



Media Kit



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Bruce Norris

President of The Norris Group



Bruce Norris is an active investor, hard money lender, and real estate educator with over 30 years of experience. Bruce has been involved in over 2,000 real estate transactions as a buyer, seller, builder, and money partner.

Renowned for his ability to forecast long-term real estate market trends and timing, the release of *The California Comeback* report in 1997 gained him much notoriety and its accuracy of the extensive report led many California investors to financial freedom. His January 2006 release, *The California Crash*, was an in-depth look into the California market correction and the statistics behind Bruce's predictions. His last award-winning report from 2012, *All In or Fold*, Bruce dissected government intervention and how it would effect real estate professionals, the potential dangers of market manipulation, investment strategies by market price range, and micro insights into some of California's most important markets.

Bruce speaks and debates throughout California and has been a guest speaker at the California Association of Realtors, Inman, Housing Wire, California Builders Industry Association, California Mortgage Association, California Escrow Association, REOMac, the Real Estate Research Council, and several local and national investment clubs, associations, and service clubs.

Bruce hosts the award-winning Norris Group Real Estate Radio Show and Podcast on KTIE 590am where he interviews real estate industry leaders, authors, government officials, and economists. Guests have included the FBI, the MBA, Freddie Mac, Peter Schiff of Euro Pacific Capital, John Mauldin, C.A.R., the Appraisal Institute, HUD, Foreclosure Radar, RealtyTrac, PIMCO, PMI Group, REDC, the National Auctioneers Association, and the Center for Responsible Lending to name a few.

Bruce is also host of the award-winning series, *I Survived Real Estate*. The annual event brings together



leaders from numerous real estate sectors to discuss legislation, regulation, stimulus-related issues, and solutions to the current downturn. The series has raised nearly \$350,000 for charity.

Bruce has also been featured in *The Wall Street Journal*, *Fox Business News*, *Nightline ABC*, *The New York Times*, *Good Morning America*, the *Los Angeles Times*, *Fortune*, *Mortgage Banker Magazine*, *Money Magazine*, *The Tribune*, and numerous others.

Bruce has contributed articles to many real estate magazines and newsletters including *The Orange County Register*, *Scottsman Guide*, *Creative Real Estate Magazine*, *RealtyTrac's Foreclosure Newsletter*, *AOA Magazine*, and the *Daily Commerce*.

Bruce currently serves on the Executive Board for the Real Estate Research Council of Southern California.



The Norris Group

The Norris Group actively buys and sells California real estate, educates California real estate professionals, and funds millions of real estate purchases monthly through its hard money lending and trust deed investments division. The unique synergy of ongoing market research and experience benefits not only The Norris Group but its trust deed investors, loan clients, and investor network.

California Market Timing Experts

Market research helps The Norris Group focus on the most profitable and appropriate real estate activities. Bruce Norris has become well known for his long-term market timing predictions and ongoing research. These insights into the California market allow for profitable transitions and protection for investors. Bruce Norris' report in 1997, *The California Comeback*, correctly predicted the boom in California real estate. His follow up report, *The California Crash*, accurately predicted the current market meltdown.

The Norris Group offers numerous award winning resources to its network including *The Norris Group Real Estate Radio Show*, the *Real Estate Headline Roundup* in 2 weekly videos, our annual black-tie fundraiser for numerous nonprofits (*I Survived Real Estate*), and ongoing speaking engagements at numerous professional associations and clubs including the California Association of Realtors, the Southern California Appraisals Institute, Inman, and California Escrow Association.

Lending and Trust Deed Investments

Since 1997, The Norris Group has funded over \$250 million dollars to professional real estate investors in California. The Norris Group currently manages a \$45 million portfolio that is quickly growing. Millions of dollars of originations occur each month translating to ongoing, passive and secured returns for our network of private money investors. Just like a commercial bank provides funding for average consumers purchasing homes, The Norris Group becomes the funding source for the unique niche of professional real estate investors in Southern California.

California Investments

The Norris Group currently invests in distressed foreclosures, working full time as redevelopment specialists in the Inland Empire. Properties go through cosmetic rehabilitations and are then held as rentals or sold retail. Our beautifully renovated properties add tremendous value to neighborhoods and the communities in which we work, and also create high comparable sales in those neighborhoods. We bring our in-the-field experience and expertise to our lending division to constantly ensure quality investments for our network.



