

SCCAR Holiday Open House

NEWS

Strategies for getting first time homebuyers across the finish line



EVENTS

2024 Installation & Awards Luncheon



MARKET DATA

State & local housing data + Market Minute





Jennifer Watson, SCCAR President

PRESIDENT'S MESSAGE

We ARE the REALTOR® Brand

As I reflect back on the year of my presidency, I am giddy with what was accomplished and hold great anticipation for the year to come. Our leadership team is a dynamic, outspoken team that worked exceptionally well with the tasks that were delivered, I am truly proud of what we accomplished.

2023 Highlights:

The SCCAR Board and selected members revisited our Mission and Vision statements. We broke into teams and did a deep dive into what would be best for the association and its members and prepared for focus groups and surveying the association for feedback to ensure we are continuing on a path to success.

We attended the C.A.R. and NAR meetings throughout the year to ensure the top-of-mind information was being brought back to our association to share with members and direct our educational aspirations.

Our Local Government Relations Committee and our Government Affairs Director worked tirelessly with the County developing the new OWTS (septic) Point of Sale Disclosure.

We partnered with the Trash Talkers county-wide "Pitch In" initiative to stop illegal dumping and litter in our communities to become the "cleanest county in California". REALTORS® can help by sharing this information and using the Pitch In logo with buyers in our communities. <http://www.pitchinsantacruz.org>.

We've offered the Santa Cruz County Pro Series to members (SCCP classes). Where we live is a

fascinating and wondrous place. There is so much to share with clients. By taking this series of courses, our member become well-versed in the latest updates including: Water resources, education & schools, land use and the coastal commission, ADU's, History & Culture, Storm recovery.

In fact, we've offered arguably, some of the best classes we've ever had through our Education committee on AI, Septic, Insurance, real estate taxes, negotiations, new member real estate info & networking via our Modern Real Estate Professionals (MREP) committee.

To our membership, we've offered legal and economic updates, MLS training for the new MLS dashboard and CMAs (and much more). Our GAD, Victor Gomez, was interviewed by MLS on what a Government Affairs Director does <https://support.mlslistings.com/s/article/MLSListings-Podcast-5-The-Vital-Role-of-GADs-If-Real-Estate-is-Your-Profession-Politics-is-Your-Business>

We've had some phenomenal fundraisers, networking opportunities and fun events to gather and socialize like Cornhole, the annual charity Golf Tournament, the Summer Salsa Bash, Women in Real Estate panels, Bowl for Kids' Sake, Battle of the Bay Giants vs. Oakland A's baseball game (with 7 other associations), Volunteer days in the community, REALTOR® Safety awareness day, State of the County Mayor's breakfast, an Affiliate luncheon to praise our esteemed partners, and we've partnered with the Women's Council of Re-



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altors for a Business Planning workshop and SO MUCH MORE!

We've been tracking more REALTORS® in the News and articles for more positive community awareness: <https://mysccar.org/wpress/in-the-press/>

We've grown the Affiliate referral program by double and nearly are at our goal for 100+. Please continue to ask the stellar service people you work with to join the association as an Affiliate. We can help grow their business by starting with our Affiliate list first. Referrals are such a great way to work! Refer your favorites today. We have a special to join the [Affiliate list](#) for the remainder of 2023...contact Karen Kirwan at the Association office today for more details. (831)464-200.

As we complete our goals of 2023 and look forward to 2024, we must remember we are in this together.

You may be feeling nervous about where your next transaction is coming from, like you are spinning your wheels with clients that don't move or working with people that you are not seeing results with. This can lead to a lack of motivation, uncertainty, financial insecurity, and a feeling that you are on your own in this thing we call real estate.

Please reach out, take a class, chat with your cohorts on tour or at the network meeting (still hybrid for all to participate in). Follow someone you admire as a mentor or set up accountability with a partner. We are looking forward to a prosperous and fun finish to 2023 and start to 2024.

As I said at the beginning of the year: "We R better together. We CAN make a difference. We are REALTOR® strong . We ARE the REALTOR® Brand... each of us individually becomes the collective". Thank you for the time to serve you as President of SCCAR. I have really enjoyed it and look forward to continuing my service going forward as a director on the board and at the state level.



