



TODAY'S THEME

REAL ESTATE

REMODELING

Experts say there is little research into the returns that homeowners receive on remodeling investments. **Page 3**



\$627,000

MEDIAN PRICE FOR ORANGE COUNTY HOME FOR 22 BUSINESS DAYS ENDED MAY 11.

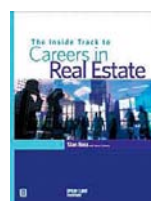
Source: DataQuick

GOT LOAN?

A couple have an unrealistic time frame for getting the money for a down payment on a house. **Page 3**

READ IT

"Inside Track to Careers in Real Estate," by Stan Ross, chairman of USC's Lusk Center for Real Estate. Looks at jobs beyond the obvious professions, especially as housing market cools.



O.C. plays catch-up on property tax bills



JONATHAN LANSNER
REGISTER COLUMNIST

Orange County property owners may not be as financially stretched as we feared.

Well, at least, when it comes to paying property taxes.

It was a shock when the county revealed earlier this year that taxpayers skipped making last December's installment at the fastest delinquency rate in a decade.

An MBA wasn't required to know that more than a few O.C. household budgets are stretched by, among other items, rising interest rates and soaring energy bills. Still, it seems too early in the real

estate cycle for economic pressures to force a flood of folks to skip paying the property tax bill.

Now come fresh figures from the local tax collector that show that December's late payments weren't as ominous an economic signal as they first appeared to be.

Economic blips do happen. December's bill may have been an anomaly. But let's also be clear. The new data aren't a perfect report card, either.

Orange County residents managed to scrape together \$57 million to pay off late December bills. As a result, missed payments on that first tax install-

ment are now down to \$26 million, or 1.35 percent of the amount due.

Still, that's the highest late-pay rate in four years. Of course, that's not as bad as the "worst in a decade" label we previously used for taxpayers' ability to meet the deadline.

As for the second payment that was due in April? The news is far better. The county's still missing \$78 million, or 4.1 percent of the amount due. That's an improvement from the previous year's pace. It

SEE LANSNER • PAGE 10

HOUSEHOLD NAMES

AN ELITE FEW REALTORS SELL A DISPROPORTIONATE NUMBER OF O.C. HOMES. THOUGH AGENTS ARE PLENTIFUL, ONLY ABOUT 1 IN 7 MAKES THE MEDIAN INCOME, RESEARCH SHOWS.



SANG H. PARK, FOR THE REGISTER

TOP GUN: Mac Mackenzie, above, stands outside a \$3.4 million home that he is listing in Laguna Beach. Last year, Mackenzie sold more homes than any other agent in Orange County. **ON NEWS 1:** Mackenzie's competition at the top is John McMonigle, who specializes in mansions.

Mac Mackenzie is one busy guy.

Last year, he sold 158 homes – more than any other real estate agent in Orange County.

That's one home closing escrow every other business day, or three homes a week.

Although luxury home salesman John McMonigle is the county's top agent in dollar terms because he sells so many million-dollar mansions, Mackenzie is the top agent in unit terms, selling lots and lots of ordinary homes, with an average price of just \$667,800.

BY JEFF COLLINS THE ORANGE COUNTY REGISTER

Last year, Mackenzie sold five times as many homes as the average number sold by the top 1 percent of all "active" agents in the county, according to an analysis by Real Data Strategies Inc., a Brea real estate research firm.

His secret?

"I just don't believe it's impossible," said Mackenzie, 39. "I guess I'm one of those people who, if asked if I could fly, I'd fly."

SEE AGENTS • PAGE 2

"I just don't believe it's impossible," said Mackenzie, 39. "I guess I'm one of those people who, if asked if I could fly, I'd fly."

Love & Money A friend's strategy to ease financial pressure on her grandmother. **Page 6**

plan the two different measures of inflation that are commonly watched. **Page 7**

Learn to manage your money...

