



SACRAMENTO REALTOR®

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2013 Installation Recap

Chris Little was installed as the 96th president of the Sacramento Association of REALTORS® on Tuesday, January 8, 2013.

Chris' theme for 2013, "Building a Foundation for the Future," expresses how important Chris feels the Association is in helping its Members build strong businesses by highlighting important building blocks such as the Code of Ethics, education, political advocacy, SAR Member benefits, and charitable giving.

Chris has been a real estate broker and a Member of SAR for nearly ten years. He has also been a C.A.R. Director and chair or vice-chair of numerous SAR and C.A.R. committees. He is also involved in the Asian Real Estate Association of America, the Women's Council of REALTORS® and the National Association of Hispanic Real Estate Professionals.

Patrick Lieu was honored for his contributions as 2012 President. In his farewell address, he highlighted his experiences traveling around the country to attend C.A.R. and NAR events and how gratifying it was to hear how well SAR is regarded.

Patrick was especially excited by the steps SAR took to collaborate with other local REALTOR® associations and SAR affiliates this past year. He encouraged Members to continue these efforts.

Region 3 Chair and SAR Past President Charlene Singley was the installing officer. The officers installed for 2013 were: President-elect **Paula Swayne**, *Dunnigan REALTORS®*; Secretary/Treasurer **Ron Greenwood**, *Coldwell Banker*; Immediate Past President **Patrick Lieu**; Past President **Doug Covill**, *Coldwell Banker*.

The 2013 Board of Directors includes: Kathie Bell, *Lyon Real Estate*; Larry Challis, *Cherry Creek Mortgage*; Kevin Cooper, *Keller-Williams Realty Elk Grove*; Franco Garcia, *Garcia Realty*; Brian McMartin, *BHG Mason-McDuffie Real Estate*; Rob McQuade, *BHG Mason McDuffie Real Estate*; Jennifer Odama, *Odama Realty*; Deniece Ross-Francom, *BHG Mason McDuffie Real Estate*; Erin Stumpf, *Dunnigan REALTORS®*; Kellie Swayne, *Dunnigan REALTORS®*; Marty Swingle, *Capital West Realty Inc.*; JaCi Wallace, *Lyon Real Estate*; Linda Wood, *Dunnigan REALTORS®* and Tong Veu, *Lyon Real Estate*.

Pam Poore, *Century 21 Select*, was given the Lifetime Service Award. Pam has been an active Member of SAR since 1978. Before she was a REALTOR®, she was a school teacher. She has served as a Regional Meeting Coordinator for many years, and she has also served on SAR's Nominating Committee and the Foundation Task Force as well as SAR's Centennial Planning Committee. But what she is most well known for is her dedication to the Christmas CanTree. Pam began volunteering with this trademark volunteer program at its inception back in 1982 when it was a 32-foot tree built annually in the SAR parking lot. She even served as Chair of the CanTree Committee more than one time.

One of her SAR and CanTree friends had this to say: "Over my 21 plus years of working with Pam, I have appreciated the personal attention that she gives to her committee efforts, her fellow committee members, the Salvation Army and her Association. She is not one to inflate her status by taking credit for her efforts either professionally or personally but has busied herself making sure that she does the best job possible for her association, committees, and clients.

"Whether she is a committee member, or a committee chair at the Sacramento Association of REALTORS®, whether she is hosting clients or members from other Associations at her home in Newcastle, or whether she is 'In-Charge' of Century 21 Select's annual Picnic in the Park, she is always going the extra mile building the vision of the positive nature of the task at hand."



2013 SAR Board of Directors is installed.



Installing Officer Charlene Singley, Past President Patrick Lieu and Incoming President Chris Little share a light moment when passing the gavel.



Kyle Finley, John Hughes and Kris Vogt

Jennifer Odama – President's Award Winner

Jennifer Odama received the President's Award, which is selected by the president alone, not the Awards Committee. Patrick said, 'Jennifer's active involvement in SAR began with her participation on the Equal Opportunity and Cultural Diversity Committee. She became Chair of that Committee in 2010, then eventually Vice-Chair of the Community Outreach Committee and Chair of the Technology Advisory Committee. In 2011, Jennifer was recognized by her peers for outstanding service in association activities. She is currently serving on the SAR Board of Directors, Budget Committee and soon, the Charity Research Committee of the Charitable Foundation. Jennifer is committed to SAR's mission and continues to help raise community awareness of the value of using a REALTOR®, I know I can always count on her!'

Patrick Lieu – REALTOR® of the Year

Patrick Lieu is the 2012 REALTOR® of the Year. He began his real estate career in 1988 and has been incredibly active at the Association. Patrick has served on the SAR Board of Directors, is the Immediate Past President, participated on the Masters Club Steering Committee, and has been an Outstanding Life Masters Club Member for many years. In addition, he chaired the SAR Business and Technology Expo, and has been on the Equal Opportunity Committee since 2005.

At the state level, Patrick served as issues chair for C.A.R.'s Land Use and Zoning Committee; vice chair of the C.A.R. Expo Advisory and MLS/Computer & Business Technology Committees and a regional representative for the Strategic Planning and Finance Committee.

Patrick has also demonstrated his commitment to the community by volunteering in the public schools, the Salvation Army, Rebuilding Together, Habitat for Humanity, Susan G. Komen for the Cure, Loaves and Fishes, NeighborWorks America, the Hope Now Alliance and the Sacramento Tree Foundation.

Before becoming a REALTOR® he earned an engineering degree from Cal Poly Pomona; and was an engineer with Bechtel and with Aerojet. In addition to all of this, he is recognized as a prolific photographer and has helped visually document many SAR events throughout the years.



2011 REALTOR® of the Year Judy Covington presents 2012 Award Winner Patrick Lieu with his plaque

David Boliard – Affiliate of the Year

David Boliard of *Coastal Pacific Mortgage* was named Affiliate of the Year. David graduated from San Juan High School in Citrus Heights, and has lived in Citrus Heights for many years. David has been in the loan business for over two decades.

David is also an accomplished fundraiser. He has single-handedly raised thousands upon thousands of dollars for the SAR fundraisers for which he has volunteered. He has been a long-time member of the CanTree Committee and has recently joined the SAR Scholarship Trust. He contributes significant time to WCR and YPC, securing many items donated for their fundraisers.

In addition to his work here at SAR, David has been a photographer for The Shriners Hospital Concours d' Elegance in Rancho Cordova and Sacramento and for Sports Car Club of America (SCCA) San Francisco Region Concours Judges Association. An avid sports fan, David volunteered at the All-Star game and several PGA events in California. He also helps with the California Capital Air Show.

The following were honored for "extraordinary efforts to improve the programs and services of SAR:"

- Local association activities: Jessica Lombardo, Leon Williams and Linda Wood
- Political involvement: Sue Frost and Ron Greenwood
- Educational excellence: David Lovenvirth, Kevin Nunn and Scott Short
- Community involvement: Randall Hom and Susan Harrold
- State association activities: Doug Covill and Judy Covington
- National association activities: Leigh Rutledge



David Boliard receives his award from 2011 Affiliate of the Year winner Rico Rivera.

**Sacramento Association
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Ron Greenwood Secretary/Treasurer	Patrick Lieu Immediate Past President
Doug Covill Past President (non voting)	

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Kevin Cooper	Kellie Swayne
Franco Garcia	Marty Swingle
Brian McMartin	JaCi Wallace
Rob McQuade	Linda Wood
Jennifer Odama	Tong Vue

The mission of the Sacramento Association of REALTORS® is to enhance the ability of its Members to practice their profession ethically and effectively, to serve the community and to protect private property rights.

