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Rockyfield Newsletter

US Economy & Housing Market

Interest rates, job prospects, consumer sentiment and seasonal factors are among the most powerful elements that determine the housing market. Let's look at how they are today. The 30-year fixed mortgage rate once got below 6% (Freddie Mac), backing up to just above 6% due to the Iran War. It is still low. Lower rates effectively mean lower home prices for buyers. Non-farm payrolls far exceeded the forecast in January and fell sharply in February more like adjustments. Consumer confidence is crucial in buyers' final decision to purchase a new home, and the recent improvement in consumer sentiment helps buyers to jump in house hunting. Then the seasonal factor: Every year, the housing market becomes lively both in volume and prices during the spring season, and we are just entering the season!

Judging from all those 4 factors above, we are hopeful for the coming months, though numbers are yet to show any evidence. And we see a few good signs that good listings are being sold quickly. We believe that buyers are out there actively looking for a suitable home for them while the market inventory is extremely thin with very few quality or affordable listings.

The breakout of the Iran War has changed the trajectory of the housing market. So far the financial market's reactions have been rather calm. It is uncertain how interest rates, energy prices (risk of inflation) and consumer sentiment would move from now on.

There is no clear reason for inflation if it were not for the war. As we reiterated, once tariffs are set in, inflation would not continue rising even though general price levels may stay high. The problem is that tariffs, both rates and applications, keep changing. The recent SCOTUS's decision has actually created renewed confusion and

Hopeful Signs Seen

Lease Market

The lease market has also been quieter than usual since last summer. Similar to the sell/buy market, the availability of the lease listings is also low. Unlike the former where many owners are reluctant to sell their homes, the owners of rental properties are keen to lease their properties, unless they decide to sell them. So the less availability of rental homes is not due to the owners' reason.

Without statistical backups, we suspect that many tenants are not moving out for a variety of reasons. Given the recent rapid rent increases, the rent amount tenants are paying tend to be lower than the market, especially true if they have been leasing for years. Less people are changing their jobs seeking higher pays. Another possible reason is: Due to dimmer job security and prospectives, less renters are buying homes.

Concerning the demand for leases, since late June last year it had been very slow until recently. Because of the school reasons, the rental demand during spring is usually strong and this year seems to be following the same pattern. However, the market rent seems to be flat at best.

Remember, clean and modern houses are leasing faster; even if cheap stuff, it is better to have new things. Another important trend is: very few agents bring prospective tenants for two reasons: 1) given the small compensation, few agents are willing to represent tenants; 2) most tenants look for rental properties on Zillow, Realtor.com or others, and they directly contact listing agents. And it is also true that few agents are keen to list leases. Rockyfield is still happy to list leases to help property owners.

Lastly, successful income property owners consider their tenants as customers; happy tenants pay well and keep the property better.

uncertainty. Remember, the enemy No. 1 for any business is "uncertainty." Geopolitics is now the major concern.

Palos Verdes Housing Market

Numbers are not there yet; however, from our daily dealings, we can see positive signs, though still implicit. Sales volume has been crawling on the floor just due to the extremely low market inventory. Total active listings of single-family homes in PV are below 100; even worse, there are only 2 listings available below \$1.5M. The majority of buyers simply cannot find suitable homes for them.

When a new listing with good features at a reasonable price comes out, it is sold quickly, including a few remaining since last year that cut prices to be attractive. So, one can infer that sales volume would soar if more attractive properties become available. We have also noticed that fixer upper properties with low prices are also being sold. We conclude that there are active buyers.

Given very few transactions, the market price (either median or average) is unreliable to assess the price movements. We guesstimate that the current median escrow price of single-family homes in PV is just above \$2 million. Unless monthly contracts consistently exceed 60 for a few months, it would be difficult to say the market price is up or down. Neither AI analysis would be useful just because there is no credible data. We, professional realtors, have to provide honest opinions.

In conclusion, potential sellers should not be discouraged by the small sales volume. If priced right, their homes should be sold in a timely manner.

One new trend we have noticed is the shrunken sales in the high-end market (over \$5 million), which were consistently brisk last year.

Townhomes and condos are moving but a far cry from the "hot" market.

Paso Robles Hot Springs

We all love hot springs. However, so called hot spring resorts are typically very expensive and those in wilderness require hikes to get there. We found a great affordable place that is well equipped without lodging. River Oak Hot Springs Spa offers privacy and comfort. It is located in the northern part of Paso Robles. Just for soaking in a private sulfur hot tub to relax, it would cost only \$28 per person for one hour. Of course, if you add other services like massage, the price will be much higher. The Spa is privately enclosed with a large opening high up in the backwall. Outdoor spas are enclosed with an open top.

Hotels in Paso Robles vary greatly in price. Legendary Paso Robles Inn used to have hot tubs with natural hot spring water in guest room patios. They still have patio hot tubs but only with regular water. There is a natural hot spring pool which is open to public; however, it may not be a very comfortable option for some people.

If you want an affordable yet comfortable hotel, we suggest Adelaide Inn which is a motel but rooms are very large and clean. They have free EV chargers too. Ask for some discount for seniors, AAA members and others.

Paso Robles is in a wine country, surrounded by vineyards and resorts. You can enjoy wine everywhere. Wine tasting tours will be very nice (do not recommend drunken driving.) And there is a wide variety of many first class to good affordable restaurants. Our favorite is Junction which is an authentic Spanish restaurant.

Another entertainment we recently found is a jazz club to enjoy live jazz music at affordable prices and free street parking! Llibretto is located just north of Downtown City Park. It is a good way to finish the day in Paso Robles.

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



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PVPUSD Parcel Tax Exemption

We would like to remind of PVPUSD senior parcel tax exemption. Many readers of ours are saving about \$400 every year.

The purpose of this parcel tax by Measure M is to recruit high quality teachers and maintain small class sizes, being taxed with regular the property tax. The filing period will end on the last business day of May. A 2026 (2026-27 tax fiscal year) first-time parcel tax exemption application may be filed in person by seniors who are 65 years or older, born on or before June 30, 1961, and named on title of their primary residence. Only primary residences may be exempted from the tax. Once the exemption is setup, there will be no need to re-apply.

An appointment at the PVPUSD Malaga Cove Administration Center, 375 Via Almar, Palos Verdes Estates, CA 90274-1277 is required for all first-time filers. To schedule a date and time to meet with Megan Wescott, please call (310) 896-3404. The application form will be completed at your appointment, where you must bring the following required documents:

Verification of Date of Birth (One Only): CA Driver License, CA Senior ID or Passport.

Proof of Ownership: 2025 Property Tax Bill for primary residence.

Proof of "Primary" Residence (One Only): Most recent bill of So CA Edison or The Gas Co.



SELECTED LISTINGS

Please Contact

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A: Active U: Contracted P: Pending S: Sold
Prices in '000s. Source: MLS (as of 03/10/26)