MEET YOUR INCOMING PRESIDENT!



2023 PRESIDENT ELECT CAROL VANAUSDAL BROKER

Carol has resided in the Santa Cruz area for over 37 years and has been a licensed real estate professional for over 23 of them. Prior to real estate, she owned and/or managed multiple businesses in California and Colorado. She has always been invested in her chosen career and since becoming a real estate Broker has strived to continue learning all facets of the profession. In 2004, she was instrumental in the formation of a local real estate company along with 3 other local agents. Carol was previously the designated broker for a large Bay Area firm training and mentoring agents. Over the past couple of years she has worked with the DRE on revising and updating the CA real estate exam. Carol became active in SCCAR early on in her career and finds it truly rewarding.

She was a founding member of the SCCAR Housing Foundation and previously served on LGR, Grievance, and Pro Standards. She is currently chair of the MLS Task Force committee and also serves on Finance, DEI, and the MLS Rules Committee. As the 2024 incoming Association President, she understands it is a very important position that comes with many responsibilities. Carol believes it can offer numerous opportunities for all members to make a difference in our industry. Advocacy, education, growth, networking opportunities, ethics, technology integration, community involvement, diversity and inclusion, consumer awareness, mentorship, and many others. *Who wants to join me?*



~ *Communicate, Collaborate & Volunteer* ~

2024 annual Installation & Awards Luncheon

Honoring 2024 SCCAR President Carol VanAusdal, the incoming Officers & Directors and 2023 Award recipients!

Special guest John Sebree, CEO for the California Association of REALTORS® will be installing our leaders!

Friday, January 12, 2024

11 AM - 2 PM

Seascape Golf Club

Early bird tickets until 12/15/2023 (members) \$45 - (\$55 after)

Early bird tickets until 12/15/2023 (nonmembers) - \$55 (\$65 after)

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IT WAS LEGENDARY!



MREP's final event of 2023 was incredible! Thank you to everyone who attended and contributed to its success. We had over 130 attendees, bringing with them over 350 years of combined knowledge and expertise. The energy and knowledge in the room were truly remarkable.

A special shoutout to our amazing MCs, Jim Black of Revest and Brandi Jones of David Lyng, who kept the event engaging and entertaining throughout. Their enthusiasm and expertise added a special touch to the event. And let's not forget the stunning stage design by Laurel Beck of Home with Laurel, which truly set an elegant and welcoming vibe for the entire event.

A huge thank you to our Legends, Debra Frey, Greg Mann, Morgan Lukina, Elaine Della Santina, Robert Bailey and Stephen Karon, to our sponsors and the MREP Team. It would not have happened with them. See you in 2024 for more amazing engagements!



Thank you to our Modern Real Estate Professionals (MREP) 2023 sponsors for their support!



SCCAR Holiday Open House

Friday, December 8, 2023

2 - 5 PM at the SCCAR Office
2525 Main St. Soquel

Please make your free RSVP online
www.mysccar.org, email contact@mysccar.org
or call 831-464-2000.

Featuring a Special Committee
Roundup & SANTA CLAUS!



IN MEMORIAM

Gary Bruce Gangnes
3/12/1951 - 10/31/2023

We would like to honor the memory of a beloved member of our community, Gary Gangnes. His light and positivity were always shining bright and he shared his love of music and real estate with everyone he knew. Gary began his career in real estate back in 1984 with his wife Jacalyn. Together they started Real Options Realty in 1991. He was an active member of SCCAR, serving on several committees. He was the SCCAR President in 2000 and truly enjoyed the social aspect of his career for nearly 40 years. He would often say "People will forget the details but they will never forget how you made them feel". Gary chose to see the good in every person and every situation. He made it his mission to make others feel good.

Gary was known as the stats man. He spent countless hours accumulating the data and generating graphs/market statistics every month - he was quoted by the media often due to his vast knowledge of the market & his understanding of the statistics he generously shared.

