

San Diego Housing Inventory Levels Starting to Rise!!!!!!!!!!!!!!!!!!!!!!!!!!!!

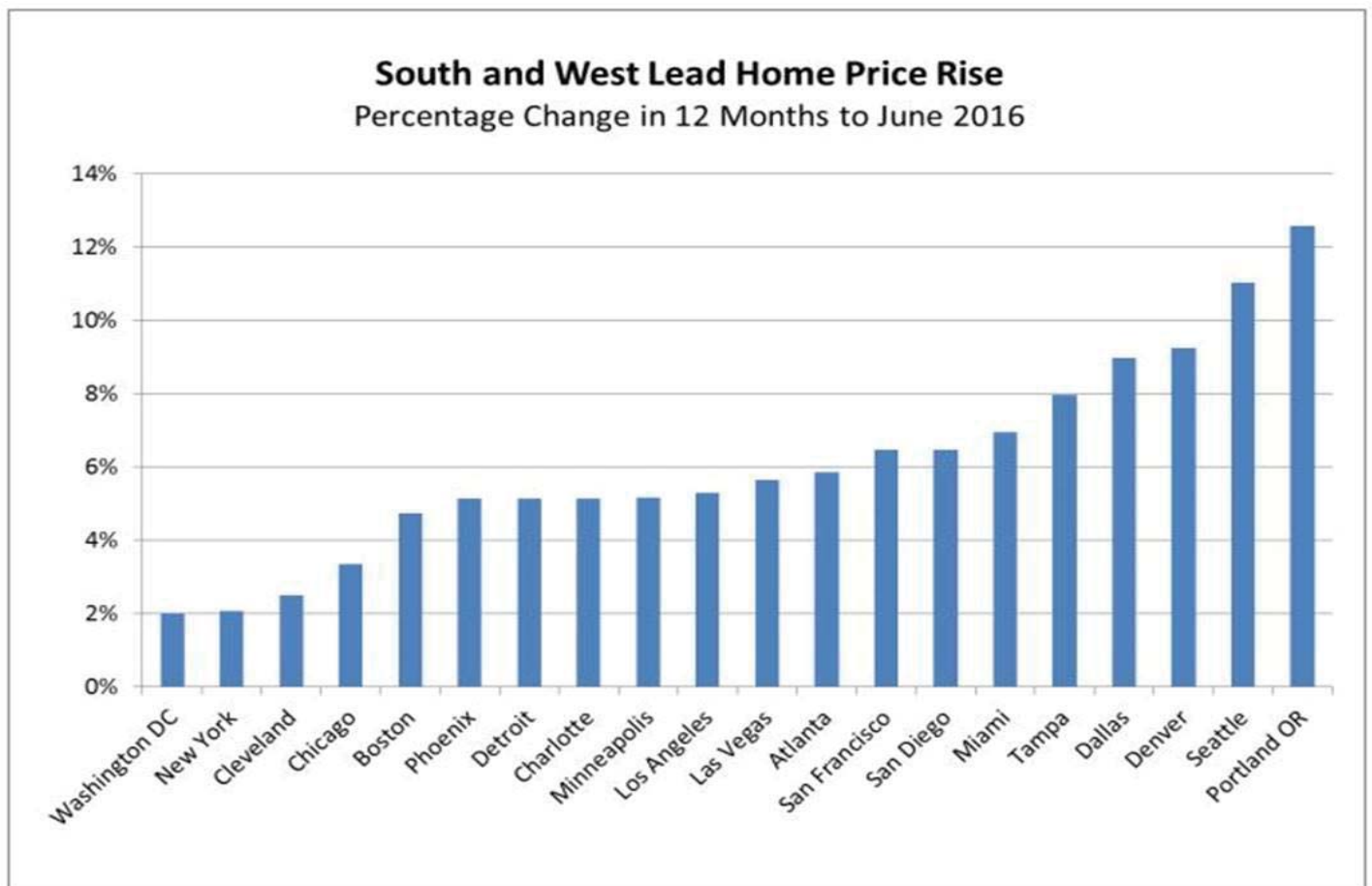
Hi Guys and Gals, Below is an Article from the Times of San Diego!!!!!!!!!!!!!!!!!!!!!!!!!!!!

