



beyond the headlines



NAR: Renters say they want to own a home

Source: From Housing Wire

About 75 percent of current non-homeowners say they would like to own a home one day, and consider it as part of the American Dream, according to the quarterly Housing Opportunities and Market Experience survey from the National Association of Realtors.

However, the reasons why they want to buy a home, or more specifically, one major reason that isn't a factor in their decision, might come as a surprise.

Making sense of the story:

- Trulia's latest rental analysis shows median rent increased 3.1 percent in 2017 with much higher increases experienced in key major metro areas. And over the past year, much attention has been given to the rising affordability issues in the rental market. However, this was not a factor in renters wanting to move into homeownership.
- About 24 percent to 32 percent of respondents each quarter answered that their main reason for buying a home in the future would be a change in lifestyle such as getting married, starting a family or retiring.
- 26 percent to 30 percent of respondents, said an improvement in their financial situation would cause them to buy a home, followed by the desire to settle down, with 12 percent to 16 percent each quarter.
- 56 percent of non-owners answered that the primary reason they currently do not own is because they are unable to afford it, a new survey high for the fourth quarter.
- The share of non-owners who said now is not a good time to buy a home fell from its all-time high of 62 percent in the third quarter to 58 percent at the end of the year.
- Renters do expect their rent to increase this year, about 51 percent answered they expected it will, however it is simply not enough to spur any action. Only 15 percent of renters said they would consider purchasing a home due to these increases. About 42 percent of respondents said they will still resign their lease, and another 25 percent will move to a cheaper rental.

Read the full story:

<https://www.housingwire.com/articles/42471-nar-renters-say-they-want-to-own-a-home>

In other news...

Owners Upbeat That Equity Rises Will Continue

Source: Realtor Mag

Homeowners are optimistic that their home's value will continue to increase, and they're increasingly turning to home equity loans to try to make their homes even more valuable. But a new survey shows they're unclear on how new tax reform laws could impact home equity loans.

More than 80 percent of about 1,000 homeowners recently surveyed said that they believe the value of their home will increase over the next three years as well as over the next five years, according to a new study by LendEDU, a marketplace for student loans, credit cards, and other financial products. Fifty-two percent of homeowners say that they used a home equity loan for home improvement projects, and 89 percent believe that the home equity loan will increase the value of their home by even more.

Full story: <http://realtormag.realtor.org/daily-news/2018/02/07/owners-upbeat-equity-rises-will-continue>

State says LA isn't building enough housing—along with 525 other California cities

Source: Curbed

The vast majority of urban areas in the California—including Los Angeles—are failing to approve enough housing, a report released this week by the state Department of Housing and Community Development shows.

As a result, the state will now require those cities to make it a little easier for developers to construct projects that include affordable units.

For a more than four decades, cities and municipalities across the state have been required to set housing goals every five to eight years in order to ensure that construction of new homes keeps up with population growth.

As the HCD's report shows, almost none of them are actually meeting those goals.

In all, only 13 cities made "sufficient progress" toward hitting their targets last year. A few of them—including West Hollywood, San Fernando, and Beverly Hills—are in Southern California (though Beverly Hills had to permit just three homes to meet its goals).

Full story: <https://la.curbed.com/2018/2/2/16964850/los-angeles-housing-goals-shortage-california>

Will Bitcoin Revolutionize How Real Estate Is Bought and Sold?

Source: Realtor.com

The past few months have been a crazy roller-coaster ride for bitcoin—and the folks who have the cryptocurrency. The value of the mysterious, paradigm-shifting bitcoin shot up nineteenfold from January to December of last year. It started 2017 at a valuation of \$1,000 per unit, and ended it around \$19,000. And then it all came crashing down, falling below \$6,000 in early February. Feeling some motion sickness yet?

So what does this have to do with housing? Quite a bit, it turns out. Folks who began accumulating bitcoin before its meteoric rise have found themselves rolling in some newfound dough lately. And increasingly, some of them are unloading their riches on high-ticket purchases such as furniture, cars, even luxury homes, before bitcoin's high values come back to Earth.

It isn't known exactly how many of these cryptocurrency home deals closed—anonymity is one of the main lures—but earlier this year realtor.com® found 37 single-family homes for sale across the country billed as accepting bitcoin as a form of payment.

Full story: https://www.realtor.com/news/trends/bitcoin-buying-selling-real-estate/?iid=rdc_news_hp_carousel_theLatest

American dream of homeownership declines in Bay Area as more people rent

Source: The San Francisco Chronicle

Over the last decade, the total U.S. population gained approximately 23.7 million people. At the same time, the number of renters increased by 23 million, while homeowner numbers grew by less than 700,000.

Nowhere is this trend more noticeable than in the nation's cities. According to a Market Snapshot prepared by RENTCafe, "Almost a quarter of the 100 largest US cities shifted from owner- to renter-majority between 2006 and 2016."

That means the total number of major cities where renters outnumber owners almost doubled, as 42 major American cities became renter dominated over that ten-year span.

Full story: <https://www.sfchronicle.com/realestate/article/rent-increasing-homeownership-stats-US-Bay-Area-12557102.php>

Southern California inflation hits 9-year high. Blame housing!

Source: The Orange County Register

It was Southern California's worst year for inflation since 2008.

And housing is clearly to blame.

Think what you want about the accuracy of the government's Consumer Price Index, but the ebb-and-flow of this cost yardstick often tells a noteworthy tale.

Last year, local inflation rose 2.8 percent in the Southern California region covering Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. That CPI jump was up from 1.9 percent in 2016 and the highest since 3.5 percent in 2008, the year the previous economic boom ended. Nationally, CPI was up 2.1 percent in 2017 after rising 1.3 percent in 2016.

It's probably a surprise to nobody that rising inflation is linked to the local CPI's "shelter expense" — one measure of what it takes to own or rent and operate a household — which remains at its highest rate since 2007. Shelter costs rose 4.5 percent in 2017. Nationally, shelter expenses rose 3.3 percent last year and 3.4 percent in 2016.

Full story: <https://www.ocregister.com/2018/02/02/southern-california-inflation-hits-9-year-high-blame-housing/>

What you should know

- Mortgage applications rose 0.7 percent last week from the previous week, the Mortgage Bankers Association says.
- Application volume was 5 percent higher than one year ago.
- Applications to refinance a home had a 1 percent gain for the week and were nearly 2 percent higher than a year ago.