

# CAREPA NEWS

## CAREPA NEWS

### 華裔房地產專業協會新聞

2010 年四月號

APRIL 2010

#### President's Message ~ 會長的話



At the beginning of the year we set our goals for the year. Let's hope that global economics will be on our side.

To help you increase your knowledge, this month we have attorney Kelly Richardson talk to you about the legal side of "Home Inspection". Make sure to listen carefully and ask any questions you may have. Kelly will definitely give

you the answer.

CAREPA is hosting the Ethnic Real Estate Industry Associations Leadership Summit with the California Association of Realtors on April 21. Many organizations will attend this gathering to discuss the issues concerning minority groups. If you have any comments, you are welcome to let me know.

The National Association of REALTORS® is hosting the Midyear Legislative Meetings and Trade Show in Washington D.C. (Meetings: May 10-15, Trade Expo: May 12 - 14). You are welcome to attend and learn.

CAREPA has organized a "Taiwan Real-Property Surveying Mission" one week trip to Taiwan in mid-May to survey the housing market in Taiwan. This trip is to widen our members' vision to overseas real properties and hopefully it will bring some business opportunity for investors. We will have 30 joining. The proposed trip has been scheduled for May 17 to May 21, 2010.

Thank you all for your support and participation. I am happy to see our membership grow.

PHILIP HSU 徐一飛  
華裔房地產專業協會  
2010 CAREPA President



Applications for the 2011 awards will be available in early 2010. If you would like further information, including HOPE Awards submission forms and instructions, call 202-383-1013 or e-mail [sweis@realtors.org](mailto:sweis@realtors.org)

**CATEGORIES: Finance Award, Homeownership Education Award, Leadership Award, Media Award, Project of the Year Award and Public Policy Award**

[http://www.hopeawards.org/about\\_hope\\_awards.html](http://www.hopeawards.org/about_hope_awards.html)



**MEETINGS MAY 10-15 TRADE EXPO MAY 12-14 2010**

**REALTORS®**  
Midyear Legislative  
Meetings & Trade Expo  
WASHINGTON DC • 2010



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### APRIL GENERAL MEETING

APRIL 14, 2010

6:30PM

**SPEAKER**

**KELLY G. RICHARDSON, ESQ.**

**TOPIC**

**Points Your Home Inspector (and your Lawyer)  
Want you to know about Home Inspection**

**EMPRESS HARBOR RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
Monterey Park, CA 91754

For reservations and information, contact Nancy Lin @  
626-285-8333

### MAY GENERAL MEETING

MAY 12, 2010

6:30PM

**SPEAKER**

**STEPHEN CHAN**

GE PROPERTY MANAGEMENT INC.  
GE PROPERTY DEVELOPMENT INC.

**TOPIC**

**THE GOLDEN MILE OF VALLEY BLVD.**

**EMPRESS HARBOR RESTAURANT**

111 N. Atlantic Blvd. 3<sup>rd</sup> floor  
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# LOS ANGELES INDUSTRIAL PROPERTY SNAPSHOT – APRIL 2010

By Jodi Summers

Feel comforted, industrial space in Los Angeles isn't the only location to take a hit. In 2009, the global recession negatively impacted industrial production and consumer behavior throughout the world, according to a recent report by Cushman & Wakefield. In an unprecedented scenario, global rents tumbled an average of 5.5% worldwide, as demand for space rapidly declined virtually everywhere.



Worldwide, there were some major shifts in lease rates and availability. London Heathrow stayed the most expensive industrial location in the world, followed by Tokyo; Berlin, Paris and Stockholm entered the top 10, while Singapore and Madrid fell off the peak. The Asia Pacific saw the largest fall, with rents decreasing by 6.4%. European rents fell an average of 5% - Central and Eastern Europe saw rents deteriorate by 12.5%, while Western European rental values fell by just 3%. Because of the shortage of quality space, South American rents showed a degree of resilience, falling by just 0.1%. North America rental levels declined by 6.9%, as key industrial locations in both the U.S. and Canada and the USA suffered from reduced demand.



Across the USA, industrial properties suffered because of the economic slowdown and rental levels moved down by 7% over the year. This resulted in increased consolidation with many tenants releasing space back on to the market, creating a further rise in vacancy rates and additional downward pressure on rents.



