

Weekly Real Estate Statistical Update

Up-to-date data on crucial California real estate trends from *first tuesday*

March 10, 2014 • Vol. 3 • Issue 10 • *California's aged population grows, good for real estate*

Presented by

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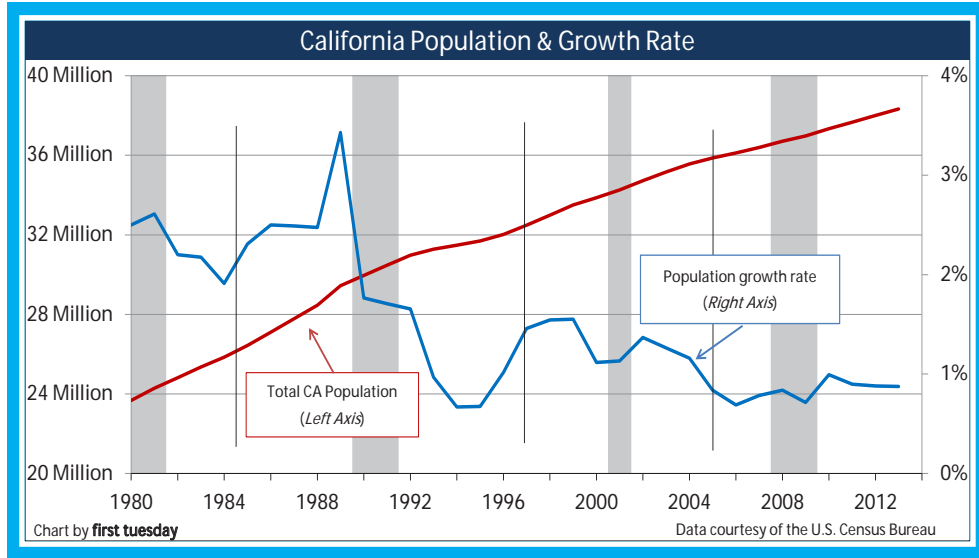
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California's constant population growth

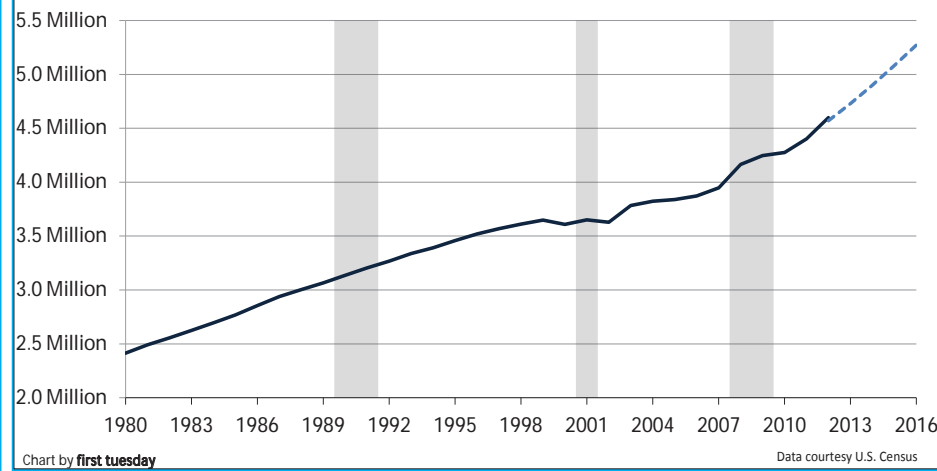
This chart tracks the annual change in **California's total population** since 1980.

California's population grew at a rate of nearly 1% in 2013. This is consistent with the average annual rate of population growth since 2000.

The state's steady population growth is essential for a long-term, **stable housing market**. As the population across the state grows, the growth brings with it new **household formations** and **demand** for residential rentals and sales.



California Population Aged 65+



California's senior population pushes upward

This chart tracks California's population of citizens aged 65 and over.

Around the age of 65, most Californians stop working full time. For income, they turn to their **accrued benefits** of social security and pensions. They top off their spending by consuming their accumulated wealth.

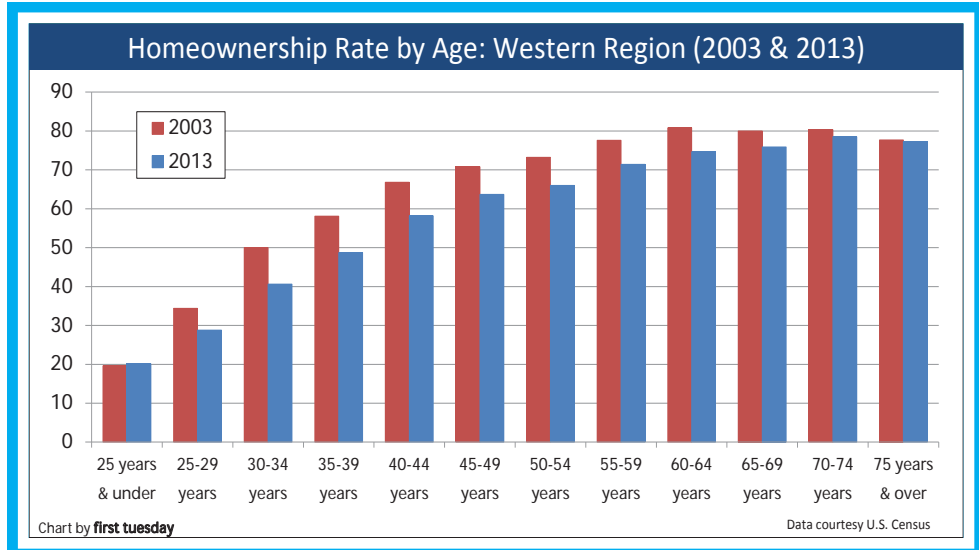
The most significant **lifestyle change** for most retirees is the sale of their current home, coupled with the purchase of another. These **replacement residences** will be smaller, centralized and closer to family in the urban cores. The price of the retirement home will typically be equal to or less than the sales price of the home they sold. This price ceiling formula is a consequence of carrying forward the low assessed value of the home sold.

A lofty homeownership rate for California Boomers

This chart tracks **homeownership by age** in the western census region. It reveals the high rate of homeownership among the rapidly enlarging retirement population of California's **Baby Boomers**.

The rate of homeownership in California dropped for nearly all age groups in 2013. Those aged 35 to 39 experienced the greatest drop in ownership. This group is 20% less likely to own a home today than during the **Millennium Boom**.

Baby Boomers are beginning to **retire en masse**. Most Boomers are homeowners and will remain so in retirement. The majority will sell and downsize, purchasing a replacement home of equal or lesser price, contributing greatly to home sales. Nearly half will relocate from the **suburbs** to more convenient **city-living**.



Click on any chart for more information!