San Diego is the 8th Hottest City for Real Estate !!

Hi Guys and Gals, Below is an Article from the Union Tribune !!!!!!!!!!!!!!!!!!!!!!!!

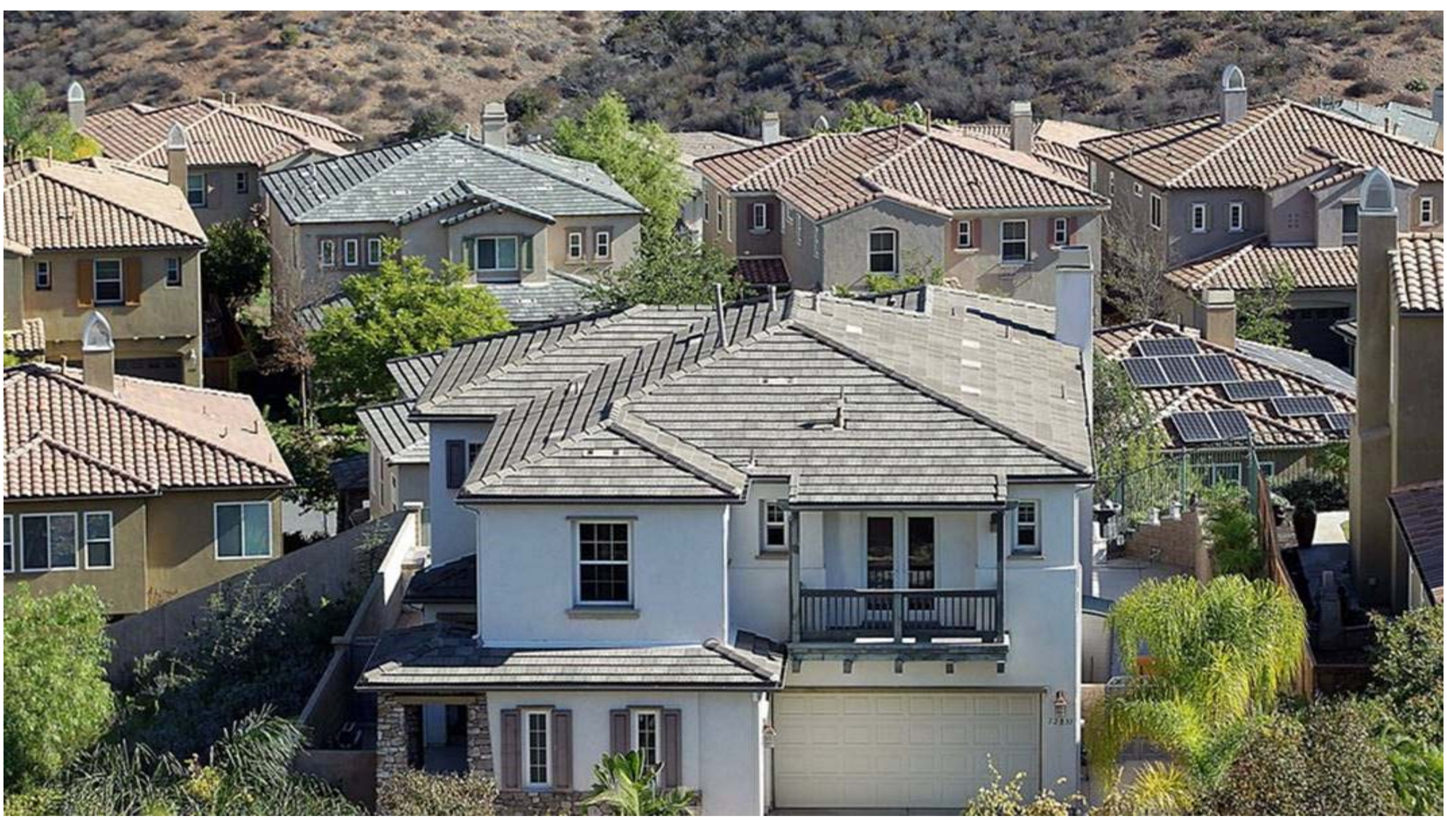
I have also included another article from the California Association of Realtors (Market Snapshot) !!

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,

Study: San Diego is 8th hottest city for real estate

By Phillip Molnar | 10:41 a.m. May 27, 2016



San Diego County is the 8th hottest home market in the country, says Realtor.com. Pictured: Homes are closely situated in this planned community in Scripps Ranch. *John Gastaldo/U-T San Diego/Zuma*

When it comes to supply and demand, metro San Diego was the eighth "hottest" home market in the United States in May, said a monthly report from Realtor.com.

San Diego County jumped five spots from April to make the Top 10 of the website's hotness index. It was the highest it ranked in May since Realtor.com launched the study three years ago.

The Vallejo-Fairfield market was ranked first and San Francisco was second.

Realtor.com decides what are the hottest markets by looking at homes' days on market, which is based on how long listings stay online and the number of page views per listing on its website.