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2013 PRESIDENT



CHRIS LITTLE

When real estate really tumbled in 2007 and 2008, I remember hearing from the pundits that it could well be 2012 or 2013 before real estate came back. Well, here we are in 2013 and it looks like real estate may be back.

Nationally, sales of existing homes will rise about 7.2 percent in 2013 to 4.98 million, the highest since 2007, according to a recent Bloomberg News analysis. Prices will gain 3.3 percent after an estimated 4.5 percent jump in 2012.

Are we back to where we were? That depends on what you mean by "back" or "where we were." In a strategic planning

PRESIDENT'S PERSPECTIVE

We're Back

session at SAR a couple years ago, one of our wise volunteers commented, "Our Members need to understand, their old normal isn't coming back."

Our current normal is a world of tight inventory and tighter lending rules. Affordability is up and mortgage rates remain low. Rentals are also on the increase.

Nationally, home equity is growing again significantly after five years of declines and stagnation. Outside real estate, this good news hasn't received a lot of attention. After hitting a low of \$6.45 trillion in the final three months of 2011, American's combined home equity jumped nearly \$1.3 trillion during the next nine months to \$7.71 trillion – a 20 percent gain – according to a quarterly estimate from the Federal Reserve quoted in a recent Los Angeles Times article.

We all hope that higher prices will begin to convince more sellers that they should list their homes, pushing inventory up and creating a healthier, more balanced real estate environment for 2013.

The median Sacramento home priced ended 2012 up 4.30 percent. This is the greatest year-to-year increase in the Sacramento median since 2005.

Job growth in the Sacramento region is expected to improve through the third quarter of 2013, according to the Sacramento Region Business Forecast, a publication of the Sacramento Area Commerce and Trade Organization (SACTO) and the Center for Strategic Economic Research (CSER).

I am optimistic about the year ahead of us. I am looking forward to presiding over a year of real growth in the Sacramento region.

"Cal Facts" covers the state

The California Legislative Analyst has released a summary of California data ranging from the size of the economy to per-pupil funding in public schools, and so much more. Some of the areas relevant to real estate in *Cal Facts 2013* are summarized.

California's economy is ninth-largest in the world

- California's gross domestic product (GDP), the total value of goods and services produced here, was just under \$2 trillion in 2011. California—with 12 percent of the U.S. population—accounts for 13 percent of the nation's output.
- Over one-third of California's GDP is produced in the Los Angeles-Long Beach-Santa Ana metropolitan area.
- The GDP of Texas—the next largest state economy—was \$1.3 trillion in 2011.

The world's largest economies, in order: United States (excluding California), China, Japan, Germany, France, Brazil, United Kingdom, Italy, California, Russia.

California home prices have begun to climb

- The median single-family home sales price in California declined by \$250,000 when the "housing bubble" burst. Home prices have recently begun to climb again.
- Many homeowners remain underwater on their mortgages (when

the mortgage amount outstanding is greater than the market value of the home) and thousands have gone through foreclosure. In 2011, there were 155,000 foreclosures in California—down from 238,000 in 2008. Though foreclosures have declined, more than 250,000 delinquency notices were issued in 2011.

California's tax burden is somewhat above average

- In 2009-10, California's state and local tax burden—\$11.30 per \$100

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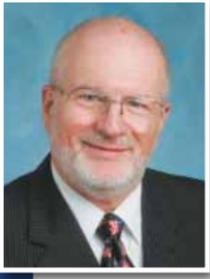
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**Sacramento REALTOR®
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Editorial Policy

The Sacramento Association of REALTORS® (SAR) welcomes articles of educational interest to its Members. Published articles will feature the author's name, title and company; however, no direct compensation will be paid to the author. SAR reserves the right to edit submitted articles for length, grammar and appropriateness. Articles will be printed in SAR's publications on a space available basis. Attempt will be made to publish submitted articles in a timely manner; however, submission of an article does not guarantee when, or if, it will be published.



Last month we looked at 2012 in the rear view mirror. This month we will try to look at 2013 in our crystal ball.

The first area to look at is the overall expectation for the real estate industry. All areas: residential new construction, residential resales, commercial sales and commercial leasing are all showing preliminary signs of a consistent recovery. The weakest area, residential resales, is hampered by a lack of

inventory. But the long feared phantom foreclosure inventory appears to be exactly that, a phantom rather than a reality. As resale values continue to creep up more and more, sellers will have equity in their property. That allows sellers looking to take advantage of the low prices and low interest to move up to another home to be able make that move. That should drive the move up market, further stimulating the housing recovery.

The next area to look at is our association. As we mentioned last month, we are in the process of doing some significant rehab work to our building. By the end of the year I think you will notice some great improvements to your association headquarters.

Our marketing department is gearing up an extensive program to promote the use of our facility for corporate and social events. We are hoping to establish a reputation as a "go to" facility for small and medium sized events, particularly during the times when the facility is not otherwise being used.

We are working on developing an expanded regional education program. Our goal is to be able to provide an even greater variety of high quality education courses, such as NAR designations, than our association membership alone could support. We hope you will see positive results from this effort in the year ahead.

Our retail center is undergoing a transformation as well. While our level of onsite service to our members remains high, we are also working to enhance the capabilities of our online store so that those who find it inconvenient to drop by can still take advantage of our extensive product line at affordable prices.

The increased non-dues revenue from these various activities should allow us to provide an even higher level of services to our Members. Watch for these and other association enhancements in the year ahead. And if you have any ideas for other improvements please do not hesitate to let us know what they may be. We are always looking for ways to offer our Members more value for their membership.

"Cal Facts" covers the state

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of personal income—was somewhat above the \$10.59 average for the U.S. as a whole. (Temporary state tax increases adopted in 2009 were then in effect.)

- California's tax burden was higher than that of all neighboring states. Of the other most populous states, only New York's tax burden was higher.
- California's tax burden was the tenth highest among all 50 states.

The top one percent of income earners pay around 40 percent of income taxes

- The fraction of the personal income tax (PIT) paid by the 1 percent of returns with the most income has varied from around 30 percent in the early 1990s to nearly 50 percent in 2000. The volatility of capital gains and business income causes these levels to rise and fall.
- Proposition 30 (2012) raises income tax rates for these high income taxpayers through 2018.

Ballot measures have had major state-local fiscal implications

A few of the ballot issues with an impact on real estate:

Proposition 13, June 1978

- Limits general property tax rate to 1 percent and increases in assessed value after a property is bought or constructed.
- Makes Legislature responsible for dividing property tax among local entities.
- Requires two-thirds vote for Legislature to increase taxes, and two-thirds voter approval of new local special taxes.

Proposition 218, November 1996

- Limits authority of local governments to impose taxes and property-related assessments, fees and charges.
- Requires majority of voters to approve increases in all general taxes and reiterates that two-thirds must approve special taxes.

Proposition 26, November 2010

- Broadens the definition of "taxes" to include payments previously considered to be state and local fees and charges.

Proposition 30, November 2012

- Temporarily imposes a quarter-cent sales tax and increases the personal income tax rate for upper-income taxpayers.
- Guarantees local governments receive tax revenues annually for responsibilities transferred to them in 2011.

Allocation of property tax has varied over time

- In 1978, Proposition 13 set a maximum tax rate of 1 percent and shifted control of the distribution of property taxes to the state. The state prorated these revenues among local agencies except that it gave a smaller share to schools and backfilled schools' losses with state aid.
- In 1992 and 1993, the state modified the property tax distribution to give a greater share to schools (thereby reducing state school spending).
- In 2004, the state increased the share of property taxes to cities and counties to offset their losses from the (1) reduced vehicle license fee rate and (2) use of local sales taxes to repay the state's deficit financing bonds.
- In 2012, the state dissolved redevelopment agencies. Over time, property taxes that once went to these agencies will be distributed to other local governments in the area.

