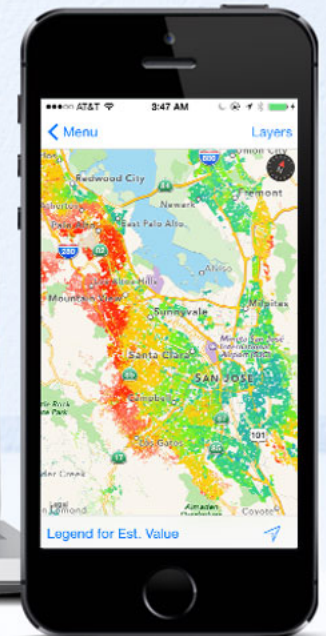
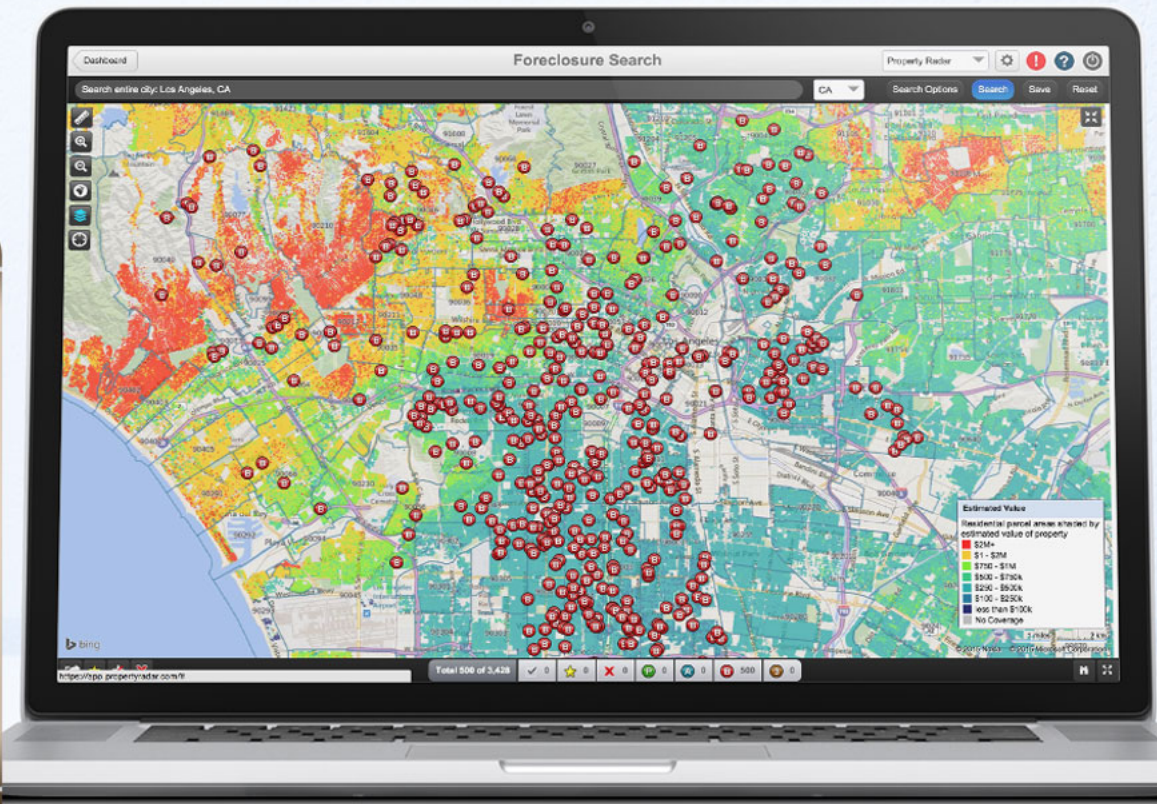
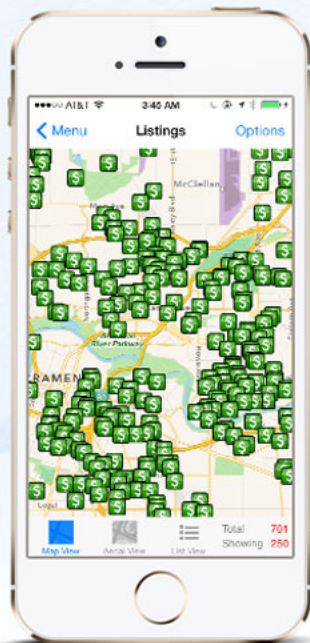




# PropertyRadar®

## Sean O'Toole, Founder & CEO



# Agenda

- ① 2015 Market Predictions
- ② Market Update
- ③ Habits of Successful Real Estate Investors



# 2015 Predictions



An abstract graphic featuring concentric circular rings. A prominent, bright white ring is positioned in the center, surrounded by several thinner, semi-transparent blue rings. The rings have a slightly irregular, hand-drawn appearance. The entire graphic is set against a solid dark blue background.

Time Machine



## Sean's #1 Prediction for 2014



Buyers buy as much house as  
their banker says they can  
afford



## Sort Of

	Nov-12	Nov-13	YoY %
All	295,000	360,000	22.0%
Distressed	234,000	257,500	10.0%
Non-Distressed	357,000	399,000	11.8%



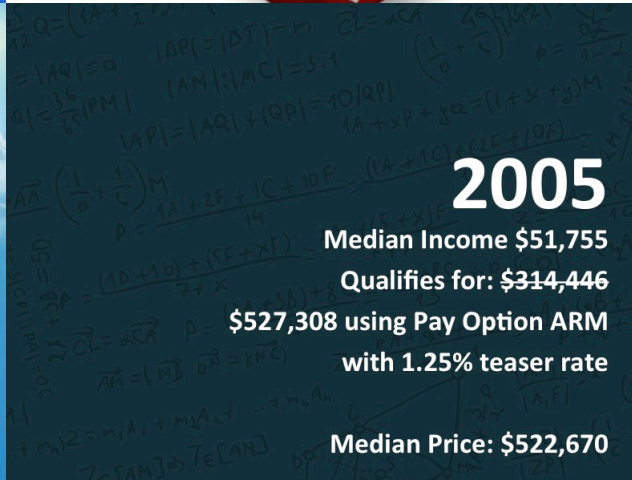
## Sean's #1 Prediction for 2014



Buyers buy as much house as their banker says they can afford



Median Income \$46,816  
Qualifies for: \$247,887  
Median Price: \$241,350



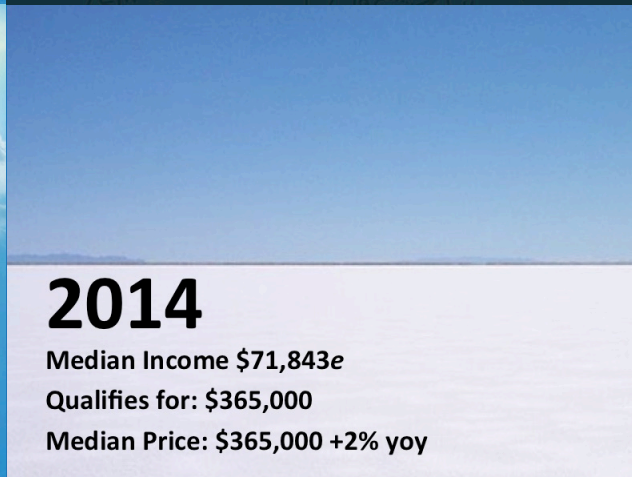
Median Income \$51,755  
Qualifies for: \$314,446  
\$527,308 using Pay Option ARM  
with 1.25% teaser rate  
Median Price: \$522,670



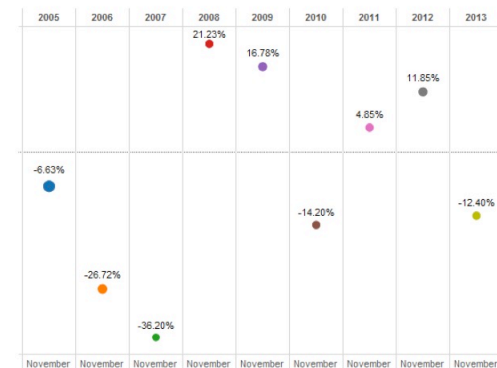
Median Income \$58,931  
Qualifies for: \$275,000  
Median Price: \$274,640  
1.5% Annual Appreciation from 2000