The median online listing time for a home in San Diego County was 37 days on market, down from 41 the month before. It had reached the No. 5 hotness spot, its highest ever, on the list in January. San Diego averages around 10.

Although what may considered a "hot" market for some, particularly sellers, might not be others.

Realtor.com Hotness Index

1. Vallejo-Fairfield, Calif.
2. San Francisco-Oakland-Hayward, Calif.
3. Denver-Aurora-Lakewood, Colo.
4. Santa Rosa, Calif.
5. Stockton-Lodi, Calif.
6. Dallas-Fort Worth-Arlington, Texas
7. Sacramento--Roseville--Arden-Arcade, Calif.
8. San Diego-Carlsbad, Calif.
9. San Jose-Sunnyvale-Santa Clara, Calif.
10. Columbus, Ohio

Source: Realtor.com

"Market hotness has very different meanings," said Javier Vivas, economic researcher for Realtor.com. "In our very basic interpretation, we're simply saying there is pent up demand and limited supply."

A lack of homes for sale, coupled with job growth and low interest rates, have pushed home prices up 6.4 percent in the last 12 months in San Diego County — making purchasing a home increasingly difficult for first-time buyers. The median home price here was $489,000 in April, said real estate tracker CoreLogic.

The hot ranking does not include affordability, which can make the home market seem less appealing to a large portion of residents. Just 28 percent of households can afford a median-priced home in San Diego County, said the latest report from the California Association of Realtors.

Vivas said the ranking uses data from Realtor.com, which uses active listings of condos, new and resale homes from area Multiple Listing Service feeds.

California dominated the top 20 hottest markets list with 10 areas. Denver, Dallas and Columbia were the only areas outside California to make the top 10.

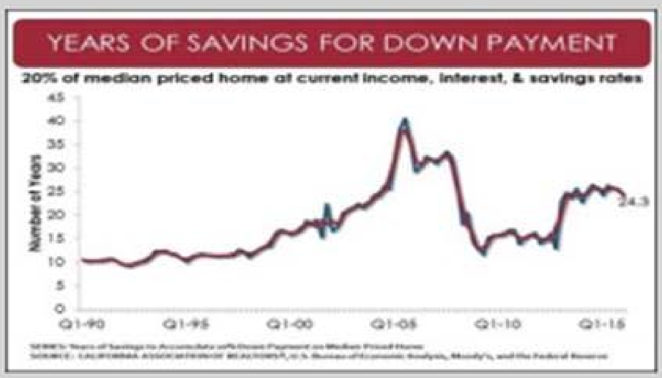
CALIFORNIA ASSOCIATION OF REALTORS®

Market Snapshot

"Down" & Dirty: California's Affordability Challenge

Since the Great Recession ended roughly 7 years ago, home prices in California have posted some significant gains. After dipping by more than 58% during the downturn, the median home price has more than doubled to broach the $500,000 mark for the first time since 2007. This has eroded affordability as incomes have failed to keep pace. Perhaps the one saving grace in today's market, at least from an affordability standpoint, is that interest rates remain near historic lows, which has helped to keep mortgage payments manageable even as prices rise.

However, low rates do little to offset the effects of higher home prices on the ability of prospective buyers to come up with a down payment. C.A.R. is currently forecasting that price growth will taper down towards something that is more consistent with income growth as the cycle progresses, but even if prices remained flat, there will be a significant down payment burden facing new home buyers in California for the foreseeable future.



To illustrate, back in 1990, the median home sold for $195,000—equating to a $39,000 down payment at 20%. In 1990, the median household earned $36,000 per year in California and saved roughly 6.8% of their income. In addition, deposits at the bank earned more interest than they do today with 10-year deposits garnering an 8.5% yield. Under those conditions, it would take the average California household roughly 10.5 years to save up their $39,000

Today, with the state's median home price back above $500,000, the down payment for the median-priced home is more than $100,000, 134%, more than what you needed back in 1990. However, incomes have only risen by 83%. What's more, the average household is saving much less of their income (4.5% in the first quarter of 2016), and their returns to savings are much lower (1.92% for a 10-year bond in the first quarter of 2016). As a result, it would now take the median California household nearly 25 years to save up 20% of the median-priced home. In reality, the average age for first-time buyers hasn't climbed to 50 years old—more first-time buyers are simply relying on multiple incomes, financial support from their baby boomer parents, and lower down payment loans such as FHA mortgages. For other Californians, this barrier means that they simply can't make the move to home ownership.

Although this trend is ubiquitous across every county in the state, our most expensive markets are disproportionately impacted. In San Francisco, where the median price is in excess of $1.4 million, it would take the median household more than 40 years at current savings and interest rates to come up with a 20% down payment—even after accounting for higher incomes in that region.

As prices continue to rise, obtaining a down payment will be an even greater obstacle to home ownership. Low rates have kept mortgage payments more affordable than they otherwise would be for existing homeowners, but it is getting harder and harder for new buyers to get into the market in the first place.

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