beyond the headlines

Southern California house prices hit 10 1/2-year high, Realtors report
Source: The Orange County Register

Fierce competition for a limited number of homes pushed house prices higher in March, with Southern California homebuyers paying the highest median prices in more than a decade, new REALTOR® figures show.

Making sense of the story:

- Prices showed significant year-over-year gains throughout the region. The median price of an existing Los Angeles County house, for example, jumped 13.6 percent to $528,980, Realtor figures show. That's up $63,000 from March 2017.
- Orange County's median – or price at the midpoint of all sales – rose 8.5 percent or more than $64,000 to an all-time high of $824,450. That's was the seventh highest median among California's 58 counties.
- The state's priciest homes still can be found in six Bay Area counties, four of them with median prices north of $1 million: San Francisco ($1.7 million), San Mateo ($1.6 million), Santa Clara ($1.5 million), Marin ($1.4 million), Alameda ($955,000) and Santa Cruz ($910,000).
- Inland Empire prices are more affordable, but still rising fast: Riverside County's median hit $398,000 – also the highest since the Great Recession and up 6.1 percent (or $23,000) from March 2017. In San Bernardino County, the median was $280,000, up 7.7 percent or $20,000 year over year.
- Transactions fell 5.9 percent in Los Angeles and Orange counties and were down 5.7 percent in the Inland Empire, Realtor figures show. San Bernardino County was Southern California's only county with an increase: Transactions there rose 0.4 percent.
- "The housing market performed solidly throughout the state in March, especially in the San Francisco Bay Area, … (with) the median price surging by double-digits in seven of nine counties," said CAR President Steve White.
- Sales were slightly stronger in the state as a whole, rising 1.6 percent from March 2017 levels.

Read the full story:
https://www.ocregister.com/2018/04/17/southern-california-house-prices-hit-10-1-2-year-high-realtors-report/

In other news…

Major California housing bill dies in first committee hearing
Source: The Mercury News

A sweeping bill that would have given the state unprecedented power over local development failed in its first committee hearing, crushing the hopes of those who saw it as the key to making housing in the state more affordable.

At a lively and crowded hearing Tuesday, the Senate Transportation and Housing Committee blocked Senate Bill 827, a bill to force cities to allow apartments and condominiums of roughly four to five stories within a half mile of rail and ferry stops — as well as denser housing near bus stops with frequent service.

The vote abruptly halted a feverish debate over one of the biggest housing proposals introduced in Sacramento this year — one which took aim at cities reluctant to embrace larger developments. Its demise also underscored the political realities and pace of change at the Capitol, even as pressure mounts for the state to respond to runaway housing costs.

Full story: https://www.mercurynews.com/2018/04/17/major-california-housing-bill-dies-in-first-committee-hearing/

FOMO Drives Young Buyers Toward Ownership
Source: Realtor Mag

Fear of missing out—or FOMO, as millennials have coined it—has become a powerful motivator for young buyers to pursue homeownership, according to a new Bank of America survey.

In particular, social media platforms such as Facebook and Instagram, where users often post about their lives as homeowners, are big influencers on prospective buyers, the survey of 2,000 U.S. adults finds.

"I think it's motivating them to think about homeownership," says D. Steve Boland, BofA's head of consumer lending. "Their interest level is high, and it's driven by what they see."

According to the survey, a third of millennials say that when viewing social media posts about homes their peers have purchased, they think: "If they can buy, why can't I?" And a quarter of all consumers say they fear missing out on an opportunity for themselves to purchase when viewing others' home photos on social media. Twenty-three percent of consumers—16 percent of whom are first-time buyers—say they are jealous of the homes bought by their friends and acquaintances.

Full story: http://realtormag.realtor.org/daily-news/2018/04/17/fomo-drives-young-buyers-toward-ownership

L.A. is becoming increasingly out of reach, survey finds
Source: The Los Angeles Times

According to a survey released Monday by the Luskin School of Public Affairs at UCLA, residents across L.A. County are increasingly anxious about the cost of living, with housing costs at the top of their worries. Young people are feeling it the most.

"It's a perfect storm for young people who are spending a disproportionate amount of their income just to have shelter over their head, and as a result, some of them tend to live farther out where housing is cheaper and so their commutes are longer," said Zev Yaroslavsky, a former county supervisor and current lecturer at UCLA who led the survey. As a result, younger residents rate their quality of life the lowest.

"What troubles me about this trend line is that young people are supposed to be optimistic and have a lot to look forward to," Yaroslavsky said. "L.A. has always been a place of optimism — that's what makes this place a magnet."

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The findings are part of a broader annual survey on quality of life as measured by nine categories, including cost of living, transportation/traffic, education, healthcare and the economy.

Full story: http://www.latimes.com/local/lanow/la-me-ln-ucla-survey-quality-life-20180416-story.html

First-time homebuyers struggle amid rising affordability challenges
Source: Housing Wire

Affordability continues to slip across the U.S., falling even further from last year as home prices continue to rise and mortgage rates increase, according to a joint report from the National Association of Realtors and realtor.com.

The report showed that housing affordability is down from a year ago, and fewer households can afford the active inventory of homes for sale based on their income.

Using data on mortgages, state and metro area-level income and listings on realtor.com, the Realtors Affordability Distribution Curve and Score is designed to examine affordability conditions at different income levels for all active inventory on the market. A score of one or higher generally suggests a market where homes for sale are more affordable to households in proportion to their income distribution.

Full story https://www.housingwire.com/articles/43137-first-time-homebuyers-struggle-amid-rising-affordability-challenges

Who caused the Bay Area's housing shortage? Hint: It's not just tech
Source: The Sacramento Bee

Everyone has a theory about who's to blame for the housing shortage that's driving up prices and chasing Bay Area families out of the region.

A new poll offers surprising insights into where most of us point the finger: not at the government officials who control what homes are built where, but at the tech companies that have flooded this region with jobs and the real estate developers trying to maximize profits.

Experts say finding someone to blame is not that simple. The real answer, they say, lies entangled in a complicated web that implicates everyone involved, from businesses to local elected officials to your next door neighbor. And the stakes are high for policy makers trying to untangle that web as the housing crisis intensifies. To solve the problem, it's crucial to understand the factors that turned the Bay Area's real estate market into one of the country's most dysfunctional.

Full story: http://www.sacbee.com/news/business/real-estate-news/article208664654.html

What you should know

- Total mortgage application volume jumped 4.8 percent from the previous week, according to the Mortgage Bankers Association.
- Refinance applications rose 7.3 percent last week from the previous week but was still down more than 10 percent from a year ago.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances ($453,100 or less) increased to 4.69 percent from 4.68 percent for 80 percent loan-to-value ratio loans.