COMING UP

Even though summer doesn't officially begin until June 21, Memorial Day is the unofficial start of summer for many local businesses that thrive on what passes for seasonal change in California. **In Business Monday**



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AGENTS: NOT EASY MONEY FOR ALL

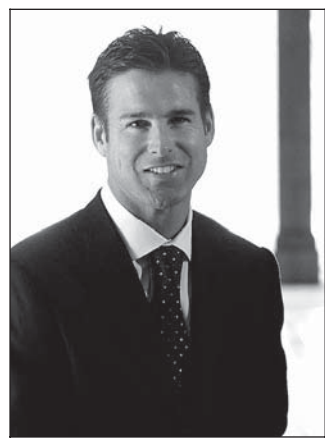


SANG H. PARK

ON THE MOVE: Mac Mackenzie talks with Alicia Mellor, the owner of a \$3.4 million home he is currently listing in Laguna Beach. Mackenzie sold \$117.5 million worth of homes in 2005.

LEADERS OF THE PACK

John McMonigle and Mac Mackenzie were Orange County's top real estate agents in 2005, according to Real Data Strategies Inc.'s analysis of multiple listing service data. McMonigle led the county in total dollar value, and Mackenzie was tops in total units sold. Here's a synopsis of their achievements:



McMonigle

JOHN MCMONIGLE

Title: Real estate sales agent; head of the McMonigle Group, president of Monarch Estates development firm; former co-owner of Strata Properties
Brokerage: Coldwell Banker in Newport Center
2005 home sales: 34 (32 on behalf of sellers, two on behalf of buyers)
Total value of 2005 home sales: \$206 million
Average price: \$4.8 million
Web site: www.monarchestates.com

MAC MACKENZIE

Title: Real estate sales agent; head of the Mackenzie Advantage Team
Brokerage: Coldwell Banker in Irvine
2005 home sales: 158 (157 on behalf of sellers, one on behalf of a buyer)
Total value of 2005 home sales: \$117.5 million
Average price: \$667,800
Web site: www.macteam.com
 Source: Real Data Strategies Inc.

Register staff writer Jeff Collins

FROM PAGE 1

Mackenzie flies in a rarified atmosphere in which an elite few of the county's top agents handle a disproportionate share of the county's real estate business.

And the feat is even more remarkable considering that less than one out of every seven practicing real estate agents earns as much as the county's median family income: \$72,000.

While state records show there are nearly 60,000 real estate license holders in Orange County, Real Data President Pat Veling estimates that just 19,243 are affiliated with active real estate brokerages.

Of those, 10,600 were "active" — that is, had sold at least one home they had listed, the figures show.

The remaining 8,643 failed to sell any of their own listings, although 2,554 of them had at least one sale on behalf of a buyer.

The top 1 percent of active agents — a mere 106 professionals — dominated the market in 2005, selling one out of every 13 homes listed in Orange County, Real Data's figures show.

The top 106 together sold \$3.6 billion worth of real estate — almost as much business done by the 5,300 agents at the bottom.

"It's a huge disparity of talent and ability and income. ... Agents freak out when they see the disparity between agents who know what they're doing and those that do not," Veling said.

Real Data's analysis looks only at the performance of agents working for sellers. Yet Veling said it's representative of the performance of the profession as a whole and of the disparities between top performers and the rest of the crowd.

The 10,600 active agents averaged four home sales apiece

Total value of homes sold per average agent:

| | |
|--------------------------------|----------------|
| Top 106 active agents | \$34.3 million |
| \$1 million average sale price | |
| Next 212 active agents | \$15.2 million |
| \$818,000 average sale price | |
| Next 212 active agents | \$10.4 million |
| \$729,000 average sale price | |
| Next 530 active agents | \$7.1 million |
| \$706,000 average sale price | |
| Next 530 active agents | \$5.0 million |
| \$654,000 average sale price | |
| Next 530 active agents | \$3.9 million |
| \$639,000 average sale price | |
| Next 530 active agents | \$3.2 million |
| \$623,000 average sale price | |
| Next 2,650 active agents | \$2.0 million |
| \$588,000 average sale price | |
| Next 2,650 active agents | \$1.0 million |
| \$548,000 average sale price | |
| Next 2,650 active agents | \$500 thousand |
| \$445 average sale price | |
| Next 8,643 agents | \$0 |

Source: Real Data Strategies Inc.

