



beyond the headlines



Led by Southern California, State's Pending Home Sales Trends in December

Source: CALIFORNIA ASSOCIATION OF REALTORS®

Led by the Southern California region, California pending home sales registered gains on a month-to-month and year-to-year basis, portending a moderate increase in sales in the near term, the [CALIFORNIA ASSOCIATION OF REALTORS® \(C.A.R.\)](#) said today.

The modest sales growth is unlikely to be sustained, however, given the severe shortage of homes for sale and affordability concerns, as indicated in C.A.R.'s December Market Pulse Survey**, which saw fewer listing appointments and less open house traffic.

Based on signed contracts, statewide pending home sales increased in December on a seasonally adjusted basis, with the Pending Home Sales Index (PHSI)* rising 1.9 percent from 115.8 from December 2015 to 118.1 in December 2016 – even with new mortgage rules that pushed sales higher December a year ago.

On a monthly basis, California pending home sales were up 3.3 percent from the November index of 114.4.

- Southern California saw the largest increase in pending sales last month, rising 7.8 percent on an annual basis and decreasing 16.1 percent on a monthly basis.
- On the flip side, in the San Francisco Bay Area as a whole, tight housing supplies and low affordability contributed to a fall in pending sales of 14.2 percent compared to December 2015 and 32.5 percent from November.
- Overall pending sales in the Central Valley improved 0.9 percent from December 2015 and were down 18.4 percent from November.
- The share of homes selling below asking price fell from 57 percent a year ago to 43 percent in December. Conversely, the share of properties selling above asking price increased to 23 percent from 18 percent in December 2015. The remaining 34 percent sold at asking price, up from 25 percent in December 2015.
- For homes that sold above asking price, the premium paid over asking price rose to 11 percent, up from 8.4 percent in November and 9.2 percent a year ago.
- The 43 percent of homes that sold below asking price sold for an average of 22 percent below asking price in December, double the November figure of 11 percent, and was up from 13 percent from a year ago.

Read the full story

<http://www.car.org/newsstand/newsreleases/2017releases/dec2016pending>

In other news...

The Decorating Trends to Look for in 2017

Source: Vogue

When it comes to home décor, 2016 was the year of everything from woven wall hangings to Scandinavian-inspired interiors. And as the year winds down, soon enough your thoughts will most likely wander to a home refresh. So it's worth exploring the top decorating trends that will likely be on repeat in homes across the country—and possibly in your own abode.

Lawrence-Bullard, Young Huh, and Beth Diana Smith give their 2017 decorating forecast and some easy pointers on how to make them your own. These trends are chic, inspiring, and (fortunately) don't require a complete room overhaul.

Read the full story

<http://www.vogue.com/13516224/home-decor-decorating-trends-2017/>

Industry Reacts: Is Trump's Suspension of FHA Mortgage Insurance Premium Cut Good or Bad?

Source: HousingWire

The Department of Housing and Urban Development's decision to suspend the reduction of Federal Housing Administration mortgage insurance premiums didn't come as a shocker.

FHA mortgage insurance premiums have been under heightened scrutiny ever since the FHA's flagship fund, the Mutual Mortgage Insurance Fund, reached its Congressionally mandated threshold of 2 percent ahead of schedule in November 2015.

The cut will have an impact on future borrowers, said National Association of Realtors President William Brown.

“According to our estimates, roughly 750,000 to 850,000 homebuyers will face higher costs and 30,000 to 40,000 new homebuyers will be left on the sidelines in 2017 without the cut,” Brown said. “We're disappointed in the decision but will continue making the case to reinstate the cut in the months ahead.”

“We hope HUD and the Trump administration will make it a priority to quickly review the reduction in the FHA mortgage insurance premium,” said CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) President Geoff McIntosh. “Homebuyers in California, who would have saved an average of \$860 a year, will be negatively impacted more than any other state by the decision to not reduce the FHA premium.”

