



beyond the headlines



Home Searches Are Stretching on Longer

Source: REALTOR® Magazine

House hunters who are actively seeking a home to buy are spending significant amounts of time looking for that perfect space, according to a new poll by the National Association of Home Builders.

Read the full story:

- More than half of prospective buyers surveyed in the second quarter said they'd been trying to find the right home for three months or longer.
- The two chief reasons why home buyers said their search was taking so long was not being able to find a home with the features they want (45 percent) and having difficulty finding one at a price they could afford (43 percent).
- The NAHB survey also asked prospective buyers what they would do if they still couldn't find a suitable home in the months ahead. Fifty-five percent said they would continue to look for the "right" home in their same preferred location; 34 percent said they might expand their search area; 24 percent might be willing to accept a smaller or older home; and 19 percent may up their budget to buy a more expensive home.
- But one thing the majority of prospective buyers agreed on: They wouldn't give up. In fact, only 16 percent said they would end their search if they didn't find a home soon. This suggests "that despite the difficulties and delays, most prospective buyers will press ahead undeterred in their homeownership goal," writes Rose Quint, the builder trade group's assistant vice president for survey research, at the NAHB's Eye on Housing blog.

Read the full story: <https://magazine.realtor/daily-news/2018/08/15/home-searches-are-stretching-on-longer>

In other news...

Study details what California counties have highest concentration of homes at risk of wildfire

Source: The San Francisco Chronicle

As wildfires continue to pose an increasing risk to residents of the state of California, some are beginning to worry: How vulnerable is my home?

The answer varies significantly, of course, on its surroundings.

As a new study by Verisk Analytics, an insurance data provider, found, around two-thirds of homes in seven counties in Northern California are potentially in wildfire territory.

Verisk's findings relied on three factors: First, the company looked at how close a given home is to shrubbery and forest land; next it considered if it's on mountainous or hilly terrain; and finally, it looked at how accessible it might be to emergency responders.

Some northern counties, like Alpine, Tuolumne and Nevada, have the highest concentration of vulnerable homes, due to their proximity to dry forest land.

But other southern counties, like San Diego, Los Angeles and Ventura — more populous areas — have the largest number of vulnerable units.

Full story: <https://www.sfchronicle.com/local/article/California-counties-vulnerable-wildfire-13141636.php>

Home remodeling surges 30% in 5 years

Source: Housing Wire

Home remodeling continues to increase in frequency as more Baby Boomers are electing to age in place and even Gen Xers opt to improve their current homes rather than trading up to newer ones.

In fact, home remodeling has surged by about 30 percent in the past five years, according to the latest report from BuildFax, a provider of property condition and history insights for insurance and financial institutions.

“We are not seeing a large bounce back from the decline in June housing authorizations,” BuildFax Chief Operating Officer Jonathan Kanarek said. “However, we have to remember that all three categories, new housing, remodels, and maintenance, are at historically high levels.”

“Remodeling alone is up 30 percent in the last five years,” Kanarek said. “The slight dip in remodeling volume may be an early indicator of a leveling off of the very hot housing construction market we’ve seen in the last few years. We will be keeping a close eye in the coming months to look for the leveling off trend or a further softening.”

Full story: <https://www.housingwire.com/articles/46468-home-remodeling-surges-30-in-5-years>

Housing tipping back to a buyer's market as sellers cut prices

Source: CNBC

After several years of rich home price gains, the market appears to have found a limit to what people can afford. Sellers are finally responding by lowering prices more often.

Approximately 14 percent of all listings in June saw a price cut, that's up from a recent low of 11.7 percent at the end of 2016, according to a new report from Zillow. In addition, home price growth is slowing in nearly half of the 35 largest U.S. metropolitan markets.

Rising mortgage rates and affordability are behind the change. As the housing market recovered from its epic crash in the last decade, home prices began to gain slowly. And then they suddenly took off in the last few years.

The simple reason was supply and demand. As millennials aged into their homebuying years, homebuilders did not and are still not meeting the rising demand. In addition, millions of single-family homes lost to foreclosure were purchased by investors and turned into single-family rentals, further depleting the for-sale housing stock. The market was thus suffering a critical shortage, just as demand was taking off. Prices had nowhere to go but up. Until now.

"The housing market has tilted sharply in favor of sellers over the past two years, but there are very early preliminary signs that the winds may be starting to shift ever-so-slightly," said Zillow senior economist Aaron Terrazas.

Full story: <https://www.cnbc.com/2018/08/16/housing-tipping-back-to-a-buyers-market-as-sellers-cut-prices.html>

Here's why America's houses are getting older

Source: Market Watch

The median age of owner-occupied homes as of the most recent Census survey, in 2016, is 37. That's up sharply from 31 in 2005, according to an analysis from the National Association of Home Builders.

The home builder industry group is interested in the issue because it's the lack of construction of new homes over the decade since the bubble burst that's accelerating the overall aging of the housing market.

Newer homes are more likely to be owned by younger Americans. A full 50 percent of homes built in 2010 or later are owned by those under 44, while 56 percent of the oldest homes, those built in 1969 or earlier, are owned by people 55 and up.

A new analysis from Zillow out Tuesday also quantifies some of the impact of the diminished pace of construction. From 1985 to 2000, there were 3.9 permits for single-family homes issued per 1,000 residents of the U.S., Zillow said. Over the past decade that pace has been cut nearly in half, to 1.9 permits per 1,000, leaving a deficit of more than six million single-family homes now.

Full story: <https://www.marketwatch.com/story/heres-why-americas-houses-are-getting-older-2018-08-14>

Want to live in a California city where your salary goes further? Move to Sacramento, study says

Source: The Sacramento Bee

Not only is Sacramento's cost of living lower than in many other metropolitan areas in California, but its strong job market makes the region a top destination for people looking to move.

A new report by analysts at the job posting site Indeed.com ranks the Sacramento region sixth in the nation when taking into account salaries, cost of living, the number of job postings on the website over the past year, unemployment rate and projected job growth. Sacramento is the only California metro area that cracked the Top 10.

There's more. Sacramento also compares favorably to other metro areas in California that have similar job markets. For instance, salaries go 20.9 percent further in Sacramento than in the Oxnard-Thousand Oaks-Ventura area, the analysis found. Your dollar will go 17.6 percent further here than in San Diego and 15.7 percent further than if you lived and worked in Los Angeles.

Full story: <https://www.sacbee.com/news/business/real-estate-news/article216742115.html>

What you should know

- Mortgage application volume fell 2 percent for the week, according to the Mortgage Bankers Association's seasonally adjusted report.
- Volume was 19 percent lower than the same week one year ago, when interest rates were lower.
- The drop in total volume was driven by a fall-off in homebuyers. Applications for a mortgage to purchase a home fell 3 percent compared with the previous week to the lowest level since February.