He was a very spiritual person! He devoted a lot of time and energy at Unity Temple in Santa Cruz where he joined a Gospel Choir with Sista Monica. He loved singing and had previously sung in several barbershop quartets and with the Cabrillo Chorus. His passion for music was not only singing, but he was also a talented concert pianist. If there was a piano around, he played it. He could play Chopin and Debussy but also enjoyed show tunes, jazz, and holiday music too!



Gary loved people! He loved his career. He loved music. He loved! He was a wonderful person, mentor, & friend. The world was a better place with Gary in it.

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MLS CORNER


MLSListings Video: Did You Know? Aligned Showings

In the 11th episode of his "Did You Know?" video series, MLSListings Board Chair, Jesse D. Gutierrez, gives an overview of the useful features and benefits you'll find in Aligned Showings. Vie the video here: <https://youtu.be/DFqszlkSifY>

DID YOU KNOW?
with our Board Chair, Jesse D. Gutierrez

Episode 11:
Aligned Showings

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TO ROCK
UGLY
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Rock Your Ugliest Holiday Sweater at
our Thursday, December 14 Tour
Marketing Meeting and you could win
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Thursday, December 14, 2023
9 am @ the SCCAR Office

*Added bonus! A morning full of
laughs and holiday fun with
your fellow members!*



AGENT STRATEGIES FOR GETTING FIRST-TIME HOMEBUYERS ACROSS THE FINISH LINE.

HousingWire contributor Jessica Reinhardt provides tips agents can use to help guide first-time homebuyers to the closing table.

In August, Zillow's 2023 Consumer Housing Trends Report proclaimed that half of all homebuyers are purchasing their first home, the highest share that Zillow has ever recorded.

Up from 45% last year and a notable increase from 37% in 2021, the report also mentioned that this share of first-time homebuyers likely hasn't been this high since 2010, when there was a first-time homebuyer tax credit.

Zillow research also found that a majority of homeowners with mortgages have locked in a rate below 5%, and are almost half as likely to consider moving.

It's true that first-time buyers make up a larger piece of a smaller pie, as housing inventory shrinks. However, this rise in first-time buyers helps explain what's driving demand and keeping upward pressure on prices in a market with mortgage rates currently surpassing 7%.

One of the primary reasons for this surge is the strong presence of millennials in the housing market, particularly those at the peak, around ages 33 and 34. This demographic cohort, known predominantly for its size and influence, is getting married later, having kids later and now embracing homeownership even in the face of higher interest rates.

But, how do we get them over the finish line when buying a home? Especially when we keep hearing some of these younger first-time buyers lament that they think renting is better overall than buying. (It's not. It never will be. I'll explain later.) Not to mention the current mortgage rates at decades-high levels as well as sellers who are locked in with pandemic low rates.

Here are the following strategies agents can use to guide first-time homebuyers toward achieving this monumental step.

Get the down-payment conversation straight

We know that one of the biggest hurdles for first-time homebuyers is saving for a down payment. There has long been a misconception that a 20% down payment is required to purchase a home.

But, collectively at the Denver Metro Association of Realtors (DMAR), we all agree that this is really no longer the case and hasn't been for some time. Instead, we are guiding prospective buyers on more attainable down payment options, such as 5% of the home's purchase price to get them in sooner.

(Editor's note: There are conventional mortgage options with down payments as low as 3% and government-insured loans with a low- or no-down-payment requirement.)

For example, if you were to buy a home priced at \$500,000 with a 5% down payment, you would need \$25,000 upfront. While this may seem daunting, it's

important to remind them that there are many down-payment assistance programs available to help prospective buyers bridge the financial gap. It's true that a lower down payment upfront means bigger monthly mortgage payments — but it also means becoming a homeowner sooner and the bigger picture is the appreciation value over time.

Homebuyers using a variety of mortgage loans to finance their home purchase are eligible to use assistance options to help with their down payment and/or closing costs. Check with your local or state housing agency for a list of programs.

Credit repair and management tactics

A healthy credit score secures a favorable mortgage rate. Look at the long-term here and help work with first-time homebuyers to improve their credit scores and establish a solid credit history.

Strategies may include creating a credit repair plan, paying down outstanding debts, and managing credit responsibly.

It's essential for potential homebuyers to understand that a higher credit score can lead to a lower interest rate, which can significantly impact their monthly mortgage payments over the life of the loan.

