

WHAT'S UP?

A look at interest rates

THE FOUR L'S

What impacts new construction

BYE-BYE

Top places to leave

OLDER HEADS

Heads of households

WINDERMERE DIFFERENCE

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THE TOP 5 ECONOMIES IN THE U.S.

Source: Business Insider

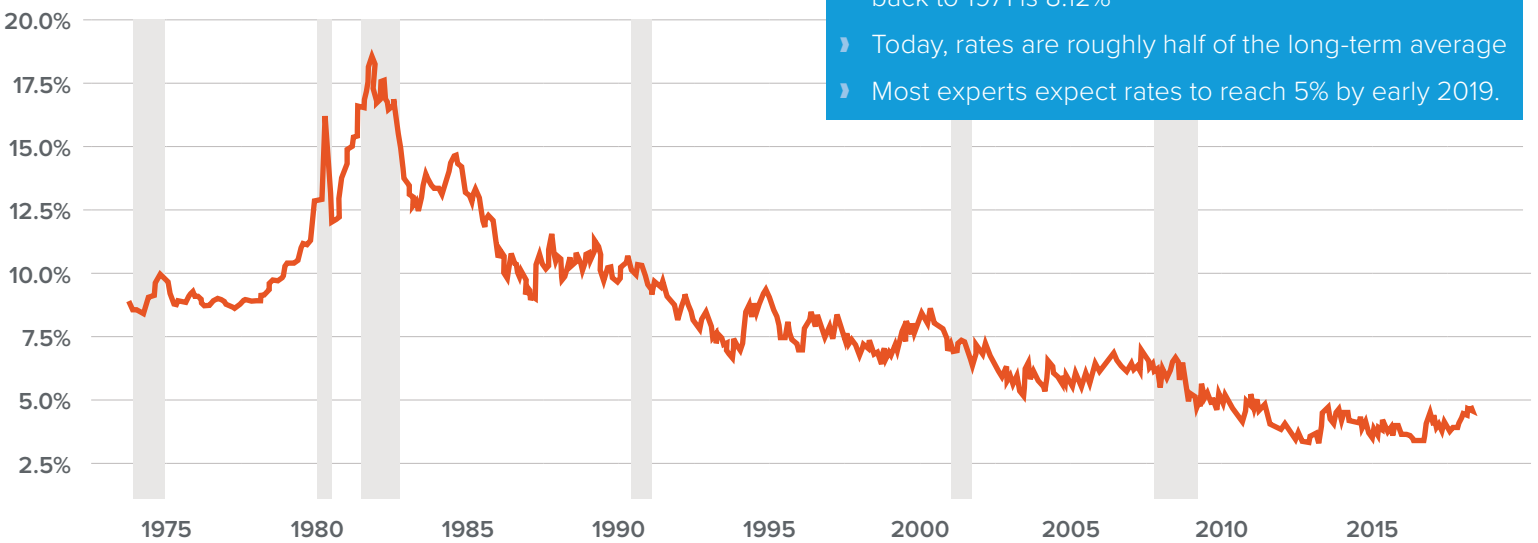
- 1 SAN JOSE, CA
- 2 SAN FRANCISCO, CA
- 3 AUSTIN, TX
- 4 SEATTLE, WA
- 5 DENVER, CO



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WHAT'S UP?

Here's a look back at 30-year mortgage interest rates.



SOME FACTS ABOUT INTEREST RATES:

- › The long-term average mortgage interest rate going back to 1971 is 8.12%
- › Today, rates are roughly half of the long-term average
- › Most experts expect rates to reach 5% by early 2019.

Source: St. Louis Federal Reserve

THE FOUR L'S

According to *Metro Study*, the Front Range is in the 5th year of underbuilding which amounts to over 30,000 more new homes that are needed. Why aren't there more new homes? The *Home Builder's Association* cites the four L's.

- › **LABOR** – construction workers are hard to find especially because the oil and gas industry has taken off
- › **LUMBER** – building costs, particularly lumber, have soared in recent years
- › **LOTS** – affordable homesites near metropolitan core areas are hard to find
- › **LENDING** – loans for small and medium-sized builders are challenging to obtain

OLDER HEADS

The growing tendency of 25-to-34-year-olds to stay with parents, relatives or share housing with unrelated housemates, means that the number of young adults starting their own households has been declining. Census data shows that only 40% of young adults ages 25 to 34 led their own household in 2016. In comparison, close to 46% of adults in this age group were household heads in 1990 and 2000.

BYE-BYE

Which cities see the largest number of people leaving? It turns out, the places that experienced the largest amount of net out-migration are mostly in the mid-west. This is according to *24/7 Wall Street* who compiled these numbers between 2010 and 2017:

CITY	OUT-MIGRATION 2010-2017
1. Chicago	296,320
2. Los Angeles	93,959
3. Detroit	54,640
4. St. Louis	39,894
5. Cleveland	33,117



THE WINDERMERE DIFFERENCE

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to our clients and the reasons to work with us. Contact us to receive your complimentary copy.