In the Press



Mortgage Banking Magazine	Can beleaguered California make a comeback?	Robert Stowe	3/2012
NBC Channel 4	Foreclosure Options	Craig Feigner	2/20/12
Los Angeles Time	Foreclosure activity soars in third quarter, ending lengthy lull	Alejandro Lazo	10/18/11
Investor Business Daily	When will housing come back in California?	Kathleen Dohler	9/8/11
Daily Bulletin	Consumer pessimism against housing recovery grows		5/18/11
National Mortgage Magazine	The New Solution	Bruce Norris	3/2011
Los Angeles Times	When will housing caome back in California	Alejandro Lazo	1/1/211
Mortgage Bankers magazine	Clouds Over the Recovery		12/10
Bigger Pockets	An Interview with Bruce Norris	Josh Dorkin	11/21/10
Los Angeles Times	Professional Investors move into flipping foreclosed homes	Walter Hamilton	8/20/10
Union Tribune	Has the worst of housing crisi past?	Dean Calbreath	8/4/10
Fox Business Live	False Hope in Housing Recovery	Fox	3/12/10
KCET	Corona Mansion: Got Built But Nobody Cares	Katie Evarts	3/9/10
Press Enterprise	Loan losses from home foreclosures could more than double	Leslie Berkman	3/3/10
OC Register	Foreclosures now are just 'tip of the iceberg	Marilyn Kalfus	3/1/10
Time Magazine	Postcard from the Inland Empire	Lauren McSherry	1/18/2010
New York Times	California, here they come: The real estate investors	Dan Whitcomb	12/3/09
Reuters	ANALYSIS-In wake of US housing crisis, what lessons learned?	Al Yoon	10/16/09
California Real Estate Journal	NSP Funds' Benefits Limited For California Municipalities	Kari Hamanaka	10/12/09
Fox Business Live	Foreclosures	Fox	9/29/09
San Diego Business Journal	Foreclosures to Keep Residential Market Down	Mike Allen	8/24/09
Union Tribune	New wave of defaults on horizon, experts say	Dean Calbreath	8/2/09
Nightline ABC	Bargain Houses for Sale	Lisa Fletcher	7/2009
US Banker	Assuming an Old Remedy	Glen Fest	7/2009
Bloomberg News	Home-Price Recovery May Be Undermined by Appraisals	Dan Levy	6/24/09
Wall Street Journal	Why Didn't the Housing Bubble Mess with Texas?	Nick Timiraos	4/30/09
Fox Business News	Now's the Time to Buy a Home Segment	Fox	4/23/09
Bloomberg News	Home Prices Gain 0.7% in February From January	Kathleen M. Howley	4/22/09
San Bernardino Sun	Buyers Bounce Back	Josh Dulaney	3/28/09
ABC Channel 7 News	Safest Ways to Buy Foreclosures	Rick Romero	3/27/09
Good Morning America (ABC)	Investors in The Inland Empire	Lisa Fletcher	3/23/09
Reuters	Dealers, dreamers see gold in Calif. housing bust	Dan Whitcomb	2/23/09
Bloomberg News	U.S. Foreclosures Top Quarter-Million for 10th Month	Dan Levy	2/12/09
The Business Press	Advice to Investors: Inventory Trumps Price		2/9/09
Contra Costa Times	Bay Area homes sales surge, but price decline continues	Eve Mitchell	1/22/09
Press Enterprise	Investors returning to Inland housing scene	Leslie Berkman	1/3/09
Orange County Register	Investor eyes tough 2009 for O.C. housing	Jonathan Lansner	12/29/09
Instant Riverside / KCVR TV	Inland Empire homeowners seek mortgage help	Craig Fiegner	10/8/09
The Los Angeles Times	A home page for bidding on foreclosures	William Heisel	10/5/08
Instant Riverside / KCVR TV	Mortgage and foreclosure advice offered	Craig Fiegner	10/1/08
The Voice of San Diego	Ready to Buy, Got Money, Few Takers	Kelly Bennett	9/19/08
North County Times	Banks haven't wiped out all risky loans	Zach Fox	9/13/08
The Press Enterprise	Inland cities scramble to be ready when HUD announces housing funds allocations and guidelines	Leslie Berkman	9/10/08
North County Times	HOUSING: Sales increase, prices drop ---- again	Zach Fox	9/10/08
The Press Enterprise	Profit for Profits	Leslie Berkman	3/25/08
Mortgage Banking Magazine	A Hard Landing in California	Robert	2/08
Bakersfield Californian	Developers prepare for housing market surge	Jenny Shearer	2/29/08
KNX 1070 Talk Radio	Money 101 Segments	Bob McCormick	2/08
The Press Enterprise	Falling Inland home prices still too high	Jack Katzanek	2/8/08
OC Register	Investor eyes housing slump zapping Prop. 13	Jonathan Lansner	12/27/07
The Business Press	Blame the spec buyers?	Joseph Ascenzi	10/22/07
Associated Press	Calif. Home Sales Plunge in August	Gary Gentile	9/13/07
SourceMedia – Broker Universe	CA Market to Get a Lot Worse Before It Gets Better	Alton Gary Simpson	7/10/07
Union Tribune	Home prices continue to fall in Riverside County	Dean Calbreath	6/25/07
Associated Press	Buyers welcome slump, eye risky mortgage market	Alex Veiga	6/10/07
Bloomberg News	Subprime Bondholders May Lose \$75 Billion From Slump	Mark Pittman	6/24/07
Associated Press	D.R. Horton 2Q Orders Fall 37 Percent	David Koenig	4/10/07
Press Enterprise	Experts preach patience for home bargain hunters	Leslie Berkman	4/4/07
OC Register	Housing dip expected	Jonathan Lansner	1/3/07
OC Register	Lender Norris eyeballs O.C. housing '07	Jonathan Lansner	12/23/06
OC Register	Home prices still softening	Jeff Collins	10/13/06
Investor.com	Rising Foreclosure Rate Lures Investors	Kathleen Doler	10/6/06
The Daily News	Housing Future Uncertain, but Certainly Not Good	Gregory Wilcox	7/2/06
DNN TV	Future of California Market	Sixiao Guo	6/29/06
Forbes.com & Yahoo.com	Real Estate Bubble: Fact or Hype?	Bruce Norris	5/15/06