The state is primary source of revenue for schools

- The state contributes the largest share of funding for school operations. A very small share of school funding comes from the California Lottery.
- Local funding comes primarily from property taxes. A relatively small amount comes from various other sources, including parcel taxes and fees for certain district services (such as transportation).
- The federal government contributes funding for several specific purposes—such as supporting low-income students and educating students with disabilities.

Education makes up half of state spending

- About one-half of the \$87 billion General Fund budget in 2011-12 was for payments to school districts, community colleges, and universities (\$44 billion). Health and social services spending accounted for about one-third of the budget (\$27 billion).
- In 2011-12, \$63 billion—73 percent of the total General Fund budget—was paid to local governments (including school districts and counties). State personnel costs, excluding university employees, accounted for about 12 percent of the budget.

Crime rate at historic low

- California experienced a decline in both property and violent crime rates since the early 1990s. Between 1991 and 2011, the state's overall crime rate declined by 56 percent. This trend is similar to declines in crime patterns in the rest of the United States.

- In 2011, about 3,000 crimes were committed in California per 100,000 residents—a total of about 1.1 million incidents. This is down from a high of over 2 million crimes reported annually in the early 1990s.
- The state's property crime rate is lower than the nationwide rate. However, the rate of violent crime (such as murder, rape, and assault) in California remains somewhat higher than the United States as a whole

Population centers rely heavily on imported water

- Water supply in California does not occur where demand is greatest—75

percent of the state's precipitation falls in the north, while 75 percent of the state's population lives in the south.

- The State Water Project and the federal Central Valley project include dams, reservoirs, and aqueducts that store and move water through the Sacramento-San Joaquin River Delta. These supply drinking water to most Californians and water for about one-third of the state's cropland. Urban Southern California users and agricultural users in Imperial and Riverside counties also rely on water imported from the Colorado River.

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ABOUT THE MARKET

What Lies Ahead in the Financial World in 2013?

By Larry Challis, Cherry Creek Mortgage

Making predictions in our real estate financial world is risky business. If the prognosticators are held accountable for the accuracy of their educated guesses, it can be embarrassing. I would have done a really bad job if asked for my predictions at this time last year. In January 2012, I would have predicted that the low rates would almost certainly go higher (wrong!). I was young and naïve last January and I would have guessed that the lending guidelines couldn't get much tougher (wrong!). I believed that the continuing high percentage of underwater mortgages, pending foreclosures and the "phantom inventory" of distressed homes in the hands of the banks would just about guarantee that our average home values would continue to decline (wrong!).

So... have I established myself as a financial expert whose market predictions can be depended upon? Probably not, but I am going to go out on a limb and tell you what I think will happen any way.

1) Interest rates will go even lower than our current historical lows. If the rates go up, any increases will be marginal.

The Feds have shown little inclination of cutting off their recent history of spending billions to prop up our money markets. There is strong political pressure not to upset the small, but evident, real estate market recovery. The increasing home values float every ones' boats; rate reduction refinances, cash out to invest, move ups and fewer painful short sales and foreclosures. Fed-influenced low interest rates are a positive factor in the improved home values. Low rates will continue to be part of our financial world in 2013.

2) The "shadow inventory" will end up being as much of a "toothless tiger" (for new buyers) as it was in 2012. The banks' inventories of foreclosed and underwater loans/properties will continue to cost them billions of dollars, but it is unlikely that any entity will dump enough underwater properties on the market in a manner that will hurt the fragile recovery. They have other options; hold the properties until the values increase, rent them, provide more aggressive payment and principle deductions to the homeowners, sell them to other investors in large blocks, etc. We have been hearing about the shadow inventory "boogie man" for several years now... Don't be afraid of it!

3) Underwriting can get tougher. The Dodd Frank bill and its resulting CFPB regulations and QM (Qualified Mortgage) requirements are still being released and implemented, but the bottom line for all banks and investors is that the tough guidelines that every borrower has experienced during the recent past will continue. Underwriting guidelines could possibly get even more stringent. Under the new QM rules, originators and banks may be held accountable for the full amount of a loan for years if they can't prove that the borrower had the capacity to make the loan payments.

OK...that's enough predictions. Let's see how they stand up next January! You are invited to join us at the Real Estate Finance held on February 7th, the first Thursday of the month, from 9am-10:30am at SAR. We have challenged the representatives from each of the affiliate and financial entities attending to tell us, in three minutes or less, what REALTORS® should know about "What lies ahead in 2013?" in their industry. The meeting will be informative, fun and done on time. See you there.

"Cal Facts" covers the state

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Annual spending on highway repairs falls short of needs

- Many of California's over 50,000 lane miles of state highways are reaching the end of their useful life.
- In 2011, Caltrans estimated it needed \$7.4 billion each year to repair the state's aging highway system. However, the state currently only provides about \$1.8 billion each year for repairs.
- One way the state can slow the growth of highway repair costs is to adequately fund and perform maintenance to extend the useful life of roads.

Inflation-adjusted per capita state spending has declined recently

- State spending from the General Fund and special funds in 2011-12 was \$122 billion, about the same as in 2006-07 (\$124 billion). Adjusting for inflation and population, however, General Fund and special fund spending declined 18 percent over the same period.
- While inflation-adjusted per capita General Fund spending in 2011-12 was at its lowest point since 1993-94, spending from special funds was higher than it has been in at least 30 years. The state's 2011 realignment of program responsibilities to counties shifted several billion dollars from the General Fund to special funds.

Composition of revenues has changed over time

- Over the past four decades, the share of General Fund revenue raised from the personal income tax has increased dramatically—from 33 percent to 61 percent. The growth in this share is due to growth in real incomes, the state's progressive income tax structure, and increased capital gains.
- During the same period, sales and use tax revenue declined from 37 percent to 22 percent of General Fund revenues. This reduced share reflects an increase in spending on services (which generally are untaxed) and an increase in the share of total sales tax revenues that go to local governments and not the General Fund.

Unemployment varies significantly throughout California

- The unemployment rate in inland counties as of October 2012 was 12.2 percent, whereas unemployment in coastal counties (including the Bay Area counties) was 8.8 percent.
- Since the recession began, California's unemployment rate has been between 2 and 3 percentage points higher than

the U.S. unemployment rate.

- Only eight counties had unemployment rates below the national average: Marin, San Mateo, San Francisco, Napa, Orange, Santa Barbara, San Luis Obispo, and Sonoma.

Sacramento County fell in the 10-12% range.

California's elderly population will grow rapidly in the next decade

- The first "baby boomers" turned 65 in 2011. The aging of this generation and continuing drops in death rates are projected to cause the share of California's population age 65 and over to grow rapidly through 2020.
- The school and college-age groups are projected to be slightly smaller in 2020 due mainly to falling birth rates.

California's racial and ethnic makeup has changed since 1980

- Non-Hispanic whites made up 40 percent of California's population in 2010—down from 67 percent in 1980.
- Between 1980 and 2010, the population of California's Hispanic and Asian-American communities increased substantially. Hispanics, for example, made up 38 percent of the population in 2010—up from 19 percent in 1980.
- African-Americans made up 6 percent of the population in 2010—down from about 8 percent in 1980.

Ending redevelopment increases revenue to many local governments

- Prior to their dissolution, redevelopment agencies (RDAs) received over \$5 billion in property taxes annually. Over time, as former RDA debts and obligations are retired, these funds will be distributed to other local governments.
- In addition to property tax revenues, cash and proceeds from the sale of assets of former RDAs will be distributed to local governments.

The report covers many more issues, such as prisons, health care, diversity of the student population and university spending. The full report is available at www.lao.ca.gov.

Many related issues, such as property taxes and water usage, are discussed during the Public Issues Forum, held the 3rd Friday of every month in the SAR Board Room. The Public Issues Forum is open to all Members at no charge.