Locally, in California, Los Angeles County and Silicon Valley/San Jose were worst affected in the USA in 2009, with rents declining by 19% and 14% respectively. In Los Angeles county, lease rates fell to \$6.24 annually.

Fortunately, the future is brighter. The consensus is that economic growth will largely be positive in 2010, resulting in increased demand and rising rents.

Currently, the most expensive location in terms of total occupancy cost is now the Canadian capital city of Ottawa, replacing the San Francisco Peninsula. FYI, Ottawa was also the best performing city in terms of rental growth in the North American region. (The industrial market in Ottawa is small and dominated by distribution and

warehouse facilities; therefore it has been less affected by the manufacturing slowdown.)

## Finance Bulletin, April 2010

### Economic Update

2010 began with better news than 2009 did, but there were no signs of a robust recovery. Housing markets and construction activity appear to have bottomed out. Labor market conditions, though improved, were disappointing. There were offsetting job losses and gains in January and February. The unemployment rate remained elevated in February.

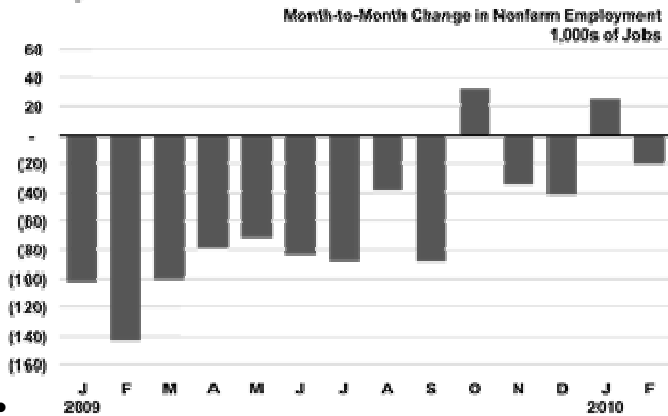
### LABOR MARKET CONDITIONS

- California continued along a trend of declining job losses that it has been on for the last year. The state lost 20,400 nonfarm jobs in February—reversing most of January's revised gain of 25,400. In contrast, 142,400 jobs were lost in February 2009. (Source: EDD)
- Five major industry sectors gained jobs in February and six declined. Professional and business services added 10,000 jobs; trade, transportation, and utilities, 8,200; education and health services, 5,100; other services, 300; and

natural resources and mining, 100. On the other hand, construction lost 21,500 jobs; leisure and hospitality, 9,800; government, 7,900; manufacturing, 1,900; information, 1,700; and financial activities, 1,300.

- Nonfarm payroll employment fell by 586,300 from February 2009 to February 2010—a 4.1-percent loss.
- Employment rose in only one major industry sector over that period, education and health services, which added 21,200 jobs.
- Over the year, employment fell by 123,600 in trade, transportation, and utilities; 119,900 in construction; 96,400 in manufacturing; 89,000 in professional and business services; 57,100 in leisure and hospitality; 46,300 in government; 32,600 in financial activities; 24,400 in other services; 15,300 in information; and 2,900 in natural resources and mining.
- The state’s unemployment rate held steady at 12.5 percent in February with offsetting increases in the number of people unemployed—up 5,700—and the number employed—up 34,700.

**Monthly Job Losses Moderate but Persist**



**BUILDING ACTIVITY**

- Residential construction exceeded its year-ago level for the second consecutive month in February, even though the pace of residential construction slowed in the month. January was the first year-over-year gain in nearly four years. Residential permits were issued at a seasonally adjusted annual rate of 48,100 units, up over 40 percent from a year earlier. Both single and multi-family construction slowed from January, but were up over the year. Single-family permits were up 33 percent, while multi-family permitting was up 51 percent.

- Total new home permitting during the first two months of 2010 was up 51 percent from the same months of 2009.
- Nonresidential construction continued to lag improvements in the residential sector. Nonresidential permitting fell 4.4 percent in February from a year earlier. For the first two months of 2010, nonresidential permitting was down 11.6 percent from the same months of 2009.

