



Rockyfield Newsletter

US Economy & Housing Market

Disappointing many economists who had predicted the December employment would be significantly revised upward (181000), it increased only 1000. January figure was also a meager 113000, far below the consensus forecast. As the retail number was low, the bad winter weather has been pinned a blame upon.

The weather may greatly affect this year's economy. Many business offices have been frequently forced to close though many employees can still work from their homes thanks to cloud and other technologies. Power and water have been cut in many places. If this kind of disturbing weather continues to repeat, the economic consequence can be serious. In California, we are facing the most serious drought ever. If it does not rain in significant amount, this summer will be awful: water ration and possibly food shortage. Following suit of the last few years, if we have a crazy combination of draught and flood in the Plain states, nation-wide food supplies may be in trouble. Summer draught has been evident in Africa, Australia and other parts of the world. Now, while it not well reported, it has not rained in Brazil (it is summer now) for a long time. You may bet on higher food prices in the commodity market.

"Cost inflation" which we experienced during the oil shock in the 70's may emerge due to the higher food prices though the real effect on the economy would be less significant. Nonetheless, our economy is still in the recovery process and vulnerable with needs for structural changes. There is a good reason to worry.

The mid-term elections will also happen this year. We have the dysfunctional Congress and lame duck administration with many important issues ranging from international (Iran and Syria) to domestic (immigration and ACA full implementation). The nasty political fight may further intensify this year toward November. The income disparity which grew over the past 30 years is reaching the point where the middle class has been marginalized and

Housing Market Starts with Mediocre Tone

Let's Enjoy Whale Watch

Palos Verdes is well known for whale watching. Dedicated volunteers are observing and recording migrating whales everyday at the Pointe Vicente. The number of whale sightings has increased in recent years; you can see at least one or two if you stay there for a couple of hours. Especially this year, newspapers have been featuring whale watching in Palos Verdes, and the Pt. Vicente parking lots are almost full on weekends.

We, living in PV Peninsula, are very fortunate with rich nature. Some of you may frequent for walk in Pt. Vicente; because we can go any time to see whales, buried by business and daily chores, we tend to keep postponing to go and see those majestic creatures. When you have visitors, we can encourage ourselves to make just a 10 minute trip. During the holiday season, we had guests who were so impressed and excited by dolphins and whales. We ended up taking them to Pt Vicente almost everyday.

Looking for whales on the distant ocean surface seems to have an additional benefit for all of us whose eyes tend to be fixated on computer screens for hours everyday.

We saw a Fin Whale, close to Blue Whale in size, raising its flukes high a few times when it came up to the surface. We enjoyed watching it all the way from right to left as far as we could see for about half a hour. Whales are migrating south right now. If you are lucky, you may see Blue Whales. We suggest a picnic during lunch hours.

may not regain their full purchasing power through the economic recovery alone. We urgently need reforms in taxation and financial systems. In short, we are afraid that "uncertainty" represents this year's economy.

Palos Verdes Housing Market

Our forecast was that new waves of listing rush would occur in late January. It did not happen. Just one week of many listings in mid January, the number was modest until February and so was the number of sales while there were so many active buyers in the market. The reason for modest sales was: not many good listings and inflexible sellers. The market inventory quickly grew to 125 after it started the New Year with 97, and since then it has been steadily decreasing. The supply-demand condition is improving.

Concerning prices, the median escrow price began rising since late January, though it is not very reliable as the number of transactions was small. However, given the improving supply-demand condition, we are confident that prices are rising. However, we have to caution on two factors: 1) new sellers rush to the market when a price increase becomes evident; 2) the current median escrow price is already close to \$1,350,000, and any sale below this price will pull down the median price. The debt ceiling fight is also expected in February; we expect the PV housing market to get really hot in March.

If you are thinking about selling your home, you may want to spend February for good preparations. The market prices usually peak in June; however, there are less buyers in June than in the February-April period.

January closed sales accounted 42. While smaller than a year ago, it is better than other previous years. The median price was \$1,287,500, more or less the same as previous few months.

Townhomes started selling in January and then the momentum has been lost in February.

New Law 2014

Adjoining Owners Equally Responsible for Shared Fences and Boundaries (2)

A landowner must give each affected adjoining landowner a 30-day prior written notice of any intent to incur costs for a division fence, as we explained in the January issue.

An adjoining landowner can overcome the presumption mentioned by demonstrating by a preponderance of the evidence that imposing equal responsibility would be unjust. To determine whether equal responsibility for the reasonable costs would be unjust, a court will consider the following:

- (1) whether the financial burden on one landowner is substantially disproportionate to the benefit conferred upon that landowner by the fence;
- (2) whether the cost of the fence would exceed the difference in the value of the property before and after its installation;
- (3) whether the financial burden to one landlord would impose an undue financial hardship given that party's financial circumstances as demonstrated by reasonable proof;
- (4) the reasonableness of a particular construction or maintenance project, including the extent to which the costs appear to be unnecessary, excessive, or the result of one landowner's personal aesthetic, architectural, or other preferences; and
- (5) any other equitable factors appropriate under the circumstances.

This law does not apply to a city, county, political subdivision, public body, or public agency. This new law is intended to clarify and modernize the existing law enacted in 1872, the prime concern of which was ranchers and farmers.

Free Notary Service

We offer free notary public service to the readers on our mailing list. Customers who buy or sell their homes with Rockyfield will have free notary service for 5 years.

(Direct service only, excl. loan documents; additional charge for a trip to your place.)

Please make an appointment with Catarina at 310-544-0857 ext. 2#



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If you are looking for a house cleaner, handyman, painter, plumber, roofer, electrician, gardener or contractor, we should be able to introduce a quality one.

Contact: Catarina. 310-544-0857 Ext 2#

Our free fair market value analysis

If you just remodeled your house, you ought to be interested in how much your home is worth now. Or you may be simply curious. We will be happy to provide a fair market value estimate. No strings attached.

Free weekly market information

We can provide a free weekly update of the housing market in your area. Please contact us via e-mail with your property address. The list below does not include many listings.



SELECTED LISTINGS

Please Contact

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For Information

A: Active S: Sold B: Backup P: Pending
Prices in '000s. Source: MLS (as of 03/09/14)