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## CALIFORNIA BOASTS 13 OF 20 'HOTTEST' REAL ESTATE MARKETS IN JANUARY

Source: The Times of San Diego

California was home to 13 of the nation's 20 "hottest" housing markets in January, with San Diego ranking sixth, according to new data from Realtor.com.

In San Diego, the typical home was on the market just 46 days, compared to 89 days nationally. In San Jose, the center of Silicon Valley, the market moved even faster with homes selling in 33 days.

"There is no doubt that housing in many parts of California is as hot as the Mojave in August," said Javier Vivas, director of economic research at the [Realtor.com](#), which is the official website of the National Association of Realtors.

"Even with sky-high prices, homes in places like the Bay Area typically sell twice as quickly as homes in the rest of the country, thanks to a supercharged economy and a major dearth of available properties," Vivas said.

Barring a major change in the state's economic strength, we expect these housing market conditions to continue for the

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## HOMEOWNERSHIP RATE REACHES HIGHEST LEVEL IN THREE YEARS

Source: Housing Wire

The national homeownership rate reached its highest level since the fourth quarter of 2014, increasing slightly in the last quarter of 2017, according to the Quarterly Residential Vacancies and Homeownership report from the U.S. Census Bureau.

## MAKING SENSE OF THE STORY

- The homeownership rate remained statistically unchanged, inching up to 64.2 percent in the fourth quarter. This is up from 63.7 percent the year before and 63.9 percent in the third quarter.
- “After bouncing around near 50-year lows for the past few years, the national homeownership rate finally seems to be gaining

foreseeable future.”

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## HERE'S WHERE MILLENNIALS ARE MOVING

Source: Curbed

A new report by the Brookings Institution's Metropolitan Policy Program, *The Millennial Generation: A Demographic Bridge to America's Diverse Future*, examines how this generation, poised to become ever more consequential on economic, cultural, and governmental levels, is changing—and where it's settling across the country.

The Brookings Institution looked at the group through many lenses, including homeownership rates, education, and poverty. Analysis of U.S. Census data shows an increasingly diverse generation: 55.8 percent are white and nearly 30 percent are what the authors called “new minorities,” namely Latinx, Asian, and those identifying as two or more races.

Thirty of the 100 largest metro areas are now minority white, including Miami (25 percent) and Houston (32 percent). Census data revealed where they are, and aren't, moving to and living in across the country, which some see as a type of proxy for a city's economic health.

[Read the full story](#)

sustainable, meaningful upward momentum,” Zillow Senior Economist Aaron Terrazas said. “The fourth quarter of 2017 was unseasonably strong, driven by buyers determined to make a deal in a highly competitive market.”

- Among Millennials, the homeownership rate ticked up slightly from 35.6 percent to 36 percent. Among older generations, the homeownership is significantly higher at 75.3 percent for those aged 55 to 64 years and 79.2 percent for those aged 65 years and older.
- “What’s even more positive news for the housing market is that much of the increase in the homeownership rate over the past year has come from 18 to 44-year olds,” Trulia Chief Economist Ralph McLaughlin said.
- Among the non-Hispanic white population, the homeownership rate increased from 72.5 percent in the third quarter to 72.7 percent in the fourth quarter. However, homeownership rates for other ethnicities are much lower.
- The black homeownership rate increased 0.1 percentage point, but remains far below average at 42.1 percent in the fourth quarter. The Hispanic homeownership rate saw the highest increase, rising .5 percentage points to 46.6 percent.
- The national homeowner vacancy rate decreased 0.2 percentage points from last year at 1.6 percent, while the national vacancy rate for rental housing remained unchanged at 6.9 percent.

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## **BAY AREA HOME PRICES CONTINUE DOUBLE-DIGIT GAINS ON HISTORIC STREAK**

Source: The Mercury News

Tight housing supply pushed Bay Area home prices higher yet again in December, extending year-over-year, double-digit gains for the fifth straight month — and overall gains to an historic 69 straight months.

The median sales price for a single-family home in the nine-county region rose to \$765,000 in December, up 13.8 percent from last year, according to real estate firm CoreLogic.

The latest data continues a Bay Area housing narrative now stretching toward six years — a rollicking market great for property owners but punishing to newcomers and middle-income families hoping to buy.

Single-family home sale prices in Santa Clara County raced up 35 percent during the last year, reaching \$1.17 million in December. San Mateo County closed the year with a 17.6 percent gain in sales prices to \$1.36 million. Bargain hunters in Alameda County drove up prices 16.8 percent to \$800,000.

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## 'EXTREME' RENT CONTROL COULD BE COMING TO CALIFORNIA SOON

Source: The Sacramento Bee

A costly and potentially bruising campaign is taking shape over rent control in California, with deep-pocketed Los Angeles activist Michael Weinstein bankrolling a proposed November ballot initiative to repeal a state law that sets tight limits on the type of housing covered under local rent control laws.

As California confronts a historic housing crisis, low- and middle-income renters are being pushed out, even in cities with some form of rent control.

Proponents say they have been met with enthusiasm this year while gathering signatures for a proposed November ballot initiative that would repeal the 1995 Costa-Hawkins Rental Housing Act, which says rent control cannot apply to large amounts of housing, including all housing built after 1995, single-family homes, condos and duplexes.

Critics, including the California Apartment Association, believe repeal would lead to "extreme versions" of rent control throughout the state, bringing new housing construction to a standstill.

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## TALKING POINTS

- Total mortgage application volume fell 2.6 percent last week as rates moved higher, the Mortgage Bankers Association says.

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## THE NATURAL DISASTERS OF 2017'S IMPACT ON THE HOUSING MARKET WILL SURPRISE YOU

Source: Forbes

**Realtor.com** recently released research and analysis on the impact of 2017's natural disasters on the country's housing market. According to realtor.com most areas saw a delay in-- or disruption--to an estimated 18 to 32 percent of home sales in the month of the disaster.

"We compiled data on seven different events including California wildfires and Hurricanes Harvey and Irma," explains Javier Vivas, director of economic research for realtor.com.

"We looked at when an event hits, what does it look like with online searches for homes? We found that it did hinder sales and demand in those local markets. About one in four sales were delayed or disrupted."

The information from realtor.com is based on "expected sales or page views, anticipated sales or page views for the month if no disaster occurred. Estimates are based on previous month's actuals and account for seasonality."

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- Volume remains 6.6 percent higher than the same week one year ago.
- Applications to refinance a home loan, which are most sensitive to even the smallest moves in interest rates, fell 3 percent for the week.

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