

Business Seminars

Monrovia Business Seminar
TBD

MADIA TECH LAUNCH
TBD

Monrovia Kiwanis
Meets at the Monrovia
Restaurant
Every Thursday 12-1:30 PM

Duarte Kiwanis
Meets at Westminster Gardens
Every 3rd Tuesday 12-1:30 PM

Quotes for the Month

"I never dreamed about success, I worked for it."

-- Estee Lauder

"The secret to success is to know something nobody else knows."

-- Aristotle Onassis

"A successful man is one who can lay a firm foundation with the bricks that other throw at him."

-- David Brinkley

Here's the Current Outlook for Commercial Real Estate Financing

With the availability of good financing being so vital to maintaining a healthy commercial real estate market, it's important to take a look at what the experts are now forecasting for us within this arena. After all, any changes in the percentage of down payment that's required for purchasing property, as well as any changes in interest rates, will have a big impact on the continued interest of buyers towards purchasing more commercial real estate, and it will have a big impact on the price that they're willing to pay for their commercial properties, too.



With this in mind, the experts are telling us that the forecast for the continued availability of solid financing is still good. The Mortgage Bankers Association is finalizing their numbers for calendar year 2018, but as of this time they are estimating that calendar year 2018 will show an approximate 3% increase in the total number of loan originations over calendar year 2017. In addition, the good news is that lenders by and large are still positive about finding more good opportunities for placing more loans in 2019.

See Page 2 Financing

Median list price for a house reaches record \$300,000

If you're selling a high-end home, you've got company. More pricey houses are up for sale this year, pushing listing prices to record highs.

The median asking price for a U.S. home hit \$300,000 for the first time ever in March, according to housing data from Realtor.com to be released later Thursday and provided early to USA TODAY. That topped the previous peak of \$299,000 reached in June and July of last year.

Still, there are signs that things are slowing for sellers. Year over year, the median list price increased 7% in March, slightly lower than the growth rate of 8% from the same month in 2018.

"In spite of the fact that some markets are slowing, we are hitting that level in March, which tends to not be the highest price during the year," says Danielle Hale, chief economist at Realtor.com. "This suggests that we'll see prices go above \$300,000 this year."

See Page 2 Median

In terms of commercial bank lending, the properties that they are generally the most interested in lending on right now rank in the following order: multifamily, industrial, office, hotels, and then finally, retail. Furthermore, according to the Mortgage Bankers Association's 2019 Commercial Real Estate Finance Outlook Survey, approximately 74% of the bankers surveyed believe that the total volume of lending in 2019 will meet or exceed 2018 levels, and only 26% of the bankers surveyed believe that the total volume of lending will decrease. With this in mind, one of the reasons that multifamily loans have been so attractive to the industry is because they have been performing so well, with the delinquency rate on those loans being near all-time record lows. This makes perfect sense with all that we've been hearing around the increased demand for more multifamily housing nationwide.

However, at the same time, lenders are being more cautious at granting loans on new development projects, as by the time the new project then comes to market, we could be in a very different economy than the one that we're living in right now, and the project could still be in need of finding new tenants at that time.

So as of right now, the continued availability of good financing looks good. In addition, while this may be reassuring, there's the old expression that says that "a banker is someone who will loan you their umbrella when it's sunny, then ask for it back the moment it begins to rain." With this in mind, cautious optimism seems to be the best approach in moving forward.

Why are sellers asking for more?

The reason for the jump in list price isn't necessarily that sellers are overly optimistic. Instead, higher-priced homes tend to come onto the market in spring, pushing up the overall median, and this year, more of these pricier homes are hitting the sales block.

The number of houses priced above \$750,000 jumped 11% from last year, while the supply of entry-level homes sunk by 9%.

"We're seeing this shift toward more home available in the higher price points," Hale says.

Overall, there were 56,000 more homes for sale in March versus last year, up 4%. The inventory growth largely occurred in the 50 largest U.S. markets mostly on the pricey West Coast West, including San Jose (up 114%), Seattle (up 77%) and San Francisco (up 44%).