Median Income \$69,751e  
Qualifies for: \$375,000  
Median Price: \$360,000



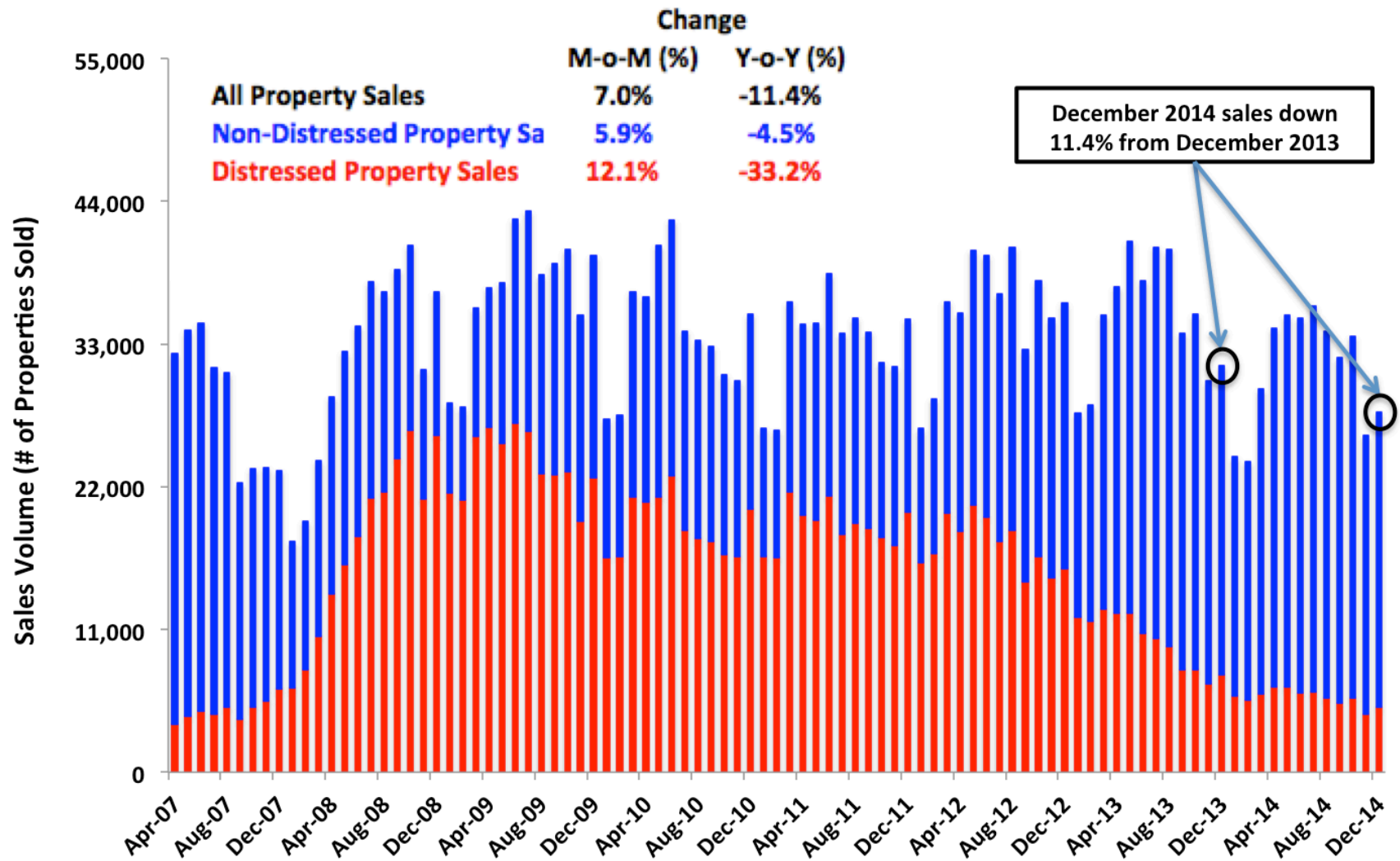
Median Income \$71,843e  
Qualifies for: \$365,000  
Median Price: \$365,000 +2% yoy



## Slower Sales



# December sales -11.4% Y-o-Y



Source: PropertyRadar.com

- CA sales down 11.7% v. 2013 (lowest since 2007)
- Distressed down 42.7%
- Non-distressed up 2.2%.
- Since 2009, when distressed sales peaked, distressed down 75.8% and non-distressed up 86.3%



# December 2013 vs. 2014

- SF Bay Area: sales down 6.9%  
(distressed down 30.8%, non-distressed down 1.6%)
- Southern CA: sales down 3.5%  
(distressed down 26.3%, non-distressed up 3.3%)
- Central Valley: sales down 8.6%  
(distressed down 26.3%, non-distressed down 0.9%)

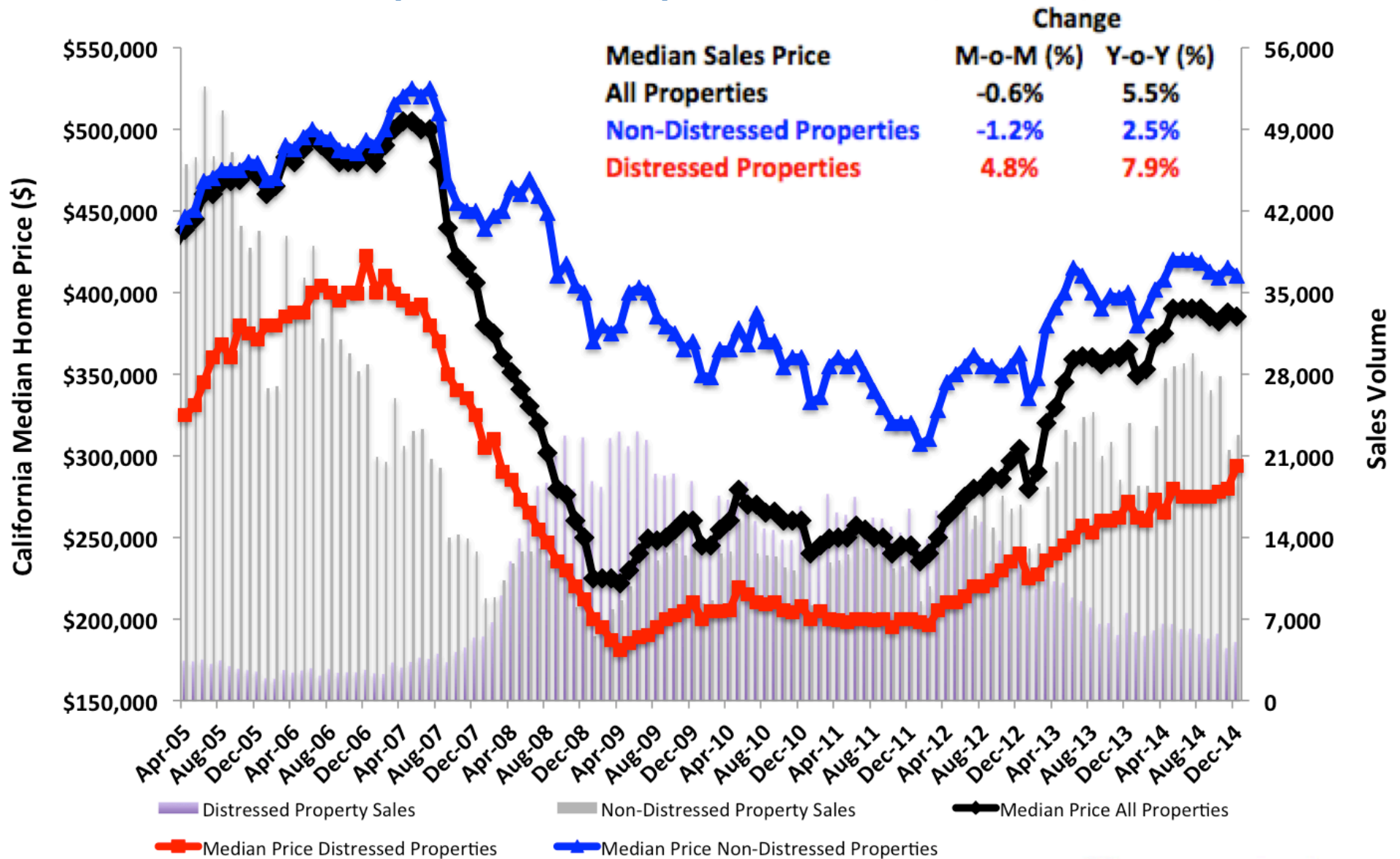
# Lowest since 2007



Source: PropertyRadar.com



# Median price up 5.5%



Source: PropertyRadar.com



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*or*

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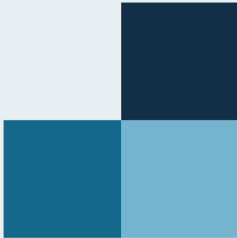
2