Articles/Books Written

Timing Report	All In Or Fold	4/12
The New Solution	National Mortgage Magazine	3/11
Market Timing Report	Tip of the Icerberg	2/10
Op/Ed for Scotsman Guide	Solutions in the Current Market	8/09
Timing Report	Category 5	1/31/09
Op/Ed for The Business Press	Advice to Investors: Inventory Trumps Price	2/9/09
Op/Ed for OC Register	Let investors help ease the housing crisis	12/20/08
Creative Real Estate Magazine	The Boom Has Ended	12/07
Investor Course	California "Only" Selling System	7/07
Press Release picked up by Forbes.com	California's Real Estate Crisis Will Be Worse Than Most Analysts Realize	6/21/07
RealtyTrac Newsletter	Foreclosures in California	5/07
Apartment Owners Association News Article	Market Timing	5/07
Market Timing Report	Real Estate Soft Landing? Hardly!	2/07
Investor Course	TNG Market Timing Update 2007	2/07
Forbes.com & Yahoo.com	California "Only" Foreclosures	6/06
Investor Course	Real Estate Bubble: Fact or Hype?	5/06
California Economic Update	California "Only" Negotiating	5/06
Investor Course	2nd Quarter Newsletter	5/06
Investor Course	California "Only" Buying Systems	4/06
Market Timing Report	California "Only" Investor Essentials	3/06
California Economic Update	California Crash	2/06
Apartment Owners Association News	1st Quarter Newsletter	2/06
Creative Real Estate Magazine	The California Crash	1/06
Market Timing Report	The First Domino Has Fallen	9/05
Creative Real Estate Magazine	California Countdown	9/04
Creative Real Estate Magazine	Statistics: The role they play when investing in real estate.	9/03
Creative Real Estate Magazine	Is that a bubble I see in California?	4/03
Creative Real Estate Magazine	Access to Millions!	9/02
Creative Real Estate Magazine	Finding Deals When Real Estate is Hot	4/02
Creative Real Estate Magazine	Borrow Money as an Investor	3/99
Creative Real Estate Magazine	Are Trust Deed Investments Safe?	2/99
Creative Real Estate Magazine	Going, Going, GONE!	10/98
Creative Real Estate Magazine	Teaching an Old Dog a New Trick	7/98
Creative Real Estate Magazine	The Importance of Relationships	10/97
Riverside Business Journal	Borrow More Than it Costs	5/23/97
Creative Real Estate Magazine	Your Reputation Proceeds You	5/97
Creative Real Estate Magazine	U.S. Values vs California Values	4/97
Market Timing Report	California Comeback	1/97
Creative Real Estate Magazine	Realtors, Give Investors a Break!	9/96
Creative Real Estate Magazine	Buy Low Still Works	8/96
Creative Real Estate Magazine	Finding a Needle in a Haystack	5/96
Creative Real Estate Magazine	My Favorite Mentors	3/96
Creative Real Estate Magazine	My Three Step Formula	2/96
Creative Real Estate Magazine	Buying Foreclosures at Trustee Sales	11/95
Creative Real Estate Magazine	Buying Foreclosures	10/95
Creative Real Estate Magazine	The Comeback of California Real Estate	8/95
Creative Real Estate Magazine	The Value of Experience	7/95
Creative Real Estate Magazine	Auction: Nobody Showed Up!	6/95