**REAL ESTATE**

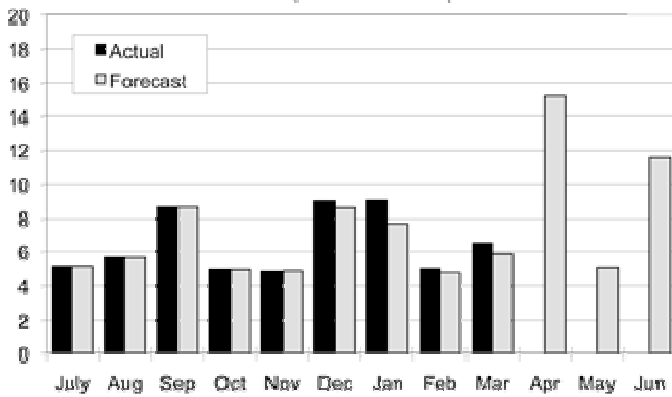
- The market for existing homes slowed for the second consecutive month in February. Sales of existing, single-family detached homes totaled 528,930 units at a seasonally adjusted annualized rate in February—down nearly 2 percent from January. The median price of existing, single-family homes sold in February was \$279,840, down 2.6 percent from January.
- The median number of days needed to sell a home rose to 41.2 days—longer than January, but a 19.8-percent improvement from a year earlier. [\(Source: California Association of Realtors\).](#)

**Monthly Cash Report**

Preliminary General Fund agency cash for March, was \$670 million above the 2010-11 Governor’s Budget forecast of \$5.837 billion. Year-to-date revenues were \$2.68 billion above the estimate of \$56.372 billion.

- Personal income tax revenues to the General Fund were \$132 million above the month’s forecast of \$2.252 billion. Withholding receipts were \$423 million above the estimate of \$3.112 billion and other receipts were \$137 million higher than the projected level of \$465 million. The gain in receipts was offset by refunds, which came in \$425 million over the estimate of \$1.285 billion; it is not clear how much of this month’s refund variance may be due to cash flow. April will be a critical month for this tax as final returns or extension requests for the 2009 tax year are filed. Proposition 63 requires that 1.76 percent of total monthly personal income tax collections be transferred to the Mental Health Services Fund (MHSF). The amount transferred to the MHSF in February was \$3 million above the estimate of \$40 million. Year to date General Fund income tax revenues were \$1.047 billion above estimate.
- Sales and use tax receipts were \$32 million below the month’s forecast of \$2.059 billion. March cash includes the second prepayment for first quarter sales and use tax liabilities. Year-to-date, the sales tax cash was \$583 million above expectations.
- Corporation tax revenues were \$486 million above the month’s estimate of \$1.026 billion. Prepayments were \$297 million above the forecast of \$332 million and other payments, which include the final payments for 2009 calendar year corporations, were \$103 million higher than the \$888 million that was anticipated. The gain in final payments suggests that underlying profits in 2009 were stronger than expected. Total refunds for the month were \$86 million lower than the estimate of \$194 million. Year-to-date revenues were \$861 million above estimate.
- Total Vehicle License Fee General Fund revenues reported in March were \$5 million higher than the estimate of \$117 million. Year-to-date revenues were \$9 million below forecast.

**General Fund Agency Cash  
2010-11 Governor's Budget Forecast**  
(Dollars in Billions)



- Revenues from the insurance, estate, alcoholic beverage, and tobacco taxes were \$9 million above the month's forecast of \$309 million. It was estimated that the General Fund would not realize any pooled money investment account (PMIA) interest in March. However, the State Controller's Office's March 2010 "Statement of General Fund Cash Receipts and Disbursements" published on April 8, 2010, noted that an adjustment was made in February to reflect the reclassification of the quarterly PMIA interest distribution as an expenditure rather than an offset to PMIA earnings, as previously recorded. Hence, the PMIA earned \$2 million in March; year-to-date, PMIA interest earnings were \$11 million higher than forecast. "Other" revenues were \$68 million above the month's estimate of \$74 million.

For more information, please contact the California Department of Finance, Room 1145, State Capitol, Sacramento, CA or call (916) 323-0648.