Make sure you are in  
Slide Show mode

Still not working? Get help at [pollev.com/app/help](https://pollev.com/app/help)

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# Other's Predictions & Market Notes

N.A.R Median +4.0%, Volume +7.4% – National  
CoreLogic Median +4.8%, Volume +9% – National  
C.A.R. Median +5.2%, Volume +5.8% – California

## Positive:

Lower mortgage insurance premiums  
Lower down payment requirements (3%!)  
FHFA rep and warrant clarifications  
QRM rule finalized  
Cheaper oil / fuel = more disposable income  
Easier credit - return of stated income  
2<sup>nd</sup> Half 2014 economic growth  
Lower unemployment  
Wage inflation  
Fewer distressed sales  
Getting close to “Return to Normal”

## Negative:

Low affordability for homebuyers  
Low return on investment for investors  
HELOC and HAMP Resets  
Rising interest rates 2nd half 2015?  
Student Debt

*Fewer distressed sales*

*Getting close to “Return to Normal”*

# Sean's Take

“Return to Normal” = “Return to Stupidly, Insanely, Dangerous”

Flat prices +/- 5%

Flat to declining volume 0 to -10%

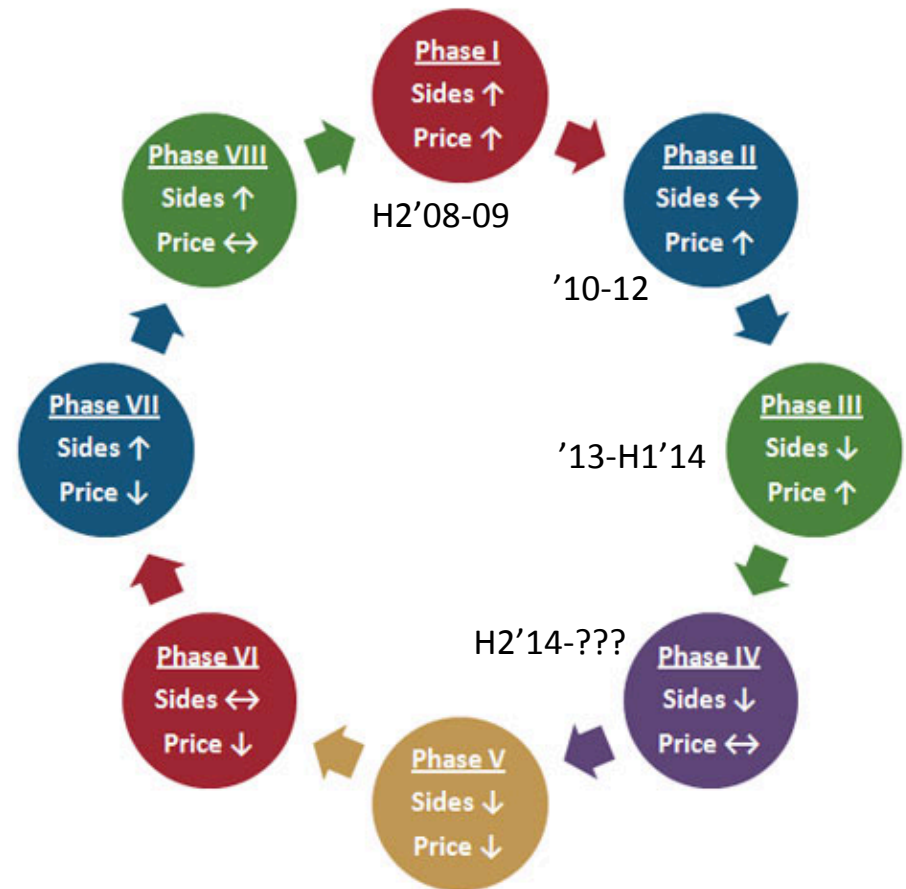
Despite positive news, lack of affordability will continue to suppress the CA Market.





# Sean's Take

- Price declines are next, but likely a year out
- External factors could accelerate or delay



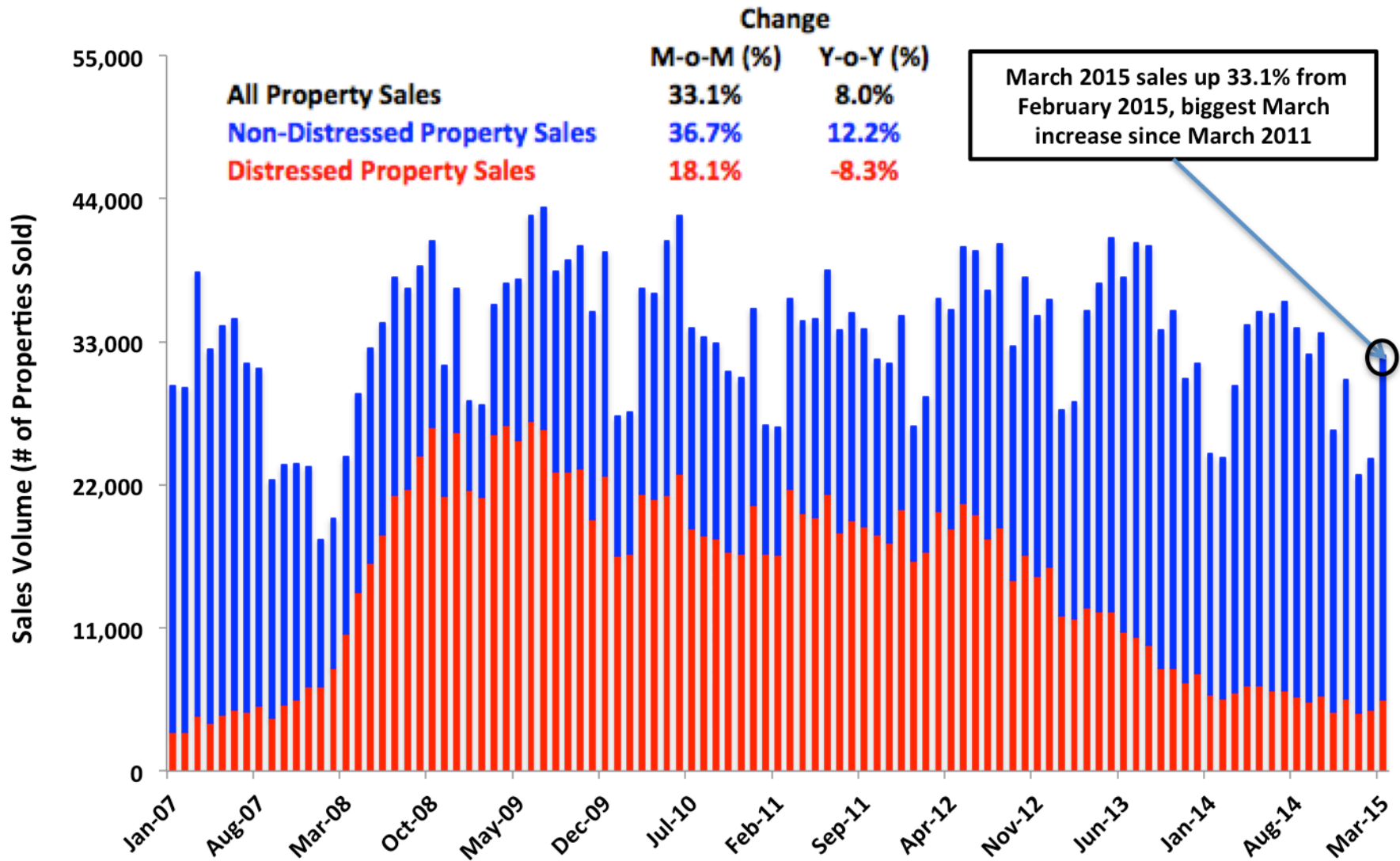
Source: Nicolas Kolding, "Market Phases"



