

Tight Inventory Remained an Issue in 2016 !!!!!!!!!!!!!!! Great Time if Your Thinking about Selling !!!!!!!!!!!!!!!

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

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

Monthly Indicators

December 2016

Most of 2016 offered the same monthly housing market highlights. The number of homes for sale was drastically down in year-over-year comparisons, along with days on market and months of supply. Meanwhile, sales and prices were up in most markets. Unemployment rates were low, wages improved and, as the year waned, we completed a contentious presidential election and saw mortgage rates increase, neither of which are expected to have a negative impact on real estate in 2017.

Closed Sales decreased 10.8 percent for Detached homes and 20.8 percent for Attached homes. Pending Sales increased 17.5 percent for Detached homes and 7.2 percent for Attached homes. Inventory decreased 21.3 percent for Detached homes and 34.3 percent for Attached homes.

The Median Sales Price was up 7.6 percent to \$572,190 for Detached homes and 4.3 percent to \$367,000 for Attached homes. Days on Market decreased 2.4 percent for Detached homes and 11.1 percent for Attached homes. Supply decreased 22.7 percent for Detached homes and 37.5 percent for Attached homes.

The overwhelming feeling about prospects in residential real estate for the immediate future is optimism. Real estate professionals across the nation are expressing that they are as busy as ever. There are certainly challenges in this market, like continued low inventory and higher competition for those fewer properties, but opportunities abound for creative and diligent people prepared to put in the necessary amount of work.

Monthly Snapshot

- 14.3%	+ 8.1%	- 24.8%
One Year Change in Closed Sales All Properties	One Year Change in Median Sales Price All Properties	One Year Change in Homes for Sale All Properties

Residential real estate activity in San Diego County, comprised of single family properties, townhomes and condominiums. Percent changes are calculated using rounded figures.

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Median Sales Price	7
Average Sales Price	8
Dollar Volume of Closed Sales (in millions)	9
Percent of Original List Price Received	10
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Market Snapshot

A Decent Year for 2016 but Outlook for 2017 Is Murky

California home sales slowed down in December after experiencing strong year-over-year gains in October and November. Sales of existing single-family homes in the final month of 2016 dropped 7 percent from November, and declined 0.6 percent from the same month of 2015. Despite the declines, home sales in December were solid and on par with the two-year average sales-pace of 412,000 maintained since 2015. The rising trend in interest rates at the end of 2016 may have carried some sales forward, causing a stronger than normal December for the second year in a row, following an unusually strong sales-pace of December 2015 triggered by the effects of the Know Before You Owe mortgage disclosure rules (TRID).

Tight inventory remained an issue in California, as the statewide unsold inventory index dropped in December to 2.6 months, the lowest level since May 2013. Despite a decline in closed sales in December, the index worsened as the number of active listings dropped 8.5 percent from December 2015.

Scant housing inventory exerted upward pressure on home prices and the statewide median price climbed 3.9 percent in December from the previous year. The increase, however, was the smallest since February 2016. The modest increase was attributed partly to the change in the mix of sales between December 2016 and December 2015, as sales were much stronger in the high-end market last December with many non-conventional loans delayed closing due to TRID. This is also a primary reason for the more significant decline in sales in higher-priced regions in December than in other more affordable areas.

For the year 2016, California managed to edge out a marginal gain of 1.7 percent in existing home sales from last year to hit 416,250, as the state housing market wrapped up the year with a very strong quarter. In fact, the fourth quarter was the strongest we have seen since the last quarter of 2012 when we had our last presidential election. The statewide median price also increased 5.4 percent from 2015 to reach \$502,250, and it was the first time since 2007 that the median price surpassed the \$500,000 benchmark.

While the housing market closed out 2016 with a decent performance, it is by no means an indication that the environment will be easy in the upcoming year. As we move forward with a new president and a new administration in 2017, we are chartering into a territory with many uncertainties in the policy arena that will present challenges to the housing market. The future of Fannie and Freddie, the impact of tax reform, the changes to financial regulations such as the Dodd-Frank Act, and the risks of global trade wars are a few of the unknowns that the market will likely encounter in 2017 and beyond. Adding into the mix a rising trend in interest rates, a housing supply shortage, and a persistent affordability crunch, the 2017 housing market outlook will be the most unpredictable one in recent history.



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