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Buy or Rent, or Buy - to - Rent?

by Christopher Hanson, Real Estate Broker/Attorney, Hanson Law Firm

require shelter, the rental vacancy rate decreased to 5.2% in 3Q 2012. This is a dramatic drop from the vacancy rate of 6.5% a year earlier.

Homeownership was at its highest in 2006, at 60.7%. Since then, it has quickly decreased. California homeownership will likely drop to 51% by 2016 and remain at that level for about a decade. (If underwater homeowners are excluded from the number of homeowners since they have no equity stake in their properties, the California homeownership rate is more like 30%-35%.)

The recession may be over, but the effects of the Great Recession remain visibly etched on the landscape of the California real estate market in the form of vacancies. Residential vacancies, particularly in single family residences (SFRs), can be found in any neighborhood in the state. Dead lawns and the constant presence of "For Sale" signs stand out as vividly as missing front teeth do on the face of a smiling child.

These vacancies blight neighborhoods and fuel crime, destroying the wealth of neighboring homeowners. Neighbors casting wary eyes on increasingly dilapidated vacancies are at the mercy of the extended recovery cycle — like the child with a missing tooth, utterly unable to do anything to hasten the process of healing.

The SFR construction boom of 2000-2005 was driven by the availability of money, not demographics, let alone user demand. The homeowners lured out of the woodwork and into homeownership were those who were, by real estate fundamentals, incapable of sustaining long-term ownership — as evidenced by the increase in the ratio of (the unstable) adjustable rate mortgages (ARMs) to the traditional fixed-rate mortgage (FRM), and the rise of the now-infamous subprime mortgage.

During the boom, buyers of real estate (and their brokers and agents) completely lost track of the fundamentals behind the decision to buy a home versus rent it.

These temporary homeowners served to keep the homeowner vacancy rate down through the middle of the 2000s — the rental vacancy rate at the time was trending steadily upwards, since tenants of all types were vacating their rented premises to move into homes — all with government encouragement. In 2006, homeowner and rental vacancies began to rise again — in part because of the lack of homebuyers in the market, and in part because of the rise of the buy-to-rent investor and the speculator.

The California homeownership rate continued to fall in 2012. Today's homeownership rate is about 54.9%. That's down from 55.9% last year, but up slightly from the beginning of the year. Since non-homeowners still

These future users of real estate will arrive in the form of the Baby Boomers' children — Generation Y — peaking in numbers around 2018-2021. Their function as the impetus behind the housing recovery will be, as always, contingent on the creation of jobs supporting their household formation — renting and buying homes. Without jobs befitting their college educations, Gen Y-ers will be unable to leave their parental nests and move out on their own.

Speculators are the new buyers, and banks are the only sellers - when the banks release inventory that is.

All cash deals, deals where homes are bought in the dozens or hundreds, are the "new thing." And these investment groups plan to hold these properties, for about five years, right till the peak of Gen-Y, in 2018. Rents often return more than mortgage costs, so there's a cash-on-cash return that's better than most investments for now; and there's appreciation upside for later. Yes, appreciation. Entry costs are so low that one can't help but make some money years from now.

(Much of this article was contributed from First Tuesday, on-line.)



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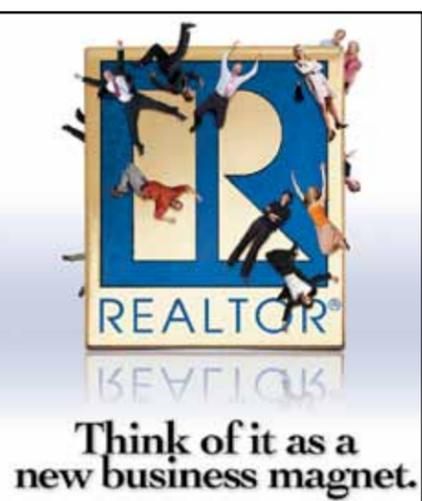
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THE SECRET

By: Patti Martinez, Masters Club Outstanding Life Member

Wasn't there a popular book called The Secret? Well, this isn't about that book. This is about THE SECRET to becoming a Masters Club Outstanding Life Member. Everyone wants to know "the secret" of how you make Masters Club every year. Once you become a new Masters Club member, you become a Continuing Masters Club Member, then a Life Member, then a Continuing Life Member and finally, the pinnacle of Masters Club achievement, Outstanding Life Member.

It's always so exciting to make Masters Club for the first time. You worked hard and earned a level of excellence in real estate sales. For the past few years, that quota was a minimum of \$3 million in sales and eight closed ends - or a

minimum of 20 closed transaction ends in the qualifying calendar year. Not an easy feat and one that certainly deserves recognition. Whether you're brand new in the business or a seasoned agent who decides that, "This is the year I'm going to achieve that goal and become a Member," it takes more than just saying you'll do it. To this end, I've asked a number of Outstanding Life Members to share their thoughts on what they feel has been an important part of their success. Almost every single agent I contacted put "Respect your fellow agent" as well as "Provide exceptional professional service to clients" right up there at the top. They also relish the "Repeat and referral" clients who come as a direct result of previously providing

professional service to a previous client.

NED TOMPKINS, who has been in the business 41 (yikes!) years, says he is always brutally honest with clients, and treats everyone from appraisers to title company folks, to fellow agents and pest inspectors with complete respect. Along those same lines, he says there are times when you absolutely must tell some clients "I'm just too busy" to help them... and he reserves those comments to "The clients from ____". Well, you know the kind we're talking about.

He emphasizes that agents should always work for the greater good...and says, "If you're the listing agent and you get an offer, please, please, please at least acknowledge receipt to the agent who gives it to you." He's amazed at how often that doesn't happen.

LEIGH RUTLEDGE, who always has something funny and positive to say, says "Get up and go to work! Network, network, network. Never, ever lose track of your past clients and, for goodness sakes, get some exercise! It clears the head and takes the edge off the stress."

SUSIE KUWABARA-PARKER is a big proponent of face-to-face contact, even in this high tech world of emails, texting and websites. "Face to face contact makes you memorable to current and future clients!" It's that personal touch. She also mentioned how invaluable it was to treat your fellow agents with respect and courtesy. You never know which agent is going to be on the other end of your next transaction, and it's always more pleasurable to work with agents who have a reputation of fair and honest dealings.

Mr. Happy-Hand Gil...**GIL ALBIANI** never met a person he didn't think might become his next client. If you've ever met Gil, you know immediately what kind of guy he is... working the room, shaking hands, smiling and talking real estate! Always. Whether he's raising money for non-profits, participating in civic activities or just schmoozing with fellow REALTORS,[®] this man walks and talks real estate five days a week. What about those other two days? "Evenings and weekends I'm committed to my family," says Albiani. He's made Masters Club every year since 1980! WOW.

A close second to Happy-Hand Gil is **MIKE BRICKNER** ... and if you know him, you know why I compare him to Gil. Always laughing, always talking real estate --all the time. He's adamant about being cordial and courteous to your fellow agents...and he's a big proponent of all Masters Club Members encouraging new agents to aspire to become Members! Mike quoted Aristotle by saying "We are what we repeatedly do..."

PATRICK LIEUW advocates "professionalism" first and foremost and to definitely keep the lines of communication open between you and your clients and you and the agent on the other end of the transaction. He thinks the mark of a true professional is what action that agent takes when something goes wrong...not necessarily the action they take when the sale is running smoothly. He says it is of paramount

continued on page 7

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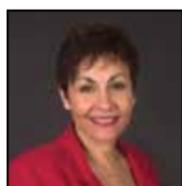
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THE SECRET

continued from page 6

importance to confront problems as they arise, solve them and then move smoothly through the sale. Take decisive action... that's the kind of service that keeps your clients coming back.