# Market Update

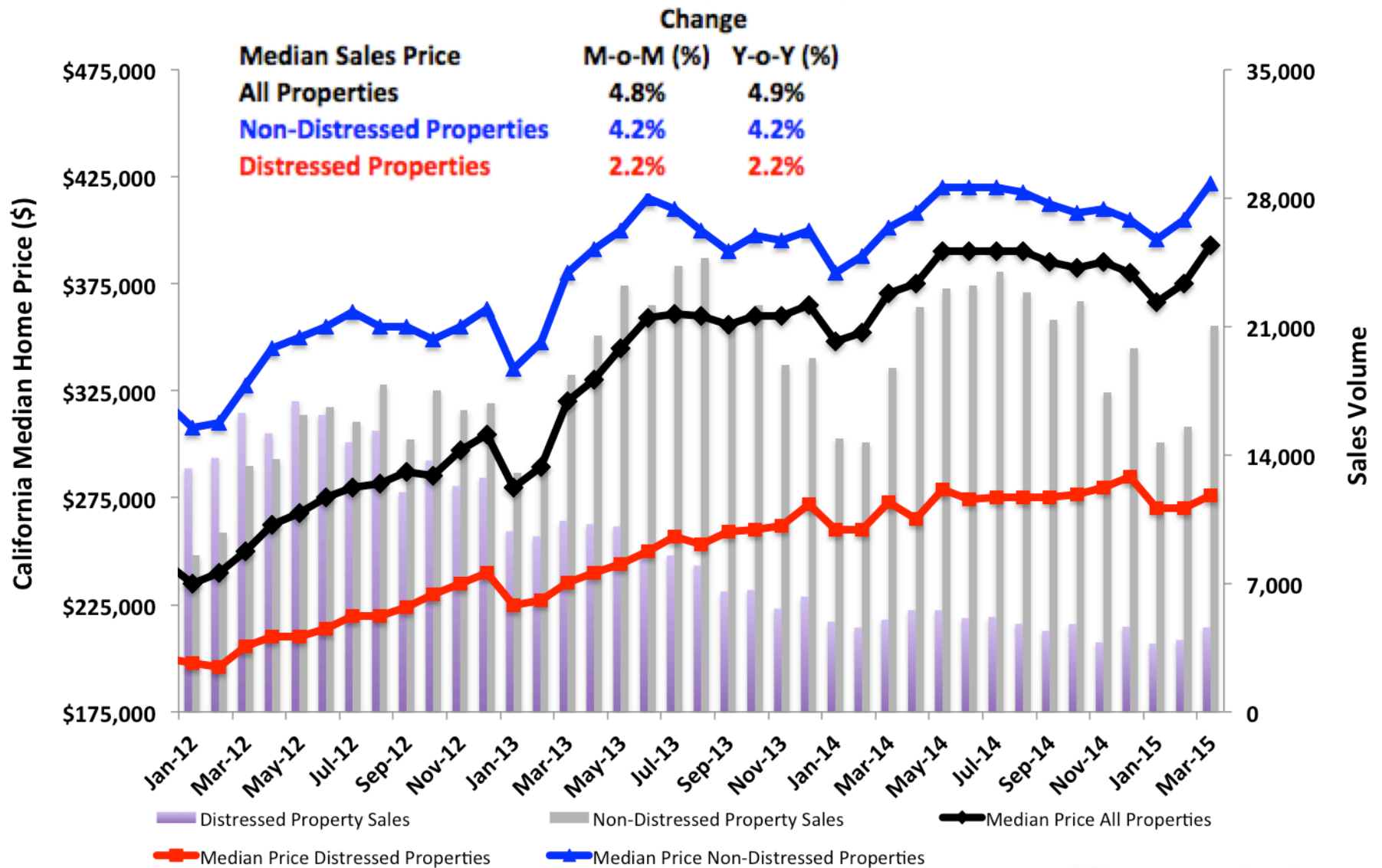


# March sales +33.1% M-o-M



Source: PropertyRadar.com

# Median price +4.8% M-o-M



Source: PropertyRadar.com



# Airbnb 2014

25+ million guests

2+ million guests / month

275% increase Y-o-Y

75 million room nights

\$5.5 Billion in bookings

\$13 Billion valuation



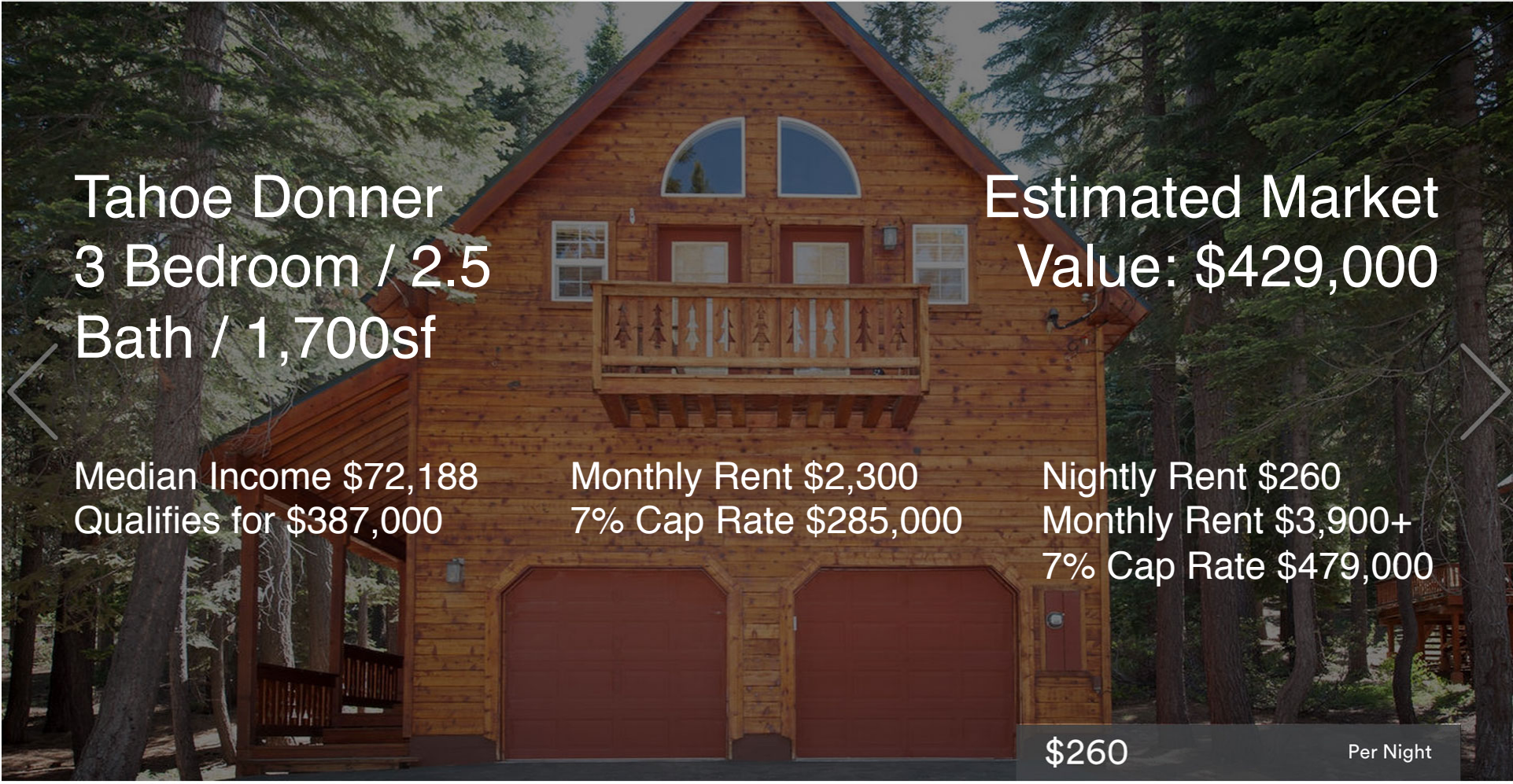


Where are you going?

