

2016 4th Quarter Central Coast Real Estate Report

The San Luis Obispo County's Real Estate update includes data for all cities and surrounding areas of the Central Coast for ALL four quarters that made up the year of 2016 (January-December).

- **2,869 Total Home Sales** (2016) vs. 2,852 (2015)
- **\$555,000 Median Home Price** (2016) vs. \$525,000 (2015)
- **98.05% Sales per List Price** (2016) vs. 97.92% (2015)
- **\$342.15 Average Price per Square Foot** (2016) vs. \$325.80 (2015)
- **68 Cumulative Days on the Market** (2016) vs. 73 (2015)

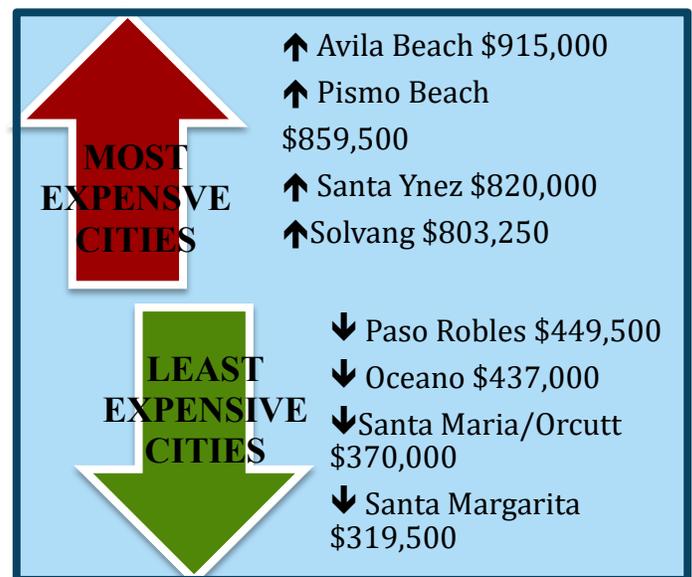
All five of the reported components of the real estate report for San Luis Obispo County improved in 2016 from the year prior, 2015. Total home sales increased by a small 17 total homes. However, the total number of sales that were normal vs. the distressed sales (REOs and short sales) increased by 1%, meaning there were less distressed sales in the year of 2016 vs. 2015.

The median home price increased from \$525,000 in 2015 to \$555,000 in 2016 for an increase of over 5% or a total of \$25,000.

The price per which a home is sold for vs. what it was listed for increased by .13% on a year on year basis. This increase means homebuyers are willing to pay more of the listing price of a home when compared to last year.

The average price per square foot increased by a total of \$16.35 on a yearly basis.

The cumulative days a home for sale sits on the market for, decreased by five days meaning homes are selling at a faster pace for the year of 2016.

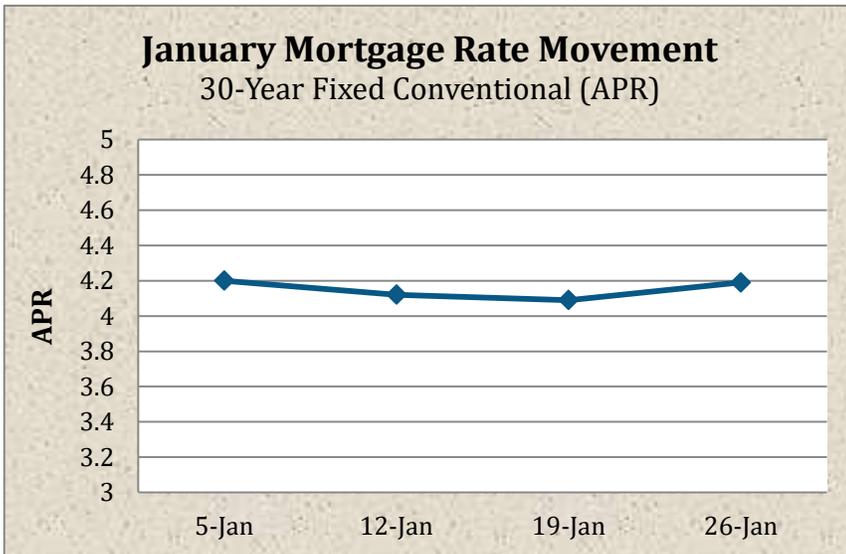


Above are the Central Coast's Most Expensive cities compared to the least expensive cities in the area. The cities in these two categories vary from the Most and Least Expensive cities for the four quarters of the year prior, 2015. Santa Ynez was the top most expensive city in 2015, with Avila Beach following, then Cayucos (not even on the top most expensive cities graph in 2016) and lastly Solvang rounds out the top most expensive cities on the Central Coast in both 2015 and 2016. As you can see these cities differ from the top cities and rankings of 2016.

Santa Margaritas slipped to the least expensive city on the Central Coast in 2016, when compared to 2015 where it was the second least expensive city followed by Santa Maria/ Orcutt; during the year of 2016 these two cities switched rankings. With the exception of the Santa Maria/ Orcutt and Santa Margarita switch the other cities in the Least Expensive cities on the Central Coast remained the same of that of 2015; with Oceano and Paso Robles rounding out the top four least expensive cities.

Mortgage Rates

Mortgage rates had their first post-election decreases in APR at the beginning of 2017 in the early weeks of January. Ever since Donald Trump was elected president back in November mortgage rates have skyrocketed, rising easily above 50 basis points; reaching a high of 4.32% APR in the last week of December. In the first weeks in January of 2017, mortgage rates saw their first decline since the presidential election. Rates decreased all the way down to 4.09%, still a high rate compared to the extremely low rates seen in all of 2016; when rates were at lows they haven't seen in years. These multiple dips in rates in the first three weeks of the year; didn't last long. During the week of January 26th rates increased by 10 basis points almost completely offsetting the drops made earlier in the month bringing the APR back up to 4.19%, 1 basis point off from where it was in the first week of the year.



News Briefs

Mortgage Applications

Purchase applications for home mortgages on a seasonally adjusted basis rose 6.0 percent in the week of January 20th to the highest level since June of last year. Unadjusted, the purchase index rose 2 percent in the week and was 0.1 percent higher than a year ago. Applications for refinancing rose only 0.2 percent from the prior week, with the refinance share of mortgage activity falling to 50 percent; down 3 percentage points from the prior week and lowest level since July of 2015.

Existing Home Sales

The lack of homes on the market is continuing to hold down sales. Existing home sales fell 2.8 percent in December to a lower than expected annualized rate of 5.490 million. This rate is offset by a sizable upward revision to November which is now at 5.650 million. Supply is at the lowest it's been since at least 1999. The number of houses on the market fell 11 percent in the month to 1.650 million. Supply fell from 3.9 months to only 3.6 months; readings that are very low. The lack of supply isn't making for new price increases, however, the median price is down 0.9 percent on the month at \$232,000 for a yearly rate of only plus 4.0 percent, down from 6.5 percent back in November and is now back to multi-year lows.

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