So there you have it. Fewer than 10% of Sacramento REALTORS® are Masters Club Members, but EVERY REALTOR® has an equal opportunity to become one. Currently there are approximately 600 Members, and each and every one of them has their own "knack" for finding and keeping clients. A common thread though, is "professionalism and outstanding customer service." Talk to your fellow REALTORS®, network and share ideas and information, attend seminars and classes, read books and hone good skills for your craft. If you expect to be in the business for a long time, it is absolutely critical that you take advantage of every opportunity to learn everything you can about the business. Real estate has changed dramatically in recent years, and it is important to keep abreast of all the changes so you can best serve your clients.

This is a wonderful profession with great opportunities. Enjoy yourself, work hard and reap the benefits of your labor. Oh, and definitely participate in Masters Club events so you can network with fellow agents; wonderful events like the Roundtables, golf tournament, mixers and annual luncheon and breakfast.

Upcoming Masters Club events include:

Educational Roundtables, sponsored by the Masters Club

Friday, February 8, 2013
8:00am-12noon
Registration: \$15
Location:
SAR Mack Powell Auditorium

Masters Club Awards Luncheon

Friday, April 12
11:00 - 12noon Cocktail Reception
Registration: \$40
12noon - 2:00 pm Luncheon and Program
Location:

Red Lion Hotel Woodlake Sacramento
500 Leisure Lane, Sacramento, CA

Loaves and Fishes Volunteer Day

Monday, April 29
7:30am - 1:30pm

To sign up to work the prep or serving shift, please contact Susan Harrold at sharrold@golyon.com

These Masters Club sponsored events are open to all SAR Members.

When the Code of Ethics was adopted in 1913 the first paragraph read "Be absolutely honest, truthful, faithful and efficient. Ever bear in mind that the broker is the employee, that the client is his employer and is entitled to the best service the real estate man can give - his information, talent, time, services, loyalty, confidence and fidelity."

Quite a high standard for a broker to aspire to achieve. But it could be problematic from the aspect of enforcement. How would a hearing panel deal with a complaint that a REALTOR® was not efficient? What would be the burden of proof? The world of 1913 may have been able to provide some answers but today's world needs more certainty.

The current Article 1 provides "When representing a buyer, seller, landlord, tenant or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly."

These three sentences actually reflect three distinct requirements for REALTOR® conduct. The first sentence establishes the requirement to protect

and promote the interests of their client above all else. This is essentially an ethical requirement to satisfy the legal obligation of fiduciary duty. In the absence of the Code a REALTOR® would still have to satisfy this obligation.

The second sentence provides that even though there is a duty to promote the interests of the client the REALTOR® must still treat all parties honestly. Until about twenty years ago this sentence said that the duty was to treat all parties honestly and fairly. But it was considered that fairly was a standard that would be hard to define with sufficient certainty to allow it to be enforceable at a hearing. Probably not as difficult as efficient but certainly lacking the certainty that a REALTOR® needs for them to know if they are acting consistent with the Code. So the requirement for fairly was removed. On the other hand the requirement for honesty is something that most people would feel they had a pretty good grasp of understanding.

The third sentence provides that even in a non-agency capacity the duty of honesty to all parties remains.

Therefore compliance with Article 1 seems to be quite simple. Satisfy the fiduciary duty to the client and treat all parties honestly. Not much has changed in 100 years.

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SAR EDUCATIONAL OFFERINGS

DATE	TIME	CLASS	COST	TOPIC	INSTRUCTOR
February 13	9:00am – 12noon	Handling the TDS, Inspections and Disclosures	\$35	Topics: • Guiding clients through the TDS • An agent's obligation to undertake a visual inspection • Pitfalls that lead to claims • Top 10 examples of non-disclosure claims	Shannon B. Jones, Esq.
February 13	1:00 – 3:30pm	45 Hour License Renewal	\$75	Class includes a two-hour live review followed by a test on the first 15 hours of DRE credit. You will take the remaining 30 hours of credit online over the course of two days. Must pick up materials by Friday, February 8.	Duane Gomer, Duane Gomer, Inc.
February 15	9:00 – 12noon	Tech U Series: Course 4 – Data Management	\$49	Topics: Develop contact lists, automate the way you stay in touch with clients, store and back up data safely, Cloud-based storage, password management, security.	Chris Ha
February 22	9:00 – 12noon	Tech U Series: Course 5 – Social Media	\$49	Topics: Use Facebook, LinkedIn, Twitter, YouTube, Pinterest, blogging, videos and other social media sites to build your business; Geo tag and optimize your online presence.	Julie Gallaher
February 25 February 26	8:00am – 5:30pm 8:00am – 5:30pm	CDPE (Certified Depressed Property Expert)	\$599	The CDPE designation will equip you with the knowledge and resources you need to start helping homeowners avoid foreclosures. During the course you will receive a complete distressed property field manual, CDPE membership, short sales forms, checklists for distressed situations, foreclosure solutions flow charts and more.	
February 27	9:00 – 12noon	Get Your Short Sale Approvals in 20 Days	\$10	Topics: • Learn how to negotiate and what is negotiable now • Use techniques and guidelines to get your short sales approved • Learn how to find properties with equity • Approach your homeowners with the right information • Know what banks are looking for from you • Have the banks send you referrals • Identify the right short sales to pursue • New Fannie/Freddie guidelines	Bob McManus, Bob McManus Group

All classes listed above are held at SAR's Mack Powell Auditorium. To register online, visit ims.sacrealtor.org. Questions - contact **Brian DeLisi** or call 916.437.1210. (Please contact us for non-Member pricing) Prices listed reflect early-bird fees.

Cancellation policy: if you cannot attend a seminar for which you have registered, you may send a substitute. You will receive a full refund when cancelling 24 hours in advance. If you cancel less than 24 hours in advance, your registration fee will be forfeited

*This course is approved for continuing education credit by the California Department of Real Estate. However, this approval does not constitute an endorsement of the views or opinions which are expressed by the course sponsor, instructor, authors or lecturers. You must attend **90%** of the class, pass a written exam and have **proof of identification** to qualify for DRE Credits.

All costs listed are based on early bird SAR Member fees.

FOUNDATION + FOCUS + FUN = an EXPERIENCE to Remember

March Main Meeting
March 5, 2013
9:00-10:30am
SAR Mack Powell Auditorium
Speaker: Debra Trappen

Debra Trappen is the founder of d11, a professional consulting firm. She advises companies on how to craft brands that engage, inspire and delight customers with memorable experiences. Her clients are those companies ready to create a strong brand foundation, define their brand story, and amplify that message on social media to build consumer relationships, enhance consumer experience, and strengthen their brand recognition. Whenever possible, she

infuses her passion for integrating mobile and technology into the process.

We are all grown up and don't always get to have "fun" every single moment of our lives. However, we have a choice every day to embrace an attitude of fun... to ENJOY the process and delight our consumers in the details of the EXPERIENCE!

In this session, Debra will focus on three areas to improve the industry and consumer experience, and will get you fired up for 2013:

- 1: Build your business from a clear, solid FOUNDATION.
- 2: What you FOCUS on flourishes...
3. Enjoy the experience... yes, that means have FUN!