**2009-10 Comparison of Actual and Forecast Agency General Fund Revenues**

(Dollars in Millions)

Revenue Source	MARCH 2010				2009-10 YEAR-TO-DATE			
	Forecast	Actual	Change	Percent Change	Forecast	Actual	Change	Percent Change
Personal Income	\$2,252	\$2,384	\$132	5.9%	\$28,004	\$29,051	\$1,047	3.7%
Sales & Use	2,059	2,027	-32	-1.6%	19,591	20,174	583	3.0%
Corporation	1,026	1,512	486	47.4%	4,985	5,848	861	17.3%
Insurance	277	289	11	4.0%	1,348	1,372	24	1.8%
Estate	0	1	1	n/a	2	6	4	200.0%
Pooled Money Interest	0	2	2	n/a	0	11	11	0.0%
Alcoholic Beverages	24	21	-3	-12.5%	247	240	-7	-2.8%
Tobacco	8	8	0	0.0%	78	74	-4	-5.1%
Vehicle License Fees	117	122	5	4.3%	1,028	1,019	-9	-0.9%
Other	74	142	68	91.9%	1,089	1,259	170	15.6%
<b>Total</b>	<b>\$5,837</b>	<b>\$6,507</b>	<b>\$670</b>	<b>11.5%</b>	<b>\$58,372</b>	<b>\$59,052</b>	<b>\$680</b>	<b>4.8%</b>

This is an agency cash report and the data may differ from the Controller's report to the extent that cash received by agencies has not yet been reported to the Controller.

Totals may not add due to rounding. The forecast is from the 2010-11 Governor's Budget.

**[\\$18,000 California Home Tax Buyer Credit Ends April 30th](#)**

**IMPORTANT:** Contracts must be inked by April 30, 2010 and closed by June 30, 2010 in order to take advantage of the Federal and [California Home Buyer Tax Credits Available](#).



Californians have a small window of opportunity to receive up to \$18,000 in combined State and Federal Homebuyer Tax Credits. Californians must enter into a contract to purchase for a principal residence before May 1, 2010 and close escrow between May 1, 2010 and June 30th, 2010. Even if you are NOT a first-time home buyer you still may use the same guidelines and time frames to receive UP TO \$16,500 in combined tax credits if they are long time residents of their existing homes as permitted under federal law and they purchase a home that has never been previously occupied.

Why \$18,000? This is combining the Federal Home Buyer Tax Credit and the new California Home Buyer Tax Credit. There is a small window of opportunity where they will overlap during this time frame. Once the Federal Tax Credit expires you will still have the California Tax Credit. Please refer to our [previous post for all the details on the New California Home Buyer Tax Credit](#).

The federal first-time homebuyer tax credit that is set to expire soon allows a first-time homebuyer to receive up to \$8,000 in tax credits. Contracts must be inked by April 30, 2010 and closed by June 30, 2010. This leaves you a small window to double dip and take advantage of both the [California Home Buyer Tax Credit](#) and the Federal Home Buyer Tax Credit.

Additionally, under a newly enacted California law, a homebuyer may receive up to \$10,000 in tax credits as a first-time homebuyer or buyer of a property that has never been occupied. The new California law applies to certain purchases that close escrow on or after May 1, 2010. Other terms and restrictions apply to both tax credits so please make sure you consult a tax professional to see what would be your options and how they would be applied to your situation.



# California Median Home Prices on the Rise - Sales Up Slightly

By Dennis Norman

Home sales increased 2.5 percent in March in California compared with the same period a year ago, while the median price of an existing home rose 20.8 percent, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) reported today.

“The end of the federal tax credit on April 30 will remove some urgency from the market, but is not likely to derail current market trends as favorable prices and low mortgage rates continue to attract buyers and investors,” said C.A.R. President Steve Goddard. “The March year-to-year median price gain of 20.8 percent was **the largest in more than five years**. With the number of homes for sale in the state expected to remain lean, gains in the statewide median price may well outpace the nation going forward.”

Closed escrow sales of existing, single-family detached homes in California totaled 516,590 in March at a seasonally adjusted annualized rate, according to information collected by C.A.R. from more than 90 local REALTOR® associations statewide. Statewide home resale activity increased 2.5 percent from the revised 504,200 sales pace recorded in March 2009. Sales in March 2010 decreased 2.5 percent compared with the previous month.

