

# Real Estate & Economic Report



April 24, 2022

[Click Here](#) to clear your browsing history  
to better view this Internet page.

[Click Here](#) for easy viewing in your browser

---

## *Here's the latest real estate and economic news*

- Shanghai, China with a population of 24 million is on a strict Covid lockdown . . . in a recent Zoom meeting, a long-term client reported not leaving her high-rise apartment for 3 weeks.
  - The Port of Shanghai, China is the busiest in the world and the airport is the third busiest cargo airport.
  - With hundreds of ships and planes waiting to be loaded with goods, expect this lockdown to add to the supply chain dilemma and the resulting inflation we are experiencing?
  - High inflation has homebuyers relocating to more affordable areas in record numbers.
  - In the first quarter, 32.3% of Redfin.com users looked to move to a different metro area.
  - Redfin also reports more sellers are cutting their home prices as the housing market softens.
  - 12% of homes on its' website saw price cuts in the week ending April 9 . . . the biggest one-month drop since 2015.
  - Also, over the past month, there were 3% fewer requests for home tours.
  - The average 30-year fixed-rate mortgage rate has spiked from 3.0% to 5.25% in just four months . . . a 12-year high (see chart below).
  - That increase has pushed the payment on a \$500,000 loan from \$2,138 per month to \$2,684 at the higher rate.
  - Mortgage demand has fallen to nearly half of what it was a year ago.
  - Oil and gas leases are to resume on federal lands . . . but with an 80% reduction in the amount of land being leased and an increase in the royalties companies must pay.
  - BTW - let's not feel sorry for the fossil fuel industry . . . coal, oil and natural gas received \$5.9 trillion in subsidies in 2020 . . . according the International Monetary Fund.
  - Direct subsidies accounted for 8% . . . the remaining 92% were in the form of tax breaks and health and environmental damages that were not priced into the cost of fossil fuels.
  - In more good news for U.S. industry, materials purchased for the \$1 trillion infrastructure bill will have to be produced in the U.S. unless there is a shortage of supplies.
  - Natural gas surges to the highest level since 2008 as Russia's war upends energy markets.
  - California's population is falling . . . our population is currently 39,664,128 . . . it seems we are all on I-5 at the same time (see graph below).
-

## *Mortgage rates hit a 12-year high*

### **Mortgage rates are spiking**

Average 30-year fixed mortgage rate



Click the graph to enlarge it.

---

### ***Residential construction workers wages on the rise***

- The average hourly earnings for residential building workers rose 6% year-over-year from \$27.01 in February 2021 to \$28.66 in 2022.
- This was 16.7% higher than manufacturing's average hourly earnings of \$24.56 . . . 12.9% higher than transportation/warehousing . . . 10.8% lower than mining and logging jobs.
- Construction job openings in February remained elevated at 4.8% and the unemployment rate fell to 3.6% in March.
- As a skilled labor shortage persists, rising wages may be one of the effective ways to attract people to fill empty positions.
- Apprenticeship programs are expanding to help train workers in the building trades.
- Skilled construction professionals are more valuable today than general college graduates.

## Average Hourly Wages Growth for Residential Building Workers



Click the graph to enlarge it.