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MARCH CALENDAR OF EVENTS

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				1 SAR - Tech U – Series (A) 9:00am – 12noon Industry Update (B) 9:30 – 10:30am
4	5 Regional Meetings* (A) 8:30 – 9:30am Main Meeting (A) 9:00 – 10:30am	6 New Member Orientation (B) 8:30am – 12:30pm Commercial Class – Lunch & Learn (A) 11:30am – 1:00pm	7 Real Estate Finance Forum (A) 9:00am – 10:30pm CanTree (B) 10:30 – 11:30pm	8 Office Closed – Staff Development 7:30 – 8:30am SAR - Tech U – Series (A) 9:00am – 12noon
11 MetroList Training – Session I (T) 9:00 – 11:30am Education (B) 9:00 – 10:00am MetroList Training – Session II (T) 1:00 – 4:00pm	12 Regional Meetings* (A) 8:30 – 9:30am RPA-CA Gov Hutchinson (A) 9:00am – 1:00pm	13 Scholarship St. Patricks Day Fundraiser (A) 11:00am – 2:00pm 45/15 Hour Duane Gomer License Renewal (A) 1:00 – 4:00pm	14 Transaction Coordination 9:00am – 2:30pm Realtist 11:00am – 1:00pm	15 Public Issues Forum (B) 9:30 – 10:30am DRE Seminar (A) 10:00am – 12noon
18 New Member Orientation (B) 12:30 – 4:30pm	19 Regional Meetings* (A) 8:30 – 9:30am NARPM (A) 10:30am – 2:00pm	20 C.A.R. Purchase Agreement - Commercial class (A) 10:30am – 12:30pm	21 YPC Forum 9:00am-10:00am Young Professionals Council Forum (A) 9:00 – 10:00am WCR Luncheon (A) 11:30am – 2:00pm	22
25 MetroList Training – Searching & CMA Workshop (T) 9:00 – 11:30am MetroList Training – Auto-Prospecting with Mapping Workshop (T) 1:00 – 3:30pm	26 Regional Meetings* (A) 8:30 – 9:30am iPad – Setting Up This Business Tool (A) 9:00am – 12noon Video Marketing With Your iPad (A) 1:00 – 4:00pm	27 Office Closed – Staff Development 1:00 – 2:00pm	28 Board of Directors Meeting (B) 9:00 – 11:00am	29 BTI Series (A) 9:00am – 1:00pm Industry Update (B) 9:30am – 10:30am

Calendar Information

*For Regional Meeting locations and times, visit www.sarcaravans.org or contact Tony Vicari at tvicari@sacrealtor.org or 437-1205.

Meetings subject to change.

(A) Mack Powell Auditorium

(B) Board Room, 2nd Floor

(T) Training Room, 2nd Floor

(U) Upstairs



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Year end sales volume, total dollar value, median sales price higher than 2011

2012 closed showing a 1.8% increase in sales volume year to year, with 19,163 sales compared to 2011's 18,816 sales. The volume is 9.9% higher than the 17,427 total sales of 2010. In addition to sales volume, the year end also has seen an increase in total dollar value of closed escrows. Currently, the \$3,845,754,322 escrow value stands 8.1% higher than the \$3,555,973,026 value of 2011. This number is 6.1% higher than the \$3,624,606,375 total dollar volume of 2010. The year end median sales price of \$175,000 is 6.1% higher than the 2011 median sales price of \$165,000. The December median sales price is \$195,000, unchanged from the previous month. Compared to December 2011, this number is up 21.1%. The year end

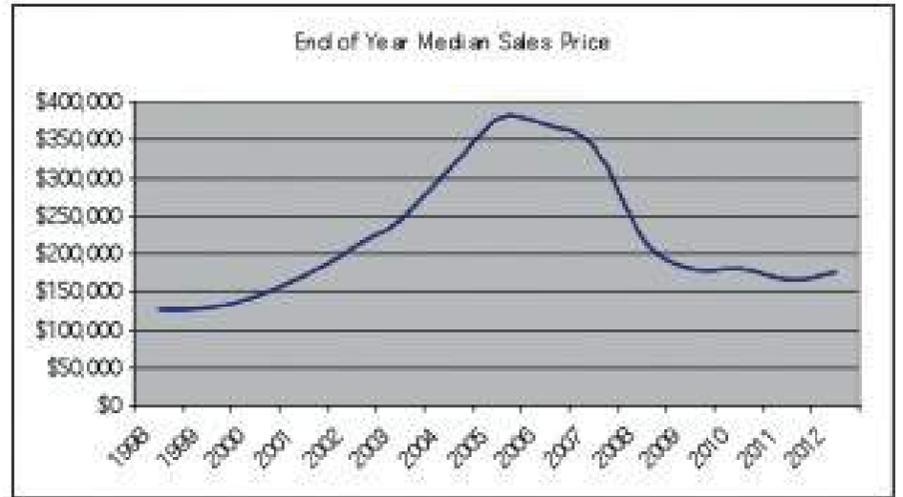
median sales price for the last 15 years is depicted in the graph below.

The breakdown of sales for this month was 162 REOs (10.8%), 608 short sales (40.5%) and 731 conventional sales (48.7%) for a total of 1,501 sales. This number is down 1.3% from the previous month (1,520 sales) and down 10% from last year (1,668 sales). The \$200,000 - \$249,999 price range accounts for 15.9% (238) of the 1,501 total sales this month. Homes under \$100,000 totaled 132 (8.7%) units. Closed escrows from conventional financing (591 units or 36.3% of all sales) increased 3.1%, cash buyers increased 6.7% (644 units/39.6%) and FHA financing decreased 13.3% (275/16.9%) sales. These numbers include the 125 condo sales this month.

The average amount of days spent on the market (from list date to opening

escrow) decreased from 35 to 33 days; the median DOM remained at 13.

continued on page 13



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DECEMBER 2012 DATA FOR SACRAMENTO COUNTY AND THE CITY OF WEST SACRAMENTO

MLS STATISTICS for December 2012 Data for Sacramento County and the City of West Sacramento

SINGLE FAMILY HOME RESALES

Monthly Statistics	Current Month	% of Total Sales	Last Month	Change	% of Total Sales	Last Year	% of Total Sales	Change
Listings Published this Month	1,126		1,455	-22.6%		1,708		-34.1%
Active Listing Inventory †	1,273		1,401	-9.1%		2,966		-57.1%
Active Short Sale (included above)	139		161			N/A		
Pending Short Lender Approval	1,629		1,940			2,122		-23.2%
Pending Sales This Month	769		1,006	-23.6%		1,253		-38.6%
Number of REO Sales	162	10.8%	176	-8.0%	11.6%	561	33.6%	-71.1%
Number of Short Sales	608	40.5%	543	12.0%	35.7%	490	29.4%	24.1%
Conventional Sales	731	48.7%	801	-8.7%	52.7%	617	37.0%	18.5%
Total Number of Closed Escrows	1,501	100.0%	1,520	-1.3%	100.0%	1,668	100.0%	-10.0%
Months Inventory	0.8 Months		0.9 Months	-11.1%		1.8 Months		-55.6%
Dollar Value of Closed Escrows	\$338,174,394		\$329,212,331	2.7%		\$311,634,024		8.5%
Median	\$195,000		\$195,000	0.0%		\$161,000		21.1%
Mean	\$225,450		\$216,587	4.1%		\$187,055		20.5%

Year-to-Date Statistics	01/01/12 to 12/31/12	01/01/12 to 12/31/12	1/1/2011	Change
	SAR monthly data, compiled	MetroList YTD data	12/31/2011	
Number of Closed Escrows	19,163	19,977	18,816	1.8%
Dollar Value of Closed Escrows	\$3,845,754,322	\$4,033,629,071	\$3,555,973,026	8.1%
Median	\$175,000	\$175,000	\$165,000	6.1%
Mean	\$201,914	\$201,914	\$188,987	6.8%

