vacancies, repairs, insurance, and taxes are just a few items that will always be part of the equation when you invest in rental estate. You wonder how many are buying today chasing a quick yield? What role does the investor have in the market today? What is the status of distressed properties in the US?

**Distressed property data**

The latest data shows that over 5.5 million properties are in the distressed pipeline:



Source: LPS

Compared to the 6.3 million last year, this is a significant improvement but shows that we are still a long way from having a normal market. Data highlights that distressed properties have been selling for more than 40 percent below their peak level prices. Given how many millions of people have lost homes through foreclosure in the last few years you have to wonder about the impact of these people being unable to purchase properties for a few years?

The one big multi-year trend in places like Nevada and Arizona is the massive proportion of investors buying up properties. In the early 2000s the bet was on real estate appreciation. The current big bet now is that rental yields in these markets will hold steady.

**Las Vegas reaches 6-year high of sales with unique set of buyers**



Las Vegas home sales reached a 6-year high:

Last month nearly half of all sales came from “absentee buyers” which means these are likely to be investment properties. The rate was 46 percent last year so this trend has been holding steady in Las Vegas. The median price was \$122,000 which is a far cry from the \$312,000 median price reached in November of 2006.

Most of these buyers are coming into the market with the same mindset. Many are likely looking to keep these as rentals. Some for the long-term others just long enough to sell for appreciation if it ever comes. A quick glance shows some 4,500+ active rental listings in Las Vegas. In a large region, you need to know your market and some are reducing prices to attract renters:

# 2012 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.



Brian Chen  
2012 President



Lucia Tam  
President Elect



Vincent Lieu  
Vice-President



Cindy Wu  
Secretary



Margaret Chiu  
Treasurer



Nancy Lin  
Historian

## Directors



Lorinda Chou



Annie Fan



Suzie Koo



Jason Lam



Teddy Lu



Dr. Alex Tse



John C. Wu



Paul Cheng, Legal Advisor

## COMMITTEE CHAIRS

BUDGET AND FINANCE  
 ELECTION  
 CHRISTMAS/INSTALLATION

Margaret Chiu  
 Lucia Tam  
 Lucia Tam

MEMBERSHIP  
 PROGRAMS/MIXERS  
 PUBLICATIONS/PUBLIC RELATIONS  
 WEBSITE

Nancy Lin  
 Lucia Tam  
 Lucia Tam  
 Lucia Tam

## JULY GENERAL MEETING

July 11, 2012

6:30PM

### SPEAKER

**Ren Tang, P.E.**  
 Apricus Rep.

### TOPIC

How Can Solar Water Heating  
 Help Conserve Energy

### EMPRESS HARBOR RESTAURANT

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
 Monterey Park, CA 91754

For reservations and information,  
 contact LUCIA TAM@ 626-221-2888

## CAREPA 2012 BOARD OF DIRECTORS NOMINATIONS

CAREPA IS SEEKING NOMINATIONS  
 FOR DIRECTORS FOR 2013

APPLICATIONS DUE  
 AUGUST 8, 2012  
 8PM

**PLEASE VISIT OUR WEBSITE**  
[www.carepa.org](http://www.carepa.org)  
 to download the form

### FOR INFORMATION

call Lucia Tam at 626-221-2888,  
 e-mail to [luciatam@yahoo.com](mailto:luciatam@yahoo.com)  
 or call Brian Chen at 626-831-3120

CAREPA bylaws available at website.

## California Passes “Homeowner Bill of Rights” Legislation

These historic new consumer protections will add unprecedented safeguards and transparency for families struggling to hold on to their dream of home ownership. The Attorney General's office announced the passage of a collection of bills intended to protect homeowners who are attempting a loan modification. AB 278 and SB 900 were based on the unfair experiences of those in our community who were misled or forced from their home. They are designed to give homeowners an opportunity to renegotiate with their lenders and stay in their homes.

The two-bill package does the following:

- Bans "dual track" foreclosures - a bank cannot foreclose on a homeowner while at the same time negotiating a modification,
- Requires a single point of contact for borrowers - no longer would multiple contacts from different banks and services be allowed to confuse borrowers attempting to resolve their situation and prevent foreclosure,
- Requires mortgage lenders to provide notice to borrowers of the chain of title in a mortgage note, and
- Creates civil penalties for "robo-signing" - fraudulent signing of mortgage documents by lenders or servicers.