Sales volumes by producer

Overachievers dominated O.C.'s real estate sales last year. The top 106 "active" agents averaged \$34.3 million in total sold real estate listings last year. The bottom half of all "active" agents, meanwhile, averaged \$1 million or less. The average price per listing in the top 1 percent was over \$1 million, while the average listing in the lower 50 percent was \$548,000 or less.

The Register

For Mac Mackenzie's listings, visit www.macteam.com

on behalf of sellers they represented. The average sales price was \$673,000.

Eight out of every 10 sales were handled by the upper half of all the active agents.

That means two out of every 10 sales are split among the remaining 5,300 active agents, who averaged one to two sold listings apiece.

Assuming they used industry-prevailing commissions and commission splits, agents in the bottom half earned on average less than \$15,000 a year representing sellers.

Veling said his data show that agents in the bottom half of the profession either need to move into the upper half or "get ... out of the business."

Meanwhile, the number of Californians getting real estate licenses keeps going up.

The state Department of Real Estate reported last week that there are nearly 500,000 licenses — equal to one real estate license holder for every 52 adults. That's up 110,000 in the past two years.

"There are too many agents

chasing too few transactions," Veling said.

"Everybody wants to make the easy money. ... They look at John McMonigle and say, 'I can do that,' when there are 19,242 (in Orange County) who can't."

Not all agents are full-timers. And for many agents, real estate is a household's second income.

For Mac Mackenzie, however, selling homes is a full-time job and then some.

The Irvine-based agent and his Mackenzie Advantage Team do about three or four home-listing pitches daily, operating from Yorba Linda to San Clemente and east to Lake Elsinore and elsewhere in Riverside County.

His sales totaled \$117.5 million last year, Real Data reported.

Unlike agents who "farm" one area, Mackenzie needs to know what's going on in a variety of markets.

"I couldn't have been this successful without knowing what I'm doing," he said.

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"I couldn't have been this successful without knowing what I am doing" he said.

A recent study indicates the costs of fees and lost returns can eat up a mind-numbing \$316,000 from your 401(k)—and that's before Uncle Sam takes his bite out of your retirement pie!



Kevin Brunner, President Empire Educational Institute

Tens of millions of Americans believe that their retirements are secure because they have faithfully made contributions to their IRA or 401(k) accounts. Not so. Excessive fees and taxes can make it impossible for a person to save enough to cover a decent, let alone worry-free, retirement.

Seventy five percent of employees are now stuck paying the hefty administrative fees for their supposed company-sponsored plans. And when that 401(k) or IRA money is ultimately distributed to the retiree, it is taxed as ordinary income—nailing recipients yet again. Sure, you may see a \$1,320 savings when you make a \$4,000 traditional IRA or 401(k) contribution, but you are most likely going to give back every penny of your lifelong tax savings in just the first two years after your initial distribution. The cruel and hard truth is that the average retiree will pay \$500,000 in taxes between ages 65 and 85 when they only saved \$40,800 during the contribution years. That's just awful.

There's a much smarter way to manage your assets, for now and your retirement. It's the method the super-rich have been putting into action for more than 30 years.

It's how generational wealth makes it to the grandchildren and the great grandchildren. And it's how you can

enjoy tax-free income during your retirement and pass your nest-egg—intact to your heirs.

The road to worry-free wealth is wide open to millions of homeowners who simply view their equity as a tool to increase their net spendable retirement income by as much as 50%. Let me show you how you can free yourself from the high fees and retirement tax trap.

