

# Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from [first tuesday](#)  
 April 2015 • Vol. 4 • Issue 4 • *Single family starts trail jobs and home equity*

Presented by

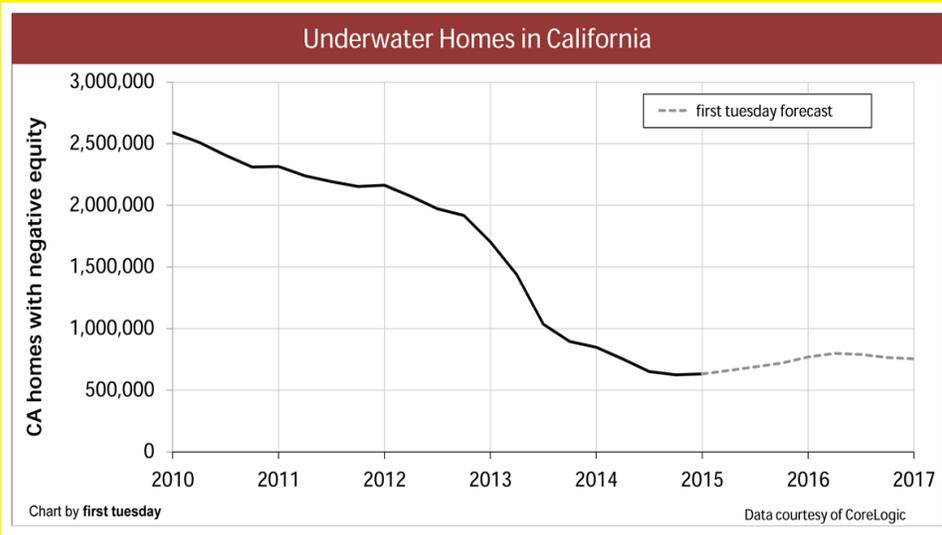
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## Annual California job growth surges

This chart tracks **monthly California job figures**.

In May of 2014, California employment surpassed its **pre-Great Recession** peak of 15.6 million jobs. Official jobs revisions now show California employment growth has far surpassed that peak to reach nearly 15.9 million jobs in February 2015. That puts 2014's **year-over-year job growth** at 425,000 and accelerating. In terms of employment, we are into a very strong economic expansion.

This improved demand for employees will soon lead to **higher wages** as the supply of available labor decreases. Increased wages grease the wheels of a **virtuous cycle** in the housing economy. But we're not quite there yet.



## Underwater homes remain level

This chart displays the number of California mortgaged homes in a **negative equity position**, or “underwater.”

The number of **underwater homes** in California rose slightly to 632,000 in Q4 2014. The share of mortgaged homes stuck in negative equity remains at 9%, down from 13% a year earlier. The **disappearance of speculators** and the price lift they wrought from the single family market in 2014 contributed to the recent end of sharp declines in negative equity.

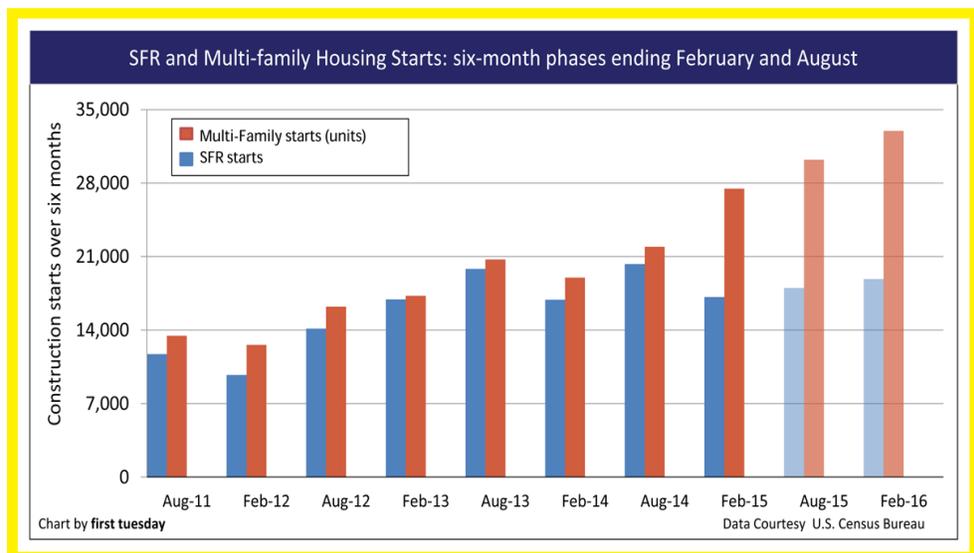
Until wage and income growth matches the furious pace of California employment growth, **end users** for homes will remain scarce.

## Single family starts continue to lag

This chart plots the number of single and multi-family **housing units constructed** in California over six-month periods ending each February and August.

Single family **construction starts** for the six month period ending in February 2015 remain essentially the same as one year ago, compared to 45% percent growth in multi-family construction. This reflects the persistent absence of **end user demand** for single family homes that has stalled negative equity decreases. It also illustrates the lack of wage growth needed before renters can convert to owners.

California's single family construction starts continue to lag behind multi-family housing starts. This lag will persist until **income gains** reflect growth in demand for employees — a point well into 2016.



Click on any chart  
 for more information!