Among the key provisions, the statutes will:

- Require creditors to provide documentation to a borrower that establishes the creditor's right to foreclose on real property prior to recording a notice of default.
- Require creditors to provide documentary evidence of ownership, the chain of title to real property, and the right to foreclose, at the time of the filing of a notice of default.
- Prohibit creditors from recording a notice of default when a timely-filed application for a loan modification or other loss mitigation measure is pending.
- Prohibit creditors from recording a notice of sale when a timely-filed application for a loan modification or other loss mitigation measure is pending.
- Prohibit creditors from recording a notice of sale while a borrower is in compliance with the terms of a trial loan modification or after another loss mitigation measure has been approved.
- Require creditors to disclose why an application for a

loan modification or other loss mitigation measure has been denied.

- Require that notices of foreclosure sales be personally served, including notices of foreclosure sale postponement.
- Provide homeowners with a private right of action in instances in which the requirements set forth in the legislation are not followed.

These cluster of bills (Senate Bill 1470-74) will amend California Civil Code Section 2923.5 and 2924 (which is where the non-judicial foreclosure laws are located) and will add new sections: 2923.6, 2924.9, 2924.10, 2924.11, 2924.12, 2924.13, 2924.14, 2924.15, and 2924.16 to the Civil Code.

This law will institute sensible reforms to bank's foreclosure practices and create a fairer foreclosure process for California's homeowners. Most significantly, this law ends the "dual track" process, where banks foreclose on homeowners while they are negotiating for a loan modification with their bank. Now, banks are required to give homeowners a "yes" or "no" answer on a loan modification application before continuing with foreclosure, thereby giving homeowners a fair chance at preventing foreclosure. With this law in place, if a loan modification is accepted, the bank will rescind the notice of default or sale, allowing homeowners to pay their loans without the looming threat of foreclosure. And if a loan modification is denied, homeowners will not be blindsided by a sale notice, because banks are now required to send a letter to the borrower describing the reason for denial and letting the borrower know of his or her right to appeal that denial to the servicer.

The documentation required to "prove" that a lender has the right to foreclose seems a bit vague, but there is a list of suggested documents and the new process will require a statement setting forth the facts supporting why the beneficiary (or its agent or assignee) has the right to foreclose. These parts of the statute seem excessively burdensome.

"This legislation finally brings some accountability to the banks for harmful foreclosure practices," said Kevin Stein, Associate Director of the California Reinvestment Coalition. "Homeowners will now be able to protect themselves from the commonplace violations that banks have exhibited in this foreclosure crisis."

## **With healthcare ruling in, is an insurance rate-hike battle next?**

*Demonstrators in favor of the Affordable Care Act hold up signs outside the Supreme Court building after the court upheld the healthcare law. In California, a battle over insurance rate hikes may be looming. (Andrew Harrer/Bloomberg / June 28, 2012) By Ricardo Lopez and Chad Terhune*

As the Supreme Court upheld President Obama's healthcare law Thursday, a battle may be looming in California over insurance rate hikes this fall. The state is currently reviewing signatures to see if a proposed initiative will qualify for the November ballot.

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Both critics and supporters of an initiative have been raising millions of dollars in their efforts. Proponents hope to give the state's insurance commissioner the ability to regulate health insurance rates, much like it does for auto and property coverage.

The initiative faces staunch opposition from major insurers in California like Anthem Blue Cross, Kaiser Foundation Health Plan Inc., Health Net Inc., Blue Shield of California and United Healthcare Insurance Co.

**Timeline: Healthcare reform's long history in the U.S.**

But after Thursday's ruling, Santa Monica-based Consumer Watchdog, the group leading the ballot initiative, said it will double down on efforts to get the ballot initiative -- if it qualifies -- passed.

"The upholding of the individual mandate makes rate regulation the next essential phase of health reform and we hope the president will join in helping us to keep premiums low if people are going to be taxed for not having health insurance," said the group's president, Jamie Court. "The last piece of reform is now making sure health insurance premiums are affordable if Californians are going to have to buy it."

### California home sales and prices rise in May

**Sales jump 17.6% year over year, while the state's median home price hit \$270,000, rising 8.4% from May 2011.**

[June 14, 2012](#) | By Alejandro Lazo, Los Angeles Times



Home sales and prices strengthened throughout California in May, providing the latest evidence that housing might be snapping out of its long slumber.

Sales popped 9.3% from April and jumped 17.6% from May 2011 to total 41,790 new and previously owned houses bought statewide, according to real estate research firm DataQuick of San Diego. The state's median home price hit \$270,000, rising 2.3% from the prior month and up 8.4% from May 2011.

