

# Monthly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from **first tuesday**  
 October 2015 • Vol. 4 • Issue 10 • **Jobs drive homeownership, first-time buyers stall**

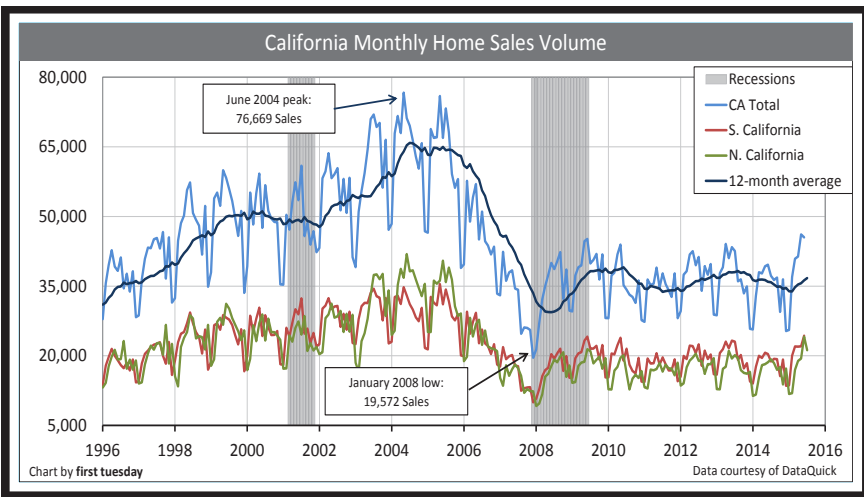
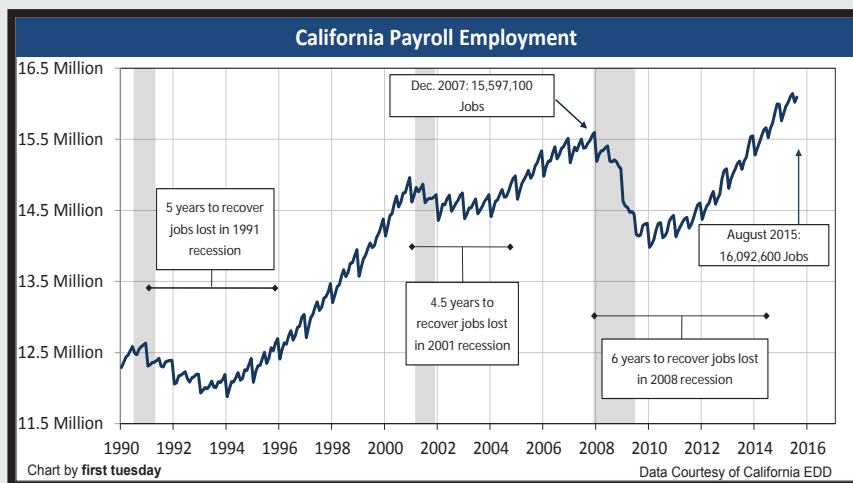
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## California job growth continues to surge

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

California employment numbers are well past the **pre-Great Recession** peak of 15.6 million jobs, reaching 16.1 million jobs in August 2015. Year-over-year growth shows an increase of 437,500 jobs. While the number of jobs is rising steadily, **wages** have not increased at the same pace. The reason: California's **working-age population** has increased by 1.2 million since the December 2007 peak in employment. California employment conditions will likely fully recover by 2019.

Expect to see a small wave of **buyer-occupants** until the Federal Reserve (the Fed) raises short-term interest rates. In turn, the Fed's action will temporarily stifle home sales volume, followed by prices by mid- to late 2017.



## Another home sales volume bounce – for now

This chart plots the number of **homes sold monthly** in Northern and Southern California, as well as statewide.

**45,500 new and resale home transactions** closed escrow in California in July 2015, 15% higher than a year earlier. Sales volume was down slightly from the prior month, the highest month for home sales volume in California since 2006.

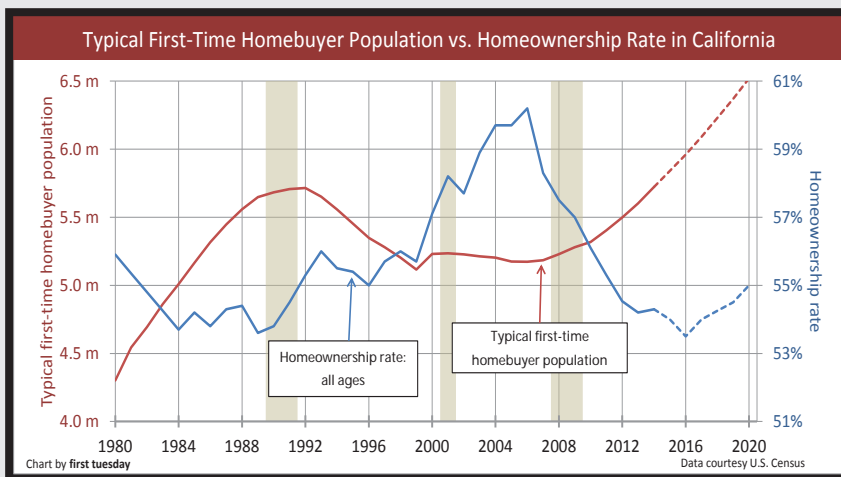
Sales volume will slip in 2016 due to the rise in short-term rates. This will be followed in 6 to 9 months by a reduction in real estate pricing as **fixed rate mortgage (FRM)** rates increase. However, 2017 is developing as the year for a significant increase in sales volume in spite of rising mortgage rates.

## Homeownership rate reliant on first-time homebuyers

This chart compares potential first-time homebuyers aged 25-34, with **California's homeownership rate**.

California's typical **first-time homebuyer** population numbered 5.7 million in 2014. This population is up 10% from before the **2008 recession** and growing. In 2014, the state's homeownership rate remained low at 54.3%, below the 60.7% peak in 2006.

California homeownership has dropped steadily since the conclusion of the **Millennium Boom**. The homeownership rate will remain at the current level until about 2018 when a wave of first-time homebuyers will enter the market and slowly drive up the homeownership rate.



Click on any chart  
 for more information!