Buyer Beware: Celebrity Ties to Real Estate Could Be Make-Believe

Source: The Los Angeles Times

As if home buyers didn’t have enough factors to weigh when purchasing a home, buyers in La La Land also face weighing the pros, cons and truthfulness of celebrity ties to a property. In Los Angeles, a property’s connection to the rich and famous can add intrigue – and a hefty price premium. But a celebrity-connected property can also risk value if the legend doesn’t hold up or if buyers think attaching a celebrity’s name to their home is tacky or exploitative – or both. Often, homes linked to the famous attract interest and curious foot traffic, which doesn’t necessarily translate into actual buyers.

A Redfin study of 60 celebrity homes found they stayed on the market for roughly 36 days longer than comparable homes and sell for less than the original asking price. Star-specific amenities such as bowling alleys and horse stables can complicate sales, and the homes can be more difficult to show due to privacy concerns.

Making sense of the story

- Note the language sellers use when linking famous people to property. For example, was the structure built “in the style of” an architect or the architect himself.
- Find the proof by asking for the property’s original plans and other documents to verify lore.
- If the seller can’t provide substantive documentation, hire a building biographer who can sort through records to determine a home’s pedigree and background.
- Ask questions, especially what the premium is on a home with Hollywood connections. What would a similar home, without the name dropping, sell for?

Read the full story
In other news…

Fannie Mae Says Americans Expect Home Prices to Rise
Source: Housing Wire

Consumer optimism about the housing market grew immediately following the November elections, according to Fannie Mae’s Home Purchase Sentiment Index (HPSI). What’s more, the share of Americans who expect home prices will only continue to increase grew four percentage points to 35 percent, reversing the three-month downward trend.

Those surveyed who said now is a good time to buy a home decreased by one percentage point to 30 percent, while those who said now is a good time to sell fell by six percentage points to 13 percent in November. Those who said now is a bad time to sell even rose two percentage points to 38 percent.

The HPSI fell in November for the fourth consecutive month, down 0.5 points to 81.2 points. Four of the six components of the HPSI decreased.

Read the full story

Will the FHA End Restrictive Zoning?
Source: Forbes

The Fair Housing Act (FHA) can be used to attack zoning regulations. A 2015 Supreme Court decision said that concentrating federally-funded affordable housing in low-income areas disproportionately harms minorities, violating the FHA.

The FHA is federal legislation intended to protect buyers or renters from seller and landlord discrimination. Under the FHA, it is illegal to refuse to sell to, rent to, or negotiate with any person based on a protected class.

Concerned citizens could file lawsuits against cities and states whose land-use laws prevent them from living there. Affected parties can also sue local and state governments if the entities accept federal housing funds when regulations violate federal housing laws.

Read the full story

How California Can Ease the Housing Crunch
Source: the Sacramento Bee

Affordable housing is a pressing issue for many California families. Although low incomes and insufficient federal subsidies are somewhat to blame, so is the inadequate level of new housing construction, said Paavo Monkkonen, associate professor of urban planning at UCLA. On Dec. 1, Monkkonen was presented with a UCCS white paper award sponsored by C.A.R.’s Center for California Real Estate (CCRE) on housing affordability.
Lack of supply results from local opposition to new construction, especially when it increases density. State government could address the problem by enhancing and enforcing current laws, increasing participation in the planning process and shifting some planning decisions to regional or state levels, Monkkonen said in a special piece to the Bee.

Read the full story
http://www.sacbee.com/opinion/op-ed/soapbox/article118026413.html#storylink=cpy

It’s Here: A Digital Mortgage That Can Close in 10 Days
Source: Housing Wire

Caliber Home Loans, a mortgage origination and servicing company, unveiled a fully digital mortgage that the company claims can shrink the loan process from 45 days to 10 days or less.

The program, which Caliber calls the “Caliber Ultimate Homebuying Experience,” is a streamlined application, approval and closing experience for conventional, government and Caliber portfolio loans. The platform takes nearly all the mortgage process online, using various technological advancements to automate the process, from application all the way through closing.

Read the full story

CNBC to Launch Reality Real Estate TV Show
Source: Inman

CNBC is expanding its primetime lineup with a new original series about the real estate market. The Deed explores a side of real estate that other property shows ignore — an unflinching look at how fortunes are made in the unpredictable and cutthroat world of real estate flipping and development.

The series features two savvy multi-millionaire real estate moguls — Sidney Torres and Sean Conlon — who, between them, have done over half a billion dollars in property deals.

Torres and Conlon come to the aid of struggling property investors in dire need of help. The projects are failing, and the investors are on the brink of financial ruin. Torres and Conlon will use their own money to infuse the projects with cash and offer their years of expertise to help people faced with losing everything.

Read the full story
http://www.inman.com/2016/12/08/the-deed/
What you should know

- Home prices, including distressed sales, increased annually by 6.7 percent in October 2016, and increased 1.1 percent from September, according to the Home Price Index and HPI Forecast by CoreLogic.

- CoreLogic forecasts that home prices will increase by 4.6 percent year-over-year, and by 0.2% by next month.

- U.S. homeowners with mortgages (roughly 63 percent of all homeowners) saw their equity increase to a total of $227 billion in Q3 2016 compared with the previous quarter, an increase of 3.1 percent.

- Additionally, 384,000 borrowers moved out of negative equity, increasing the percentage of homes with positive equity to 93.7 percent of all mortgaged properties, or approximately 47.9 million homes.

- Year-over-year, home equity grew by $726 billion, representing an increase of 10.8 percent in Q3 2016 compared with Q3 2015.