"It's not exactly a stampede, but people are starting to move off the housing market sidelines in numbers we haven't seen in quite a while," DataQuick President John Walsh said. "And it's not just first-time

buyers and investors. There are more move-up buyers in mid- to high-end coastal counties."

Home sales in the Golden State have posted year-over-year gains for 10 consecutive months, and foreclosures have steadily been making up a smaller share of the market. Sales of distressed homes made up 46.2% of the market, the lowest figure since April 2008.

Just slightly more than 1 in 4 homes sold in California were foreclosures last month, while just under 1 in 5 homes were short sales, according to the data.

In Southern California, the number of homes sold soared 21% compared with a year earlier, while the median price rose 5.4%. In the Bay Area, sales were up 26.1% from May of last year and the median rose 7.5%.

Although the foreclosure problem is improving, a RealtyTrac report underscored that the large number of distressed properties remains a headache, particularly in some areas. The Inland Empire, for instance, had the highest foreclosure rate out of the nation's 20 biggest metropolitan regions last month.

**CALIFORNIA REALTOR® EXPO 2012** | Anaheim Oct. 2-4  
 Your Membership, Your Way  
**PRE EXPO** Tuesday Oct. 2

CALIFORNIA REALTOR® EXPO 2012 is *THE* real estate event of 2012! Join us in Anaheim for sessions packed with information to help you succeed. EXPO sessions offered on Wednesday, Oct. 3, and Thursday, Oct. 4, as well as entry to the exhibit hall, are free for C.A.R. members, but you still must register for the event.

**Have EXPO your way with our session tracks!** We have organized sessions into tracks to help you find the sessions most meaningful to you. You can pick from the following tracks, or make your own track ... EXPO is all about you!

704 Eastview Dr Las Vegas, NV, 89107



**Rental - \$845** PRICE REDUCED

**4 Bed, 2 Bath** | 1,619 Sq Ft

For Rent

Brokered By: Alliance Properties



[Save Listing](#)

2800 Desert Song Dr 0 Las Vegas, NV, 89106



**Rental - \$845** PRICE REDUCED

**4 Bed, 2 Bath** | 1,309 Sq Ft

For Rent

Brokered By: Costello Realty & Mgmt.



[Save Listing](#)

Las Vegas, NV, 89107



**Rental - \$850**

**4 Bed, 2 Bath** | 1,239 Sq Ft

For Rent

Brokered By: Golden Real Estate & Inv, LLC



[Save Listing](#)

5921 Eugene Av 0 Las Vegas, NV, 89108



**Rental - \$875** PRICE REDUCED

**4 Bed, 2 Bath** | 1,284 Sq Ft

For Rent

Brokered By: REALTY EXECUTIVES EXPERTS The Scott Team



From analyzing various reports it looks like the region has a 10 percent vacancy rate. Being a landlord is no walk in the park and many of these people are buying without even being close to their properties to manage. Many will pay 8 to 10 percent simply in property management. Another 5 or 6 percent if they ever decide to sell. What are the implications of having so many investors buying up a large portion of your homes without living in the region? Will this be good or bad for the area? For now, this is the engine driving sales and we will soon find out.

### Fixes for the 10 million underwater homeowners

Part of the command control housing market is based on programs to artificially keep inventory low. At last count some 10 million homeowners are underwater on their mortgages. A new program named the Homeownership Protection Program (HPP) seeks to help this underwater group:

“(DSNews) The use of eminent domain proposed in San Bernardino County and supported by the cities of Ontario and Fontana differs from more familiar applications in that it involves the forced purchase of homes from underwater borrowers at “fair” market value. This use of eminent domain was first presented by Robert C. Hockett, a Cornell University law professor.

Dubbed the Homeownership Protection Program (HPP), the solution considered proposes to have the local government purchase private label loans from current, underwater borrowers by using financing from Mortgage Resolution Partners.

**The program would have the original homeowner stay in his or her home, but with a new mortgage and a lower principal balance.**

Mortgage Resolution Partners first approached **San Bernardino County** with the idea. In order to further consider the program, the Board of Supervisors in San Bernardino County approved a resolution to establish a Joint Powers Agreement (JPA) with Ontario and Fontana and other cities that decide to join.”

This is definitely not a free market approach. The use of eminent domain is always a touchy subject and not many are buying this approach especially those with the most to lose:

“In the report, Amherst stated it believes that the intent of the program is to buy the targeted loans out of the trusts at 75-80 percent of automated valuation model (AVM) on the property.

