

Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from **first tuesday**
 December 2014 • Vol. 3 • Issue 29 • *Retirees and first-time buyer numbers grow*

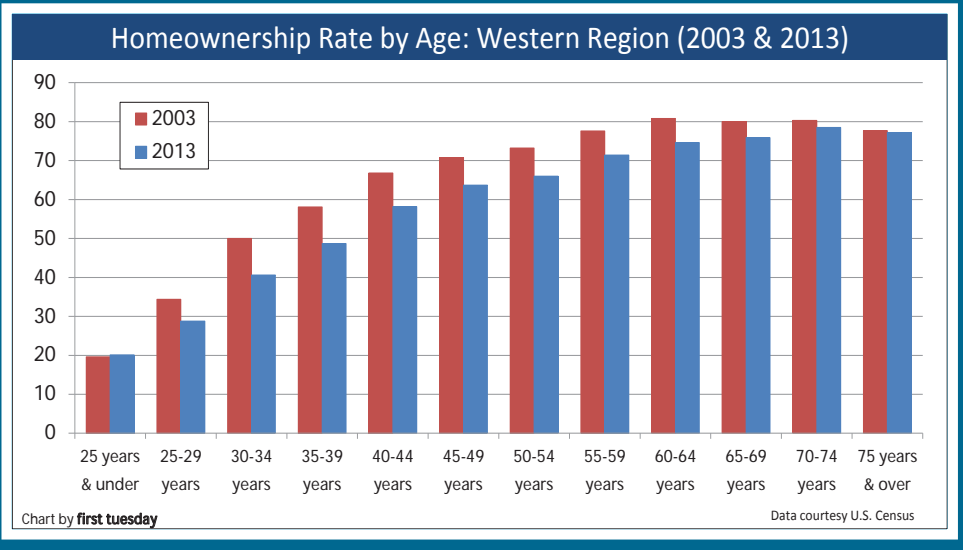
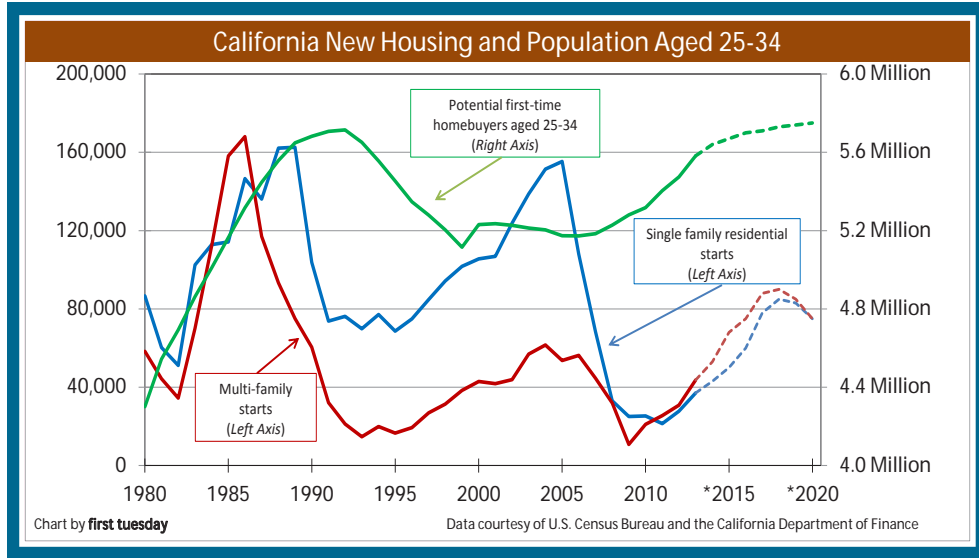
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Residential construction, first-time buyer population up

This chart presents the number of potential **first-time homebuyers** aged 25-34 to single- and multi-family residential **construction starts** in California.

California's potential first-time buyer population grew at a rate of 2% in 2013 as the massive **Generation Y** population continues to attain homeownership age. Meanwhile California multi-family construction starts – still historically low – continue to increase with vigor. Single family residence (SFR) construction has slowed in 2014, at this point languishing below 2013 levels in a reflection of Gen Y's **inability and unwillingness** to buy.

As **jobs are created** for this younger, better educated population, their appetite for shelter will be immense going into 2018-2020.



Homeownership continues to decline among first-time buyers

This chart compares the **rate of homeownership** among California's age groups in 2013 to the rate for the same groups in 2003.

Among potential **first-time buyers aged 25-34** approximately 35% own a home, compared with 41% at the height of the Millennium Boom. **Californians 55+** saw a smaller decrease in the rate of homeownership. Older homeowners had well-established equity and mostly avoided foreclosure during the Great Recession.

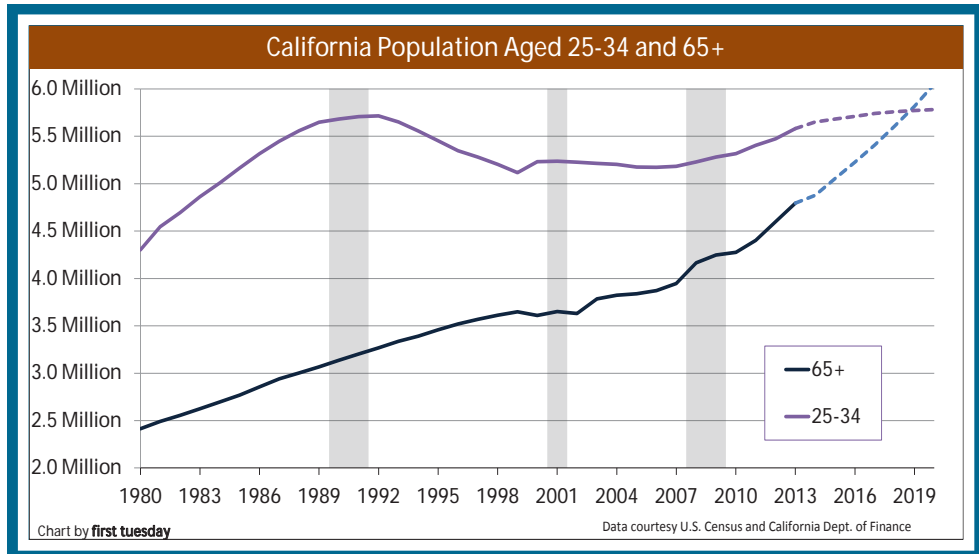
Though the population of 25-to-34-year-olds is growing, expect their rate of homeownership to continue to slip through 2017.

Retirement and jobs collide: enter the Great Confluence

This chart shows the number of **Californians aged 65+**, typically considered retirement age, and the number of **potential first-time buyers** aged 25-34.

Older Californians are growing in number, at 13% of the state's population in 2013. This is a 4% increase from the prior year, mirroring the 2% growth in the numbers of their Generation Y children. A whopping 75% of **Baby Boomers** are homeowners today and will remain so in retirement, though most will sell and downsize, purchasing a replacement home of equal or lesser price. Nearly half are expected to relocate from the suburbs to more convenient **city-living**.

Pair the mass relocation of the Baby Boomers with Gen Y's entry into the housing market and watch home sales volume grow considerably in the years 2017-2020. This **Great Confluence** of seniors and Gen Y will create a very fluid and stable California housing market.



Click on any chart for more information!