



beyond the headlines



California Home Price Ends Year on High Note

Source: CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.)

Despite strong headwinds of tight housing supplies and an affordability squeeze throughout much of 2016, California's housing market ended the year on a positive note, posting a moderate sales pace and home price increases in December, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) said. Closed escrow sales of existing, single-family detached homes in California totaled a seasonally adjusted annualized rate of 411,230 units in December, according to information collected by C.A.R. from more than 90 local REALTOR® associations and MLSs statewide. The statewide sales figure represents what would be the total number of homes sold during 2016 if sales maintained the December pace throughout the year. It is adjusted to account for seasonal factors that typically influence home sales.

The December figure was down 7 percent from the 442,320 level in November, and down 0.6 percent compared with home sales in December 2015 of a revised 413,700. Despite the declines, December's sales were on par with the two-year average sales pace of 412,000 maintained since 2015. Home sales remained above the 400,000 pace for the ninth straight month.

For 2016 as a whole, a preliminary 416,250 single-family homes closed escrow in California, up 1.7 percent from 2015's revised pace of 409,410.

“December's sales decrease was expected, and was primarily due to unseasonably strong sales last month and December 2015, when new mortgage rules delayed sales that would have closed in November 2015 and pushed closings into December 2015,” said C.A.R. President Geoff McIntosh. “Despite a decline in sales in December, the strong performance in the last quarter of 2016 helped push annual sales above 2015's pace. The last quarter of 2016, in fact, was the best quarter we've had since the fourth quarter of 2012.”

Making sense of the story

- The statewide median price increased for the first time since August and remained above the \$500,000 mark for the ninth consecutive month.
- The median price of an existing, single-family detached California home rose 1.5 percent from a revised \$501,710 in November to reach \$509,060 in December.
- December's median price increased 3.9 percent from the revised \$489,770 recorded in December 2015.
- California's housing market experienced sold price growth throughout 2016, with the median price increasing 5.4 percent for the year as a whole to reach \$502,250.

Read the full story

<http://www.car.org/newsstand/newsreleases/2017releases/dec2016sales>

In other news...

Freddie Mac: Mortgage Rates Hit Third Straight Week of Declines

Source: Housing Wire

Mortgage rates dropped for the third week in a row after rising significantly after President-elect Donald Trump won the election, however, the 10-year Treasury did see an increase.

“After trending down for most of the week, the 10-year Treasury yield rose following the release of the CPI report,” Freddie Mac Chief Economist Sean Beckett said.

The 30-year fixed-rate mortgage decreased yet again to 4.09 percent for the week ending Jan. 19, 2017. This is down from last week’s 4.12 percent but still up from last year’s 3.81 percent.

The 15-year FRM decreased from last week’s 3.37 percent to 3.34 percent this week. This is still up from last year’s 3.1 percent.

Read the full story

<http://www.housingwire.com/articles/38992-freddie-mac-mortgage-rates-hit-third-straight-week-of-declines>

The Hottest Neighborhoods of 2017

Source: Redfin

High-growth job centers are driving the hottest neighborhoods for 2017, but not in the way you’d expect. The top three hottest neighborhoods all sit close to San Francisco and Seattle. But while home prices continue to rise in the centers of these booming tech cities, homebuyers are increasingly focusing their searches in neighboring communities.

While many of 2017’s hottest neighborhoods come with longer commutes, Redfin agents say they offer homebuyers the best balance of everything: quick access to public transit, trendy shopping and dining options, plus larger move-in ready homes with charm and price tags that are a little easier to bear.

“Our data on homebuyer activity shows that this year people are bypassing the most expensive areas in the center city in search for high-end amenities and renovated homes a few train or bus stops outside the city limits,” said Redfin Chief Economist Nela Richardson. “The hottest neighborhoods of 2017 will be those edge communities that deliver urban convenience at prices that are closer to earth.”

Read the full story

<https://www.redfin.com/blog/2017/01/the-hottest-neighborhoods-of-2017.html>

Best in American Living Awards Spotlight 2017 Design Trends

Source: Builder

Last week, the National Association of Home Builders awarded 127 single-family, multifamily, remodeling, and community projects at the 2016 Best in American Living Awards (BALA) at the 2017 International Builders' Show in Orlando, Fla.

The range of projects showcase a variety of prominent design trends expected to pop up in homes and communities over the next several years. Across the board, contemporary architecture is growing in popularity and spreading from the coasts and the Sun Belt to markets considered more "traditional," according to Bill Sanderson, one of eight BALA judges this year.

"Community planning is being taken to a new level," said Sue Bady, another BALA judge. "Varied elevations make for more interesting streetscapes. Age-targeted amenities offer something for everyone, and outdoor spaces are designed for active pursuits as well as relaxation. In other words, home buyers have more choices than ever."

Read the full story

http://www.builderonline.com/design/awards/best-in-american-living-award-winners-spotlight-design-trends-for-2017_o

Video: Take a Peek Inside the Most Expensive Home for Sale in the US

Source: CNBC

A newly built modern palace overlooking Los Angeles has just become the most expensive home listed in the United States. Price tag: \$250 million.

The 38,000-square-foot mansion in Bel Air, Calif., will officially come on the market this week — eclipsing the current record holder, a \$195 million mansion in Manalapan, Fla. The home has remained one of the best-kept secrets in real estate, since only a handful of billionaires and a few celebrities and top brokers have seen it.

The home has 12 bedrooms, 21 bathrooms, three kitchens, six bars, a massage room and spa, fitness center, two wine-champagne cellars, the most advanced home theater in any U.S. home, and an 85-foot infinity pool.

Watch the video

<http://www.cnbc.com/2017/01/18/take-a-peek-inside-the-most-expensive-home-for-sale-in-the-us.html>

Cost vs. Value: Which Home Improvements Offer the Highest ROI in 2017?

Source: Housecall

The 29 projects found on this year's Cost vs. Value Report by *Remodeling Magazine* paid back an average of 64.3 cents on the dollar in resale value. Looking at the 24 most tracked projects (projects consistently tracked for the last six years), their payback for 2017 was also 64.3 cents—only three-quarters of a penny higher than 2016 projections.

Why the little change? Simply put: the differences in underlying numbers was minimal year to year. The average cost for those 24 projects rose a meager 3 percent, while the value that real estate professionals put on said projects only rose 4.2 percent.

Read the full story

http://blog.rismedia.com/2017/cost-vs-value-report-2017/?utm_source=newsletter&utm_medium=email

What you should know

- Default notices, scheduled auctions, and bank repossessions fell 14 percent year-over-year to 933,045 U.S. properties in 2016 to the lowest level since 2006, when there were 717,522 U.S. properties with foreclosure filings, according to ATTOM Data Solutions.
- In December, there were 85,919 U.S. properties with foreclosure filings, down 1 percent from the previous month and down 17 percent from the year-ago period.
- “The national foreclosure rate stayed within an historically normal range for the third consecutive year in 2016, even as banks continued to clear out legacy foreclosures from the last housing bubble, particularly in the final quarter of the year,” said Daren Blomquist, senior vice president at ATTOM.
- Foreclosures completed in the fourth quarter had been in the foreclosure process 803 days on average, a substantial jump from the third quarter and indicating that banks pushed through significant numbers of legacy foreclosures during the quarter.
- Nationwide, 55 percent of all loans actively in foreclosure as of the end of 2016 were originated between 2004 and 2008.