



July 19, 2024

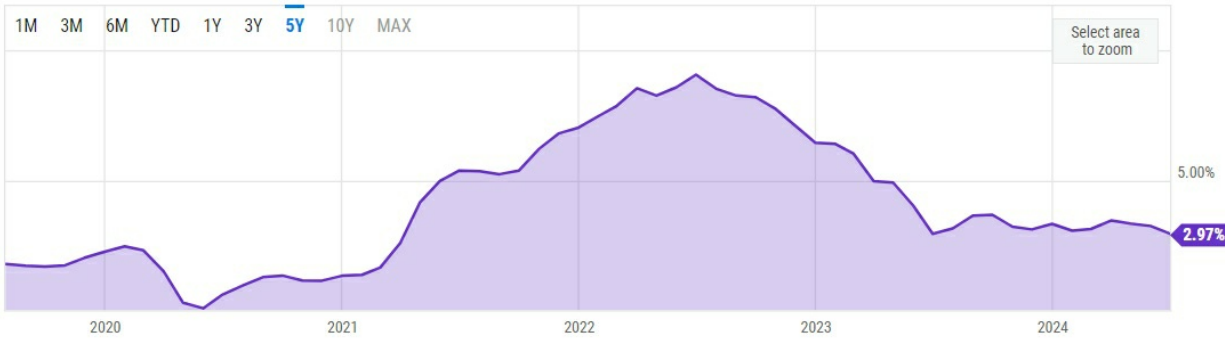
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- The U.S. unemployment rate came in at 4.1% for June . . . compared to 4.0% last month and 3.6% last year.
  - This is less than the long term average rate of 5.69% and is heading the right direction for lower inflation.
  - The U.S. inflation rate stood at 2.97% in June, compared to 3.27% last month and 2.97% last year (see graph below).
  - As U.S. Treasury rates begin to fall, mortgage rates have followed suit . . . the 30-year fixed-rate mortgage is now about 6.7%.
  - The trend to smaller new homes continues in an effort to make them more affordable (see article below).
  - Building lots are also shrinking . . . 65% of new single-family detached homes are being built on lots under 9,000 sq. ft.
  - 40% of new homes are built on lots smaller than 7,000 sq. ft. compared compared with only 28% that size in 1999 (see chart below).
  - There's a major gap between buyers' expectations and new home prices (see chart below).
  - Elon Musk said X and SpaceX will move their headquarters to Texas from California.
  - China's latest quarterly economic growth came in lower than expected at 4.7% year-over-year . . . expectations were for a 5.1% move . . . China has been slow to recover from the pandemic.
  - Chinese funds sold off a net \$42.6 billion worth of long-term U.S. securities . . . Treasuries accounted for more than half.
  - China is one of the biggest foreign holders of Treasuries and a divestment trend will put upward pressure on yields.
  - The world's power grids are failing and the risk of outages is growing as climate change warms up the planet and the demand for more electricity is growing.
  - Expanding the electric transmission grid will cost about \$24.1 trillion to meet net-zero goals by 2050 . . . with the U.S. and China facing the biggest bills.
  - A bidding war for the NBA expansion team expected to be in Las Vegas may be a record . . . over \$7 billion (see chart below).
  - Kroger/Albertsons plan to close 579 stores if their merger goes through . . . 62 closures are in Oregon with only one in the Rogue Valley.
  - In the last few years, homes have sold at or above the asking price . . . that situation changed in May and June when the typical home went for 0.3% less than the asking price.
  - It's a small change but it may be signaling a shift to a buyer's market.
  - Locally, homes are selling at 96.6% of the list price (see graphs below).

