



# beyond the headlines



## How a return to multigenerational living is shifting the housing market

Source: *Curbed*

Multigenerational living, when more than one generation lives under one roof (not counting young children or teens), has hit record levels in the U.S. Growing life expectancy, changing immigration patterns, and affordability issues all contributing to the increase and developers and architects are scrambling to respond.

Making sense of the story:

- In 2014, according to Pew Research Center data, 60.6 million people, or 19 percent of the U.S. population, lived in multigenerational homes, including 26.9 million three-generation households.
- That's up from a 1980 low point, when the rate was 12 percent. It's nearly a return to the 1950 rate of 21 percent
- The nation's growing and increasingly diverse immigrant population plays a big role in the shift. In 2014, 28 percent of Asian and 25 percent of Hispanic households were multigenerational, both up from five years prior—and a significant jump from the rate found in white households, just 15 percent.
- A report by the Harvard Joint Center for Housing Studies, the number of Americans over 80 will double, from 6 million to 12 million, in the next two decades. And by 2035, one out of three U.S. households will be headed by someone over 65.
- A 2016 survey found that 44 percent of home shoppers in a group of 20,000 hoped to accommodate their elderly parents, and 42 percent planned to accommodate their adult children.

Full story:

<https://www.curbed.com/2017/11/21/16682850/multigenerational-homes-millennials-immigration-family>

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

### **SoCal prices shoot up in October**

*Source: The Orange County Register*

The median price of an existing, detached single-family home rose significantly in Southern California in October compared with the same month a year ago, the California Association of REALTORS® reports.

San Bernardino had the greatest increase: 12 percent.

Los Angeles County's median climbed 8.1 percent Riverside County went up by 7.5 percent, and Orange had the smallest hike of the four counties: 4.8 percent.

The median price — the midpoint of sales — was \$786,000 in Orange; \$580,360 in Los Angeles; \$382,500 in Riverside and \$274,450 in San Bernardino.

Statewide, the median price was \$546,430, up 6.1 percent from \$515,170 in October 2016. Sales were down 3.4 percent from a year ago.

A low supply of homes on the market continued to put a crimp on sales, especially in the relatively affordable price ranges..

Full story:

<http://www.ocregister.com/2017/11/17/socal-house-prices-shoot-up-in-october-orange-county-786000-and-l-a-580360/>

### **Bay Area residents seek the California dream — in Sacramento**

*Source: The Mercury News*

Drawn by lower housing prices, Bay Area residents are pouring into California's capital and its surrounding areas, trading a temperate climate for triple-digit summers; hustle-and-bustle for a slower pace of life; and redwood hiking trails for expansive fields and distant, snow-capped mountains.

The region has become the top destination in the country — ahead of trendy Seattle and Portland — for those looking to flee the jammed roads and high costs of the tech-dominated Bay Area, according to new migration data from Redfin, a popular real estate site. Each year, nearly 20,000 Bay Area residents are resettling in cities stretching from Davis to Sacramento and further east to the Sierra foothills, according to census data analyzed by the Greater Sacramento Economic Council.

“It's becoming a place for the next generation to live,” said Sacramento's mayor, Darrell Steinberg.

Full story:

<http://www.mercurynews.com/2017/11/18/bay-area-residents-seek-the-california-dream-in-sacramento/>

## **Equity rich properties surge nationwide**

*Source: National Association of Realtors (Realtor Mag)*

Homeowners should be feeling richer. The share of equity-rich properties rose to a new high—26 percent of homeowners with a mortgage in the third quarter, according to ATTOM Data Solutions' Q3 2017 U.S. Home Equity & Underwater Report.

In the third quarter, there were more than 14 million U.S. properties considered equity rich, which is when the combined loan amount secured by the property is 50 percent or less of the estimated market value of the property. The number of equity-rich properties is up by 905,000 compared to a year ago, according to the report.

“Median home prices nationwide are up 9.4 percent so far in 2017, the fastest pace of appreciation through the first three quarters of a year since 2013,” says Daren Blomquist, senior vice president at ATTOM Data Solutions. “Continued home price appreciation is helping to grow the number of equity-rich homeowners across the country compared to a year ago.”

Full story:

<http://realtormag.realtor.org/daily-news/2017/11/21/equity-rich-properties-surge-nationwide>

## **Home builder confidence hits 8-month high in November**

*Source: CNBC*

The nation's home builders may not be happy with the Republican tax plan, but they are seeing more buyers, and that is boosting confidence.

A monthly reading of home builder sentiment rose two points in November to 70, according to the National Association of Home Builders. This comes after rising four points in October.

Anything above fifty is considered positive sentiment. November's reading is the highest since March of this year and the second highest on record since before the recession. The index stood at 63 in November 2016.

"Demand for housing is increasing at a consistent pace, driven by job and economic growth, rising homeownership rates and limited housing inventory," said NAHB Chief Economist Robert Dietz.

Full story:

<https://www.cnbc.com/2017/11/16/home-builder-confidence-hits-8-month-high-in-november.html>



## **California is a national leader in outbound moves: Where did they go?**

*Source: The Orange County Register*

California continues to see more folks moving elsewhere in the nation rather than relocating here, a sign the state looks relatively unappealing to others.

Last year, California had 142,932 more residents exit to live in other states than arrive, according to an analysis of a new report from the U.S. Census Bureau, released Wednesday, Nov. 15. This “domestic net outmigration” was the second-largest outflow in the nation behind New York and just ahead of Illinois and New Jersey. And it was up 11 percent (13,699 net departures) vs. 2015.

California’s net outmigration has been ongoing for two-decades-plus. Yet the state’s population continues to grow: By this count, up 108,301 in 2016 — or 0.3 percent — to 38.8 million.

Full story:

<http://www.ocregister.com/2017/11/16/census-142932-more-people-left-california-than-moved-here-in-2016/>

### **What you should know**

- The average rate on the 30-year, fixed-rate mortgage went up one basis point, the 15-year fixed rose two basis points, and the 5/1 ARM dropped one basis point, according to a NerdWallet survey of daily mortgage rates published by national lenders Monday.
- The 30-year fixed is the same as it was a week ago and eight basis points lower than one year ago.
- A holiday-shortened week means the likely absence of economic reports that have the power to move mortgage rates much in either direction.