Hottest areas cool

"In some markets, we see list prices declining," Hale says, "but in others, list prices are increasing faster than the national pace."

Listing prices are declining in what were some of the hottest housing markets in the country, Hale says.

For instance, the median asking price in San Jose, California, was \$1,100,050 in March – the highest of 500 metro areas, but down 11.6% from a year ago.

Median asking prices in Denver and Boulder, Colorado, experienced similar declines.

The median asking price declined the most year over year in Lynchburg, Virginia, plunging 37% to \$145,000. Overall, 114 of the 500 markets Realtor.com surveyed saw a drop in the median listing price.

On the other side, smaller markets in the middle of the county experienced the largest increases in asking prices such as Kokomo, Indiana (up 42.9% to \$122,540); and Columbus, Indiana (up 31.6% to \$309,950).

"It's an interesting year to be a seller. It really matters where you are this year and what price point," Hale says. "It's very important to do your research. That will make the difference."





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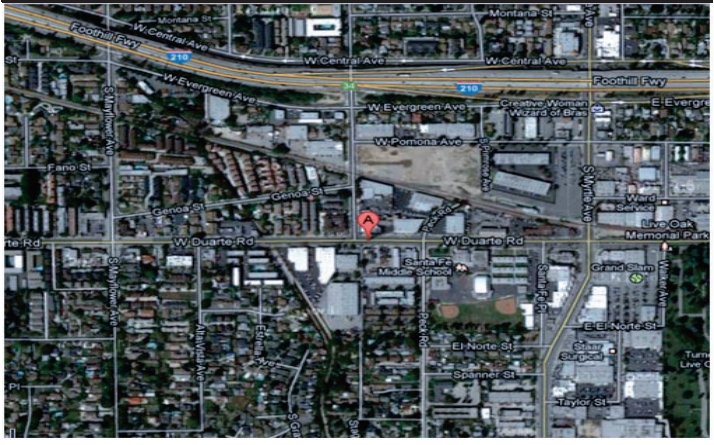
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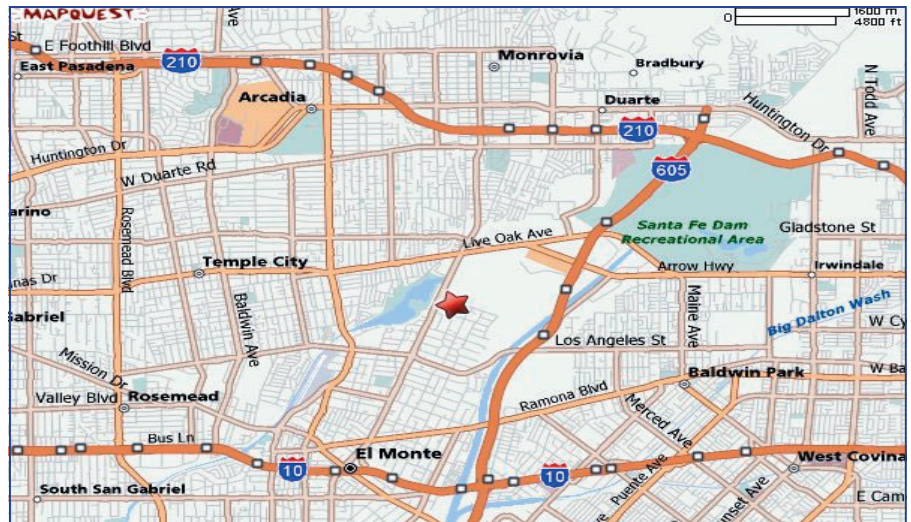
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Property Highlights

- Upstairs Office Space
- Approximately 3,400 SF of Available Space
- Lease Price is \$1.30/SF MG (Lessee pays pro rata share of Power)
- Space is Part of a 33,408 SF. Building
- Private Entrance and Restroom
- Plenty of Sunlight Throughout
- Property Located in Industrial District
- Easy Access to 10, 210 and 605 Freeways



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