A joint letter issued by 18 organizations, including Securities Industry and Financial Markets Association, Association of Mortgage Investors, and National Association of Home Builders, expressed strong opposition towards JPA’s consideration of the program.”

It is odd that all these programs in place are trying to find a “true market” price when we have anything but a true market. You have bundled programs selling packages of properties to big time investors while banks selectively leak out certain properties. Whenever a program comes that seeks to “mark-to-market” and help homeowners institutions balk at the program yet are more than willing to take all the other programs that have subsidized the housing market for years.

You then have the Federal Reserve artificially pushing mortgage rates to record lows simply to keep prices inflated. What you have left is a market dominated by investors and many squeezing into homes with FHA insured loans. A normal market is one where the bulk of properties sold come from sellers willingly placing their property on the market and seeking out a buyer. Today’s market is driven by investors looking for the lowest price properties (typically distressed properties) and home buyers fighting for the few properties that hit the market. It is hard to predict how this will play out because never have we had such a controlled market for so long. From boom to bust to controlled housing market. The bottom line is the economy has to hold up to justify prices in many regions including rentals.

# MAY 2012 SOUTHERN CALIFORNIA REAL ESTATE MARKET REPORT

Real Estate Prices Inch Upward As Buyers Return To The Coastal Market



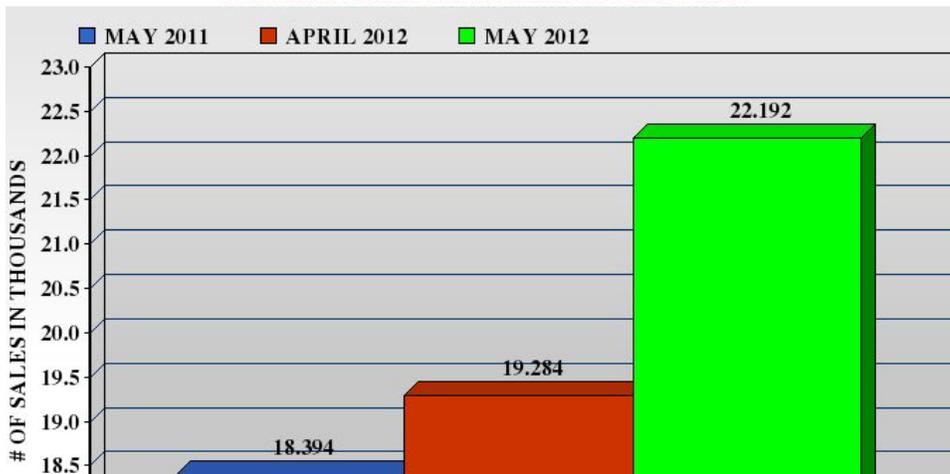
For the second month in a row the **median home price in Southern California** inched upward from \$290,000 in April, to \$295,000 in May, as home buyers changed their focus from the Inland Empire, to neighboring coastal counties. According to the **Southern California real estate market** sales activity reported for **May 2012**, nearly 70% of all **Southern California real estate sales** occurred in Los Angeles, Ventura, San Diego and *Orange County*, and there has been a shift towards homes and condos above \$300,000. In fact, nearly one quarter of all **Southern California home sales** completed in **May 2012** (22.4%), were \$500,000 and above. This is a big change from earlier in 2012, when the majority of **Southern California real estate sales** were \$300,000 or less; Over the past year a vast number of these **real estate sales** took place in the area known as the Inland

Empire, which includes Riverside and San Bernardino County. These 2 So Cal areas were targeted by, and considered to be hot spots for **Southern California real estate investors**, due to the large supply of *foreclosure sales* available in these hard hit regions.