Speaking Engagements

Washington D.C., Meeting with Fannie Mae and HUD (5/11)
Southern California Appraisal Institute (7/09, 7/10, 7/11)
California Escrow Association (6/10, 5/12)
California Association of Realtors (2/10)
International Right of Way of Association (9/09)
San Diego County Bar Association (7/09)
UBS-hosted tour of New York City Hedgefunds (7/09)
Appraisal Institute of Southern California (6/09)
California Mortgage Association (7/09)
Inland Association of Realtors (5/09)
Women's Council Realtors Inland Empire Chapter (5/09)
I Survived Real Estate 2008 (Host 2008)
Real Estate Research Council, Cal Poly Pomona (2008)
California Builder Industry Association debate with New York City builder analyst from UBS, Margaret Whelan (7/06)
California Builder Industry Association debate with local economist, John Husing (7/05)
Riverside Chamber of Commerce (8/08)
The Financial Executives Networking Group (8/08)
Inland Empire Association of Realtors (8/08)
Corona/Norco Association of Realtors (6/08)
Southern California Appraisal Institute (07/08)
Apartment Owners Association (AOA)
Corona Department of Real Estate Association
Global Real Estate Investor Expo
Real Estate Roundtable – A.D. Kessler television program
Real Estate Club of Los Angeles
Orange County Real Estate Group (OCRE)
San Jose Real Estate Investors Club
Real Wealth Expo – Dallas, San Diego, Anaheim
Colorado Association of Real Estate Investors
Foreclosures.com – Northern CA
Bay Area Wealth Builders Association
Inland Empire Investors Forum
Investors Workshops of Orange County
Southern California Creative Investors Association
Mid-Peninsula Real Estate Investors Club
Orange County Creative Real Estate Investment Club
Upstate Carolina Real Estate Investors Association
Northern California Real Estate Investor Association
North San Diego Real Estate Investors
Commonwealth – Orange, CA
Real Estate Investors Club of Los Angeles
San Diego Creative Investors Association
The Learning Annex – California, New York

The Norris Group Real Estate Radio Show



Bruce Norris interviews local and national leaders in the real estate industry on The Norris Group's Real Estate Radio Show every Saturday. The show provides Realtors, builders, mortgage brokers, investment bankers, and real estate investors the inside scoop from the leaders that change and influence our business. Topics include foreclosure trends, real estate market timing, lending practices, law changes, bailout bills, and mortgage changes. Listeners tune in live on 590am at 6pm PDT on Saturdays or listen online via our media library, stream player, or iTunes. Over 250 awardwinning shows are now available.

Guests Include:

