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TODAY'S REAL ESTATE NEWS

$760K the Median Price of a Single-Family Home on O'ahu – An All-Time High

Information obtained from the Honolulu Board of Realtors shows single-family home sales on O'ahu have hit an all-time high of $760,000. Condo prices have soared 20 percent hitting a new record as well.

Rising 8.6 percent where the median sales price of $700,000 was set in June 2015 for single-family homes. The median sales price for condos jumped a staggering 19.8 percent from $338,500 to $405,000 in just a year.

Whereas there was no change in the number of single-family homes sold in June with 324 sales, condos sales saw a 9.8 percent increase from 500 units sold in June 2015 to 548 sold in June 2016.

Not only has the median price of single-family houses soared but the median number of days on the market was only 14 days.

If we review all the data present the average median sales price of a single-family home may actually be lower as there were 20 properties that sold for over $2 million. Luxury homes are selling but there were 124 properties that sold for under $700,000. 267 condo units were sold for under $400,000.

Source: Pacific Business News

Equity is Found in 92% of Mortgaged Properties

Today more home owners have equity! At the end of the first quarter of 2016 about 46.7 million residential properties with a mortgage also had equity, according to data collected from CoreLogic. Year-over-year home equity rose by $762 billion.

268,000 home owners regained equity in the first quarter alone boosting the percentage to 92 percent of all mortgage properties with equity.

According to Frank Nothaft, chief economist for CoreLogic in the last four years equity for home owners with a mortgage has nearly doubled to $6.9 trillion. This reflects improvement in home prices and less distressed borrowers plus increased principal repayment. This is all positive for homeowners and the overall economy.

Anand Nallathambi, president and CEO of CoreLogic expects this positive trend to continue throughout 2016 and into next year as home prices continue to rise. If the number of underwater borrowers will fall by another one million next year if home values rise another 5 percent across the U.S.

Still 8 percent; 4 million, homes with a mortgage remain in negative equity. Despite this statistic the number of negative equity properties has steadily dropped. There was a 21.5 per cent drop in negative equity properties year-over-year in comparison to the fourth quarter of 2015.

The states with the highest percentage of homes in negative equity and accounting for 30.2 percent of negative equity in the U.S. are: Nevada (17.5%); Florida (15%), Illinois (14.4%); Rhode Island (13.3%); and Maryland (12.9%).

In the first quarter state with the highest percentage of homes with positive equity are: Texas (98.1%); Alaska (97.8%); Hawaii (97.8%); Colorado (97.5%); and Washington (97.2%).

Source: CoreLogic

Maui - Maui Homes and Condominiums Average Sales Prices Rise

According to statistics from the Realtors Association of Maui both single-family homes and condominium average sales prices rose when compared to the same month last year.

The total number of condos sold increased from 99 to 110 an 11 percent jump with sales prices climbing 8.2 percent from $355,000 to $384,000. Whereas the number of homes sold last month went from 101 to 96 resulting in a 5 percent decrease. The median sales price of single-family homes increased 1.1 percent from $650,000 last year to $657,000.

Central Maui had the most homes sold with 34, the same as last year. Kihei had the most condo sales despite a 25.5 percent decrease from June 2015, with 35 condos a drop from 47 of last year.

Kauai – Price Increase for Both Homes and Condos

The Hawaii Information Service on behalf of the Kauai Board of Realtors showed median prices for single-family homes and condominiums sold in June 2016 jumped by double digits.

The median price of single-family homes soared 21.2% from $570,000 to $690,999 in June 2016. Median sales price for condos increased 12.2% from $306,504 in the same month last year.

Up 34% the number of homes sold went from 47 in June of 2015 to 63 in June 2016 a 34% increase. Whereas condo sales took a fall from 42 units sold June of 2015 to 22 in June of 2016 down 47.6%.

Big Island – Home Prices Up as Condo Prices Fall

Up 30% the median home price climbed to $371,500 the same month last year. Down 13.7%; the median sales price of a condo was $246,000.

Up from 170 single-family homes sold last year to 185 this year sales increased 8.8%. Whereas condo sales decreased from 55 units sold last year down to 49 this year in the same month; a 10.9% decrease.

South Hilo saw a spike in single-family home sales up 72.2% from the same month last year with an increase of sales from 18 to 31 homes sold this year. North Kona saw a steep decline in condo sales with 22 condos sold resulting in a 40.5% decrease in units sold in June 2015.

Source: Pacific Business News

Will "Brexit" Boost U.S. Real Estate

Investors seeking a safe haven after Britain announced their decision to exit the European may bring in an influx in investment into U.S. real estate.

NAR Chief Economist Lawrence Yun sated that the demand for U.S. real estate could rise and on the commercial side as well. Global corporations may look to the U.S. as a more favorable and stable option to set up or maintain their businesses as London becomes less attractive to conduct global business due to uncertainty.

Greg McBride of Bankrate.com encourages borrowers to lock in rates now as its certain a rise in the dollar is expected to put a downward pressure on long-term mortgage interest rates. McBride believes the opportunity of locking in a low interest rate won't last long.

Whereas, Fannie Mae Chief Economist Doug Duncan believes low rates due to the economic uncertainty may stay for a while. Doug believes that the Fed will want to monitor the impact on U.S. and global financial markets before increasing rates.

If mortgage rates at an already all-time low in the U.S. were to drop further all types of real estate could see foreign investment increase. Foreign households who may have invested in London will now look for alternatives and they may turn to the U.S. as an option. The U.S. should expect to see fewer British investors who historically have been top buyers of vacation homes and investment properties as their economy adjusts to this change.

When thinking of the long-term effect of Britain exiting from the European Union there is an immense amount of uncertainty which as a result could cause a global weakening, which on the macro side of things would affect jobs negatively, income, and overall consumer confidence. This would bring a net-negative for the U.S. real estate market, even if it sees gain in the short-term.

Source: REALTOR Magazine

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