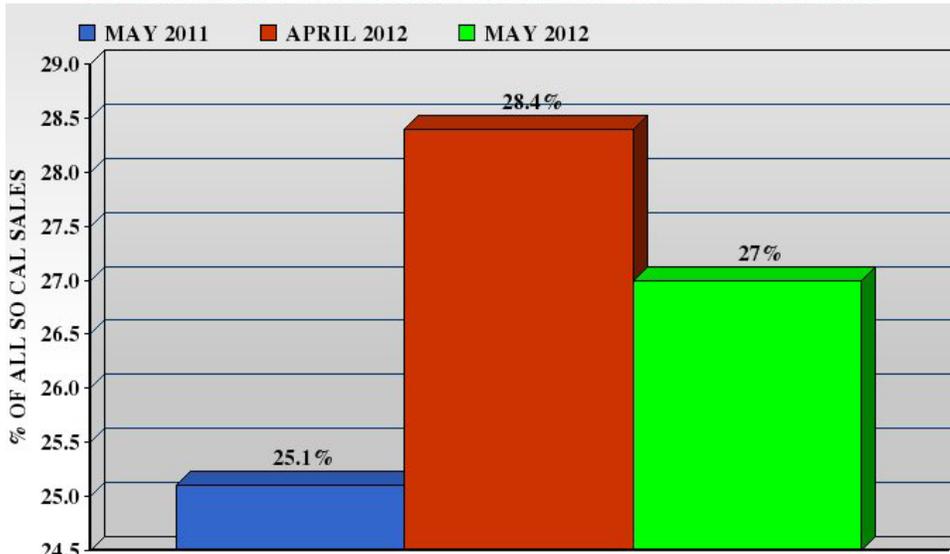
## Southern California Home Sales Increase Over 15%

While the median sales price increased a modest 1.7% from April to **May 2012**, the number of **Southern California home sales** increased by a shocking 15.1%! This is a jump of 20.6% from May of 2011, and is a positive sign that the **Southern California real estate market** may have officially rebounded.

SOUTHERN CALIFORNIA REAL ESTATE SALES



SOUTHERN CALIFORNIA REAL ESTATE SALES TO ABSENTEE BUYERS



MONTHLY & YEARLY COMPARISON

All 6 Southern California Counties Post Increased Real Estate Sales In May 2012

A total of 22,192 **real estate sales** were recorded throughout the 6 counties in **Southern California**, for the month of **May 2012**. It's important to note that all 6 counties contributed to this **real estate sales** figure, with 5 out of the 6 **Southern California** counties recording double digit increases in May.

Real Estate Investors Continue To Dominate So Cal Sales

Although the non-owner occupied sales figures decreased slightly from April to May, *Southern California real estate investors* and vacation home buyers continued to dominate the market, and accounted for 27% of all **Southern California real estate sales** in the month of **May, 2012**. This figure remains at nearly record breaking levels, and approximately 10% higher than the 12 year average (17.2%) for this type of home buyer, known as an absentee buyer.

Upward Pressure On Prices Due To Lack Of Inventory

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The increased **Southern California real estate investor** activity has made it difficult for traditional home buyers to get their foot in the door... literally. In speaking with **Southern California** home buyers, you'll find that they're all complaining about the same 2 issues:

- 1) Lack of **Southern California homes and condos for sale**
- 2) Losing their dream home to a buyer that paid cash

The lack of inventory of **homes and condos for sale in Southern California** is putting upward pressure on **real estate sales prices** in certain communities that I track, particularly in **Orange County, California**. However, this is creating issues when it comes to appraising a property, as appraisers are reluctant to use a **real estate market rebound** or positive market correction as a basis for an increase in appraised value. At least they're not willing to put this in writing, just yet.

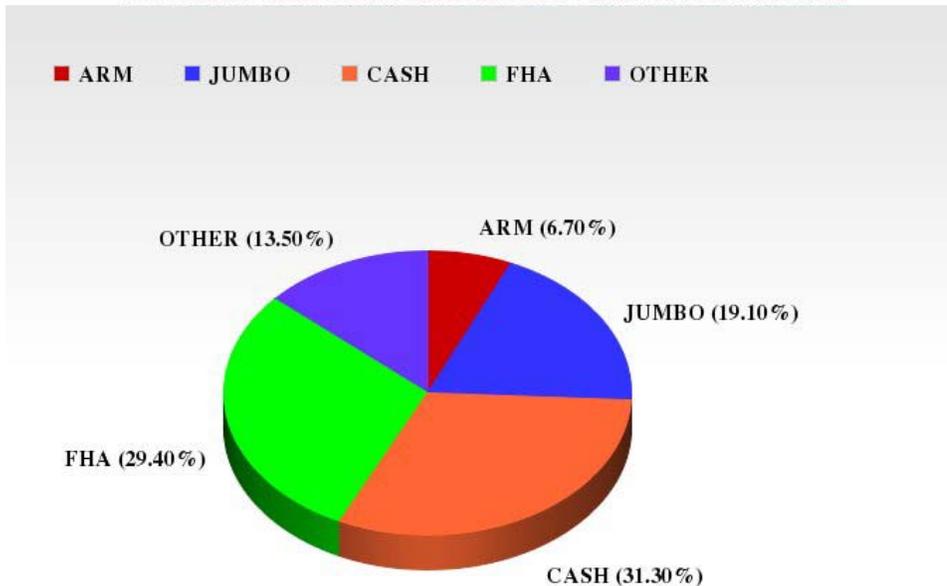
#### Southern California Distressed Sales Persist But Shift Towards Short Sales