To determine if your current retirement plan is giving you your best shot at a worry-free retirement with a minimal tax burden, join me for an educational seminar called "Common Sense Strategies for Successful Equity Management." I will host this special event program on Saturday, June 3rd from 9-11:30 am at the lovely Double Tree Hotel located at 34402 Pacific Coast Hwy. in Dana Point. The hotel has easy access from the 5 Fwy. and plenty of free parking.

I am pleased to let you know that, while this educational program usually costs \$100 per attendee, LifePro Financial has generously offered to sponsor the presentation free of charge to California homeowners.

Seats will fill up quickly for this special event, so I encourage to you make your reservation immediately by calling 800-638-2153 or online to www.EmpireEducate.com

HYPERACTIVE AGENTS

The top 106 "active" real estate agents in Orange County sold more homes on behalf of sellers in 2005 than the bottom 2,650 agents, averaging 31.5 sold listings apiece. That compares to an average of four sold listings for all active agents. Active agents are those who have sold at least one home on a seller's behalf. The chart below shows breakdowns of sold listings by percent of agents. The numbers in each column are cumulative.

| Percent of "active" agents | No. of "active" agents | No. of homes sold | % of all homes sold | No. of homes sold per avg. agent | Total value of homes sold per avg. agent | Avg. price per home sold |
|----------------------------|------------------------|-------------------|---------------------|----------------------------------|--|--------------------------|
| 1% | 106 | 3,340 | 7.9% | 31.5 | \$34,278,704 | \$1,087,887 |
| 3% | 318 | 7,292 | 17.3% | 22.9 | \$21,589,132 | \$941,490 |
| 5% | 530 | 10,304 | 24.4% | 19.4 | \$17,097,721 | \$879,444 |
| 10% | 1,060 | 15,626 | 37.0% | 14.7 | \$12,093,386 | \$820,363 |
| 15% | 1,590 | 19,667 | 46.6% | 12.4 | \$9,724,838 | \$786,215 |
| 20% | 2,120 | 22,922 | 54.3% | 10.8 | \$8,274,317 | \$765,271 |
| 25% | 2,650 | 25,659 | 60.8% | 9.7 | \$7,262,744 | \$750,079 |
| 50% | 5,300 | 34,755 | 82.3% | 6.6 | \$4,641,246 | \$707,772 |
| 75% | 7,955 | 39,468 | 93.5% | 5 | \$3,417,074 | \$688,731 |
| 100% | 10,600 | 42,222 | 100.0% | 4 | \$2,679,997 | \$672,824 |

Source: Real Data Strategies Inc.

Active market makes agents standouts among U.S. peers

By JEFF COLLINS
THE ORANGE COUNTY REGISTER

Orange County's best real estate agents aren't just tops here. They also have a dominant presence among agents nationwide.

Several local Realtors were among the nation's top commission earners in the Coldwell Banker and the Century 21 chains last year, a reflection in part of the county's sky-high home prices and fevered pace of home sales.

Newport Beach agent John McMonigle was named Coldwell Banker's top gross-commission earner in 2004 and 2005, the company announced earlier this year.

In 2004, he represented

buyers and sellers in the sale of 34 homes both years, according to Real Data Strategies. His sales had a total value of almost \$146 million in 2004 and nearly \$206 million in 2005. McMonigle's team reports closing on 20 homes already in 2006, with a total value of \$120 million.

In addition, the 12-office Century 21 Beachside brokerage, based in Huntington Beach, was named the chain's top gross-commission generator in the nation for 2005, a Century 21 spokeswoman said. Numbers were unavailable showing its earnings.

And three Orange County agents were among Century 21's top 10 commission earners nationwide.

George Barr of Mission Viejo ranked third, Debra Kovacs of Mission Viejo ranked seventh, and Rich McHugh of Huntington Beach ranked ninth, according to the chain.

"Out of the top spots in the whole ... nation, you've got four people out of Orange County that are in there," said Dick Lobin, who was the county's top home salesman in 1999 and Century 21's 39th highest commission earner in 2005.

"It's a dynamic marketplace," Lobin said. "There's a lot of money and a lot of activity."

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