beyond the headlines

Sacramento is the fastest-growing big city in California, topping 500,000 for the first time

Source: The Sacramento Bee

Sacramento’s population has topped 500,000 for the first time, and the city grew at the fastest rate among the 10 largest cities in California, according to new data from the state Department of Finance.

Making sense of the story:

- The department on Tuesday released a report containing preliminary January 2018 and revised January 2017 population data for California cities, counties and the state.
  Sacramento is the sixth-largest city in the state, growing to 501,344 residents, according to the report. At 1.43 percent, or 7,000 residents, Sacramento had the largest population gain, edging San Diego (1.42 percent, or 20,000 residents) among the state’s biggest cities.

- California added 309,000 residents, growing its population to 39,810,000 residents as of Jan. 1, 2018. Growth was strongest in the more densely populated counties in the Bay Area, Central Valley and Southern California.

- Los Angeles, the state’s largest city, grew by almost 33,000 people, putting its population at 4,054,400. San Diego remains California's second-largest city with a population of 1,419,845. San Jose is the third city in the state to have more than a million people, at 1,052,316. Rounding out the top six are San Francisco (883,963), Fresno (538,330) and Sacramento.

- Santa Rosa lost 3,081 housing units as a result of the 2017 wildfires. The city’s population did grow 0.2 percent to 178,488 because of an annexation of 2,000 housing units.

- Placer County was among the three fastest-growing counties on a percentage basis, increasing 1.7 percent to 389,532 residents. Merced County was first at 1.8 percent, or 4,900, followed by Placer and San Joaquin counties.

Read the full story:
http://www.sacbee.com/latest-news/article210222499.html

In other news…

Southern California housing ranked with ‘minimal’ risk of a bubble

Source: The Orange County Register

Housing bubble coming? According to one mortgage insurance company’s latest reports, there’s only a slim chance Southern California home prices will fall in the next two years.

Arch MI gauged the economic foundations of home values in 100 major metropolitan areas to determine local housing markets with “minimal” risk. Locally, Arch MI found solid performance among regional businesses and limited development of new homes as factors that should keep home prices firm.

Orange County was the riskiest market in the region — if having a 4 percent risk of a price decline in the coming two years is what you consider dicey. That compares with the county’s 28-year historical average of 25 percent chance of falling home values.

Arch MI noted Orange County’s home prices were up 12 percent in the two years ended in 2017 — only the 52nd highest among the 100 large metros studied. Per-capita homebuilding of 18 single-family homes per 10,000 residents — ranked No. 63 out of 100. Business output rose 5.2 percent last year, the 40th fastest growth nationally.

Los Angeles County had 2 percent risk of decline as 2018 started vs. a 1980-2018 average of 27 percent, according to Arch MI.

That score came as L.A. home prices surged 15.9 percent in two years — No. 32 biggest gain; per-capita homebuilding of 6 houses per 10,000 population was fourth slowest nationally; and business output rose 4.9 percent last year, No. 51 fastest.

Full story: https://www.ocregister.com/2018/04/29/southern-california-housing-ranked-with-minimal-risk-of-a-bubble/

Why the Bay Area is the epicenter of California’s housing crisis

Source: The Mercury News

The same story is playing out, over and over: People are flocking to the Bay Area for high-skilled, highly paid jobs, while cashiers, teachers and construction workers are, increasingly, saying goodbye to a place they no longer can afford.

A new study released Thursday points to why the California housing crisis is so acute, particularly in the Bay Area — where a home destroyed by fire sold for more than $900,000 and it would take four minimum wage jobs to afford an apartment: More people are moving in from other states than moving out. No other region in California has experienced such explosive growth of high-paying jobs. Statewide, between 2011 and 2016, California added just 171 homes for every 1,000 people.

Full story: https://www.mercurynews.com/2018/05/03/why-the-bay-area-is-the-epicenter-of-californias-housing-crisis/

Here are the top 10 most expensive rental markets in the U.S.

Source: Housing Wire

National rents are on the rise to the tune of 1.4% year-over-over. The coast hold the highest concentrations of rent growth titans, but mirror, mirror on the wall, California is far and away the most expensive state of them all.

According to Zumper, a rental listing site, three of the top five most expensive rental markets in the nation are in California. San Francisco holds the top spot as the nation's priciest multifamily market exhibiting rent growth of 1.2% in its one-bedroom price to $3,440. San Jose came in third at 2,500 for a one-bedroom, and Los Angeles tied with Boston for fourth place at $2,300 for a one-bedroom apartment.

New York holds the second-place berth at $2,890 for a one-bedroom unit, though it fell .30% month-over-month and .70% year-over-year.

The top 10 markets remained largely unchanged with the exception of Los Angeles which cranked up its rent growth rate to 2.2% month-over-month and a staggering 10% year-over-year, catalyzing its climb from the five spot to share the fourth spot with Boston.

Full story: https://www.housingwire.com/articles/43253-here-are-the-top-10-most-expensive-rental-markets-in-the-us

Freddie Expands 3% Down Loans for New Buyers

Source: Realtor Mag

Freddie Mac is debuting a new 3 percent down payment option for qualified first-time buyers that could put it in direct competition with the Federal Housing Administration's low down payment mortgage. The mortgage financing giant announced Thursday that it is rolling out a new conventional 3 percent down payment option called HomeOne, which will not have any geographic or income restrictions.

Freddie's expansion into small down payment loan products for new buyers will put it in competition against FHA, which offers mortgages to first-time buyers that similarly only require 3 percent down.

Freddie Mac rolled out conventional mortgages with 3 percent down payments more than three years ago for qualified low- and moderate-income borrowers. Its HomeOne product will not replace its current Home Possible products, but instead serve as a complement to it, Freddie Mac officials say.

HomeOne mortgages will be offered only for conforming fixed-rate mortgages that are secured by a one-unit primary residence. At least one of the borrowers must be a first-time buyer. Also, applicants are required to participate in homeownership education to qualify for the mortgage. The loan is available for single-family homes, condos, and townhomes. Manufactured homes are not eligible.

Full story: http://realtormag.realtor.org/daily-news/2018/04/27/freddie-expands-3-down-loans-for-new-buyers

March pending home sales barely rose as buyers struggled to afford what little is available

Source: CNBC

March marked the official start of the spring, but it didn't cause more home buyers to leap into action.

Signed contracts to purchase existing home rose just 0.4 percent in March compared to February, according to a monthly pending home sales index from the National Association of Realtors. February's reading was revised down.

These contracts are a forward-looking indicator of closed sales in April and May. The index was down 3 percent compared to March 2017, marking the third straight month of annual declines.

"Healthy economic conditions are creating considerable demand for purchasing a home, but not all buyers are able to sign contracts because of the lack of choices in inventory," said Lawrence Yun, chief economist for the Realtors. "Steady price growth and the swift pace listings are coming off the market are proof that more supply is needed to fully satisfy demand."

Full story: https://www.cnbc.com/2018/04/30/march-pending-home-sales-flat-with-high-prices-low-inventory.html

What you should know

- Total application volume fell 2.5 percent for the week and was 3.3 percent lower than a year ago, according to the Mortgage Bankers Association's seasonally adjusted report.
- Refinance volume led the way down, falling 4 percent from the previous week and 15 percent from a year ago, when rates were much lower.
- The refinance share of mortgage activity decreased to 36.5 percent of total applications, its lowest level since September 2008.