The **median price** of an existing, single-family detached home in California during March 2010 was **\$301,790, a 20.8 percent increase** from the revised \$249,790 median for March 2009, C.A.R. reported. The March 2010 **median price increased 7.8 percent** compared with February’s \$279,840 median price.

While the federal tax credit has helped drive sales, near record-high affordability resulting from current prices and low mortgage rates also has impacted the market,” said C.A.R. Vice President and Chief Economist Leslie Appleton-Young. “Four years ago, the median price to household income ratio was at a record high of 10 to one. It’s now near a historic low of four to one.”

Highlights of C.A.R.’s resale housing figures for March 2010:

C.A.R.’s Unsold Inventory Index for existing, single-family detached homes in March 2010 was **five months**, compared with 5.6 months (revised) for the same period a year ago. The index indicates the

number of months needed to deplete the supply of homes on the market at the current sales rate.

Thirty-year fixed-mortgage interest rates averaged 4.97 percent during March 2010, compared with 5 percent in March 2009, according to Freddie Mac. Adjustable-mortgage interest rates averaged 4.20 percent in March 2010, compared with 4.86 percent in March 2009.

The median number of days it took to **sell a single-family home** was **39.2 days** in March 2010, compared with 48.5 days (revised) for the same period a year ago.

Statewide, the **10 cities with the highest median home prices in California** during March 2010 were:

- Los Altos, \$1,476,500;
- Manhattan Beach, \$1,340,000;
- Palo Alto, \$1,264,000;
- Calabasas, \$1,260,000;
- Newport Beach, \$1,102,250;
- Palos Verdes Estates, \$1,017,000;
- Mill Valley, \$910,000;
- Rancho Palos Verdes, \$878,500;
- Los Gatos, \$869,000;
- Cupertino, \$865,000.

Below is a chart showing the increases in median home price since the “trough” (time of largest price declines) through March for the State of California as well as select cities:

## Trough vs. Current Price – March 2010

Region	Trough Month	Trough Price	Mar-10 Median	% Chg From Trough
San Francisco Bay Area	Feb-09	\$399,040	\$544,120	36.4%
Santa Clara	Feb-09	\$445,000	\$590,000	32.6%
Monterey Region	Feb-09	\$241,130	\$299,490	24.2%
Palm Springs/Lower Desert	Apr-09	\$150,140	\$186,000	23.9%
Ventura	Feb-09	\$359,630	\$444,890	23.7%
<b>CALIFORNIA</b>	Feb-09	\$245,170	\$301,790	23.1%
San Diego	Mar-09	\$326,830	\$393,600	20.4%
Riverside/San Bernardino	Apr-09	\$156,840	\$184,930	17.9%
Orange County	Jan-09	\$423,100	\$493,120	16.5%
High Desert	May-09	\$106,210	\$122,970	15.8%
Northern Wine Country	Feb-09	\$310,950	\$352,700	13.4%
Los Angeles	Mar-09	\$295,100	\$329,190	11.6%
Sacramento	Apr-09	\$167,340	\$183,330	9.6%
San Luis Obispo	Apr-09	\$338,160	\$365,380	8.0%

SOURCE: California Association of REALTORS®



## Strong Mexico Quake Shakes Buildings and Nerves in California

By [JENNIFER STEINHAUER](#) ~ The New York Times

Published: April 4, 2010

LOS ANGELES — A powerful earthquake southeast of Tijuana shook Southern California on Sunday afternoon, damaging buildings in northern Mexico and border cities in California and Arizona and rattling a seismically sophisticated population as far north as Los Angeles and Las Vegas as chandeliers swayed, homes shook and the earth seemed to slide under the feet of people emerging from Easter church services for well over a minute.



A man in Calexico, Calif., swept up broken glass after a 7.2 magnitude earthquake struck on Sunday.



Nayeon Kim

A storage room in a home in El Centro, Calif., after the earthquake.



Guillermo Arias/Associated Press

People gathered outside in Tijuana, Mexico, after a 7.2-magnitude earthquake hit the area on Sunday.

### West Coast Quakes

The 7.2-magnitude earthquake that shook Baja California on Sunday was one of the most powerful to hit the region in years.