While the total number of *distressed real estate sales* remained above average levels, and accounted for 44.8% of all **Southern California real estate sales in May, 2012**, there has been an obvious shift from *foreclosures* to *short sales*. In addition, and, as I always mention, these figures need to be considered in the right context; Most traditional homeowners, with equity, will not put their home on the market until the media begins to report that the water is warm and it's safe to come in. Additionally, there are a lot of homeowners that are not distressed, who would love to move up or just move. However, they don't have enough equity to sell their home and cover the costs and fees associated with the sale, and have enough left over for a down payment on their next home. When, and if, either of these 2 groups decide that the time is right to sell, we will see a change in the percentage of *standard home sales* versus *distressed home sales*.

Lenders continue to improve upon their *short sale* procedures and new government regulations have been put in place to further reduce the lengthy *short sale* process. Due to these changes, banks have made a noticeable shift in their practices, and are relying less and less on *foreclosures*, to remedy delinquent home loans. We should expect to see further reductions in *foreclosure sales* in coming months, with the number of *short sales* continuing to increase in the future.

#### Southern California Preferred Purchasing Methods In May 2012

SOUTHERN CALIFORNIA REAL ESTATE FINANCING IN MAY 2012



#### ARM Loans

The use of *Adjustable Rate Mortgage loans (ARMs)* decreased once again, compared to last month's figure of 7%, and 8.8% in May, 2011.

#### Jumbo Loans

The use of *Jumbo loans* continued to increase month over month, and the year over year figures showed a 2% increase; 18.3% of all southern California real estate sales were made with a jumbo loan in April, 2012, and 17.1% of buyers used a jumbo loan in May of 2011.

#### Cash Purchases

*Cash sales* decreased from 32.2% in April but remains near record breaking levels and was the most widely used method of financing for real estate

purchases in the month of May, 2012. There were 29.2% recorded cash sales in May of 2011.

#### FHA Loans

The use of *FHA loans* held steady from April to May, However, on a year over year basis, the use of *FHA loans* has dropped over 4% since May of 2011, when 33.5% of all buyers used *FHA loans* to finance their homes.

#### SOUTHERN CALIFORNIA REAL ESTATE ACTIVITY FOR APRIL 2012 COMPARED TO APRIL 2011

5 out of the 6 **Southern California** counties posted an increase in **real estate sales** from April to **May, 2012**.

4 out of the 6 **Southern California** counties posted an increase in the median sales price from April to **May, 2012**:

- Ventura County's Real Estate Sales Increased +43.3%
- Ventura County's Median Sales Price Decreased -.10%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
693	993
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$360,500	\$360,000

- Los Angeles County's Real Estate Sales Increased +25.3%
- Los Angeles County's Median Sales Price Decreased -1.6%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
5,983	7,496
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$320,000	\$315,000

- Orange County's Real Estate Sales Increased +23.1%
- Orange County's Median Sales Price Increased +2.4%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
2,664	3,279
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$425,000	\$435,000

- San Diego County's Real Estate Sales Increased +21.5%

- San Diego County's Median Sales Price Increased +3.2%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
3,087	3,750
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$324,500	\$335,000

- Riverside County's Real Estate Sales Increased +9%
- Riverside County's Median Sales Price Increased +4.1%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
3,644	3,972
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$197,000	\$205,000

- San Bernardino County's Real Estate Sales Increased +16.3%
- San Bernardino County's Median Sales Price Increased +5.7%

<b>May 2011 # of Sales</b>	<b>May 2012 # of Sales</b>
2,323	2,702
<b>May 2011 Median Sales Price</b>	<b>May 2012 Median Sales Price</b>
\$150,000	\$158,500



**REALTORS®**  
Conference & Expo  
November 9-12, 2012 • ORLANDO



- Real estate software
- Internet advertising
- Mobile devices and applications
- Mortgage and financial services
- Home protection and warranties
- Professional development and training
- Franchises and referral services
- Office products
- "Green" innovations
- Real estate properties and developer referral programs

**EXPO INFO**

The expo is the largest trade show floor in real estate, where 400 exhibitors will be on-hand with innovations and ideas.