I have also included another 2 articles from the California Association of Realtors (Market Snapshot)!!!!!!!!!!!!!!!!!!!!!!!!!!!!

Above is a Current Mortgage Rate Sheet in the Attachment!!!!!!!!!!!!!!!!!!!!!!!!!!!!

If You Know Anyone Interested in Selling, Buying or Just may have Questions about Real Estate Please let Me Know? Thanks,

Home Prices Keep Rising, But Pace Is Slowing in San Diego



Case-Shiller home price data for the past 12 months shows San Diego in the middle of the pack.

Home prices continued to rise in San Diego and across that nation in June, but the pace is slowing locally, according to the most widely watched real estate index.

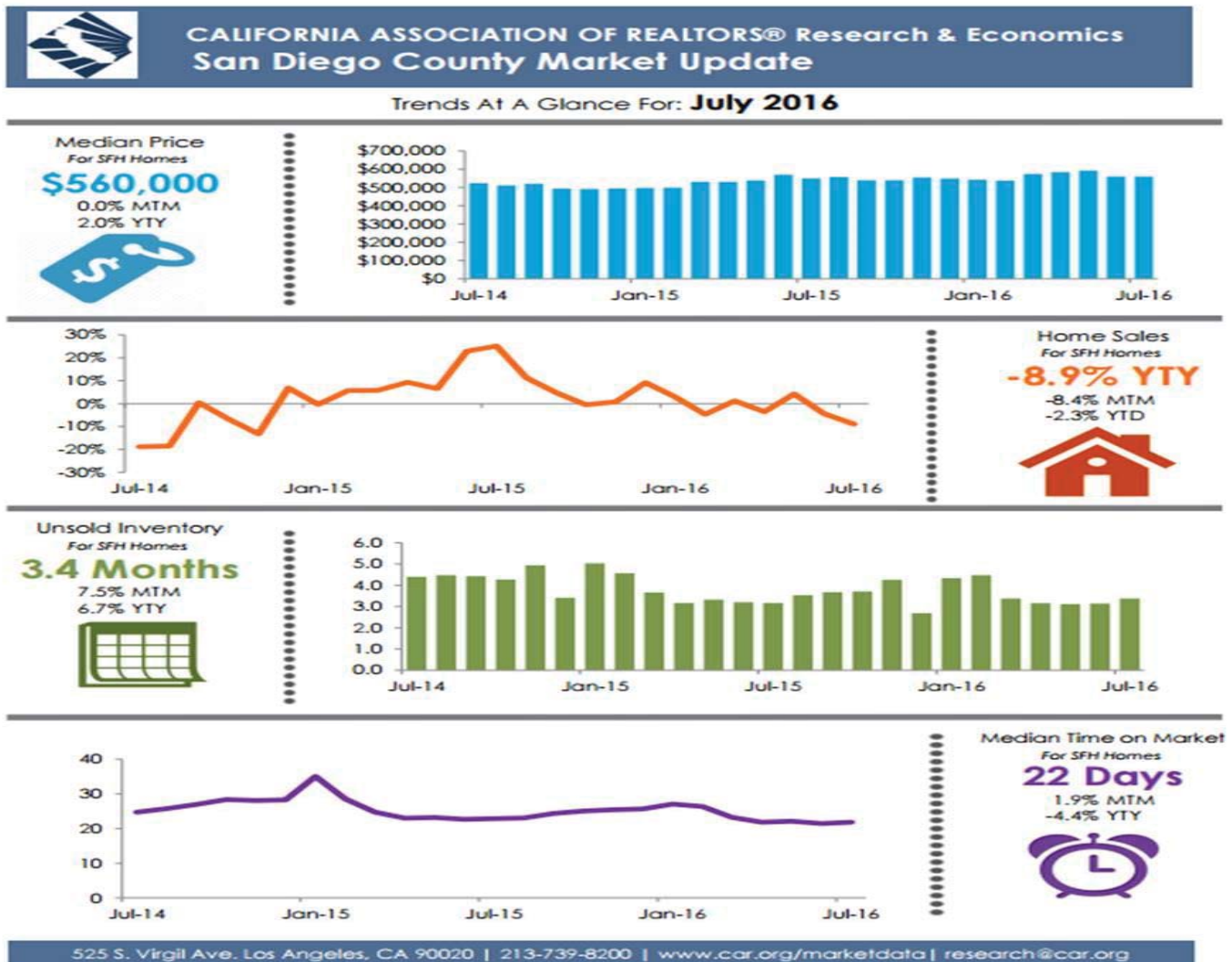
The influential [Case-Shiller index](#) released Tuesday showed home prices rose 0.2 percent in San Diego in June, down from the 0.9 percent increase in May.

