

STONE REPORT

September 27, 2008

Volume 1 / Issue 11

Dear MCAR GAD,

Welcome to the "Stone Report", a weekly publication brought to you by the Government & Community Affairs Department of the Monterey County Association of REALTORS®

Cash is King, Credit is?

I struggled this entire week with the content of this Report. Not necessarily laying the entirety of the blame on the hectic nature of the calendar or the fun case of tonsillitis that worked its way through my family - but more specifically - and simply I might add, where in the world am I going to start?

The challenges before us are great, but not insurmountable. The nation is anxiously awaiting a bailout "plan" in an effort to adequately address the toxic debt credit crisis debilitating our economy and threatening to bring the overall credit market to a complete halt. As I write this, a \$700 billion program has been crafted over the weekend and will be in front of Congress on Monday for consideration. Interestingly enough, the bill is void of language addressing the strategy in which assets (or volatile, toxic debt) would be priced and purchased. This task will be left to the Treasury which will have 45 days to construct the guidelines. The "plan" is to hire asset managers to determine how best to purchase the debt, publish a list of assets it's looking to buy, and then oversee the portfolios of the toxic assets purchased by the Treasury. What could go wrong?

I am by no means an expert in this area, and will certainly defer to my colleagues with experience much greater than my own on this topic. But I must admit that I certainly have feelings of apprehension when considering a "nationalized" lending system. The question is, what's the alternative?

Fears are mounting and an attempt to methodically contemplate an alternative solution may not be viable at this juncture. While printing our way out of this mess certainly isn't the solution, a drawn out recession or even depression with domestic and international ramifications beyond our comprehension probably isn't feasible either.

The nation is ready to move on. We're a country built on entrepreneurial vigor which fuels innovation and propels us forward as the global leader. There's only one problem. The arduous efforts of those building the dream are primarily constructed and predicated on a gamble. Without credit, it all grinds to a halt.

Tomorrow will bring a new set of challenges, but it will also bring a variety of successes. Whether or not the bailout will be the answer to our woes is yet to be determined, it may just be the first of many steps in an overall "right direction". The fact of the matter is, we need *something*.

For those of us in Monterey County, inventory is moving. Prices are down but people are buying. Eventually, excess surplus will be a thing of the past and we will have a whole new set of issues to contend with. There is light at the end of the tunnel and success builds upon success.

Kevin

Public Affairs Wants You!

Please join us for the first Public Affairs Sub-Committee Meeting this Tuesday (September 30th) at 12:00 pm in the MCAR Conference Center. This will be a "brown-bag" meeting, (meaning, bring your own lunch if you so desire) lasting no longer than one hour as we discuss the concept of the new committee and potential strategies going forward.

The Public Affairs Committee will be a sub-committee of the Local Government Relations (LGR) Committee, though LGR membership is not required to attend. The committee will be focused on establishing concepts and strategies on how the real estate community can tangibly give back and participate in the communities we work and live in.

Please RSVP to kevin@mcar.com to let me know if you are planning on attending. I look forward to seeing you then!

What: Public Affairs Committee Meeting

When: Tuesday, September 30
12:00 PM - 1:00 PM

Where: MCAR Conference Center
201 A Calle Del Oaks
Del Rey Oaks, CA

Kevin

Government & Community Affairs Update

MCAR continues to work toward re-instituting Proposition 90 in Monterey County. Though the process is long, progress is being made. Staff and members of the LGR committee will be meeting with the Monterey County CAO and Assessor to discuss a possible timeline for consideration by the Board of Supervisors. MCAR put together an exhaustive Proposition 90 Report which studies the beneficial impacts associated with re-implementation and will begin making the findings public as we look to solicit community support. Stay tuned as we continue in our efforts to bring this very important program back to Monterey County.

BORPAC Interviews are complete! The Board of REALTORS Political Action Committee (BORPAC) spent two full days this last week interviewing 17 candidates for local Mayoral and Council seats. Final evaluation of the interviews and consideration of support for candidates will be discussed at this week's BORPAC Trustees meeting. Thank you Trustee's for the numerous hours you have devoted to this very important process!

Mark your calendars for October 9th! MCAR will be hosting an open forum with one of our elite California Association of REALTORS (C.A.R.) lobbyists to discuss a variety of issues impacting the real estate industry in California. This is a tremendous opportunity to capitalize on the wealth of insight and knowledge provided to us by C.A.R. at the state level. The forum will take place from 2:00 pm - 3:00 pm at the MCAR Conference Center. A variety of topics will be discussed including: AB32 impacts on the residential re-sale market, future green building regulations and standards and state wide land use planning efforts.

Kevin

Until next time,

Kevin Stone
Government & Community Affairs Director
Monterey County Association of REALTORS®