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On the Positive Side:

Real estate jobs still around

There are still job openings in the real estate industry, say New York City-based executive recruiters. The most attractive openings are in investor relations, capital raising, asset management, workout specialists, finance and accounting, and

featured Web site

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leasing on the owner's side, says Eric Goldstein, a partner with executive search firm Rhodes Associates. "Real estate is a tangible investment class--even in bad times it needs to be maintained, leased, managed and worked-out," Goldstein says. Companies doing the most hiring are corporations with large real estate holdings, experts say.

Source: The New York Post, Lois Weiss (01/15/2009)

Mortgage rates shift up but still low

As mortgage rates edge up, mortgage applications decreased slightly for the week ending January 16, according to the Mortgage Bankers Association (MBA). The Market Composite Index, a measure of mortgage loan application volume, was 1195.3, a decrease of 9.8 percent on a seasonally adjusted basis from 1324.8 one week earlier. On an unadjusted basis, the Index decreased 10.3 percent compared with the previous week and increased 23.1 percent compared with the same week one year earlier. The refinance share of mortgage activity decreased to 83.3 percent of total applications from 85.3 percent the previous week. The adjustable-rate mortgage (ARM) share of activity increased to 1.5 percent from 1.1 percent of total applications from the previous week. Freddie Mac released the results of its Primary Mortgage Market Survey for the week ended January 22. For the first time since the week ended October 30, rates were on the increase. The 30-year fixed-rate mortgage (FRM) carried an average rate of 5.12 percent with 0.7 point during the week compared to 4.96 percent also with 0.7 point during the week ended January 15.

The 15-year FRM averaged 4.80 percent up 15 basis points from the previous week. Fees and points were unchanged at 0.7. The rate for five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) did decline albeit only slightly, averaging 5.24 percent with 0.6 point for the week compared to 5.25 percent with 0.6 point a week earlier. This is the lowest level for the 5-year hybrid since and September 8, 2005 when it also averaged 5.24 percent and consequently the lowest level since Freddie Mac began to track this product at the first of that year.

According to Bankrate.com, the reversal in mortgage rates was prompted by investors' nervousness about a large supply of government debt and renewed concerns about the health of banks. Higher yields on benchmark Treasury debt and wider mortgage credit spreads spelled an increase in mortgage rates versus one week ago. While mortgage rates remain historically low, the barrier for many homeowners is lack of equity. Similarly, a lack of downpayment could be a barrier to an

otherwise well-qualified homebuyer. Lower mortgage rates have opened the door to refinancing for homeowners with equity. As recently as October, the average 30-year fixed mortgage rate was 6.77 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,299.86. With the average rate having since fallen to 5.59 percent, the monthly payment on a \$200,000 loan is now \$1,146.90.

Home remodels, retrofits are key to an energy-efficient future

As the nation's home builders embrace green building in growing numbers, industry research indicates that even the most aggressive efficiency goals for new homes won't make a dent in overall energy consumption. Instead, remodeling and retrofitting the nation's older homes is by far the more efficient solution, industry experts said at a recent press conference. The home building industry can combat the potential effects of global climate change by providing additional training to its members and by encouraging homeowners to alter some of their habits - and make energy-efficient improvements to their homes.

Federal energy officials estimate that Americans consume about 21 percent of the energy produced each year to operate and maintain their homes: for heating, cooling and electrical appliances, from stoves and refrigerators to televisions, computers and hair dryers. "By just making thoughtful choices, we can reduce that impact," said Ray Tonjes, chair of the NAHB Green Building Subcommittee and a green homebuilder in Austin, Texas. "Energy efficiency is absolutely key to our nation's continued security and to our economy. Additionally, we know that building with energy conservation in mind is practical and profitable. My industry has stepped up to the plate to prevent the effects of global warming - but we call it responding to market demand," he said. The greatest energy savings can be achieved by making changes to existing housing, which is less energy efficient than today's new homes. "We obviously can't solve the problem by tearing down all our inefficient housing stock and replacing it with new. We need to make some significant improvements to our existing homes," Tonjes said.