The FBI, Mortgage Fraud Division

Fannie Mae, *Doug Duncan*

John Mauldin, *Investor and Author*

Peter Schiff, *Euro Pacific Capital*

David Kittle, *Mortgage Bankers Association Chairman*

Joseph Magdziarz, *Upcoming Appraisal Institute President*

Leslie Appleton-Young, *CAR Chief Economist*

Frank Nothaft, *Chief Economist of Freddie Mac*

Christopher Thornberg, *Economist with Beacon Economics*

Paul Leonard, *Director for the Center for Responsible Lending*

David Berson, *Chief Economist and Strategist, The PMI Group, Inc.*

Tommy Williams, *Co-founder of Williams & Williams*

Joseph Magdziarz, *2011 President of the Appraisal Institute*

Jack Kyser, *Chief Economist for the LA County Economic Development Corp.*

Richard Lambros, *CEO Builder Industry Association of Southern California*

Robert Friedman, *President of REDC*

Rick Sharga, *VP of RealtyTrac*

Joseph C. Magdziarz, *2011 President of the Appraisal Institute*

David Rosnik, *Center for Economic and Policy Research*

Mike Ferry, *Mike Ferry Organization*

Joel Singer, *Executive VP CAR*

Alan Nevin, *Economist for CBLA & CMBA*

Tony Alvarez, *Investor/Speaker*

Dr. Mark G. Dotzour, *Chief Economist at the Real Estate Center at Texas A&M University*

Mark Kiesel, *Executive Vice President of PIMCO*

Nancy West, *Marketing and Outreach Specialist, Housing & Urban Development*

Pete Pannes, *Senior Vice President, PMI Mortgage Insurance*

John Burns, *Builder consultant*

Anna Maria Allen, *The Compliance Group & CMBA*

John Husing, Ph.D., *Inland Empire Economist*

Mark Fleming, *Chief Economist, First American Corelogic*



In the Press

Profit for Profits: Riverside Real Estate investor sees 2011 upsurge coming

*By Leslie Berkman, The Press Enterprise
March 25, 2008*



Falling home prices offer opportunity for Bruce Norris, a professional investor and founder of The Norris Group in Riverside. Norris, 55, nimbly adjusts his investment tactics in anticipation of the real estate market's ups and downs.

The high school graduate, who says he learned his business through "the school of hard knocks," gained renown with the accuracy of a 1997 report he wrote that predicted California's housing boom.

Then in January 2006, he butted heads with economists who predicted a "soft landing" for real estate. Norris rightly predicted foreclosures would explode and home prices would plummet.

During the point when home prices were rising, Norris bought houses and rented them out. He also built houses. In 2005 and early 2006, before houses became unaffordable for too many would-be buyers, he sold his real estate inventory and slowed down new acquisitions.

"It was safer ... because we knew the prices would start descending very quickly," he said.

Having also sold his longtime headquarters and rented office space near Riverside Plaza, Norris said he is flush with cash and ready to buy houses. They will look increasingly enticing for investment as lenders discount the prices on a mountain of homes seized in foreclosure, he said.

The Norris Group President Bruce Norris talks about investing in housing again and buying at auctions Monday in Riverside. In an interview this week Norris answered questions about his investment strategy. He said he figures California home prices will continue to fall for another 18 months. By 2011, California real estate values will start attracting retiring baby boomers from nearby states, he predicted with a smile -- and once again it will be "off to the races" as a resurgence of buyer demand pushes the state's home prices higher.

Q: When did home prices start getting attractive enough to lure investors like you?

A: At first when you had lenders getting properties back for the first time in 10 years, their attitude was "we will sell them and make a profit." You need lenders to capitulate. I would say in the last 60 days it has been more obvious that lenders have become willing to take less for the houses.

Q: What is the kind of house you are buying for an investment?

A: We try to stay in the first-time buyer price range. I want to be able to sell it for under \$400,000 and I'd rather it be under \$300,000.

Q: How far below market price do you need to buy a house to make an acceptable profit?

A: We want to have a 10 percent profit when we are done. So we are probably buying the property at about 30 percent less than market because we have to pay for repairs, sales costs and holding costs. We also have to take into account that over time in this housing market downturn the price we can get for a house will decline. We literally reappraise the house every week. We want to offer the best value so the house sells within a month.

Q: Where is the best place to shop for a bargain home?

A: In this cycle, it is definitely lender-owned property.

Q: Why can't you find houses offered by desperate individual homeowners?

A: Most of the desperate sellers owe more than the house is worth, so there is no deal.

Q: Why are lenders becoming more willing to lower their prices?

A: The quantity of houses they are getting is so huge they have to do something. They can't hold out. Typically the lender lists a house with an agent and tries to get full price and it doesn't work. Then they give the listing to another agent. Then they go to auction. When they finally get to an auction, the lenders are more likely to believe the bad news that the price is much lower than they thought.

Q: Could an economic recession further handicap housing sales?