Browse

Sign Up Log In Help

List Your Space



Tahoe Donner  
3 Bedroom / 2.5  
Bath / 1,700sf

Estimated Market  
Value: \$429,000

Median Income \$72,188  
Qualifies for \$387,000

Monthly Rent \$2,300  
7% Cap Rate \$285,000

Nightly Rent \$260  
Monthly Rent \$3,900+  
7% Cap Rate \$479,000

\$260 Per Night



Lorraine And Jim

Chill out in Tahoe

Truckee, CA, United States ★★★★★ (8)



Entire home/apt



9 Guests



3 Bedrooms



4 Beds

Check In

mm/dd/yyyy

Check Out

mm/dd/yyyy

Guests

1

Request to Book





# 231k Airbnb Listings

California - 23108 Airbnb listings

## Most Popular Cities

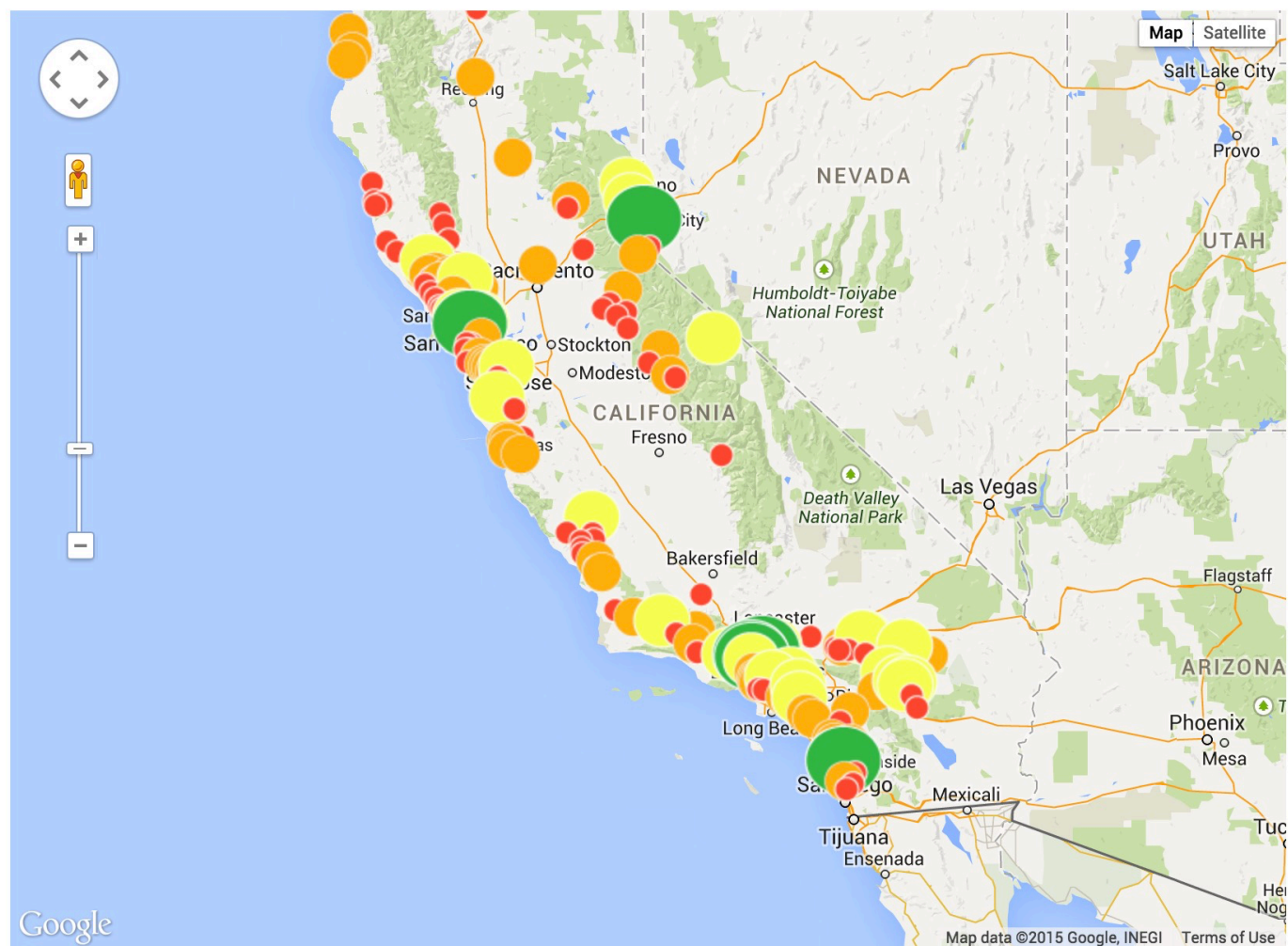
	City	# Listings
1	<a href="#">Los Angeles</a>	6,291
2	<a href="#">San Francisco</a>	4,142
3	<a href="#">San Diego</a>	2,114
4	<a href="#">Venice</a>	1,049
5	<a href="#">Santa Monica</a>	843
6	<a href="#">Oakland</a>	701
7	<a href="#">South Lake Tahoe</a>	653
8	<a href="#">Berkeley</a>	646
9	<a href="#">Santa Barbara</a>	595
10	<a href="#">Palm Springs</a>	551

## Highest Priced Cities

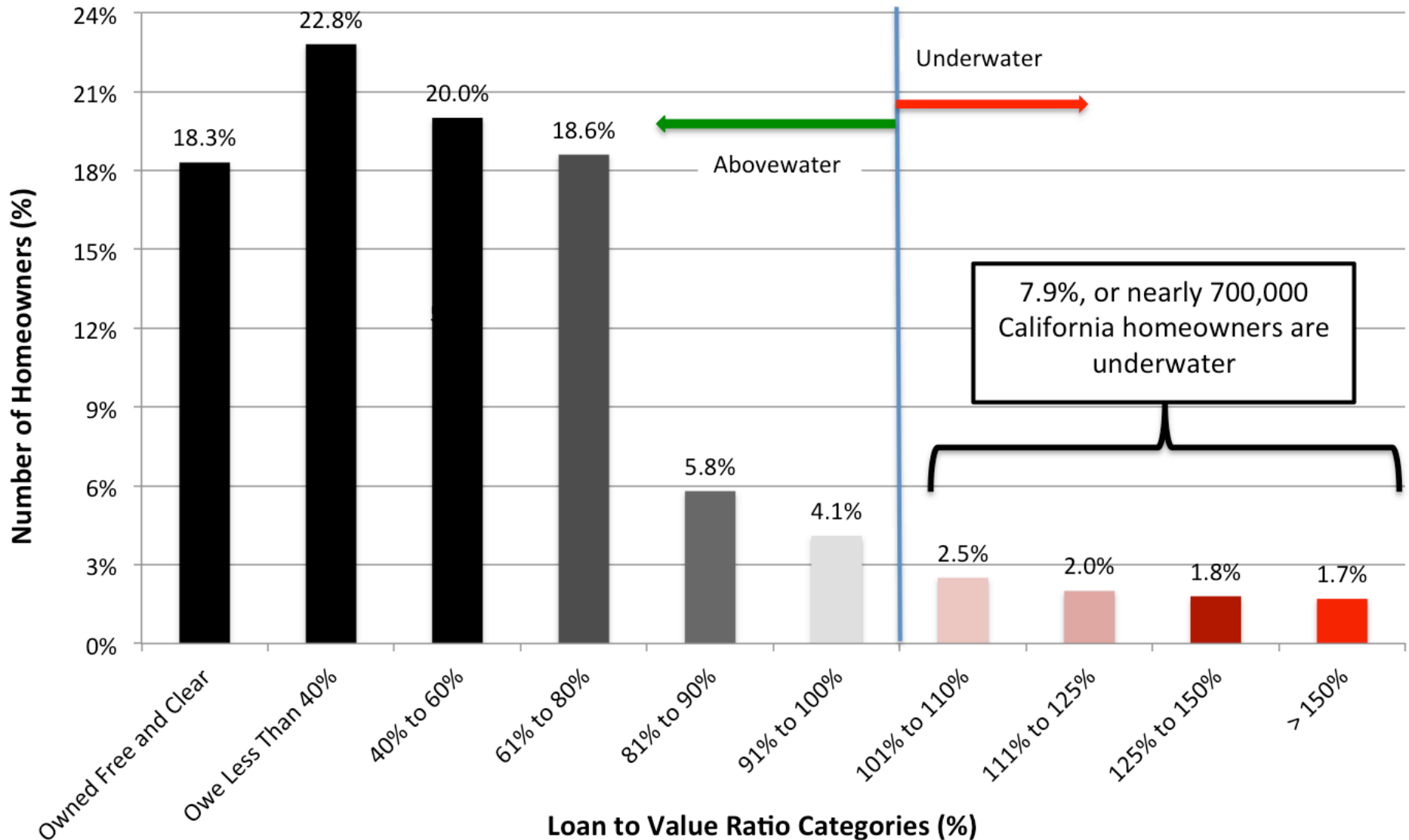
	City	Avg Price
1	<a href="#">Dillon Beach</a>	\$455
2	<a href="#">Newport Coast</a>	\$429
3	<a href="#">Kirkwood</a>	\$335
4	<a href="#">Malibu</a>	\$325
5	<a href="#">Indio</a>	\$300
6	<a href="#">Pebble Beach</a>	\$300
7	<a href="#">Rancho Mirage</a>	\$300