Further, the study demonstrated that pending \$10,000 retrofitting a 1960s home could save 8.5 tons of carbon, a cost of \$588 to \$1,176 per ton depending on tax credits and incentives. On the other hand, increasing the energy efficiency of a new home 35 percent over current state requirements would cost about \$5,000 and would reduce emissions by 1.1

tons at a cost of \$4,545 per ton.

Foreclosures high on Obama priority list

Foreclosure prevention will stand near the top of President Barack Obama's domestic priorities. Obama has other housing-related items on his agenda, too. He says he wants to ease taxes on homeowners, and he inherits a controversial reform of the mortgage-closing process. No one can guarantee success in the thorny task of reducing foreclosures. Obstacles stand in the way of getting government entities and private businesses to move in the same direction instead of working at cross purposes. The main way to prevent foreclosures is through mortgage modifications, such as rate reductions, forgiveness of principal and extending the ultimate payoff dates of loans.

During the campaign, Obama said his Treasury and Housing departments would "more aggressively modify the terms of mortgages." He said the feds would work with the states "to coordinate broad mortgage restructurings." People in the industry take this to mean that Obama wants government and business to draw up widely accepted rules to decide who gets a loan modification and who doesn't. That would constitute a break from the current system, in which loan-modification decisions are made case by case—a time-consuming process. Mortgage experts say it's necessary to devise a set of rules for mass modifications but that it will be fiendishly difficult to do. And that's just from a technical standpoint. Then there's the political angle: When it comes to who "deserves" a mortgage modification and who doesn't, most voters know it when they see it, even if they couldn't flowchart the decision. Any computerized, rules-based system would result in some widows losing their homes, and some rogues keeping theirs -- in both cases, undeservedly.

Source: Bankrate.com

Top vacation destinations

Santa Barbara, Calif. tops the list of 12 vacation U.S. destinations selected by the National Trust for Historic Preservation. Good news if you're in the second home or vacation rental business in these areas.

Here are the other 11:

Athens, Georgia
Saugatuck-Douglas, Michigan
Virginia City, Nevada
Santa Fe, New Mexico
Buffalo, New York
Lititz, Pennsylvania
Bristol, Rhode Island
Hot Springs, South Dakota
Franklin, Tennessee
Fort Worth, Texas
Lake Geneva, Wisconsin

Source: National Trust for Historic Preservation

In other news:

Has the market hit bottom yet?

The sluggish housing market will likely hit bottom in 2009 before picking up slightly by year's end, economists said during a Housing Economic Outlook press conference at the International Builder Show. Chief Economists David Crowe of the National Association of Home Builders, David Berson of the PMI Group, and Frank Nothaft of Freddie Mac offered up their forecasts for the housing market for 2009. The housing market currently lacks a much-needed spark: more than 1.5 million empty homes are for sale in the United States (new homes make up about a third of that inventory), housing starts are at record lows (200,000 for single family homes this year; off the 1-1.3 million pace for starts), consumer confidence is dwindling amid rising unemployment and loan delinquency rates, and skyrocketing foreclosures are driving housing prices down leading to excess inventory, the economists say.

"We do expect 2009 to be the bottom," Crowe says. Housing starts will likely fall another 20 percent and new home sales will drop 14 percent, he predicted. But there's some good news within all the dim reports, the economists say.

* Mortgage rates are at historic lows. Long-term mortgage rates on January 15 were reported at the lowest in the 50 years they've been recorded-4.96 percent.

* Households are growing. The Echo boomers-children of the baby boomers-are getting ready to buy homes, ready to make up a big demographic of buyers, which will lead to a higher

number of households.

* Housing prices have fallen and affordability is at its best levels since the 1970s, Berson said. Despite a tightening on credit in recent months, Nothaft said mortgages are ample for those who have a down payment, decent credit score, qualified underwriting, and a conforming loan balance. Credit standards are moving back to what they were 10-20 years ago - it just means once you graduate from college you might not be able to buy a house right away.