A: We are going to have a double whammy. The next 18 months will be the toughest time California has ever experienced to sell a house. But I am going to sell 50 to 100 every year because there is always that first-time buyer who wants to go from renter to owner.

Q: You believe there is another up cycle ahead for California housing?

A: Starting in about 2011, hundreds of thousands of people are going to retire in California who never could have afforded it before. It is going to cause a boom cycle that wouldn't be possible unless this down cycle occurred.

In the Press

Investor guru predicts 'California Crash'

*By Jeff Collins, The Orange County Register
January 14, 2006*



It doesn't take a big percentage to cause a big problem," said Norris, author of a forthcoming report titled "California Crash." "Because it changes the mood."

That contradicts the bulk of forecasts predicting that home prices will increase from 4 percent to 10 percent in 2006. Chapman University and Cal State Fullerton economists projected a 4 percent decline in home prices this year, while real estate broker and economist Gary Watts, who addressed the forum last week, predicts a 15 percent rise.

But for Norris, who leads investor-training seminars, past is prologue.

The self-taught researcher bases his forecasts on past patterns, concluding that factors such as declining affordability and a leveling off of foreclosures could foretell a change in market direction.

He noted that the market flattened out after the last two times that housing affordability fell to 17 percent, in 1980 and 1989. The state's affordability rate again fell to 14 percent in November, the California Association of Realtors said.

"Affordability was the initial event that caused all those downturns," he said.

Low affordability, in turn, leads to reduced demand, increased foreclosures and falling prices, he said. That depresses homebuilding and eliminates jobs.

"When (affordability) gets to the lowest percentage, hear the dominos fall," Norris said.

He argued further that this year's foreclosure pattern matches those before the past two downturns, when the number bottomed out right before prices leveled off or fell.

Norris also challenged state estimates that the California population is growing, driving up housing demand. He cited Internal Revenue Service filings and U-Haul trailer prices to support his conclusion that there's actually an overall out-migration of about 100,000 people a year.

He noted that U-Haul charges more than \$3,000 for a truck rental going from Anaheim to Dallas. The price for the return trip: \$322.

Jen Siew, a real estate investor attending Thursday's talk, was convinced.

"Prices are too high," she said. "People just can't afford" a home.

But Norm Rockmael, founder of the real estate forum, was skeptical, saying he's more inclined to believe Watts' 15 percent increase than Norris' 20 percent decline.

"I see some flattening (of home prices), but nothing substantial," he said. "A number of people are going to have problems with their loans, are going to be in default. (But) it isn't going to be excessive."

Right or wrong, Norris believes the most dangerous modern trend is the belief that real estate prices go only in one direction.

"You have to be careful assuming that just because something is working that it's going to continue," he said.

In the Press

California home sales hit four-year low in January

By Alex Veiga, Associated Press

February 17, 2006



LOS ANGELES - California homeowners saw their home equity swell during the real estate boom as home prices soared, but those now looking to sell or trade up to bigger homes are finding it increasingly harder to find buyers.

The number of homes sold in the state fell to a four-year low in January, the fourth month in a row that annual homes sales have declined. The statewide rate of home price increases peaked in June 2004 at 23.2 percent and has gradually declined ever since.

The trend is another sign that the state's once-sizzling real estate market is cooling, leaving some home-sellers in a bind in the process.

"Sellers are becoming nervous about how long it's taking to sell," said Aaron Zapata, executive vice president of Century 21 Grisham-Joseph in Whittier, which has offices in the counties of Los Angeles and Orange.

"There are many sellers who have contingent offers on properties that they're having to withdraw because they're not getting their homes sold," added Zapata.

In all, 38,300 new and resale houses and condominiums were sold statewide last month, a decline of 27.5 percent from 52,800 in December and down 9.5 percent from 42,300 in January 2005, the real estate research firm DataQuick Information Systems reported Thursday.

Last month's home sales were the lowest since 38,137 homes were sold in January 2002, the firm said.

For several months real estate agents have reported homes are staying on the market longer as prices have continued to climb.

Zapata said homes tend to be on the market for two months or more, though more affordable townhouses and condominiums tend to sell quicker.

While some markets within the state are still seeing home prices rise by high double-digit percentages, some pricier areas, such as San Diego County and the San Francisco Bay area, have seen appreciation rates dial back to single-digit percentages.