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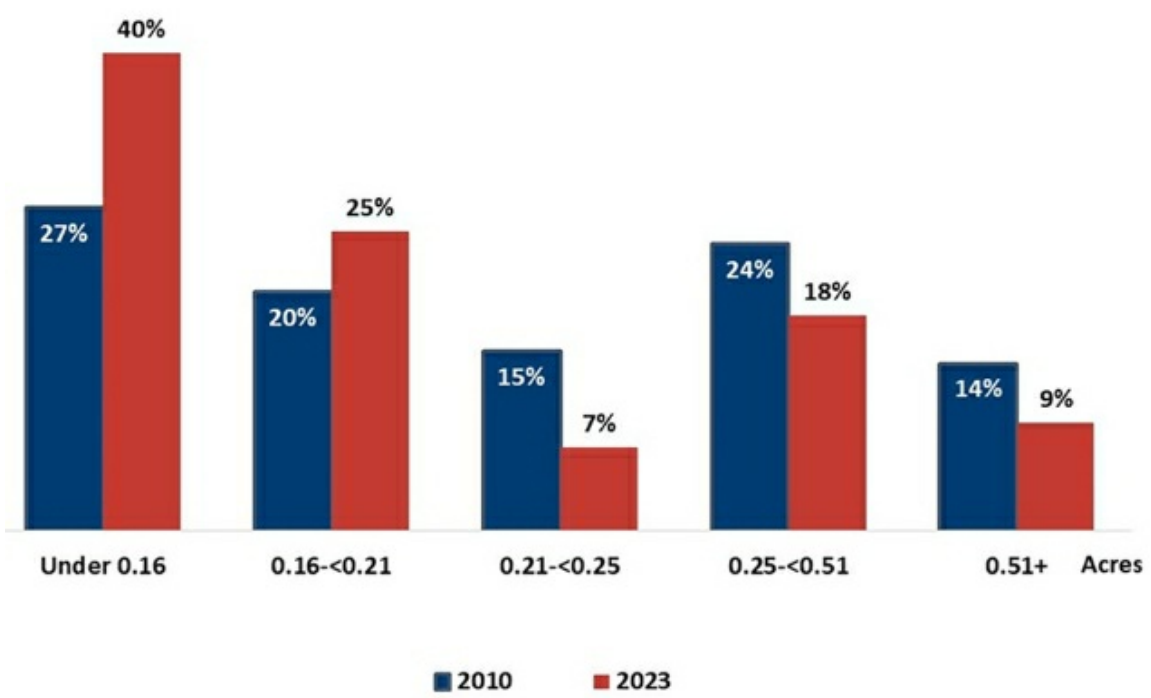
***Inflation is coming under control.***



Click the graph to enlarge it.

*New home lot sizes are shrinking.*

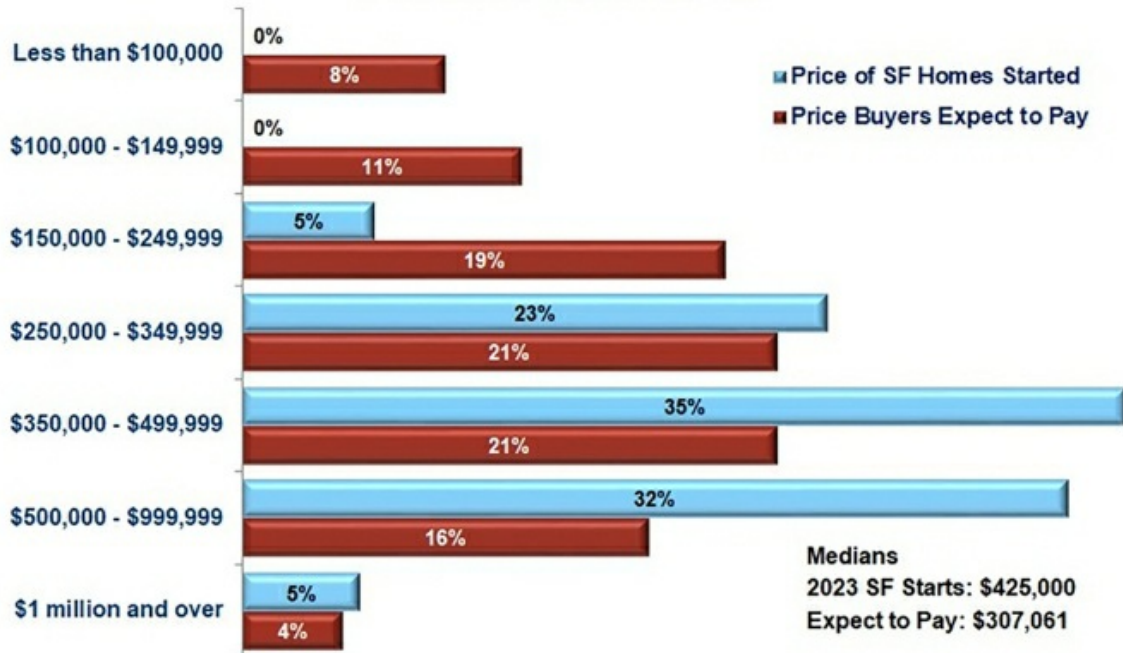
**Lot Size Distribution:  
New Single-Family Detached Homes Sold**



Click the chart to enlarge it.