#### Recent California earthquakes

LOCATION	MAGNITUDE	YEAR
Landers	7.3	1992
Cape Mendocino	7.2	1992
Loma Prieta	6.9	1989
Northridge	6.7	1994
San Simeon	6.5	2003

Sources: United States Geological Survey, California Department of Conservation



The 7.2-magnitude quake struck just after 3:30 p.m. local time, and was centered 16 miles southwest of Guadalupe Victoria in Baja California, Mexico, and about 110 miles southeast of Tijuana, said the [United States Geological Survey](#).

Carlton Hargrave, 64, was standing in the entryway of Family Style Buffet in Calexico, a California border town, when the quake hit. His restaurant, he said in a telephone interview, was “almost completely destroyed.”

“We’ve got tables overturned, plates broken on the floor, the ceilings caved in,” Mr. Hargrave said with a shaky voice over the sound of his feet crunching rubble and glass. “It was big. I mean, it was major.”

Reports from the remote area in Mexico where the quake hit were slow in coming. But an earthquake of that size would probably cause major property damage near the epicenter, experts said. In northern Mexico, one person was reported to have been killed in a house collapse.

Initial reports from the quake’s epicenter near Mexicali, a large industrial city and the state capital of Baja California, did not speak of catastrophic damage, although photographs posted on Twitter and some news sites showed buildings with crumbled facades and food on supermarket shelves sent crashing to the floor. There were sporadic reports of fires, gas leaks and phone line damage, but none could be confirmed in the hours immediately following the quake.

“In a 7.2, you are going to experience a lot of shaking,” said Morgan Page, a geophysicist with the Geological Survey. “So it would be surprising if there wasn’t a lot of damage. Mexico does have many vulnerable structures.” Postings on Twitter told of people in shock in Mexico as well as in southern California.

In the United States, the shaking was particularly acute in San Diego, where it set off alarms and sent the San Diego fire department responding to several calls, The San Diego Union-Tribune reported.

At a Sheraton hotel in downtown San Diego, the floor cracked opened and prevented the front doors from shutting. Officials ordered all guests and staff from the building, pending an inspection from structural engineers. Fire officials reported a water main break in front of a hospital and another water line break at a department store.

“There’s scattered stuff all over the place,” said Maurice Luque, a spokesman for the San Diego fire department. “There’s nothing colossal.” Even for California residents who are veterans of previous and more punishing earthquakes, the temblor was impressive.

The Northridge earthquake of Jan. 17, 1994 — a 6.7-magnitude temblor that was centered in the Los Angeles neighborhood of Reseda — lasted for about 20 seconds but proved to be one of the most devastating natural disasters to hit the United States. There were 72 deaths attributed to the quake, and it caused an estimated \$20 billion in damage.

While this earthquake exceeded the numerical magnitude of the 7.0 [earthquake in Haiti](#) earlier this year, the damage there was far greater because the epicenter was near the heavily populated capital city, Port-au-Prince.

The Baja earthquake was the largest in a series that have taken place in the region that presages it, beginning with a 4.2 quake on March 31. It was followed by strong aftershocks.

In Los Angeles, homes slid from side to side for well over a minute, a nauseating and seemingly endless wave that could be felt from the beach to the Hollywood Hills. Power failures caused by the temblor were reported in Yuma, Ariz.

Reporting was contributed by Randal C. Archibold and Rebecca Cathcart from Los Angeles, Brian Stelter from New York, Rob Davis from San Diego, and Elisabeth Malkin from Mexico City.

**EDITOR'S MESSAGE:**

**For those who celebrate Easter, have a Happy Easter's Day.**

"CAREPA News" is newsletter published by CAREPA, Chinese American Real Estate Professionals association with the goal to facilitate and serve our membership needs. If you would like to contribute an article, include an advertisement, make a comment and/or sponsor any program, please contact Lucia Tam



at 626-221-2888 or e-mail to [luciatam@yahoo.com](mailto:luciatam@yahoo.com) or contact CAREPA President, Philip Hsu, at 626-230-9655.

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**ARTICLES/WRITE-UP**

If you have an interesting article you would like to submit, please send to [luciatam@yahoo.com](mailto:luciatam@yahoo.com) by the 20<sup>th</sup> day of the month before the article is to appear.

華裔房地產專業協會  
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