The median home price in California last month hit \$452,000, down 1.3 percent from December and up 13 percent from \$400,000 in the same period a year ago - the lowest annual increase since 12.4 percent in March 2003, DataQuick said.

With prices not rising as fast as they have in previous years, would-be homebuyers may find themselves in a better position to afford a home, but many are not eager to rush into the market just yet, said Patrick Lashinsky, senior vice president of

product strategy for Emeryville-based ZipRealty Inc.

"We're seeing buyers out there, but they're a little more hesitant, they're waiting a little longer," Lashinsky said. "There's a mismatch between what buyers are willing to pay and what sellers want to take right now."

Zapata said his firm hasn't seen many first-time buyers lately, and those who are looking to buy feel little pressure to pay sellers' asking price these days.

"Buyers are nervous that they're buying at the top of the market," Zapata said. "Most offers now are coming in under full price, somewhere up to 10 percent less than asking price."

Sellers have had to lower their prices to get their homes sold, driving price increases down.

In the nine-county region surrounding San Francisco Bay, sales hit a five-year low last month, down 20 percent compared to January 2005 and off 35.8 percent from December's sales. The median price of a home in the region during the month hit \$607,000, up 13.7 percent from \$534,000 a year ago and essentially flat compared to December, DataQuick said.

The number of homes sold last month in a six-county area of Southern California also fell to a five-year low. In all, 20,085 homes were sold during the month, a decline of 7.4 percent from the same period a year ago and down 30.6 percent from December, the firm said.

Lashinsky said the state's housing market is in transition, but added that buyers have more leverage to negotiate a better deal now.

"Buyers are in the best position that they've been in the last couple of years," he said.

Not so fast, says Bruce Norris, president of The Norris Group, a real estate investment company based in Riverside.

Norris has forecast a coming "crash" of the state's housing market and he warns that the current slowdown may not be the best time for real estate investors to buy a home, though buyers looking to stay in a property for 10 years or more may not find lower mortgage rates for some time.

"I would prefer to be a buyer when I knew the market was going to be on the upswing for a number of years," Norris said. "This could be about a five-year downturn in price, starting very gradually and building up momentum."

In the Press

Californians Spy Gold In Texas Real Estate

By Ilan Brat, *The Wall Street Journal*

August 8, 2005

THE WALL STREET JOURNAL



The Californians are coming.

After scoring big gains at home, and then in Phoenix and Las Vegas, California real-estate investors are arriving in the Lone Star state betting that Texas' tepid home market is finally about to turn around.

In recent years, out-of-towners have been buying office buildings and other commercial property in Texas. Now, a small but increasing number of investors is snatching up new and previously owned homes in Austin and Dallas for bargain prices compared with those in sizzling West Coast markets.

Some investors see potential for hefty price appreciation in select neighborhoods, while others view the state's major metropolitan areas as a haven for their investment dollars. And though their arrival signals that Texas' fortunes may be improving, it may also be an acknowledgement that the heady years of skyrocketing home values along the West Coast may be ending. The best new prospect out there may be slow but steady growth in Texas.

From the inside, Texas doesn't seem like inviting ground for residential investment. Job growth is crawling along at 1.2%, below the national rate. The state economy is still smarting from the 2001 recession. And the abundance of land provides ample room for growth, which tends to damp prices. While median home prices nationwide have climbed 32% from 2000 to 2004, prices in Dallas were up just 13%, according to the National Association of Realtors. Meanwhile, prices skyrocketed 98% in Anaheim, Calif.

So while a new four-bedroom house can be had for \$150,000 on the expanding outskirts of Dallas, the fifth-largest metropolitan area in the country, that price has barely budged in recent years. In the first quarter of 2005, Texas homes appreciated at 3.77%, the lowest rate in the nation, according to the Office of Federal Housing Enterprise Oversight.

The state's population boom won't help much, either, says Jim Gaines, a research economist at Texas A&M Real Estate Center. Many of the newcomers are immigrants whose cheap labor is helping hold down building costs and whose wages don't support higher home prices anyway.

To outsiders, however, Texas looks ripe for investment. "As a real-estate investor, you look for things that have just started to turn around, not for things that are booming," says Bruce Norris, president of the Norris Group, a real-estate investment firm in Riverside, Calif. Mr. Nor-

ris accurately predicted in 1997 that California housing prices would double by 2005. Now he is staking a new claim on the Dallas-Forth Worth area. In September, he is taking a group of 50 California investors on a home-buying spree here. Dallas is "perfectly poised" for a take-off in the next five years, he says.

