All Six Components of the Index Were Up in February 2015 !!!!!!!!!!!!!!!!!! GOOD NEWS !!!!!!

Hi Guys and Gals, below is an article from the California Association of Realtors (Market Snapshot) !!

Inventory Levels Have Tightened in January !!!!!!!!!!!! If You Know Anyone Interested in Selling, Buying or Just may have Questions about Real Estate Please let Me Know? Thanks,

County leading economic indicators up sharply in February

By Daily Transcript staff report

Tuesday, March 31, 2015

The USD Burnham-Moores Center for Real Estate's**Index of Leading Economic Indicators** for San Diego County rose 1.3 percent to 136.0 in February, up from January's reading of 134.2.

For the second month in a row, all six components of the index were up. In fact, February's results were almost identical to those of January: Initial claims for unemployment insurance, help wanted advertising, and building permits were strongly positive, while consumer confidence, local stock prices, and the outlook for the national economy had more modest gains.

February's gain was the ninth consecutive increase for the USD Index and the monthly increase was second only to last month as the largest since February 2011. The outlook remains for strong growth in the local economy at least through the end of the year.

Since last month's report, the annual adjustment to the employment data was released. Wage and salary employment increased by 30,200 in San Diego County in 2014. Initial reports suggested a higher job growth number, so the revised data were a little disappointing. Still, the local economy has added more than 30,000 jobs in each of the last three years, something that hasn't happened since the period 1997-2000. The strongest growing sectors were leisure and hospitality (+8,200 jobs), health care (+5,300), professional, scientific and technical services (+4,600), retail (+2,900), construction (+2,600), and government (+2,400).

Residential units authorized by building permits built on the momentum of January with another big gain. The strength in the opening months of the year is significant as January and February are among the slowest months of the year for building permit activity.

Both labor market variables remain extremely strong initial claims for unemployment insurance and help-wanted advertising up 10 and seven straight months respectively. That puts help-wanted advertising at its highest level since January 2013. The net result was that the seasonally adjusted local unemployment rate fell to 5.3 percent in February, which was down from 5.7 percent in January and from 7.1 percent in February 2014. February's rate was the lowest for San Diego County in almost seven years (since April 2008).

As has been mentioned in previous reports, the USD Index uses weighted moving averages of the data to smooth out erratic month-to-month changes and establish a trend in the direction of the components. So while the trend in consumer confidence remains positive, the actual value of the component was down in February. This could reflect the surge in gas prices that occurred during the month.

Local stock prices continued to rise and have now advanced for six consecutive months, which indicates that the financial markets are positive about the prospects for San Diego companies.

The outlook for the national economy continues to be positive, with the national Index of Leading Economic Indicators advancing for the 14th straight month. The “third” estimate of GDP growth for the fourth quarter was 2.2 percent, the same as earlier estimates. For 2014 as a whole, GDP grew by 2.4 percent, which is about the same growth rate as the previous two years (2.3 percent in 2012 and 2.2 percent in 2013).

CALIFORNIA ASSOCIATION OF REALTORS®

Market Snapshot

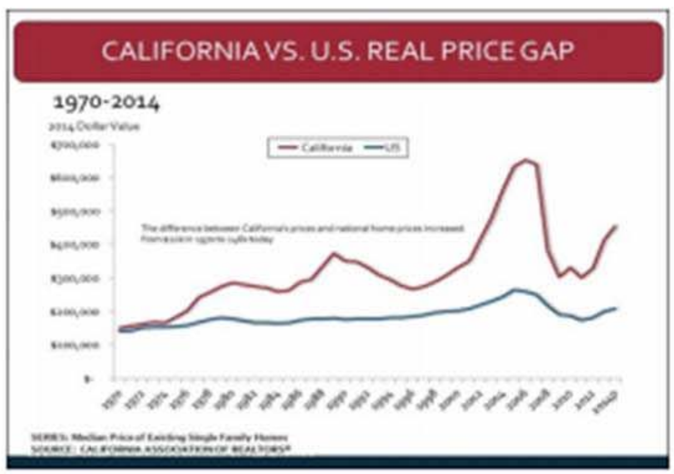
Understanding the current market

Much like the beginning of 2014, this year has started with a lot of uncertainty in the housing market. January sales dropped to the lowest annualized level since the housing collapse despite positive housing fundamentals and bustling economy. Disappointing January sales largely reflect noteworthy slowdown in sales in the Bay area, which despite having one of the best job markets in the country continues to struggle with very limited supply of inventory of homes for sale. Low supply has constrained sales for several years now and has certainly contributed to low activity in 2014 in general.

January sales in the Bay Area dropped almost 15 percent from the year before, which is double the drop seen in the Los Angeles metro area where sales decreased 7 percent. Inland Empire performed relatively better with only a 4 percent decrease in sales and also the strongest increase in pending activity in January over the year before, 11 percent. Based on the pending numbers, the Bay Area sales will remain soft in February while Southern California will improve slightly.

At the state level, median home prices appear to have decreased as well. Again, however, median home prices at the state level are affected by the sales mix. Since fewer homes were sold in the Bay Area, the most expensive market in the state, the sales mix was largely repressed by homes at lower price levels. Consequently, median prices were pulled down. But are home prices coming down? No. Home prices are still rising throughout the state though the increase has slowed down on an annual basis. While home prices were increasing rapidly in 2012 and 2013, often at double digit year-over-year rates, the increase in prices has slowed down in 2014. California Association of Realtors show median prices have slowed to 3.4 percent annual increase in January. While again, median prices are affected by mix of sales, other price indices which measure price changes on a same home show prices growth at about 5-9 percent. Highest price growth does remain in the Bay area, while somewhat slower growth is reflected in the Southern California.

What can we expect going forward? Well, most recent pending sales along with Market Pulse survey of Realtor members suggest that there are some positives on the horizon. Pending sales index for January showed a monthly increase of almost 27 percent from January, which is much larger than monthly increase of 16 percent between the two months observed in the last six years. National pending sales index showed similar numbers. Also, there has been a pickup in open house traffic when compared to last year. As for housing prices, the appreciation rates will stabilize. Existing listings have already had to adjust to slower price growth and now over 50 percent of transactions are closing below the asking price. The discount on asking prices varies but it has averaged about 11 percent. Taken all together, we are seeing a market that is more buyer-friendly and should lend itself to more market activity over next year.



Brought to you by:

Terry Ouellette
REALTOR®
Ace Real Estate Services
5811 Amaya Drive #205
La Mesa, CA 91942

Office: 619-400-7392
Email: terry@acerealestateservices.net
BRE License: 01848508