Source: REALTOR Magazine

Builder confidence edges down further in January

Concerns about the faltering economy and reluctant homebuyers pushed builder confidence in the market for newly built single-family homes down further in January, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI), released on Thursday, January 22. The HMI edged down a single point to a new record low of 8 in January. "Clearly, conditions in the nation's housing market aren't getting any better, and they aren't going to get any better until the federal government takes substantial action to encourage qualified buyers to get back in the market," said NAHB Chairman Sandy Dunn, a home builder from Point Pleasant, W.Va. "The Obama Administration and the new Congress have a tremendous opportunity and responsibility to enact legislation that can spur home buyer demand and jump-start the national economy."

Specifically, NAHB is advocating for an enhanced homebuyer tax credit and a government buy-down of mortgage rates for home purchases in 2009, moves that would rejuvenate demand for homes and trigger significant consumer spending across the board.

Swindlers find growing market in foreclosures

As home values across the country continue to plummet, the authorities say a new breed of swindler is preying on the tens of thousands of homeowners desperate to avoid foreclosure. Until recently, defrauders tried to bilk homeowners out of the equity in their homes. Now, with that equity often dried up, they are presenting themselves as "foreclosure rescue companies" that charge upfront fees to modify loans but often do nothing to

stave off foreclosure. The Federal Trade Commission brought lawsuits last year against five companies representing 20,000 customers, and state and local prosecutors have brought dozens more. In Florida, Attorney General Bill McCollum recently sued a company that he said had more than 600 victims.

"There's no way for the consumer to sort out the legitimate companies," said Mr. McCollum, who added that he had limited resources to fight what he called "a sheer volume question." The companies under suspicion typically charge an upfront fee of up to \$3,000 to help borrowers get lower rates on their mortgages from their lenders. But borrowers often cannot afford the fees, the service can be bogus and, in the worst cases, the homeowners lose their chance to renegotiate with their bank or to file for bankruptcy protection because of the time wasted. There are companies that provide legitimate foreclosure services, but the industry is largely unregulated, making it difficult for homeowners to separate the good from the bad. Some of the fraudulent companies - often run by former real estate agents or mortgage brokers - are local; others are national. Many have official-looking Web sites that suggest that the companies have government affiliations and give homeowners a false sense of security.

Source: By John Leland, The New York Times

Executive Appointments

RealtyTrac announced that Ari Monkarsh has been promoted to the position of vice president of business development. In this new role, Monkarsh is focusing on member subscription sales, advertising sales, traffic, lead generation programs and product sales.

Move, Inc. announced that Steven H. Berkowitz, a 25-year veteran of the media content, advertising and Internet industries, has been named as the Company's Chief Executive Officer, effective immediately. Mr. Berkowitz has served on Move's Board of Directors since June 2008. He succeeds W. Michael Long, who is retiring from the Company and the Board.

Mergers and Acquisitions

Alain Pinel Realtors recently expanded its presence in Northern

California with the opening of two offices in Marin County. Steve Dickason, a 32-year real estate sales and management veteran, will lead the new offices as Vice President, Marin Manager along with Craig Silvestri who brings 22-years of experience to the position of Marin County Operations Manager. There are now 26 Alain Pinel Realtors offices in Northern California and over 1,350 agents.

Bill Aboumrad, owner of Legacy Real Estate & Associates, announced today that the company has joined The Leading Real Estate Companies of the World® (LREC) to further the residential broker's marketing and referral network. Legacy Real Estate & Associates has realty offices in Fremont and Livermore. The company was formed a year ago after being a RE/Max franchise for 13 years. The firm has over 160 real estate professionals covering the East Bay.

Announcements

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate recently unveiled the company's new luxury marketing brand, entitled John L. Scott Portfolio™. This new luxury brand is an extension of John L. Scott's standard branding and helps distinguish John L. Scott as the premier marketer of luxury homes in the Pacific Northwest.

Steve Murray, Publisher

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