Five years ago, the Dallas economy, like much of Texas, hit the skids as technology companies slashed employment here. Home prices stagnated in most communities and even fell in northern suburbs where many of the unemployed tech workers lived. The result: Foreclosure listings skyrocketed. In the first eight months of 2005, 21,119 homes were listed for foreclosure, up 58% from the same period in 2002, according to the Dallas-based Foreclosure Listing Service Inc.

Mr. Norris and other investors believe foreclosures, which have risen only 4% from last year, are peaking, which makes it the perfect time to buy. They are banking on the Texas economy pulling out of its slump as the low cost of living here and bargain real estate attracts more businesses and people to the state, stimulating more growth.

Already, there are signs of that happening as people flee from inflated prices elsewhere. Consider the U-Haul gauge. U-Haul International Inc., the moving-truck company, has so many more trucks going to Dallas than leaving it that it charges more than twice as much for a one-way trip from Anaheim, Calif., to Dallas than for a trip going the opposite way. Investors see that as one indicator of increasing housing demand, which they believe will buoy prices.

A couple of years ago, Richard Brazil moved his family from Camarillo, Calif., into a new five-bedroom home in a Dallas suburb. The 3,000-square-foot house was more than twice as big, and cost less than a third of the value of his home in Calif. "Getting off the plane and seeing a house that big and that new, it just blew my mind. The price is like 10 times cheaper than California," he says.

Mr. Brazil invested in two more rental homes in nearby cities. He still commutes to California for work, but he says soon he will settle down in Dallas, relying on his investments here to help fund his twilight years.

"Dallas is basically my retirement," Mr. Brazil says.

In the Press

**Investor sees another real estate boom:
Study tells him home prices to double by 2004**
By Rick Burnham, *The Press Enterprise*
August 29, 1997



A combination of economic factors will lead to a doubling of home prices in the Inland Empire and California during the next eight years, a Riverside real estate investor predicts.

Bruce Norris, president of The Norris Group, based his forecast on an 18-month study of the California real estate market and previous cycles in the state's economy.

He has written a report on his 18 months of research entitled, "The California Comeback, Why Prices Will Double in the Next Eight Years."

By the year 2000, California homes will cost an average of \$220,600, up 22.2 percent from an average \$177,630 in 1996, Norris projects. By the year 2004, the average price statewide will reach \$355,000.

"Real estate prices will grow about 3 percent in 1997, and another 3 percent in 1998, then up 5 percent in 1999. After that, we're going to crank," Norris said.

For the Inland area, home prices will reach an average of \$250,000 by 2004, Norris said at a luncheon meeting of the Real Estate Research Council of Southern California.

Norris, who conducts seminars and other training on real estate investing, believes lower unemployment and dwindling housing inventories are among economic signs of a growing economy and a brighter real estate market.

The significant gains in state population that have been projected will lead to skyrocketing housing demand. And growth in such high-paying California industries as computers, exports, education, services, entertainment and health services means residents will be able to afford higher home prices, Norris said.

Price rises such as Norris is predicting aren't without precedence.

Beginning in 1974, California home prices skyrocketed from an average of \$34,000 to \$102,000 in six years. During that period, California's population rose, employment increased and housing demand blossomed.

Home affordability and foreclosures peaked in 1974 - and the same factors are occurring today, Norris said.

Affordability is high - about 55 percent of households in Riverside and San Bernardino counties can qualify to buy the region's median-priced home. Statewide, about 44 percent of residents qualify, he said.

In the mid-1970s, affordability was close to 45 percent. "When prices quit escalating (in the early 1980s), affordability was down to 17 percent," Norris said. "Between 34 percent and 17 percent (affordability), prices doubled."

Historically, foreclosures have mirrored prices, Norris said. When foreclosures rise, prices are down. But as foreclosures begin to decline, prices rise.

There were nearly 70,000 foreclosures in California during 1996, which some industry analysts believe will be the peak for foreclosures. However, during the first six months of 1997, foreclosures are up about 10 percent from the same 1996 period.

Historically, another peak in foreclosures in 1983 was followed by seven years of decline - and a corresponding gain each year in home prices, Norris said.