*Buyers of new homes expectations don't match with prices.*

## Price of Single-family Homes Started in 2023 vs. Price Buyers Expect to Pay



Sources: NAHB tabulation of data from the Survey of Construction, U.S. Census Bureau and HUD  
 What Home Buyers Really Want, 2024 ed., NAHB

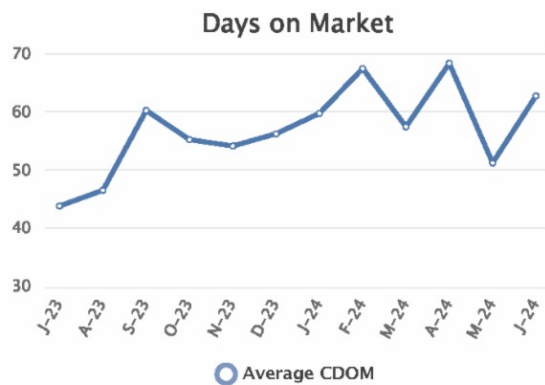
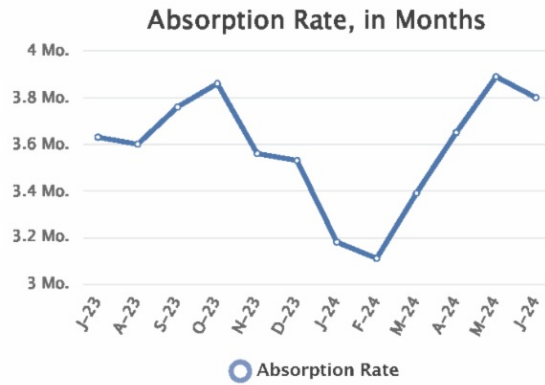
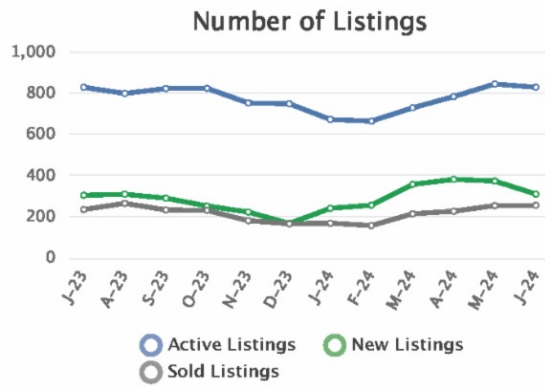
[Click the chart to enlarge it](#)

### ***HBI report shows more construction workers are needed.***

- More skilled construction workers are needed to reduce the nation's housing deficit estimated at 7 million more homes.
- The Home Builders Institute (HBI) reports a drastic increase in the demand for construction labor to alleviate this deficit.
- An estimated 500,000 additional construction workers are required on top of the normal hiring pace.
- With more than 1 in 5 construction workers aged 55 or older, retirement will reduce the industry's workforce.
- These older workers are the most experienced and their departures are concerning to industry leaders.
- Average hourly wages in the construction industry have increased 5% over the last year . . . they exceed that of the national private sector.
- Women make up a growing share of construction employment . . . 1.3 million in total . . . reaching 10.9% of this workforce
- There is a 53% increase in women in the field over the last decade.
- Oregon and other states have certified apprenticeship-readiness programs to help women prepare for a career in the skilled construction trades.
- Locally, *Northern Lights* is an electrical contractor owned and operated by a woman.
- **Do you know of any other female-owned construction companies? Please reply and let me know.**



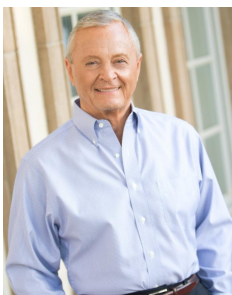
## Here's a snapshot of Jackson County's real estate market



Click the graph to enlarge it.

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