Select a city to view city specific analytics information

Select a city



# 700k homeowners underwater

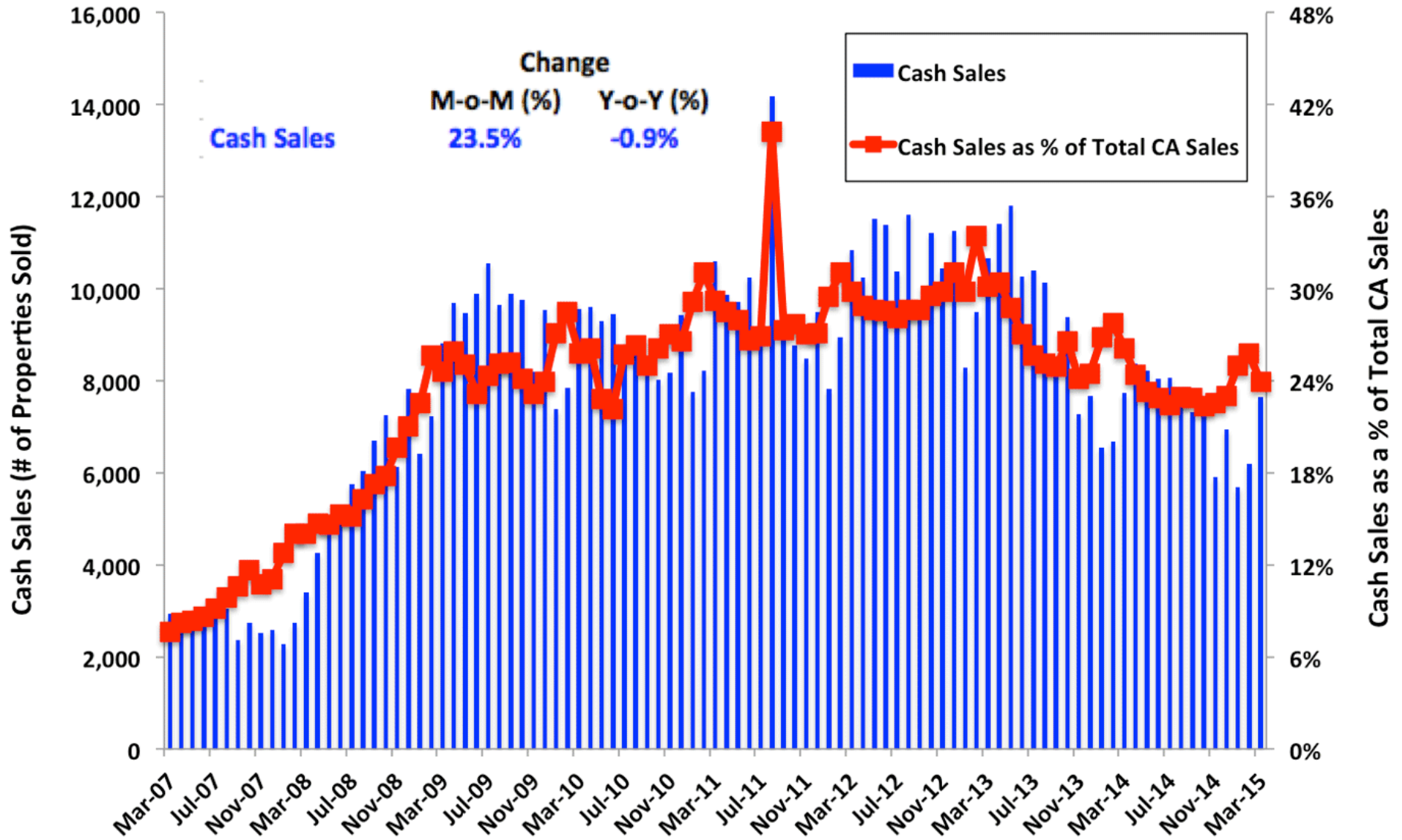


Source: PropertyRadar.com

Note: Underwater homeowners have loan balances greater than the current value of their home. Approximately 3 percent of homeowner equity positions are unknown.