Rate buy-downs are another option I recommend in this market. This approach is negotiated in the contract; it's a seller concession to the buyer for a set amount.

Let's use \$10,000 as an example. The buyer then has the option to use this amount to buy down the interest rate with their lender. Sellers are even using this as a tool to attract buyers.

This not only reduces the monthly mortgage payment but also makes homeownership more affordable over time. By strategically leveraging rate buy-downs, first-time homebuyers can enjoy the dual benefits of a lower monthly payment and a more affordable long-term homeownership experience.

What budgeting and saving look like right now

It goes without saying that first-time buyers need to prioritize budgeting and saving.

It's part of our unspoken job to guide individuals in creating realistic budgets that allow for consistent savings toward their down payment and other homeownership-related expenses.

Prospective buyers are encouraged to explore various savings strategies, such as setting up dedicated savings accounts, cutting unnecessary expenses, and considering additional income sources like part-time work (hello, Uber) or bonuses.

Understanding long-term benefits

This is the crux of strategy for first-time buyers: helping them understand their long-term goals.

Agents must work with first-time buyers to mentally get them past the current rate, which is certainly not going to last forever. We need to help them understand that they have the luxury of time. We're not competing, and inventory out there is now up for some negotiating on things like pricing, inspection, and rate buydowns.

Additionally, buying a home offers substantial long-term benefits over renting, even if the initial monthly payment may be higher.

We have to help first-time buyers see the bigger picture by highlighting the advantages of homeownership, such as building equity, tax benefits, and potential appreciation in property value. The win, essentially, is the strategy.

Nicole Rueth, Branch Manager and SVP of national mortgage lending company The Rueth Team, recently demonstrated it best. If a Denver area first-time buyer purchases a home at \$550,000, it's true that with factors like the initial closing costs, etc., the immediate gains are nilch, seemingly making rent look more attractive.

But the point is that if you look at the appreciation gains over the next nine years, it's a totally different story. The gains over time ultimately pan out in tax benefits, year-over-year appreciation and amortization gain of \$303,150.

It's a no-brainer; it's helping first-time buyers understand that the initial costs upfront will pay them back in rewards.

Final thoughts

By emphasizing these benefits, organizations motivate first-time buyers to prioritize homeownership as a wise long-term investment.

By providing guidance on saving for a down payment, repairing credit, budgeting and understanding the advantages of buying over renting, these organizations empower first-time buyers to achieve their homeownership dreams.

Moreover, they educate prospective buyers about the realities of today's housing market, dispelling myths about down payments and emphasizing the importance of strategic, long-term thinking in real estate investment.

In the end, homeownership remains a sound financial decision and a key avenue for building wealth.