Read the full story

<http://www.housingwire.com/articles/39005-industry-reacts-is-trumps-suspension-of-fha-mortgage-insurance-premium-cut-good-or-bad>

Creating Housing That Older Americans Will Need

Source: Forbes

There's a huge disparity between the types of homes older Americans will need over the next 20 years and their availability and affordability, according to a Harvard Joint Center for Housing Studies report.

During that time period, the 65+ population is expected to grow from 48 million to 79 million. But for many, their homes will be physically unsuitable and financially precarious. Only 3.5 percent of today's housing has three key features of "universal design" (zero-step entrances, single-floor living and wide halls and doorways). What's more, nearly 6.4 million low-income renters will pay more than 30 percent of their income for housing by 2035.

"The Harvard study was a scary forecast. The senior sector will be one of the hardest hit for affordability. The most important thing we can do is find affordable housing for older Americans and contemplate layout and design to accommodate the older population," said Lukas Krause, the Salt Lake City-based CEO of Real Property Management, the largest property management franchise in the nation.

Read the full story

<https://www.forbes.com/sites/nextavenue/2017/01/24/creating-housing-that-older-americans-will-need/#d7197a27a4d6>

Existing-Home Sales Slide in December; 2016 Sales Best Since 2006

Source: National Association of Realtors®

Existing-home sales closed out 2016 as the best year in a decade, even as sales declined in December as the result of ongoing affordability tensions and historically low supply levels, according to the National Association of Realtors®.

Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, finished 2016 at 5.45 million sales and surpassed 2015 (5.25 million) as the highest since 2006 (6.48 million).

In December, existing sales decreased 2.8 percent to a seasonally adjusted annual rate of 5.49 million in December from an upwardly revised 5.65 million in November.

Lawrence Yun, NAR chief economist, said the housing market's best year since the Great Recession ended on a healthy but somewhat softer note. "Solid job creation throughout 2016 and exceptionally low mortgage rates translated into a good year for the housing market," he said. "However, higher mortgage rates and home prices combined with record low inventory levels stunted sales in much of the country in December."

Added Yun, "While a lack of listings and fast rising home prices was a headwind all year, the surge in rates since early November ultimately caught some prospective buyers off guard and dimmed their appetite or ability to buy a home as 2016 came to an end."

Read the full story

<https://www.nar.realtor/news-releases/2017/01/existing-home-sales-slide-in-december-2016-sales-best-since-2006>

'California is Not Turning Back,' Gov. Jerry Brown Said

Source: NBC Los Angeles

Gov. Jerry Brown delivered an aggressive defense on Tuesday of California's liberal policies on immigration, health care, and climate change during his State of the State address, vowing to fight the Trump administration and Republicans in Congress if they threaten to roll back state policies.

Brown urged fellow Democrats who have a supermajority in both houses of the Legislature to embrace a spirit of collegiality that been absent in presidential politics and work with their Republican colleagues.

Read the full story

<http://www.nbclosangeles.com/news/local/California-Governor--State-of-State-Speech-Comes-Amid-Shifting-Politics-41166685.html>

What you should know

- Southern California home prices jumped in December, reaching the highest level in more than nine years.
- An improving economy and a shortage of homes for sale propelled prices up 6.8 percent from a year earlier, real estate data firm CoreLogic said Tuesday. December's median price of \$470,000 was up 1.1 percent from a month earlier.
- In Los Angeles County, the median price last month climbed 4 percent from a year earlier to \$520,000; in Orange County, 5.3 percent to \$665,000; in Ventura County, 5.9 percent to \$519,000; in San Bernardino County, 8.7 percent to \$299,000; in Riverside County, 8 percent to \$345,750; and in San Diego County, 4.2 percent to \$495,000.
- The rise in last month's six-county median price comes after prices stayed largely flat since June, when the regional median hit \$465,000 — which at the time was a nine-year high.