

## Mise à jour par Rafic Vartan sur l'économie américaine

Market update for the week ending February 9 2019

CRUDE OIL 52.71    GOLD 1.318.20    SILVER 15.82    EUR/USD 1.13

**Stock markets ended the week almost unchanged after 5 weeks of solid gains** - Stocks were mostly flat this week as renewed trade worries overshadowed a solid earnings reporting season. So far nearly two thirds of companies have reported earnings. Nearly three quarters of them beat expectations. The US and China agreed in December to hold off on any new tariffs until March 1, as it appeared that both countries' economies were beginning to suffer. With that date approaching and no deal in place investors are getting anxious. The Dow Jones Industrial Average closed the week at 25,106.33, up 0.2% from 25,063.89 last week. It's up 7.6% year to date. The S&P 500 closed the week at 2,707.88, almost unchanged from 2,708.53 last week. It is up 8% year to date. The NASDAQ closed the week at 7,298.20, up 0.5% from 7,263.87 last week. The NASDAQ is up 10% year to date.

**Treasury Bond Yields lower this week** - The 10 year Treasury bond closed the week yielding 2.63%, down from 2.70% last week. The 30 year Treasury bond yield ended the week at 2.97% down from 3.03% last week. We watch Treasury bond yields because mortgage rates follow bond yields.

**Mortgage rates lower this week** - Rates at the lowest levels since March 2018. The February 7, 2019 Freddie Mac Primary Mortgage Survey reported that the 30 year fixed mortgage rate average was 4.41%, down from 4.46% last week. The 15 year fixed was 3.84%, down from 3.89% last week. The 5 year ARM was 3.91%, down from 3.96% last week.

**Real estate counteroffers. Is there a limit to how long this can go on?** - Is there a limit on the number of real estate counteroffers home buyers and sellers can make? You might be wondering this if you're in the throes of negotiating a real estate deal. You offer X, the seller counteroffers with Y, you volley back and hope it's over. Yet on and on it goes, like a never-ending tennis match. Exactly how long can this last? Is there a limit to real estate counteroffers? Alas, there is not. There's no legal limit to how many counteroffers buyers and sellers can make. Counteroffers can be made as part of the negotiating process

until there's a signed agreement between the buyer and seller, or the seller decides to take their home off the market.

- **Why won't counteroffers stop?** - In some cases, a stream of counteroffers might be a stalling tactic on the part of sellers who are really hoping a better offer rolls in. That makes sense for them, but it's plenty frustrating if you're trying to buy the property. One way to get past your frustration and perhaps move negotiations forward is to mentally put yourself in the seller's position. If you owned this home, you might want to hold out for the highest possible offer, too.
- **How to end a real estate counteroffer stalemate** - In some cases, it's really not about money. Your Realtor should be able to find out from the listing agent what the sellers really want and if there are other interested buyers. If the sellers are looking for flexibility on the closing date or want you to waive a contingency, you may be able to win their signature on a contract without offering more money. You can also offer to have the sellers live in the home rent-free for a period of time if they need to find their next home. I have seen as many as eight counteroffers in a deal! After the first couple, people are getting petty over little things. I always try to be on the phone talking it out way before that point and get it done. And then sometimes, however, the deal is just not meant to be. Unfortunately, you may also find you simply cannot compete, and the sellers will accept another buyer's offer. In that case, we'll need to move on and look for a home in the same area or another neighborhood that meets your requirements.

**The home buying cost you shouldn't overlook** - Home buyers should also consider closing costs before taking out a mortgage. Closing costs include recurring and nonrecurring fees for various service providers besides the mortgage company.

- **Recurring** - Recurring closing costs include interest, insurance and taxes, which are normal costs associated with owning real estate.
- **Nonrecurring** - Nonrecurring closing costs are the one-time fees you pay when you secure a mortgage for a home. Lender origination fee, appraisal fee, title fee, notary fee, document prep fee, essentially every fee paid just one time in conjunction with completing the transaction.

**LA rents aren't budging in 2019** - The price of rent barely moved in the last year. One month into 2019, Los Angeles rental prices are looking much the same as they were at the close of 2018, according to a new report from Apartment List. The analysis finds that the city's median rent price for a one-bedroom apartment was \$1,360 during January. A typical two-bedroom cost \$1,750. Both prices were unchanged from a month earlier. Over the last year, prices rose marginally, by about 1.4%. That rate of growth actually exceeds averages for the state (0.3%) and the nation (1%), but falls well under the 3% annual price bump allowed under Los Angeles's Rent Stabilization Ordinance. The slow rate of growth is good news for renters, but those looking for a new apartment might have trouble finding prices similar to those in the Apartment List study. The rental listing site calculates rent prices using U.S. Census data, giving a good sense of what tenants in LA are paying right now.

**Team chosen to lead Silver Lake Reservoir master plan** - Landscape architecture firm *Hargreaves Associates* has been chosen to guide the future of the Silver Lake Reservoir. The team, one of three

finalists for the job, was approved Friday by the board of public works. The plan will guide the reservoir's transformation from water storage to full-on community space. The department should receive the last needed approval from Mayor Eric Garcetti by the end of the week and kick off the outreach process shortly after. Though the Silver Lake Reservoir was once used as a water source and water storage for the city, it's now transitioning to a new role as a community space and asset.

**Quote of the week**

*You never know how strong you really are,  
until being strong is the only choice you have!*