---

### *Used car prices jump over last year*

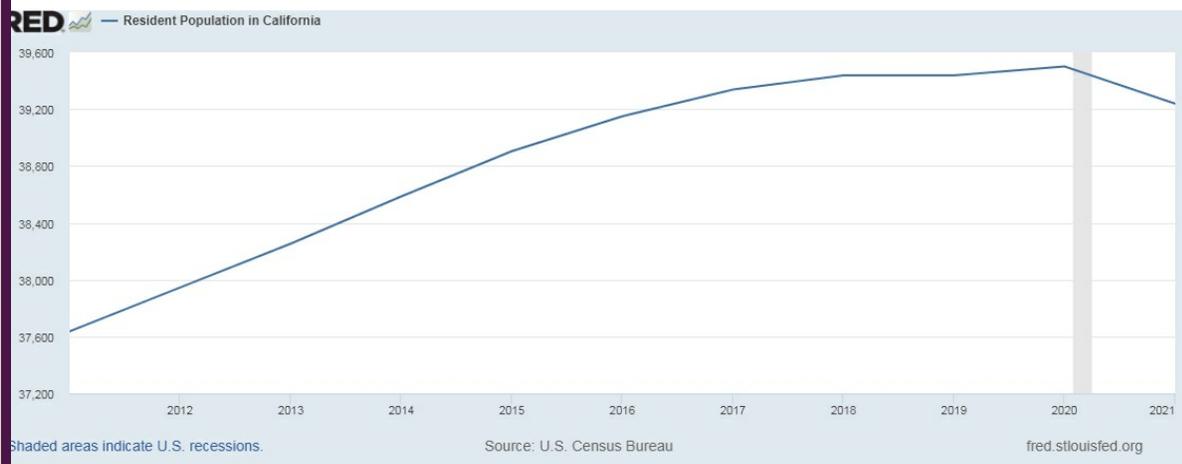
- Along with slowing sales, home foreclosures are increasing.
- In January there was a seven-fold increase in foreclosure starts as compared to December . . . roughly 33,000 loans were referred to foreclosure, according Black Knight.
- ATTOM Data Solutions revealed that lenders repossessed 2,634 U.S. properties in February . . . an increase of 70% from last year . . . still down 45% from last month.
- The increase is an early sign that the governmental protections implemented during the pandemic are starting to wear off.
- Remember, millions of borrowers got mortgage relief during the pandemic that put their mortgage payments on hold.
- Most got back on their feet and ended their forbearance in 2020 and 2021.
- Those who remained in forbearance into 2022 are likely to have permanent financial hardships . . . they're less able to resume their payments and more likely to end up in foreclosure.
- There's a backlog of loans that are either in loss mitigation or past due.
- Further, employment recovery is still not complete as there are fewer employed now than before the pandemic.
- On the plus side . . . January's foreclosure rate remains 40% lower than pre-pandemic . . . the housing market is still going strong . . . owners have record equity.

# Small, fuel-efficient used cars have seen prices increase significantly in the last 12 months

MAKE/MODEL ↕	AVERAGE PRICE IN MARCH '22 ↕	YEAR-OVER-YEAR PRICE INCREASE ↕	YEAR-OVER-YEAR PERCENT CHANGE ↕
HYUNDAI SONATA HYBRID	\$25,620	\$9,991	63.9%
KIA RIO	\$17,970	\$5,942	49.4%
NISSAN LEAF	\$25,123	\$8,288	49.2%
CHEVROLET SPARK	\$17,039	\$5,526	48%
MERCEDES-BENZ G-CLASS	\$220,846	\$71,586	48%
TOYOTA PRIUS	\$26,606	\$8,269	45.1%
KIA FORTE	\$20,010	\$6,193	44.8%
KIA SOUL	\$20,169	\$6,107	43.4%
TESLA MODEL S	\$75,475	\$22,612	42.8%
MITSUBISHI MIRAGE	\$14,838	\$4,431	42.6%

Click the chart to enlarge it.

## California's population is falling



Click the graph to enlarge it.

# Privacy Protection Day

*Things that should  
be shredded:*

Legal Documents  
Medical Records  
Financial Statements  
Accounting Files/Records  
Personnel Files  
Audits/Survey's  
Bank Statements  
Tax Records  
Receipts/Invoices  
Canceled Checks  
Business Plans  
Photographs  
Computer Reports  
Credit Card Numbers

## Identity theft strikes more than 10 million Americans per year!

**It costs American business and consumers more than \$53 billion per year according to the Federal Trade Commission.**

As a community service, Neal Hribar is sponsoring a **FREE** shredding event. A commercial shredding truck will be on hand to shred the boxes of personal papers that you've been storing in your attic, garage or office. (No CD's or plastic)

Questions? Call me at 760-822-8690 or e-mail: [home@hribar.com](mailto:home@hribar.com)

**Saturday April 30, 2022 10:00 AM to 12:00 PM**

Berkshire Hathaway HomeServices - 5973 Avenida Encinas #110 Carlsbad, CA 92008

★ **Bring your friends and neighbors** ★

Neal Hribar • Berkshire Hathaway HomeServices • 5973 Avenida Encinas #110 Carlsbad, CA 92008 • 760-822-8690

Click the above announcement to enlarge it.



Neal Hribar

*High Performance Real Estate*

Berkshire Hathaway HomeServices

California Properties

5973 Avenida Encinas #110 | Carlsbad, CA  
92008

**760-822-8690**

E-mail: [home@hribar.com](mailto:home@hribar.com)

Web Site: [www.hribar.com](http://www.hribar.com)

CA License: 00871930