CONDOMINIUM RESALES

Monthly Statistics	Current Month	% of Total	Last Month	Change	% of Total	Last Year	Change
Listings Published this Month	119		113	5.3%		144	-17.4%
Active Listing Inventory †	132		88	50.0%		269	-50.9%
Active Short Sale (included above)	18		11			N/A	
Pending Short Lender Approval	181		212			188	-3.7%
Pending Sales This Month	67		72	-6.9%		102	-34.3%
Number of REO Sales	25	19.8%	11	127.3%	10.3%	48	-47.9%
Number of Short Sales	43	34.1%	45	-4.4%	42.1%	52	-17.3%
Conventional Sales	58	46.0%	51	13.7%	47.7%	27	114.8%
Total Closed Escrows	126	100.0%	107	17.8%	100.0%	127	-0.8%
Dollar Value of Closed Escrows	\$13,690,165		\$12,107,590	13.1%		\$10,874,862	25.9%
Median	\$90,000		\$92,000	-2.2%		\$85,629	5.1%
Mean	\$109,521		\$113,155	-3.2%		\$72,000	52.1%

Year-to-Date Statistics	01/01/12 to 12/31/12	01/01/12 to 12/31/12	1/1/2011	Change
	SAR monthly data, compiled	MetroList YTD data	12/31/2011	
Number of Closed Escrows	1,592	1,643	1,620	-1.7%
Dollar Value of Closed Escrows	\$160,289,851	\$166,091,929	\$158,813,386	0.9%
Median	\$80,000	\$80,000	\$79,000	1.3%
Mean	\$101,091	\$101,091	\$98,033	3.1%

† includes: Active, Active Release Clause, Active Short Sale, Active Short Sale Contingent, Active Court Approval and Active Court Contingent listings

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MLS STATISTICS for December 2012 Data for Sacramento County and the City of West Sacramento

BREAKDOWN OF SALES BY PRICE

Selling Price	Single-Fam Res.	% of Total	Condo/PUD	% of Total	Res. Incme.	Res. Lots/Land	Other Res.*
\$29,999 and under	0	0.0%	1	0.8%	0	2	0
\$30,000 - \$39,999	3	0.2%	13	10.4%	0	1	0
\$40,000 - \$49,999	5	0.3%	13	10.4%	0	2	1
\$50,000 - \$59,999	10	0.7%	7	5.6%	0	2	2
\$60,000 - \$69,999	14	0.9%	7	5.6%	1	1	1
\$70,000 - \$79,999	25	1.7%	11	8.8%	0	1	4
\$80,000 - \$89,999	42	2.8%	10	8.0%	1	1	2
\$90,000 - \$99,999	33	2.2%	9	7.2%	1	1	0
\$100,000 - \$119,999	104	6.9%	12	9.6%	2	2	2
\$120,000 - \$139,999	115	7.7%	14	11.2%	4	3	7
\$140,000 - \$159,999	142	9.5%	7	5.6%	8	3	3
\$160,000 - \$179,999	158	10.5%	5	4.0%	3	0	4
\$180,000 - \$199,999	121	8.1%	3	2.4%	7	0	2
\$200,000 - \$249,999	238	15.9%	7	5.6%	12	0	6
\$250,000 - \$299,999	194	12.9%	2	1.6%	7	1	2
\$300,000 - \$349,999	107	7.1%	2	1.6%	3	1	3
\$350,000 - \$399,999	69	4.6%	1	0.8%	1	0	0
\$400,000 - \$449,999	38	2.5%	0	0.0%	3	0	0
\$450,000 - \$499,999	23	1.5%	0	0.0%	0	0	0
\$500,000 - \$549,000	22	1.5%	1	0.8%	0	0	1
\$550,000 - \$599,000	13	0.9%	0	0.0%	0	0	0
\$600,000 - \$999,999	22	1.5%	0	0.0%	1	0	0
\$1,000,000 and over	3	0.2%	0	0.0%	1	0	0
Total	1,501	100%	125	100%	55	21	40

Type of Financing	Current Month		Previous Month		LENGTH OF TIME ON MARKET		
	# of Units	% of Total	# of Units	% of Total	(SFR & Condo) Days on Market	# of Units	% of Total
(SFR, condo, PUD only)							
Financing Method							
Cash	644	39.6%	604	37.1%	0 - 30	1,155	71.0%
Conventional	591	36.3%	572	35.2%	31 - 60	211	13.0%
FHA	275	16.9%	317	19.5%	61 - 90	104	6.4%
VA	30	1.8%	50	3.1%	91 - 120	57	3.5%
Other †	86	5.3%	84	5.2%	121 - 180	47	2.9%
Total	1,626	100.0%	1,627	100.0%	181+	52	3.2%
					Total	1,626	100.0%

* half-plex, 2-on-1, mobile home
† includes: cal vet, contract of sale, creative, farm home loan, owner financing.

Median DOM: 13
Average DOM: 33
Average DOM 1 - 180 Days: 26
Average DOM 181+ Days: 289

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continued from page 10

Zip Code of the Month

SAR will be highlighting area zip codes that have shown notable trends

Of the North Sacramento/Natomas zip codes, one has experienced notably more activity. The 95835 zip code continues to produce more closed escrows and a higher median sales price than the other four zips (95833, 95834, 95836, 95838) in the area.

December recorded 66 closed escrows in the 95835 zip code with 8 REOs (12.1%), 36 short sales (54.5%) and 22 conventional sales (33.3%). The median sales price this month was \$241,050, 23.6% higher than market median price of \$195,000. The average price per square foot is \$118, the median DOM is 10 and the average DOM is 26. The average lot size in this zip code is .131 acre. The chart to the right compares these zip codes.

Zip	Median Sales Price		Closed Escrows	
	This Month	Last Month	This Month	Last Month
95833	\$158,500	\$160,000	36	43
95834	\$192,500	\$196,750	32	24
95835	\$241,050	\$222,950	66	56
95838	\$112,000	\$85,000	27	45

Condominium Resale Market

Sacramento condominium sales increased for December to 125 units. This figure is up 17.8% from the 107 units sold in November and down .8% from the 127 units sold in December 2011. REO property sales accounted for 19.8% (25) of all units sold, while short sales (34.1% or 43) and conventional sales (46% or 58) accounted for the remainder. The percentage of REO condo sales increased 92.2%, short sales decreased 19% and conventional sales decreased 3.5%. The condominium median sales price decreased 2.2% month-to-month, from \$92,000 to \$90,000. This current price is 5.1% higher than the December 2011 (\$85,629) median sales price. Breaking down the Listing Inventory,

there are 132 Active Condo Listings (includes 18 Active Short Sales) and 181 Pending Short Sale/Lender Approval. The Total Value of Closed Escrows was \$13,690,165; this is up 13.1% from the November Total Value of \$12,107,590.

Does your office have a liaison?

Would your office like a quick and easy update on SAR activities and benefits for its weekly meetings? Make sure you are signed up for the Office Liaison Report.

The report is emailed each Tuesday to Members appointed by their broker or office manager. The one-page report provides a brief update on SAR Events, Member Benefits, Public Affairs and Education, to be shared at the weekly office meeting.

All SAR Member offices are welcome to subscribe to the report. To receive the report, the broker or office manager may email Janelle Fallan at jfallan@sacrealtor.org.

Although all Members receive a monthly newsletter and two weekly emails, the Office Liaison Report provides brief, timely highlights, ideal for sharing at office meetings.

Commercial focus groups set agenda for new year -- participation is key

SAR staff, along with the Commercial Division Chair Anthony Scotch of Century 21 Select Real Estate, recently facilitated two different focus groups. The purpose of these meetings was to help determine goals and direction for a revitalization of the commercial group. The initial focus group was composed of our 100% commercial members. The second was individuals who have done a few commercial deals or who want to make the transition into commercial real estate. The attendees at both meetings were highly insightful and provided terrific feedback to move us into the New Year.