Here are just a few of the solutions showcased at the expo:

- Tech tools

**Expo Hours**

Friday, Nov. 9, NEW TIME: 3:00pm–6:00pm (Grand Opening)

Saturday, Nov. 10, 9:00am–4:00pm

Sunday, Nov. 11, 10:00am–5:00pm

Monday, Nov. 12, 9:00am–1:00pm

# RECENT COMMERCIAL TRANSACTIONS

## Downtown Los Angeles' LA Mart Trades Hands

The LA Mart, a one-of-a-kind design center, office and showroom building located in downtown Los Angeles, recently traded hands. The property, which contains 784k sf of rentable space on thirteen levels, is situated on a 9.31-acre site spanning nearly two full city blocks, and was 60% occupied at the time of sale.



The property was acquired by PHR LA Mart LLC, a local investment group, in a transaction rumored to be worth around \$55 mil, or about \$70/sf. The seller was Vornado Realty Trust.

LA Mart is considered to be a premier design, purchasing and event destination for many of the West Coast's finest furniture designers and wholesalers. In addition to the many design space users, the property also has a long-term, 150k sf lease with the County of Los Angeles.

Bob Safai, Matt Case and Brad Schlaak of Madison Partners represented Vornado Realty Trust, in the transaction.

## Kennedy Wilson Completes \$56 Mil OC Office Buy

A Kennedy Wilson-led venture recently closed on the purchase of Stadium Gateway, a six-story, 272.8k sf Class A office building in Anaheim, for \$56 mil, or about \$205/sf. The building, located at 1900 State College Blvd, just south of Katella Ave between I-5 and the 57 Fwy, was sold by MPG Office Trust. The acquisition boosts Kennedy Wilson's office portfolio to 3.6 msf of space.



“Stadium Gateway is widely considered the best office building in the Central Orange County submarket,” commented John Prabhu, president of KW Commercial Investment Group. “With the building's occupancy currently at 70%, we believe this investment is an excellent value-add opportunity. Orange County has had eight consecutive quarters of positive absorption including over 1.9 msf of absorption in 2011. We are strongly optimistic that this encouraging momentum and steady recovery, in concert with Stadium Gateway's intrinsic benefits and desirable characteristics, will combine nicely in our efforts to stabilize the asset.”

Situated in the Central Orange County submarket, the property has direct access to the region's extensive freeway network and also has one of the highest parking ratios of any of the submarket's 20 Class A buildings. The “H” shaped building offers extremely flexible

floorplates, giving it a competitive advantage to draw tenants whom other buildings cannot accommodate.

Kennedy Wilson, together with its institutional partners, has acquired approximately \$6.6 bil of real estate and real estate secured debt through joint venture and consolidated investments since the beginning of 2010, including deals currently under contract.

## Essex Property Trust Closes \$24 Mil Res Buy in LA's Koreatown

Essex Property Trust paid \$23.65 mil for Park Catalina, a Class A, 90-unit (\$263k/unit) apartment community in Los Angeles' Koreatown submarket. The property is located at 690 South Catalina St, just off Wilshire Blvd. a couple of blocks west of Vermont Ave.

Developed in 2002, Park Catalina contains a mix of four studio units, 36 one-bedroom/one-bathroom units and 50 two-bedroom/two-bathroom units with an average size of 810 sf. The property features well designed units with open kitchens, courtyards or balconies, and office nooks.

Community amenities include a furnished clubhouse, business center, and fitness center. The interior, park-like courtyard of the property allows for a tranquil and comfortable experience.



The Grove, Miracle Mile, Larchmont Street, Hollywood and LA Live are all within minutes, providing residents with access to numerous retail and entertainment choices.

Jones Lang LaSalle's Managing Director, Joe Leon, and Vice President, Javier Rivera, represented the seller, The Northwestern Mutual Life Insurance Company, in the transaction.

"Our knowledge of the local market enabled us to locate a buyer who saw the upside in this property," said Leon. "With recent foreign trade policy changes with Korea, the Koreatown submarket has experienced incredible in-migration, providing for tremendous apartment demand and rent growth of five percent annually."

### **Peregrine Realty Partners Plunks Down \$28 Mil on Two Glendale Office Assets**

Peregrine Realty Partners has acquired two Glendale Class A office properties with a combined 153k sf of space. The buildings, located at 500 North Central Ave and 501 North Orange St, were sold by Bantry Holdings.

