

Business Seminars

Monrovia Business Seminar

TBD

MADIA TECH LAUNCH

TBD

Monrovia Kiwanis

TBD

Duarte Kiwanis

TBD

Quotes for the Month

“Only those who dare to fail greatly can ever achieve greatly.” – Robert F. Kennedy

“There’s a six-word formula for success: Think things through, then follow through.” – Eddie Rickenbacker

How Do We Now Move Forward from Here?

The coronavirus has completely disrupted our economy, as well as our entire way of life. Businesses have been shut down, people have been laid off, and there are businesses that we will never see reopen again.



The retail and the hospitality sectors have been especially hard hit, as because of the quarantines that we’ve been dealing with, this now requires people to do either less business, or even no business, with the companies within these two sectors.

In addition, we have to ask ourselves the question, “When the “all clear” is finally given to us, and we are told that it’s now OK to go out and mingle with everyone like normal once again, how much will businesses still be impacted?” With this in mind, do you think people are going to immediately feel comfortable sitting among large groups of people in the movie theaters once again? How about in restaurants and in concert halls? In addition, how are people going to feel about even staying in hotel rooms, in knowing that other people and their families have been staying in these same rooms within the past several days? These are the kinds of questions and realities that we’re all going to be facing in moving through all of this.

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Zillow: Coronavirus will shrink US home prices by 2%-3% nationally

Diana Olick - CNBC

Home prices have fallen nationally only once since the Great Depression, and that was after the subprime mortgage crisis and the Great Recession.

Now, barely eight years after hitting bottom and after a mighty recovery, prices are predicted to fall nationally again, down 2%-3% this year, according to Zillow.

The real estate listing company notes that it is basing its forecast on proprietary data and a baseline prediction of a 4.9% decrease in U.S. GDP in 2020 and a subsequent 5.7% increase in 2021

It also predicts a very fast 50%-60% decline in home sales, which would bottom by the end of this spring and recover at a pace of about 10% each month through 2021.

See Page 2 Zillow



"Housing fundamentals are strong -- much more so than they were leading into the Great Recession -- and that bodes well for housing in general," said Svenja Gudell, Zillow's chief economist. "Despite the difficulties, we're seeing several signs that there is still a good amount of demand for housing, and buyers, sellers and agents are growing more comfortable moving transactions forward where possible."

Gudell points to quickly evolving technology that is helping buyers shop for and close on homes at a distance amid the coronavirus pandemic.

As a comparison, home prices fell just over 27% nationally during the Great Recession, from their peak in 2006 to the trough in 2012, according to S&P Case-Shiller Indices. In some of the nation's largest cities, they fell even harder. By February of this year, prices were 15.5% higher than the 2006 peak and up over 59% from the 2012 trough.

The Zillow forecast includes a more pessimistic scenario in which prices would fall 3%-4% with no recovery until the end of 2021. They see a 25% probability of that. Others, however, see the pessimistic scenario as more likely.

In late March, economists at Capital Economics predicted home prices would fall 4% peak to trough by early 2021, with values flattening out for the rest of the year.

"Our expectation that home sales will bounce back in the second half of the year as the economy begins to improve will also prevent a substantial fall in prices. But it will take time for household incomes and savings to recover," wrote Matthew Pointon, property economist at Capital Economics.

Meanwhile Lawrence Yun, chief economist at the National Association of Realtors, predicted that home values would not fall at all this year, but, "are likely to squeeze out a gain in 2020 to a new record high."

Yun said prices would increase 1.3% for the year, with local market variations. The upper end of the market, he noted, would see prices drop.

Propping up prices is a severe shortage of homes for sale. Listings were way down even before the pandemic hit, and now they have fallen to record lows, as potential sellers delay listing and those already on the market pull their listings.

The supply of homes for sales is now down 22% annually, and new listings are down about 40%, according to a Redfin report last week. Those in the market, however, are not dropping prices. Just 3% of homes on the market had a price decline last week, the same as last year at this time and below the average in January and February of 4%.

Prices, historically, follow sales, lagging by several months. Sales will fall dramatically this spring, but there are already signs that buyers are coming back to the market. Web traffic on real estate sites is up, and several homebuilders have said that demand has increased in just the last few weeks. Much, of course, will depend on the overall economic recovery and just how hard and how long consumer confidence continues to drop.



COVID – 19 HELP!!

Does the pandemic leave you to wonder about the future of your business or commercial property?

CIBA Real Estate is offering help in the following areas.

Matterport Virtual Tours

Deferment Mediation between Landlord and Tenant(s)

Broker Price Valuations: For Sale or For Lease

Sale Lease Back Options

1031 Exchanges

Bank Refinancing Referral Options

All conversations will be confidential.



While we'd all like to believe that this will be just a short, temporary blip on our radar screen, this isn't likely, because among other reasons, many people will still be out of work 6-9 months down the road, and many of the businesses that have still survived will still be facing their challenges.

But in the midst of all of this, I would have to say that there will probably be some very good opportunities coming for investors. With the hit that's been happening now to our GDP, and with the other factors that have already been mentioned, there are going to be people who will be under pressure to sell their real estate, and this is when investors will make their best buys.

With all of the pressure that's going on right now for people to continue on in making their loan payments, it is likely that we will see lenders tighten-up their requirements for obtaining new loans to purchase real estate, too, meaning that buyers who can pay all cash and who don't need financing to purchase, will then be in the driver's seat.

In addition, as one important reminder, if you ever feel the need to negotiate a deferment in your payments on a loan, make sure you do this while you are still current with your payments on it, as otherwise you'll risk a delinquent status showing on the loan within your credit report.

These indeed are very, very, challenging times, and if I can ever help you to navigate through everything that's now going on, please give me a call.

FOR SALE



10-Unit Industrial Condominiums

Corner of Chestnut and Magnolia, Monrovia

Property Highlights

- **For Sale Industrial Condos**
- **Approx. 1,640 SF**
- **Price \$575,000**
- **Electrical: 200 AMPS, 3 Phase**
- **Approximately 250SF office**
- **Clear Height is 18-20 Feet**
- **Ground Level Roll Up Door**
- **Fully Fire Sprinklered**
- **Walking Distance to Old Town Monrovia**
- **Close Access to 210 and 605 Freeways**
- **Central HVAC for office (3 ton)**

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