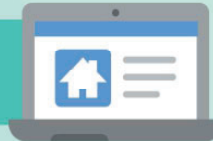
Report as of

November 2023



California Latest Market Data

How the market is doing



*Daily Average for week ending November 11, 2023

362

Closed Sales per day*



453

Pending Sales per day*



522

New Listings per day*



% change indicates change from last week



What REALTORS® are saying



-0.8%

18.8%

Closed a sale



-1.9%

16.2%

Entered escrow



-0.9%

19.0%

Listed a property

% change indicates change from last month

What REALTORS® think will happen



0.1%

10.8%

Sales will be **up**

-3.9%

9.3%

Prices will be **up**

-4.0%

14.4%

Listings will be **up**

% change indicates change from last month

Source: California Association of REALTORS®

Santa Cruz County Housing Statistics

October 2023: Santa Cruz County - Single Family Residential												
City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	20	43	20	26	\$1,638,087	\$1,435,000	\$766	98%	\$32,761,755	2,113	30,547	2.1
Ben Lomond	6	19	6	22	\$981,666	\$940,000	\$545	98%	\$5,890,000	1,756	51,372	4.8
Boulder Creek	22	33	10	35	\$832,150	\$790,000	\$549	100%	\$8,321,500	1,537	190,069	2.8
Brookdale	0	2	1	5	\$825,000	\$825,000	\$413	100%	\$825,000	2,000	8,015	1
Capitola	2	6	4	20	\$2,854,500	\$2,662,500	\$1,930	104%	\$11,418,000	1,425	3,992	1.6
Corralitos	1	3	0									
Davenport	0	1	0									
Felton	5	20	13	49	\$932,269	\$900,000	\$531	100%	\$12,119,500	1,815	30,144	2.1
La Selva Beach	1	3	1	37	\$1,850,000	\$1,850,000	\$1,850	96%	\$1,850,000	1,000	1,089	2.3
Los Gatos	10	26	2	38	\$1,280,000	\$1,280,000	\$448	99%	\$2,560,000	2,858	368,583	6
Santa Cruz	47	71	29	37	\$1,752,883	\$1,510,000	\$1,069	94%	\$50,833,625	1,716	90,570	2.4
Scotts Valley	5	19	6	9	\$1,396,666	\$1,432,500	\$625	103%	\$8,380,000	2,147	10,885	3
Soquel	3	11	6	11	\$1,396,500	\$1,460,000	\$707	101%	\$8,379,000	2,027	61,695	2.5
Watsonville	17	35	14	24	\$881,321	\$744,000	\$584	101%	\$12,338,500	1,422	40,022	2.1
Summary	139	292	112	26	\$ 1,385,087	\$1,356,250	\$605	100%	\$155,676,880	1,818	73,915	2.7

October 2023: Santa Cruz County - Common Interest Development												
City	New	Inventory	Sold	Avg. DOM	Avg. Sale Price	Median Sale Price	Median \$/Sqft	% LP Rec'd	Sale Volume	Avg. Home Sq. Ft.	Avg. Lot Sq. Ft.	Months of Inventory
Aptos	11	14	7	34	\$1,140,714	\$1,215,000	\$849.00	97%	\$7,985,000	1,298	1,111	3.2
Boulder Creek	1	5	0									
Capitola	3	9	4	14	\$655,750	\$662,500	\$759.00	100%	\$2,623,000	855		1.8
Freedom	1	2	0									
La Selva Beach	0	1	1	73	\$2,600,000	\$2,600,000	\$1,477.00	96%	\$2,600,000	1,760	1,045	1.5
Santa Cruz	8	12	10	28	\$779,450	\$775,750	\$707.00	100%	\$7,794,500	1,122	1,537	1
Scotts Valley	2	4	2	22	\$673,500	\$673,500	\$669.00	96%	\$1,347,000	1,008	479	2
Soquel	1	5	1	49	\$1,375,000	\$1,375,000	\$812.00	100%	\$1,375,000	1,694		7.5
Watsonville	3	11	4	11	\$548,125	\$563,750	\$554.00	98%	\$2,192,500	1,030	932	1.7
Summary	30	63	29	33	\$1,110,363	\$775,750	\$759	98%	\$ 25,917,000	1,252	1,021	2.7

Data provided by MLS Listings, Inc. and compiled by the Santa Cruz County Association of REALTORS®

OCTOBER 2023 MARKET SNAPSHOT - SINGLE FAMILY HOMES - YEAR OVER YEAR



10% ↑

MEDIAN SALES PRICE

\$1,219,000

SINGLE FAMILY HOMES SOLD

11% ↑

112

AVERAGE NUMBER OF DAYS ON THE MARKET

9% ↓

30 DAYS

4% ↑

INVENTORY

292

11% ↑

NEW LISTINGS

139

2% ↓

% LIST PRICE RECEIVED

98%

TOTAL DOLLAR VOLUME OF SINGLE FAMILY PROPERTIES SOLD

6% ↑

\$156 MILLION

MONTHS OF INVENTORY

14% ↑

2.5

MARKET MINUTE

November 20, 2023 - California had a relatively lackluster month for home sales in October as rising rates during August and September weighed on home buyers and further depressed housing inventory. This contrasts with relatively strong economic data for October where job growth re-accelerated and unemployment remained below 5%. However, there are signs that the economy may not be as strong as some labor market indicators suggest, as new unemployment insurance claims trend higher. Fortunately, rates have begun to fall, which should help to motivate some buyers to take advantage of a less competitive winter market.

Read more: <https://www.car.org/en/marketdata/marketminute>