“In a handful of areas, including pricier markets like San Diego, inventory is starting to creep back up,” noted Dr. Svenja Gudell, chief economist for the online real estate firm [Zillow](#).

Prices have risen 6.4 percent in San Diego over the past year, well above the national average of 5.1 percent, but below the double-digit increases in cities like Portland and Seattle.

“Home prices continued to rise across the country led by the west and the south,” says David M. Blitzer, managing director at S&P Dow Jones Indices. “In the strongest region, the Pacific Northwest, prices are rising at more than 10%; in the slower Northeast, prices are climbing a bit faster than inflation.”

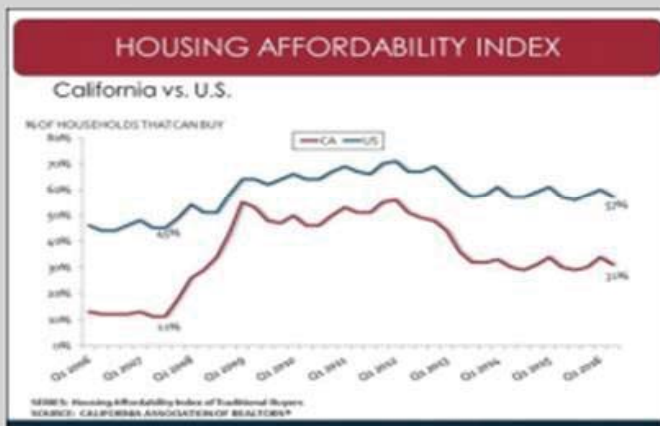
Blitzer said sales of existing homes are at running at about 5.5 million units annually with inventory levels under five months, while sales of new single-family homes are at the highest rate since November 2007.



Market Snapshot

Interest Rate – A Solution and a Problem for Housing Affordability

Housing affordability remains a challenge for many potential homebuyers in 2016, despite favorable lending environment in recent years. According to the latest housing affordability index (HAI) reported by the California Association of REALTORS® (C.A.R), the percentage of homebuyers who could afford to purchase a median-priced home in California in the second quarter of 2016 fell to 31 percent from the 34 percent recorded in the first quarter of 2016, and was up from 30 percent in second quarter of 2015. This was the 13th consecutive quarter that the index has been below 40 percent and was near the mid-2008 low level of 29 percent.



At the state level, the recent quarterly HAI is only slightly below the long-run average of 32 percent, and is nowhere near the historic low of 11 percent recorded in the second and third quarters of 2007. Keep in mind, however, that interest rates differ considerably between 2007 and 2016.

The monthly average commitment rate for 30-Year fixed rate mortgages reported by Freddie Mac, for example, was at 6.70 percent in July 2007, as compared to 3.44 percent in July 2016. The difference in monthly mortgage payment between those rates at the statewide median price is \$824, which is substantial for most Californian households.

Higher home prices across the state and regions account for most of the decline in affordability, as the minimum annual income required to buy a median-priced home in California grew to \$101,220 in the second quarter. That's an increase of \$8,000 from the first quarter of 2016 and was \$4,500 from the same quarter last year.

The California median price continued to increase at a steady but moderate pace since the mid of 2014, averaging a 5.9 percent annual growth rate in the last 25 months. With mortgage rates dropping back to record low levels at the end of June, housing affordability was being kept from declining further in the first half of the year. But when interest rates start moving higher in the upcoming year, housing affordability will become more and more of an issue until we figure out how to resolve the housing supply problem.



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