



# Rockyfield Newsletter

## US Economy & Housing Market

The second revision of the 1st qtr. GDP became negative 0.7%, changed from 0.2% increase which had already disappointed many economists. The productivity was a 3.1% decrease; IMF revised the US growth rate downward as well as the world growth. The major reason for the US GDP slump was foreign trade, whose "negative" contribution to the GDP was increased from -1.3% to -1.9%. The strong US dollar, based on the best performing economy among the Western economies, seems to be suppressing our exports. Under these circumstances, the proposed Fast Track bill to give the President authorities to negotiate the TPP (Trans Pacific Partnership) free trade agreement has been hotly debated and stalled in the Congress.

The basic of the economy is "exchange." Even if Person A is more productive than Person B in two products, both will be better off by focusing their production on either product which is they are better at, and exchange them. This theory is intuitively accepted as true; however, the reality is far more complex and impossible to prove in actual cases. And international trades are even more complicated. While the world economy has been historically expanding with trades, trade barriers always exist to protect victims of free trades. Differences in wages, labor standards, product safety, taxations, consumer preferences are large among nations. Each government has its own agenda over national securities, domestic politics and a wide range of other issues.

The pros and cons over the TPP have been across party line for a variety of reasons. Some argue over the transparency of the agreement; however, given each country's own domestic politics, certain secret articles may be necessary to reach an agreement. Free trades are necessary for the US and Asian economies to compete with the EU, which is the largest economic zone.

Support for impacted regional economy, unemployment and worker re-training can ease the pain of the affected people.

## *Prices Peaked, Demand Still Strong*

### Wisdom of Not Chasing Fashion

Very deep brown wood floors are popular today. If it is a high quality hardwood, it may be OK; however, laminates and wood-like vinyl plunks tend to show dusts and foot prints, and may leave streaks after mopping. More importantly, dark floors, including hardwood floors, make the house really dark. If you are remodeling for a future sale, it is not recommended to use dark floor materials. It is very important that the house is airy and bright. You may have noticed that realtors turn on all lights at showing. Using dark color cabinets or furniture in a bright house may add charming contrasts.

Room walls do not need to be all whitish. Brown or green pastel and off white colors are popular and give a relaxed or peaceful feeling. Using a different color on one wall provides a good character and avoids a boring look.

Kitchen and bathrooms are always keys to making your house attractive. Some of today's popular materials may be difficult to clean; the layout for functionality is also very important. We often see flipped houses with nice looking kitchen and bathrooms which are inconvenient for use. Workflow in the kitchen between the sink, fridge, cutting board and range must be smooth and easy. Some bathtubs are not easy, or even unsafe, for getting in and out. Washing basins must be easy to use without splashing water all over.

Fashions come and go in a few years. If the purpose of your remodeling is for sale, it may be Okay to follow today's fashion. When the general fashion changes, so will your taste.

Finally the most important thing is: WORKMANSHIP. It is a great disappointment to see a remodel with expensive materials, but done so poorly.

The US hegemony has been in a considerable part established by creating economic dependency of other countries on the US economy (US imports). And our own aggregate economy will be better off through free trades.

### Palos Verdes Housing Market

The PV single family home market is packed with so many sellers and buyers, and transactions are moving fast. Constantly, more than 20 new listings coming on the market, keeping the market inventory growing. Buyers' appetite is also overwhelming and it is becoming a Seller's market. Good properties immediately receive multiple offers; however, today's buyers are also savvy. They tend to ignore overpriced listings. While clean, remodeled properties have been popular, attractively priced fixers are also picking up. Except for the Eastview along the Western Ave., listings below \$1 million have effectively disappeared. Even those properties with certain flaws are being sold.

Prices started soaring since the end of April and peaked in mid May, and now some adjustments have been underway for about two weeks. The median escrow price hit \$1.6 million which is, in our view, not sustainable given the other economic fundamentals. Nonetheless, we are not worried about a sharp fall, given the continued strong demand for PV houses.

The townhome market has been good since last year, and now both townhomes and condos are becoming hot, obviously encouraged by rapidly rising prices of single family homes.

May closed sales were 62, up 6 from a year ago. As growing sales were due to more sales of lower priced houses, the median price declined 2% to \$1,385,000. June closed sales should be higher.

The Chinese government announced easing foreign investment restrictions and also let the Yuan rise with a campaign to promote the Yuan to be an international currency. The new policy should increase individuals' purchases of the US real estate with hopes that our housing market will get such a boost.

## Conserving Water

California Water Service Company Palos Verdes must reduce water usage by 36 percent in order to comply with the Governor's executive order. Compared to other areas, our requirement is very high. According to the Outdoor Irrigation Restrictions, irrigation (sprinklers) are scheduled on Tuesday, Thursday and Saturday for even street addresses, and Sunday, Wednesday and Friday for odd street addresses. And no watering is allowed between 8 am and 6 pm. Hand-watering, drip irrigation and microspray irrigation on lawns, landscaping and trees area exempted. Any violation may be subject to a fine of up to \$100 for each day, installation of flow restrictors or discontinuation of water service.

Cal Water offers a range of incentive programs:

**Turf removal:** the budget quickly ran out in early May; but the program has been renewed. Residential turf removal customers may now apply and receive \$2 per square foot, up to a maximum of \$6,000 per property. Residential customers who previously received a turf removal rebate may apply for a rebate for additional areas. However, each property is subject to a maximum of \$6,000 for all past and current turf removal rebate requests combined.

**Free Rain Barrels:** West Basin Municipal Water District is providing FREE 55 gallon rain barrels for all interested residents to catch and retain rain for reuse.

**Free Sprinkler Nozzles:** Cal Water is providing up to 25 free water-saving Toro Precision Series Spray Nozzles.

**Free Conservation Kit:** Cal Water is offering free conservation kits to single-family residential customers. The kit includes: Two high-efficiency showerheads; One hose nozzle; Two bathroom faucet aerators; Toilet leak tablets; One kitchen faucet aerator.

For more information, we suggest you try:

<http://www.rpvca.gov/779/Water-Energy-Conservation>

## 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

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## Listings by Rockyfield

**2-bedroom townhouse on Ridgebrook for sale**  
**Remodeled, excellent floor plan**  
**Great Value**

**Vista Madera 2-bedroom townhouse for lease**  
**Conveniently located, end-unit**

### 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#

# FATHER'S DAY



## SELECTED LISTINGS

Please Contact

Rockyfield

A: Active B: Backup P: Pending S: Sold  
Prices in '000s. Source: MLS (as of 06/09/15)