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Real Estate Trends For Realtors, Homeowners and Professionals
June 2019

Fresh Data On The Way

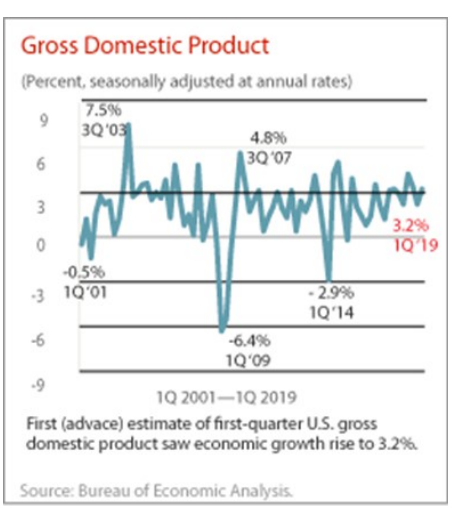
The most recent economic data had indicated that the economy was indeed stronger than we expected. The stock market was recovering nicely from losses incurred late last year, despite speed bumps in the road as the trade war with China heated up once again after talks stalled.

Jobs data, though volatile, still has showed that we were adding enough jobs each month to keep the unemployment rate historically low. And the measure of economic growth for the first quarter exceeded expectations.

Now we will see a fresh batch of data which will either change the equation or reinforce what we have seen thus far this year. First, we get a revision of the GDP, the measure of economic growth for the first quarter. This will be followed by the numbers on personal income and spending for the month of April. The following week will feature the jobs report which will give the first reading of the jobs data for May.

All this data will give the Federal Reserve plenty to chew on when they meet in a few weeks. While most are expecting no change in the rates at the next meeting, weaker data and a continued escalation in the trade war could increase calls for a Fed rate cut in the coming months.

As of now, the data does not support a cut. Interest rates continue to be lower than expected this year. This represents continued good news for consumers who are in the market to make big purchases such as homes and cars. And those purchases will help the economy as well...



First (advace) estimate of first-quarter U.S. gross domestic product saw economic growth rise to 3.2%.

Source: Bureau of Economic Analysis.

Advantage: Home Ownership

Homebuyers have fared better following the latest housing boom than renters, according to CoreLogic.

CoreLogic's Single Family Rental Index indicates that renters are more cost-burdened than homeowners, and that the monthly cost to rent a single-family home has increased significantly, while the typical mortgage payment is lower. The national rent index from CoreLogic is up 36% over the past 13 years, but the typical home loan payment was down 4% over that period.

During that period, seven of the 12 large metro areas evaluated by CoreLogic indicated rent increases between 27% and 61%, while the typical home loan payment dropped from 3% to 24%. As of 2017, 27% of homeowners were "cost burdened," meaning 30% or more of their income went toward the monthly loan payment and other owner expenses, down about 10 percentage points from 2007. Meanwhile, 46 percent of renters are cost burdened as of 2007, up from 45.6% in 2007...

Source: DS News

Selected Interest Rates

May 23, 2019

30 Year Mortgages———4.06%
2018 High (Nov 15)———4.94%
2018 Low (Jan 4)————3.95%
15 Year Mortgages———3.51%
5/1 Hybrid ARMs————3.68%
10 Year Treasuries———2.32%

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

The Value of Open Houses

Homes that have open houses tend to sell for more money and spend less time on the market, a new study from the real estate brokerage Redfin finds. Homes with open houses sell, on average, for $9,046 more and spend seven fewer days on the market than homes without open houses, according to Redfin's analysis, which compared sales-to-list-price ratios and times on the market of homes that had an open house within their first week on the market and homes that never had an open house.

The premium may have more to do with the desirability of the house itself and the way it is marketed than the open house itself. Regardless, "holding an open house is an efficient way for sellers to get more eyes on the home, and a bigger pool of potential buyers can help lead to a higher ultimate sales price," says Daryl Fairweather, Redfin's chief economist. "In many areas, homes that are already primed for competition tend to be the ones with open houses because the listing agent knows it will attract a lot of attention and wants to set up a convenient way for multiple potential buyers to pop in at once instead of making several appointments for private tours." ...

Source: Redfin

Did You Know…

If you go by home vacancy data released recently by the Census Bureau, we're all the way back to 1994. The rate of vacant homes dropped to 1.4%, the lowest level in almost a quarter of a century. The rate measures privately owned homes standing vacant, typically because they're for sale or because new owners haven't moved in yet. In 2008, during the foreclosure crisis, it reached a record 2.9%.

Source: Reuters

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