Together, they fetched \$28 mil, which averages out to around \$183/sf.

500 North Central Ave is a nine-story, 126.2k sf Class A office tower that was built in 1990. It is currently 93.3 percent leased to a diverse base of tenants with five core tenants representing nearly half the total square footage.



501 N. Orange, Glendale

501 North Orange St is a two-story, 26.8k sf Class A medical office building that was built in 1990 and renovated in 2005. It was later converted to medical office space in 2008. The property is currently 68.6 percent leased to two key tenants.

Jones Lang LaSalle Managing Directors Dave Doupe and Michel Seifer, along with Vice Presidents Patrick Inglis and Cheri Pierce, led the brokerage team in the transaction. The sale represents Jones Lang LaSalle's second sale this year on behalf of Bantry, who also sold three buildings in Warner Center from this portfolio for \$26.4 mil in February of this year.

"Both 500 North Central Avenue and 501 North Orange Street are located in Glendale, historically one of Southern California's

most dynamic and sought-after office markets. The submarket, located just 10 miles outside of Los Angeles, is showing visible signs of recovery from the down market of the past few years, with positive absorption and stabilizing vacancy rates," said Doupe. "The properties offer Peregrine a very stable in-place cash flow, plus significant rental upside as the market recovery continues."

## **REAL ESTATE: Region's foreclosure activity lowest in five years**

### **Riverside and San Bernardino counties still wrangles with mortgages in distress, but the rise in defaults is modest**

A foreclosure-related notice tacked on the door of a vacated property in Riverside County. By Debra Gruszecki

The number of California homes entering the formal foreclosure process in the second quarter fell to the lowest level since mid-2007 when recession was declared, a real estate information service reported.

A total of 54,615 notices of default were recorded on houses and condos during the April-through-June period. That was down 2.9 percent from 56,258 for the prior three months, and down 3.6 percent from 56,633 in the second-quarter of 2011, according to San Diego-based DataQuick.

Last quarter's activity was the lowest since 53,943 notices of default were recorded in the second-quarter of 2007. Notices peaked in the first part of 2009 at 135,431.

John Walsh, DataQuick president, said the decline stems from an improving market, the "gradual burning-off of the most egregious mortgages originated from 2005 through 2007" and the growing reliance on short sales.

Although the state numbers reflect an improvement, as does the Southern California region as a whole, mortgage notice of defaults, the first step in foreclosure, did not drop in the Inland Empire.

DataQuick reported that notices of default on houses and condos in Riverside County rose 2.6 percent year-over-year, from 5,534 in 2011 to 5,677 filings in the second quarter; in San Bernardino County the notices of default rose 3.5 percent, from 4,334 to 4,487 filings.

For the Southern California region as a whole, notices of default fell 1.8 percent, from 30,384 filings down to 29,832.

DataQuick analyst Andrew LePage cited no one reason for the Inland Empire increases other than the two counties hit their first low-point in foreclosure filings since 2007 one year ago.

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“The numbers are up, but not up by a lot,” LePage said. “No matter how you look at it, they’re still way off the peak levels seen in the last few years.”

Foreclosure activity peaked in early 2009, with 16,906 filings in Riverside County and 13,276 filings in San Bernardino County.

“There’s still a problem with foreclosures in the Inland Empire, but it hasn’t gotten a lot better or worse in the last year,” LePage said, explaining that notice of default filings are 40 percent below the five-year quarterly erage in Riverside and San Bernardino counties.

“The foreclosure process has always been the sanitation

department of the housing sector. It’s where financial distress is processed,” Walsh said. “The question is whether these lower NOD numbers mean that there’s less distress to process, or if we’re just seeing distress get processed at a lower pace.”

The number of trustee deeds recorded, signaling the finalized loss of a home to foreclosure has also fallen, DataQuick said. The total filing of 17,458 deeds in the state was the lowest for any quarter since 2007.

There, Riverside and San Bernardino kept in step with the state, seeing filings fall 50 percent. There were 2,395 trustees deeds recorded from April-through-June in Riverside County and 2,012 in San Bernardino County, down year-over-year from 4,810 and 4,083, respectively.

#### **EDITOR’S MESSAGE**

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#### **ARTICLES/WRITE-UP**

If you have an interesting article you would like to submit, please send to [luciatam@yahoo.com](mailto:luciatam@yahoo.com) by the 20<sup>th</sup> 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  
P.O. Box 1435  
San Gabriel, California 91776

