



# beyond the headlines



## Hispanic homeownership surges

Source: *Curbed*

The typical American homebuyer, like much of the rest of the country, is increasingly young and Hispanic. According to statistics from the 2016 State of Hispanic Homeownership Report, jointly released this May by the Hispanic Wealth Project and the (NAHREP), the U.S. is in the midst of a Hispanic homeownership surge. Since 2000, Hispanic households have increased by 6.7 million, representing 42.5 percent of the nation's overall household growth, a trend only expected to accelerate. Latinos are expected to make up 52 percent of new homebuyers between 2010 and 2030, fueled in large part by the nation's 14.6 million Latino millennials and growth in the increasingly diverse suburbs.

Making sense of the story:

- At a time when homeownership hovers near a 50-year low, more than 330,000 Hispanics formed new households last year. This is happening despite a low rate of inherited wealth in the Hispanic community, a shortage of low-cost housing options, and higher-than average loan refusal rates among potential Hispanic homeowners. Demographers note that high workforce participation and the “fervent desire to own a home” have driven growth in Latino home buying.
- Many reports show this demographic playing an increasingly larger, and in some ways outsized, role in the U.S. economy. The most recent “State of the Nation's Housing” study from the Harvard University Joint Center for Housing Studies (JCHS) predicts minorities will fuel for three-quarters of the gains in U.S. households, with Latinos accounting for one third of these gains. It’s a symbol, perhaps, of the economic strength of Hispanics, which make up 17 percent of the U.S. population.
- According to the U.S. Bureau of Labor Statistics, Hispanics accounted for 76.4 percent of the growth in the country’s labor force between 2010 and 2016, made up 20.8 percent of new entrepreneurs in 2015, according to the Kauffman Foundation, and started almost a million new, Latino-owned businesses between 2012 and 2016.
- While it may not come as a surprise that Hispanics will represent the largest segment of the Texas population by 2020, according to state data, and will be the prime source of population growth in both the Lone Star State and California, Latino populations are also on the rise all across the country.

Full story

<https://www.curbed.com/platform/amp/2017/9/5/16255166/hispanic-homeownership-affordable-housing>

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

### **How tax reform could hurt the housing market**

*Source: DS News*

Tax reform is one of the major ticket items on the current administration's agenda, a measure that Congress hopes to tackle now that they are back from summer recess. When President Donald Trump first announced his modified tax plan—the first comprehensive change in 30 years—one of the main amendments was the elimination of itemized tax deductions, which would be replaced by doubling the standard deduction.

The National Association of REALTORS® (NAR), one of the largest organizations in the industry, in their Tax Reform August Recess Talking Points, predicts that real estate agents could see a trickle-down effect if the tax incentives for homeownership is weakened. They hold the opinion that limited itemized deductions will not entice enough homeowners to enter the housing market when inventory is short and prices continue to rise. Further, "Homeowners already pay 83 percent of all federal income taxes, and this share would go even higher under similar reform proposals. Homeowners should not have to pay a higher share of taxes because of tax reform."

Full story

<http://www.dsnews.com/daily-dose/09-05-2017/how-tax-reform-hurt-housing>

### **Gov. Brown should block stormwater-fee bill**

*Source: Press-Enterprise*

A bill that would allow local governments to impose fees for stormwater projects without voter approval passed the Assembly by one vote and is now on Gov. Jerry Brown's desk. He should veto it.

Senate Bill 231 by California state Sen. Bob Hertzberg, D-Van Nuys, redefines "sewer" to include stormwater, a semantic change with big implications for taxpayers and utility customers. Under Proposition 218, passed in 1996, local taxes and property-related fees require the approval of two-thirds of voters, except fees for water, trash and sewer services. Those can be imposed without a vote and can only be stopped if a majority of affected residents file a written protest by a set deadline.

Geoff McIntosh, president of the California Association of REALTORS®, said CAR doesn't oppose funding stormwater projects, "we just believe voters should have the vote that the Constitution and Prop. 218 guarantee them."

Full story

<http://www.pe.com/2017/09/06/gov-brown-should-block-stormwater-fee-bill/>

## **How driverless cars will reshape housing**

*Source: John Burns Real Estate Consulting*

Self-driving cars will have a big impact on real estate, according to John Burns Real Estate Consulting. As consumers take their hands off the wheel, they may find different needs in housing over the next 10 to 20 years, which is when self-driving vehicles are expected to make their mark.

Prime real estate will also be unlocked for new home construction. Places once used for parking lots, auto dealerships, and gas stations will become obsolete with self-driving cars. That may free up prime real estate for housing.

Older adults may also be more likely to stay put in their homes longer. They'll be able to stay long after losing their driving skills. Repair and remodeling will increase as seniors look to remodel their homes and age in place.

Full story

<https://www.realestateconsulting.com/8-big-housing-changes-thanks-driverless-cars/>

## **More people paying mortgages on time**

*Source: Wall St. Journal*

Fewer borrowers are late making their house payments, according to a real-estate data firm, which credits strong employment numbers and tougher lending standards for the decline in delinquencies.

Nationally, 3.2 percent of jumbo mortgages were 30 days or more past due in May, a 1.1 percentage-point decline from May 2016, Calif.-based data firm CoreLogic found. The serious delinquency rate, defined as 90 days or more past due, was just 2.1 percent—the lowest rate in nearly a decade.

Full story

<https://www.wsj.com/articles/more-people-paying-mortgages-on-time-1504709893>

## Why homeowners are staying put and renovating instead

Source: *Chicago Tribune*

Prior to the housing crisis, many consumers were in the mindset of buying a “starter home” to stay in for five or six years and then move on to a larger space as their family grew. But the idea of the starter home has become a fading memory.

Homeowners don't want to give up their ultralow mortgage interest rates that they have secured in recent years. They're also finding fewer larger homes to move into. As a result, many are making the best of what they once pictured as their “starter home.”

Home buyers stayed in their homes an average of six years before selling from 1987 to 2008, according to the National Association of REALTORS®. Since 2010, the number of years homeowners are staying has now jumped to around 15 years.

Full story

<http://www.chicagotribune.com/business/ct-remodeling-booms-as-homeowners-wont-move-0827-biz-20170823-story.html>

### What you should know

- Here are a few things to consider if you're already delinquent on your jumbo mortgage—or at risk of missing a payment.
- Be proactive. If it's unavoidable for you to miss a mortgage payment, call your lender beforehand. A lender that holds your mortgage in its portfolio will likely have more flexibility than one that sold the loan, but many are willing to assist borrowers when possible—especially when there are extenuating circumstances.
- Selling the house and paying off the mortgage if there is sufficient equity; a mortgage modification that offers lower payments or interest rates; or, for more serious delinquencies, a short sale or deed in lieu of foreclosure.
- Control the credit you can. Even if you're delinquent on your mortgage, you can still exercise significant control over your use of credit—and ultimately, rebuild your credit score. Make payments on credit cards and other loans on time, and keep your credit utilization rate down by using no more than 30 percent of your available credit, which shows you're using credit responsibly.
- Consider credit counseling. Borrowers who can't create a budget or have trouble sticking to one might benefit from credit counseling. The National Foundation for Credit Counseling has a directory of accredited firms.