The Commercial Division has been in existence for almost seven years, and in that time has built a package of monthly educational courses, commercial e-news blasts, a mentoring program, legislative monitoring, a resource for questions, relationships with industry affiliates, a website, and marketing amongst other initiatives. SAR members are clearly seeing the range of their Commercial Division, but there is room to grow and opportunities for additional services and benefits.

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MEMBER OF THE MONTH

PAM POORE



1. How long have you been a Member of SAR?

Since 1978

2. What did you do before you became a REALTOR®?

School teacher

3. What do you like best about being a REALTOR®?

Working with people who care about their clients and trying to make Sacramento a great place to live.

4. How have you adjusted to changing market conditions in the past couple years?

I have had some health issues in the past year and a half, so I have teamed up with two dedicated agents who could ensure my clients received the best service during those periods when I could not be there for them.

5. What have been some of your favorite programs/committees/activities at SAR?

Of course, CanTree has always been number one. But I have learned so much from being on the committees that recommended Nelson Janes as EVP and formed the SAR Charitable Foundation.

6. You have been referred to as Mrs. CanTree. What caused you to be so passionate about volunteering for this Salvation Army fundraiser?

Giving back to the community is important. Having the Salvation Army as the recipient was vital to my choice because only a small portion of their funds go toward administration. They not only help people, they help people help themselves.

7. Hobbies or other activities (unrelated to work)

I love to sew to relax (my aprons are all over town). I also love working in the yard.

8. How do you balance your personal and business lives?

I am doing better than when I was younger. This business can be all consuming if you are not careful.

9. What advice would you give a new SAR REALTOR®?

Get involved. Your fellow REALTORS® are great sources of all the latest

information and knowledge. I am not a fan of working from home or individual offices. The office can be the best daily education you get and all for free.

10. How long have you lived in Newcastle and what do you like most about this area?

We love the space and privacy. We used to camp all the time, but once we moved to the hills, coming home was like getting away, but you still had a good kitchen and daily shower!

11. What are some of your favorite places to visit?

When we visit our son in Illinois, we really love all the Lincoln history in Springfield and the variety of experiences in St. Louis.

COMMITTEE SPOTLIGHT

Professional Standards

Being a REALTOR® means more than just paying your annual dues. Remember your orientation when you swore by the Code of Ethics? This is what sets REALTORS® apart from the rest. Other important aspects of belonging to a REALTOR® Association are the services offered – including arbitration and mediation services.

These services allow Members to settle disputes with other parties, while staying out of court and avoiding the excess costs. The group of volunteers who help perform these services are

the Members of the SAR Professional Standards Committee. These seasoned REALTORS® who possess the expertise for helping settle disputes. All Members have attended professional standards training and have committed to help fellow Members resolve problems quickly and ethically.

Because of the confidential nature of these disputes, Members are appointed or invited by the Committee Chair or SAR President. While the group may encounter some stressful situations, they believe the services they provide

are an integral part of SAR's inner-workings. SAR is grateful for their efforts.

Chair: Ed Anderson

Vice-chair: Richard Rumsey

Members:

- Aileen Santee
- Alicia Guzman-Foster
- Beth Mergens
- Betsy Berretty
- Bruce Werking
- Chris Briggs
- Cleo Brown

- Craig Logan
- Deniece Ross-Francom
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- Mindy DeMain
- Pam Petterle
- Pat Croyle
- Paula Swayne
- Richard Kitowski
- Sandy Redmond
- Ted McGregor

Commercial focus groups set agenda for new year -- participation is key

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The following are just a few of the ideas generated by the focus group:

- Additional commercial real estate training including property specialty education
- A referral network for residential/commercial agents
- Presence at monthly Main Meeting
- Hold an annual Economic Forecast featuring various property types

- Establish a monthly commercial property information exchange
- Develop networking opportunities
- Increase marketing of the programs that we currently receive from SAR, C.A.R. and NAR
- Additional commercial fields/option available in Prospector
- Online presence such as Facebook or LinkedIn network

- Work with C.A.R. to create additional commercial forms
- Greater awareness of the C.A.R. legal hotline
- Change the day/time of commercial classes not to conflict with office meetings

We are committed to implementing as many of the ideas as we can within the constraints of our staffing allotment as well what our volunteers/attendees

are willing to commit to. As with all volunteer organizations, this is your association. We are here to serve you and provide whatever we can to make your real estate career successful. But it does take a village. Participation is the key to growing the entity to meet your needs. Please support our classes and events and let us know what we can do to make this an organization one that you can be proud of.

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Dear Members,

Beginning with the March 2013 issue, The Sacramento Association of REALTORS® "official/monthly" publication, the *Sacramento REALTOR®*, will be provided to its members in the traditional tabloid version and in a new interactive e-magazine format.

The *Sacramento REALTOR®* e-magazine publication will be in full color and all articles and ads can be fully LINKED; including audio and video capabilities. The e-magazine can be accessed by your computer, tablets and/or smartphones, and the PDF version can be printed.

During the months of March 2013 – May 2013, The Sacramento Association of REALTORS® will supply you with both a printed version and the "new" interactive e-magazine. During this transition time we encourage all members to familiarize themselves with the new technology.

We realize there may be some of you who prefer to receive the paper version of the newsletter. Starting in June, you may subscribe to receive the printed copy via standard mail. Watch for more information on how to order the printed copy and the annual cost in April.

Sincerely,
Dave Tanner
CEO



REALTORS® Property Resource®

A New Year comes with new resolutions, new ideas and new opportunities. Why not make REALTORS® Property Resource® (RPR®) part of all of that? Integrating RPR into your business can attract new clients, convey your market expertise and ensure that past clients contact you for their real estate needs.

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New Legislative Session Kicks Off

Incoming and returning legislators are back in Sacramento kicking off another two-year legislative cycle. This incoming class is unusual: nearly one-third of incoming Assembly members and Senators are new. And, Democrats have a two-thirds supermajority in both houses, allowing them to pass tax increases and the State budget with no Republican support.

This is also the first incoming class that is allowed to serve twelve years in either house of the legislature, following the passage of Proposition 28 in June 2012. Term limits prior to Proposition 28 allowed a legislator two four-year terms in the Senate and three two-year terms in the Assembly, for a total of fourteen years.

Until February 22nd, legislators introducing new bills that will go through the committee process and face a full vote on the floor of the Assembly and Senate before making their way to the Governor. That is, if successful. Many bills die in the committee process.

The bill introduction and legislative process is critical to REALTORS®, because two-thirds of introduced bills would have some impact on real estate, both positive and negative. Recently, C.A.R. successfully opposed a foreclosure tax bill that, if passed, would have prohibited a county recorder from accepting a notice of trustee's sale for recordation unless the mortgage services paid a foreclosure mitigation "tax" of \$20,000. This bill would have discouraged lenders from extending mortgages to homebuyers and increased costs of foreclosure. C.A.R. also successfully sponsored



legislation, signed by the Governor, that allowed the owner in a common interest development to rent their unit if that right existed at the time it was purchased.

Even this early in the bill introduction period, there is already an important bill C.A.R. is sponsoring. At the end of 2012, mortgage debt forgiveness expired in both the federal and state tax code. The federal provision was extended through the end of 2013 when President Obama signed the fiscal cliff legislation in early January.

In an effort to conform state law with this extended federal law on mortgage debt forgiveness, C.A.R. is sponsoring Senate Bill 30 (Calderon, D-Montebello) which, if passed, will for one more year exempt the taxation of mortgage debt that is forgiven when homeowners and their mortgage lenders negotiate a short sale or loan modification (including any principal reduction). Should this bill pass in its present form, the measure will be effectively retroactive to January 1, 2013.

We will keep you up-to-date on the legislation that will impact REALTORS® in the upcoming year in this column. REALTORS® should always encourage their clients to consult their own tax professionals on their own individual tax situation.