



## beyond the headlines



### **Did San Francisco really lose more residents than any other city last quarter?**

*Source: Curbed*

Business Insider reported this week that “San Francisco is losing more residents than any other city in the U.S.,” but a closer look at the data reveals this might not be quite true.

Business Insider’s source for that claim is the real estate listing aggregate site Redfin, which released another of its quarterly migration reports this week. Every three months, Redfin analyzes which major U.S. metros it deems likely to lose residents to other cities in the near future.

Making sense of the story:

- San Francisco had the highest “outflow” of any metro area in Redfin’s report. That means that in all, the number of SF residents who used Redfin to search for homes in other metro areas beat the number of people in other cities shopping for SF homes by 15,489. That’s nearly 3,000 more than second-place New York City’s “outflow.”
- Redfin spokesperson Jon Whitely tells Curbed SF, “The migration reports define a migrant as a logged-in Redfin user that has viewed at least ten listings [in another city] during the quarter. We also excluded locations that in aggregate represented less than 20 percent of a user’s searches” to rule out users who just clicked on a few dream homes elsewhere. That kind of consistent pattern probably does indicate serious consideration for moving, but Whitely admits “we can’t tell who actually leaves.”
- The fact that San Franciscans use Redfin more than home shoppers in some other cities distorts the data a bit. A much higher percentage of New Yorkers—a third in all—used the site to look for a home in another city, but that third only added up to an outflow of 12,532 people on account of a smaller sample size to begin with.
- SF’s 19.4 percent rating of outbound searches on Redfin is 1.2 points higher than the site reported in November, but about the same as in April of last year. The 15,489 figure is down from nearly 16,000 in November as well.
- San Franciscans searched most often for homes in Sacramento. But the most popular out-of-state browsing option was Seattle, Washington.
- According to the U.S. Census, San Francisco’s population is increasing consistently every year. However, the most recent estimate (released last September) showed an annual gain of almost exactly 6,000 people in 2016, much less than the 11,000-13,000 gains seen in recent years.

Read the full story:

<https://sf.curbed.com/2018/3/7/17092632/migration-report-2018-san-francisco-leaving-moving>

## **In other news...**

### **California homeowners receive \$6 billion a year in subsidies — 15 times more than renters, report finds**

*Source: The Los Angeles Times*

Homeowners in California received nearly \$6 billion in state tax subsidies last year, according to a new report that also revealed a wide gap between state support for homeowners and renters.

The report from the California Housing Partnership, a nonprofit low-income housing advocate, found that homeowners in the state received billions in subsidies through being able to deduct interest on their mortgages and their property taxes from their state tax bills. The report determined that the single largest housing subsidy in 2017 was \$3.9 billion for the mortgage interest deduction, which is the state's version of a benefit that also applies to homeowners' federal taxes.

State support for renters, however, was limited to a couple hundred million dollars for a \$60 annual tax credit for low-income renters and state tax credits for developers to help finance low-income rental projects.

Full story: <http://www.latimes.com/politics/essential/la-pol-ca-essential-politics-updates-california-homeowners-receive-6-billion-1520286749-htmstory.html>

### **Calif. Fire Victims Turn to Quick Prefabs**

*Source: Realtor Mag*

Wildfires that ripped through Northern California last year left neighborhoods in destruction. Displaced homeowners are now learning that rebuilding can take years. As such, some are being drawn to prefab housing to try to speed wait times.

Prefab homes are mass-produced in a factory and then assembled on location. The building style is usually touted for its quick construction times than traditional, stick-built homes that are built completely onsite.

“Most of the people I know are going with a prefab,” wildfire victim Ann Peden told The New York Times. Peden's home in Glen Ellen, southeast of Santa Rosa, was one of 6,000 homes destroyed by the North Bay wildfires in Northern California in October 2017. “It just makes sense.”

Full story: <http://realtormag.realtor.org/daily-news/2018/03/08/calif-fire-victims-turn-quick-prefabs>

## **Hardest state to find empty housing? California!**

*Source: The Mercury News*

Looking for housing in California — to buy or rent — means having the fewest choices in the nation.

A curious stat from the U.S. Census Bureau tracks empty residences, whether those units are rentals or ownership properties. Basically, “gross vacancy rate” is a proportional measure of how many places are available in a geographic area.

When I put this housing-supply data into my trusty spreadsheet, I found California has had nation’s lowest vacancy rate in five out of the last seven years. And in the two years, California did not have the slimmest housing supply (2011 and 2013), the state ranked No. 2.

Last year, 8.3 percent of California residences — both ownership and rental — were vacant. That was the tightest market among the states ahead of Washington, Ohio and Oregon.

The only good news is the 2017 California vacancy rate was up from 7.8 percent in 2016 (also a national low) and the highest since 2014 (also a national low).

Full story: <https://www.mercurynews.com/2018/03/05/californias-housing-supply-is-the-tightest-in-the-nation/>

## **Trulia says housing actually growing more affordable**

*Source: Housing Wire*

A new study from Trulia shows while it may be tempting to think previous generations had it easier, housing is actually more affordable now than it was 40 years ago.

The company constructed an affordability score, comparing the highest price the median household could afford with median actual home prices in each year. A household’s highest affordable price is its maximum buying power, with a 20% mortgage down payment. An affordability score of 100 means that the affordable and actual prices are exactly the same; a score of 100 or higher means housing is affordable, and under 100 means it is not affordable.

The study showed that nationally, homes are the most affordable they’ve been in the last 40 years, and the median household could afford a home 1.5 times more expensive than the median home price.

However, in 1980, the median household could only afford about 75% of the median home price.

Of course, being able to afford a median priced home, and finding one are two different things. Last year, housing inventory tumbled to an all-new low with shortages especially difficult in the starter home market.

Full story: <https://www.housingwire.com/articles/42696-trulia-says-housing-actually-growing-more-affordable>

## **The most and least affordable places to buy a home**

*Source: The Sacramento Bee*

Whether you can afford a home depends — a lot — on the city you want to call home. A modest income can go a long way in Cumberland, Maryland, the metropolitan area with the nation's most affordable houses. In contrast, the least affordable homes are in the San Jose, California, metropolitan area — the center of Silicon Valley.

In Cumberland, a median-priced house costs less than two years' median household income. By contrast, the typical home in San Jose costs about 10 years of household income.

NerdWallet calculated affordability for 173 metropolitan areas by comparing the median annual household income and the monthly principal-and-interest payment for a median-priced single-family home. "Median" means half of the values or incomes are higher and half are lower. Those comparisons revealed the five most- and least-affordable markets for buying a home.

The lists were compiled using data from the National Association of Realtors, the Census Bureau and NerdWallet surveys.

Full story: <http://www.sacbee.com/news/business/article204088394.html>

### **What you should know**

- Total mortgage application volume was essentially flat last week, up just 0.3 percent on a seasonally adjusted basis, according to the Mortgage Bankers Association.
- Volume was 5 percent lower than the same week one year ago.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$453,100 or less) increased slightly, but hit its highest level since January 2014 — 4.65 percent, from 4.64 percent.
- Points decreased to 0.58 from 0.63 — including the origination fee — for 80 percent loan-to-value ratio loans.