



Rockyfield Newsletter

US Economy & Housing Market

The March employment was a half of the consensus with almost a 70,000 downward revision of the previous two month's figures. Skepticism over the robust economic growth became even louder, while share prices rose. It proves how much the stock market is affected by interest rates rather than the real economic prospect.

Inflation risk emerges when employment and wages start improving. The FRB will raise short-term rates by cautiously observing the recovery. However, stock and other financial markets driven by super cheap borrowings are too sensitive to interest rates. Given the excess liquidity in the market, the FRB's approach seems to be appropriate. Such measured rate increases may curve the housing demand temporarily, but if the good economy improves household income, the housing market continues to expand.

Then, is our economy entering a strong growth stage? International political, economic situations in the Middle East and Europe as well as the domestic issues like the eroded middle-class purchasing power and serious structural unemployment are unique to this recovery. The traditional condition for inflation such as labor and other resource shortages and their soaring costs is still a far fetched reality. Low oil prices drag down oil related share prices and cause damages to the oil dependent local economies. However, it will help the long-term economic prosperity and ease the inflationary pressure. Taking all these factors into consideration, substantial rate increases are unlikely in the near future.

How will inflation affect housing prices? The answer depends on other economic factors and the demand-supply condition in the housing market. Inflation/high interest rates are negative to the financial products. While the housing market is heavily financed, houses are also "things." Although rates move prices in the short run, the housing market is also based on the real needs of people. If interest rates are stabilized even at higher levels, housing prices should rise as long as people are

Tight Market House Prices Set to Rise More

Rockyfield's Advantages

In Palos Verdes, a few large brokers and many independent small firms are competing, and the number of their agents exceed 1000. It is only natural that Seller has difficulty choosing an agent, and well-known large names have advantage. We, Rockyfield, as an independent needs to perform better to survive. Some of the advantages we can offer are:

- Preparation for sale, like repairs, painting and cleaning, is tough for busy owners. We can not only manage such work and if a seller wants, we pay for them by adjusting our commission (certain limit applies). Seller can avoid out-of-pocket cash outlay and also headaches with hiring and manage handy-men and others.
- If smoke detectors and CO alarms are not properly installed, we install them free of charge.
- We can take house hazardous materials like old paints and electronic equipment to a hazardous material proposal place.
- You can lend our old minivan free.
- We believe in the importance of actually meeting with customers and physically carry important stuff between escrow and client. We do not depend on Internet.
- Catarina and Anthony will serve you in perfect teamwork. For example, showing with appointment only will not be a disadvantage for your listing.

Before listing we will:

- Review the past permit and other records at the City Hall.
- Confirm the title record with a title insurance company.

We comply with local ordinance, needless to say State and Federal laws when acting as a listing agent.

confident about job security and future income. After adjusting to inflation, housing prices may not fall. The past collapses of the housing market were caused by predatory lending practices followed by recessions and subsequent foreclosures.

Palos Verdes Housing Market

The tight market condition remains; however, we are having a mini trough for the past two weeks, apparently due to the tax filing time. It is normal to have one or two recesses during the spring selling season; a deeper, longer one can happen after prices rapidly soar amid rising mortgage rates, though the market usually recovers after a couple of weeks. It is hard to predict when and what magnitude.

The market is active across all price ranges. While many are sold quickly, we also see excessively overpriced listings typically by outside area agents. Those listings priced a little higher than their market values still sell if they have unique, attractive features. Today's buyers are well informed, however. If the list price is too high, it will be left unsold and often ignored while many new listings are coming on the market. "Comparable market analysis" is based on sold properties in the past; in the rising market, it is OK to price a little higher. We are keeping weekly price movements, and we adjust past prices to today's prices when computing market values. We also factor near future price increases to set forth the list price.

Closed sales in March were 58, exceeding a year ago for two months in a row. Due to the seasonal (contract) price decline in February, both average and median prices slumped. Closed sales price will go up in April. So don't worry when news media report negative news.

Since the demand for the US Treasuries has been very strong amid the limited supplies, and also concerns over the economy that may be losing momentum, mortgage rates are likely to remain low through this summer, and prices should be able to go up another 5% or more.

Townhomes' shortage remains, and their prices seem to be ratcheting up.

Water Conservation Regulation Expanded and Extended

As California enters a fourth year of severe drought, the State Water Resources Control Board Tuesday adopted an expanded emergency regulation to safeguard the state's remaining water supplies. While Californians have made great strides to conserve water, more effort is needed.

Under this action, the prohibitions on potable water use, first adopted in 2014, will continue, and new prohibitions will go into effect. All Californians are now prohibited from:

- washing down sidewalks and driveways;
- watering outdoor landscapes in a manner that causes excess runoff;
- washing a motor vehicle with a hose, unless the hose is fitted with a shut-off nozzle;
- operating a fountain or decorative water feature, unless the water is part of a recirculating system; and irrigating turf or ornamental landscapes during and 48 hours following measurable precipitation (new).

New Prohibitions affecting commercial businesses include:

- restaurants and other food service establishments can only serve water to customers on request; and
- operators of hotels and motels must provide guests with the option of choosing not to have towels and linens laundered daily and prominently display notice of this option.

Outdoor irrigation represents 50 to 80 percent of all water use for some communities in the state. Irrigation must be limited to no more than two days per week. Local agencies can fine property owners up to \$500 a day for failure to implement conservation requirements.

*** California Water Service Company warns its customers of a telephone scam. They typically threaten to collect penalty.

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#



Rockyfield contacts

DRE broker license:
01328577

27520 Hawthorne Blvd. Suite 144
Rolling Hills Estates, CA 90274
Phone: (310) 544-0857

Anthony Iwata Ext. 1#
(English+Japanese)

Catarina Zerbinatti Iwata Ext. 2#
(English, Spanish, Portuguese, Japanese, Italian)
email: properties14@rockyfield.com

visit: www.rockyfield.com

Los Verdes House for Lease

A single family home in Los Verdes will be available for lease in mid April. The house has 4 bedrooms/2baths (1800sf), beautifully remodeled, spacious kitchen/dining area. It also has ocean view. The rent is not finalized yet.

Need a handyman?

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

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

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

Rockyfield

A: Active B: Backup P: Pending S: Sold
Prices in '000s. Source: MLS (as of 04/08/15)