beyond the headlines

Fewer Americans Are Willing to Move for a Job

Source: REALTOR® Magazine

Fewer Americans are willing to uproot their lives to move for new job opportunities, suggests new census data.

Read the full story:

- About 3.5 million Americans relocated for a new job last year, a 10 percent drop from 3.8 million in 2015. The number has been trending lower, despite the overall population increasing 20 percent over that time, The Wall Street Journal reports.

- Why are more people staying put? Experts told WSJ that some blame may rest on rebounding real estate values. Housing costs have soared higher in some regions where jobs may be more plentiful, like East and West Coast cities, but it may be pricing out some who may have otherwise been willing to relocate.

- Also, more adults are making decisions with their children's input, and that may also be part of their reluctance to disrupt friendships or routines, says researcher Thomas Cooke, who studies U.S. mobility patterns and is also a sociologist at the University of Connecticut. The number of adults caring for aging parents has grown, too. Women also are contributing more to family's incomes in recent years—this may make it more difficult to move to a new area for only one spouse's job.

- The share of job seekers relocating has decreased significantly since the late 1980s. In the 1980s, more than a third would move to take new job opportunities elsewhere, according to surveys from Challenger, Gray & Christmas Inc., an outplacement firm. Only about 10 percent of job seekers relocated in the first half of this year, Challenger told WSJ.

Read the full story: https://magazine.realtor/daily-news/2018/08/21/fewer-americans-are-willing-to-move-for-a-job

In other news…

Why Prop 5 restores fairness to tax system

Source: The San Diego Union-Tribune

Seniors in California who want to downsize from their three- or four-bedroom home, now that their children are gone, find themselves facing a costly and daunting dilemma. If they sell, they would lose the property tax protections they've enjoyed under Proposition 13.

Instead of paying what experts are calling a steep "moving penalty" in the form of a sharp property tax increase, these people stay in a home that could otherwise be sold to a young family. This is part of the reason why California is facing a crushing affordable housing shortage: fewer single family homes are reaching the sales market.

Voters can fix this problem and eliminate California's property tax moving penalty by voting yes on Proposition 5, known as the Property Tax Fairness Initiative. The measure, qualified for the ballot by nearly 1 million registered voters, protects people 55 years and older by allowing them to take their property tax protections with them when they move, giving them the ability to move to a safer, more practical home, or one that is closer to their children and grandchildren, or health care facilities. That same protection would also be extended to the severely disabled and to victims of natural disasters.

The law was carefully written to ensure that people would be protected while still paying their fair share of property taxes. Currently, a homeowner's property tax bill is calculated at 1 percent of the home's assessed value at the time of the sale, with annual increases of no more than 2 percent. Over time, as California's real estate market has heated up, that has provided long-time homeowners with an important safeguard against higher taxes. But it has also effectively blocked people from moving.

Full story: http://www.sandiegouniontribune.com/opinion/commentary/sd-utbg-prop5-calif-tax-transfer-20180815-story.html

These cities saw the biggest rebounds in home prices after the Great Recession

Source: Market Watch

When the Great Recession hit, the unemployment rate in Modesto, Calif., reached a staggering 17.5 percent. The city, which was known for its agricultural industry and for being the home of Gallo Winery, the largest exporter of California wines, had the third highest foreclosure rate in the country in 2010.

Today the San Joaquin Valley city is emblematic of the post-housing-crisis recovery. Modesto had the largest rebound in home prices in the country, according to a new report from real-estate website Owners.com. In Modesto, the price per square foot has increased nearly 115 percent from its crisis-era trough to its current level of $182 per square foot.

California as a whole has rallied the most from the housing crisis. Among the 20 housing markets that had the biggest rebounds, half are located in California. Other states with cities that experienced major rebounds include those that were hit hardest during the Great Recession: Nevada, Arizona and Florida.

Full story: https://www.marketwatch.com/story/these-cities-saw-the-biggest-rebound-in-home-prices-after-the-great-recession-2018-08-20?dist=realestate

The housing recovery isn't over, it just feels like it is

Source: CNBC

A slew of negative housing numbers for July are piling up on top of a slew of negative housing numbers from the last several months.

Sales of new and existing homes are falling, construction of single-family homes is basically flat for the year, mortgage rates are rising and affordability is weakening. It certainly feels like the housing recovery that really took off in the last four years has come to a grinding halt, but it hasn't.

The reason the housing recovery isn't over is because demand is very solid, and the price gains are starting to ease. As with all things real estate, however, location is key in this recovery.

Recovery" is also not all about buying and selling houses. It is about the health of the housing market overall, and the market, while still too lean, is continuing to improve.

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

Southern California's late mortgage payments at pre-recession lows

Source: The Orange County Register

Housing's foreclosure crisis is far in the rear-view mirror as the number of Southern Californians skipping the monthly house payment has dropped to pre-recession lows.

CoreLogic reports 2.5 percent of mortgaged homes in Los Angeles and Orange counties were late in May vs. 2.8 percent a year earlier. That's the lowest since May 2007.

L.A.-O.C. late payments peaked at 13.2 percent of all loans in February 2010. L.A.-O.C. delinquencies averaged 2.8 percent from 2000 through 2007, then 9.4 percent over the next five years.

In the Inland Empire, 3.6 percent of mortgaged homes were delinquent in May vs. 4.3 percent a year earlier. That's the lowest since August 2006.

Late payments in Riverside and San Bernardino counties peaked at 21.8 percent in January 2010. Inland Empire delinquencies averaged 5.1 percent from 2000 through 2007, then 15.3 percent over the next five years.

Similar patterns were seen across California, where 2.4 percent of home mortgage payments were 30 days or more late vs. 2.8 percent a year earlier. That's the lowest statewide rate for delinquent home loans since October 2006 and far below the 4.2 percent rate seen nationally. Borrowers in only eight states fared better.

Full story: https://www.ocregister.com/2018/08/23/southern-californias-late-mortgage-payments-at-pre-recession-lows/

Existing Home Sales Fell for Fourth Straight Month in July

Source: realtor.com

Sales of previously owned homes in the U.S. declined for a fourth straight month in July, as rising prices and limited inventory of affordable housing continued to sideline buyers despite solid economic growth.

Existing-home sales fell 0.7 percent in July from June to a seasonally adjusted annual rate of 5.34 million units, the National Association of Realtors said Wednesday. Economists surveyed by The Wall Street Journal had expected sales to rise 0.6 percent to a 5.41 million annual rate.

Compared with a year earlier, sales in July were down 1.5 percent.

Lawrence Yun, the trade group’s chief economist, said July marked the first time since 2013 that existing-home sales declined for four consecutive months, highlighting the growing difficulties that prospective homeowners are facing even as the economy enters its 10th year of expansion.

Full story: https://www.realtor.com/news/real-estate-news/existing-home-sales-fell-fourth-straight-month-july

What you should know

- Total mortgage application volume rose 4.2 percent last week, according to the Mortgage Bankers Association's seasonally adjusted report. Volume was still 15 percent lower compared with 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) remained unchanged at 4.81 percent last week, with points decreasing to 0.42 from 0.43 (including the origination fee) for loans with 20 percent downpayments.

- Mortgage applications to refinance a home loan increased 6 percent for the week but were still 33 percent lower than a year ago.