



SIDE COUNTY
the heart of
SOUTHERN CALIFORNIA

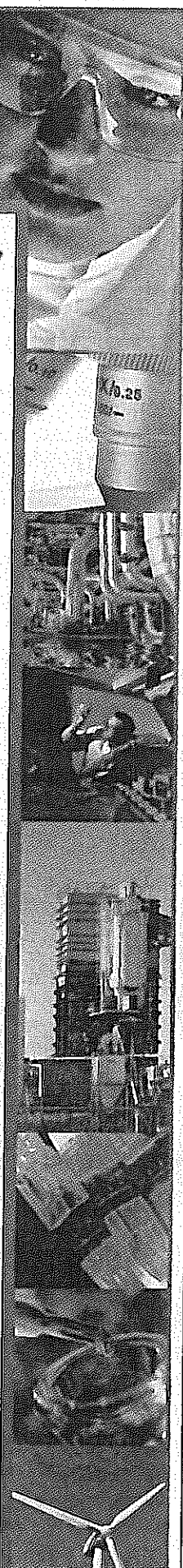
YOU CONSIDERING
CALIFORNIA TO RELOCATE
AND YOUR BUSINESS?

WOULD LIKE TO EXTEND
INVITATION
PRIVATE RECEPTION:

Geographic &
Market information
Key Economic
Development professionals
in commercial real estate
and purchase rates
Additional information
on regional incentives

MARCH 10, 2009
7-8:00 PM
SAN DIEGO, CALIFORNIA

"INVITATION ONLY" EVENT
REGISTERED BY FEB. 5TH, 2009
CALL (951) 955-6661
REGISTRATION PROVIDED UPON RSVP



Changing Market Draws Agents Back to Residential Real Estate

BY TARA SHARP

With home prices down and distressed sales up, industry professionals have been forced to adapt to a changing market.

Last year's median home price in San Diego County dropped 24.4 percent to \$360,000, due in large part to the continuing flood of foreclosures, which made up more than 50 percent of existing homes sold in December, according to MDA Data-Quick of La Jolla.

However, increasing sales — which rose nearly 35 percent in December year over year — is enticing more workers back into real estate.



Louis Galuppo

"There are people coming into the industry," said Louis Galuppo, residential real estate director at Burnham-Moores Center for Real Estate at the University of San Diego. "I think there are people that believe they can still get work. Some people believe we're close to the bottom, if not at the bottom."

The number of licenses issued statewide jumped to 678 brokers and 1,011 salespeople in December from 469 brokers and 849 salespeople in November, according to the state Department of Real Estate in Sacramento. The statewide number of licenses declined to 532,531 in December from 549,244 in December 2007.

Erik Weichert, 2009 president for the San Diego Association of Realtors, says he is happy to see his association growing again.

In December, his trade group counted 9,965 members, an increase from 9,910 in November but down from 10,866 in December 2007.

"We're hopeful that we're on our way back to at least a stabilized market," said Weichert.

For now, agencies are cutting costs by downsizing, says Galuppo, going down to 2,000 from 15,000 square feet, for example,

and doubling up on desks and having sales staff work at home.

Galuppo says he's seeing a new approach to the business emerging with the large numbers of short sales — when the owner sells the property for less than he or she owes on the mortgage to avoid a foreclosure — and foreclosures on the market.

"Lenders have to look for new ways of disposing of these properties," said Galuppo. "They don't have the internal personnel or infrastructure necessary."

Among the things he says lenders need to do is use brokers specializing in real estate-owned (i.e. foreclosed) properties and selling pools of these properties to funds and groups of investors.

Repair, Refocus

In the early 2000s, the flood of new licensed agents meant more competition, says Kris Berg, who with her husband,



Kris Berg

Steve Berg, is the owner of a four-person brokerage, San Diego Castles Realty.

But when values dropped, there were still a lot of agents fighting for a smaller piece of the pie.

"I think this is really a good thing for the industry," said Berg. "There were too many agents, perhaps, under-qualified and under-prepared, lacking professionalism and expertise."

Berg says she gives her clients control of the sales process by constantly keeping them involved. Her clients can perform transactions online, such as signing documents electronically and checking listings on the Web.

"I see this as a tremendous opportunity to repair and refocus, to really change our philosophy about the customer, professionalism and ethics," said Berg. "The agents and the brokers who can accomplish that ... are going to come out of this ... stronger and more effective."

Requests for Commercial Property Reassessments Expected to Jump

BY MICHELLE MOWAD

Owners who purchased their properties during the real estate bubble may be able to receive relief on their property taxes.

But first, they must file for reassessments with the County Assessor's office by May 30.

1 through May 30, and a more formal assessment appeal, which can be filed July through November.

The county received 40,000 applications for review of assessments and adjusted 38,000, or 95 percent, in 2008.

It received 41,000 assessment appeals but