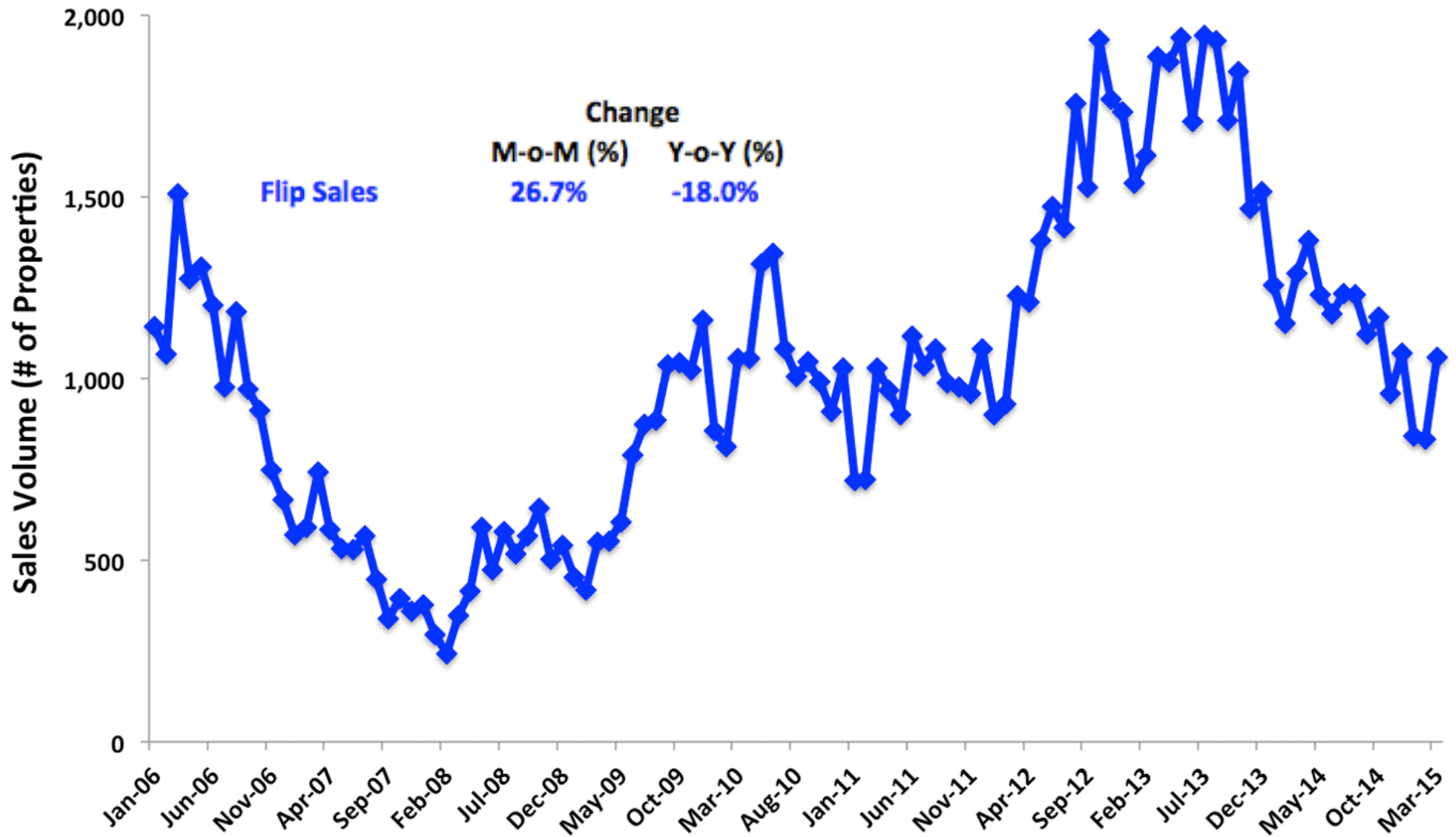


# Cash sales +23.5%



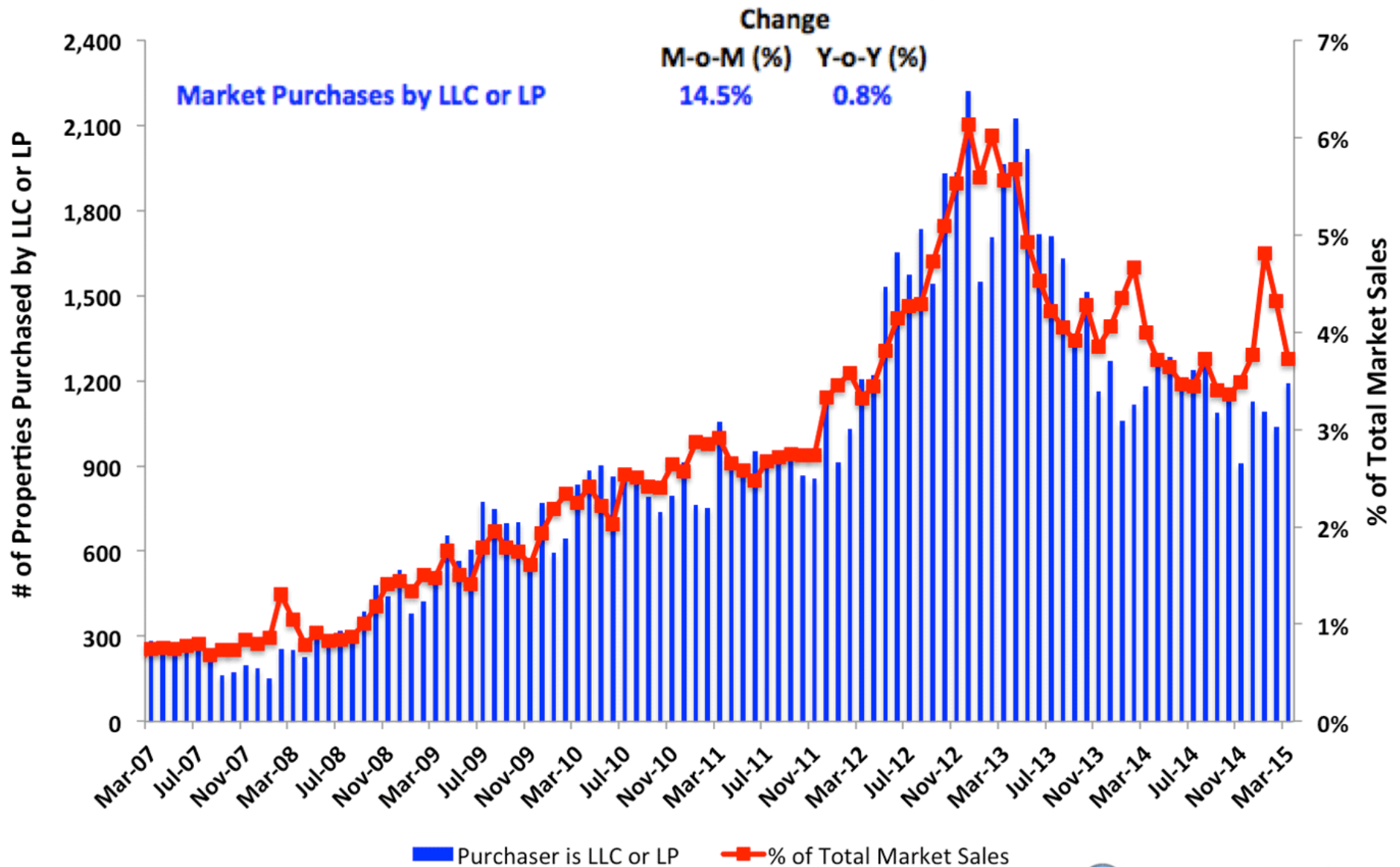
Source: PropertyRadar.com

# Flip Sales +26.7%



Source: PropertyRadar.com

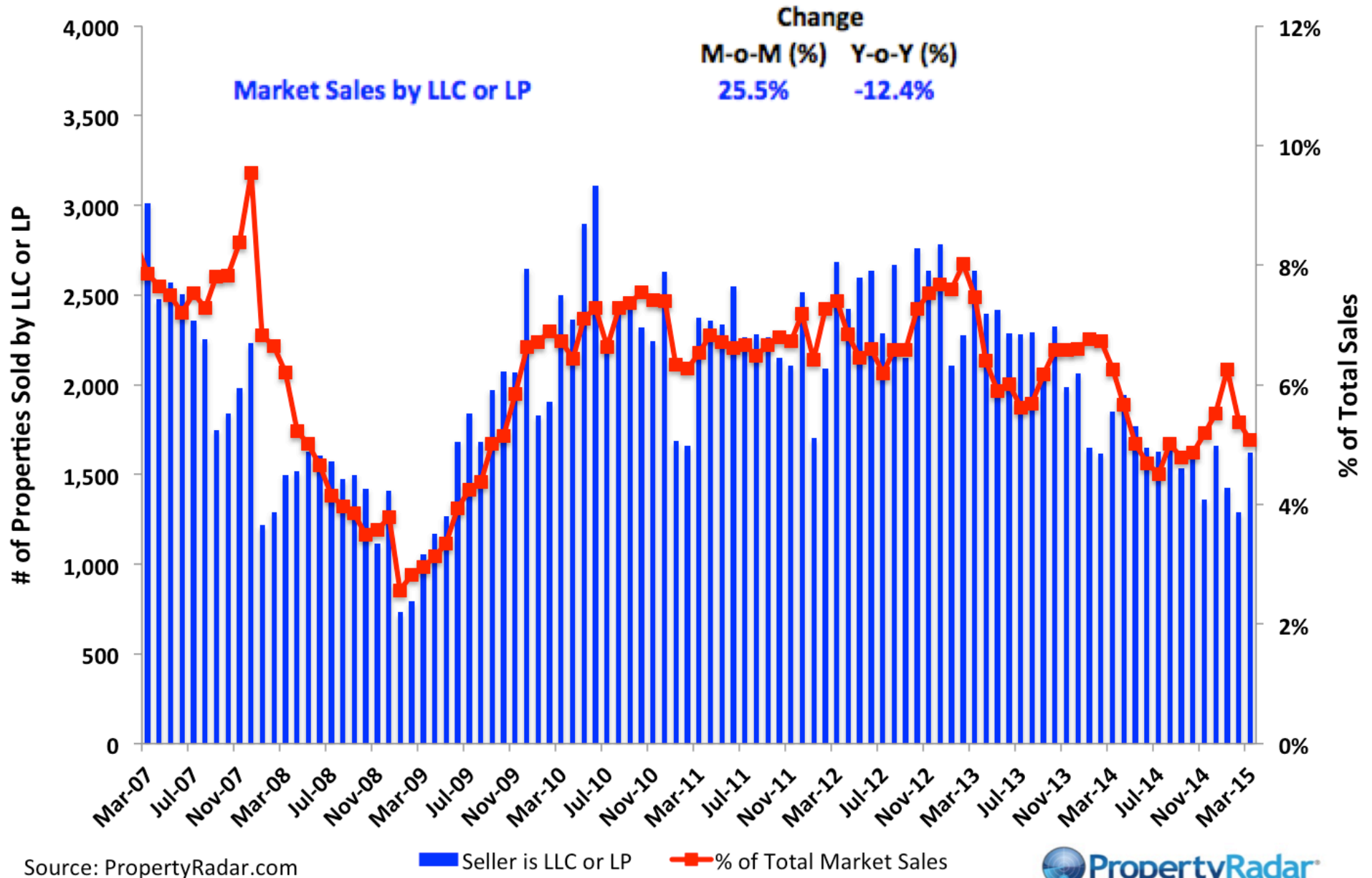
# Institutional purchases +14.5%



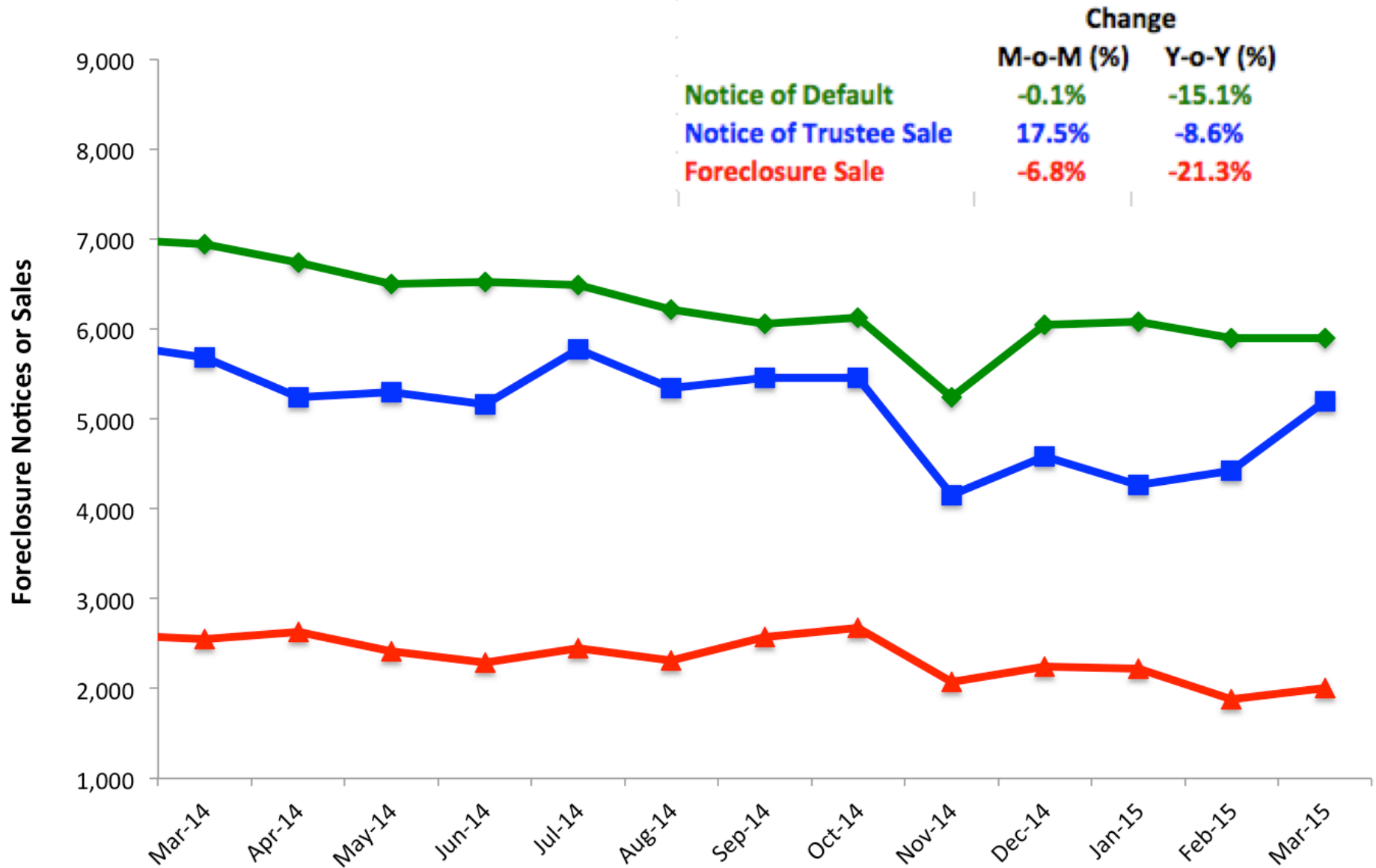
Source: PropertyRadar.com



# Institutional Sales +25.5%



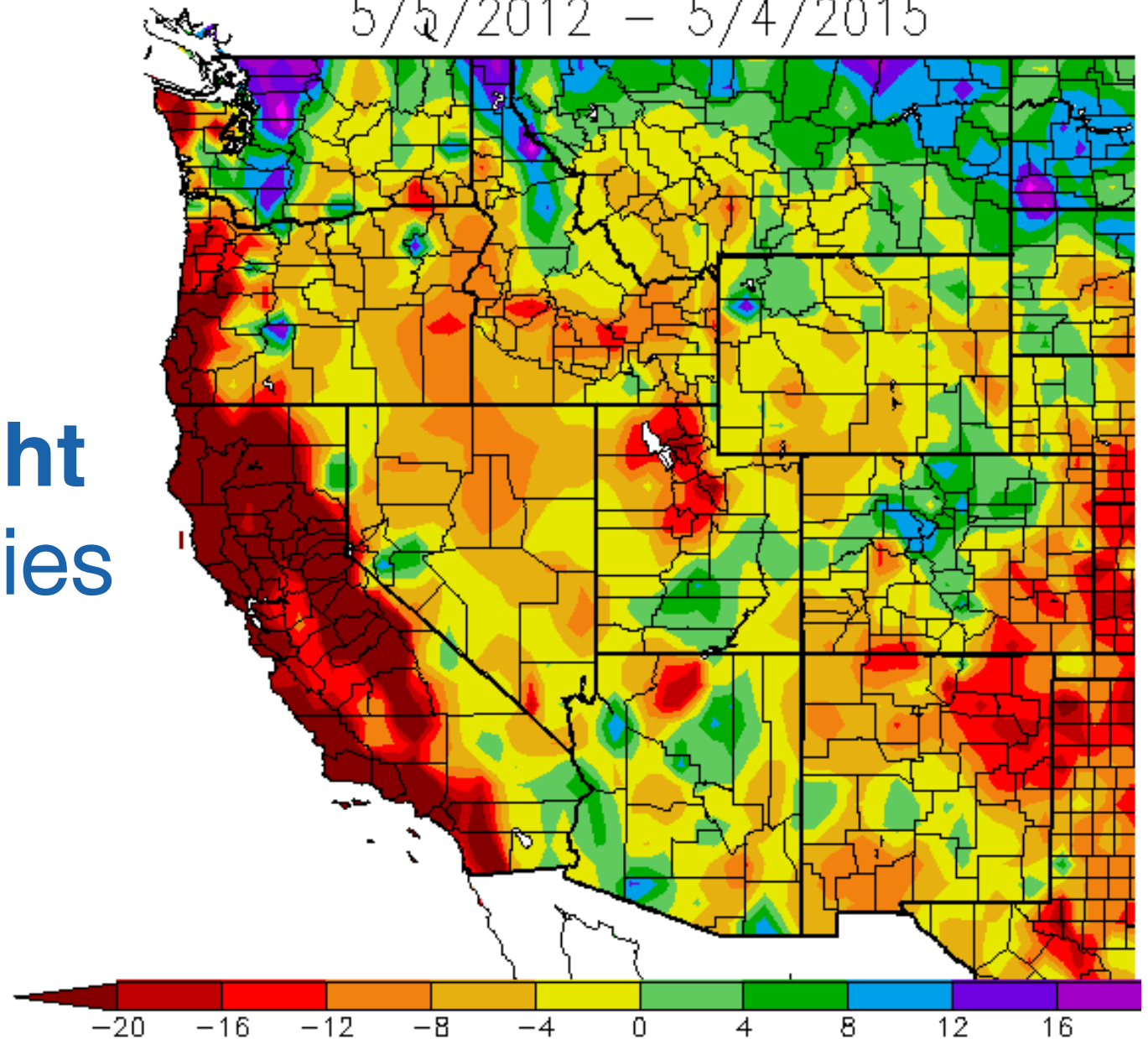
# Foreclosure Starts -0.1%



Source: PropertyRadar.com

Precipitation Departure from Average (in.)  
5/5/2012 – 5/4/2015

## CA Drought Uncertainties



Generated 5/05/2015 at WRCC using provisional data.  
NOAA Regional Climate Centers

"Successful people are simply  
those with successful habits."

- Brian Tracy







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Tried and true  
behaviors and  
strategies for  
today's real  
estate investor.



- ① Find your market
- ② Get the leads
- ③ Own your market
- ④ Qualify the deal
- ⑤ Analyze. Refine. Iterate.



# #1 Find Your market

Where's the money?

Who's the competition?

Know your customer.



# #2 Get the leads

Target the leads that meet your market criteria – current, accurate, relevant

Segmented

Relentlessly keep your list up to date.

More than a list, create a database.





# #3 Own your market

Reach your market with multi-channel communications

Recency, Frequency, Mode, Message

Track and keep everything

Automate everything



A large iceberg floats in a blue ocean under a blue sky with white clouds. The visible tip of the iceberg is on the left, while the much larger, submerged portion extends across the bottom half of the image. The water surface is marked by a horizontal line.

# #4 Qualify the deal

- Quickly analyze opportunities
- Identify / manage risks
- Share the load. Share the perspective.

# #5 Analyze. Refine. Iterate.

Monitor, review  
and analyze  
results

Refine things  
that aren't  
working

Iterate and  
improve on  
what works



- ① Find your market
- ② Get the leads
- ③ Own your market
- ④ Qualify the deal
- ⑤ Analyze. Refine. Iterate.







*"I would be lost without PropertyRadar.  
Best source ever for our business...GET  
THIS!" – Judy Fiolle*

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Title Research

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