C.A.R. MARKET MATTERS®
LEADING THE WAY...® IN REAL ESTATE MARKET NEWS

CALIFORNIA ASSOCIATION OF REALTORS®

Homeowners' wealth jumped $150,000 in 5 years

Source: Money.com

Though the housing market has been a rollercoaster ride over the past few years, homeowner wealth has surged by nearly $150,000 in the last five years. The pandemic initially caused a slowdown, but it was followed by a period of unprecedented demand, leading to sharp price increases and a competitive landscape for buyers. According to the National Association of REALTORS®, the pace of price increases has slowed down somewhat, however. The national median home price increased by 3.1 percent year-on-year in the third quarter of 2024, a slowdown from the 5 percent increase seen in the second quarter. While prices are still elevated, the deceleration suggests a potential shift toward a more balanced market.

NAR's data shows that nearly 90 percent of major U.S. metro areas saw home price increases in the third quarter of 2024. Prior to 2024, mortgage rates had been steadily rising, reaching a peak above 7 percent, which had a chilling effect on affordability. However, the 30-year fixed-rate mortgage has since averaged in the mid-6 percent range, improving affordability. The monthly mortgage payment on a typical existing single-family home with a 20 percent down payment decreased by 2.4 percent year-over-year in the third quarter.

READ MORE

TOP STRATEGIES OF MILLIONAIRE AGENTS

This system gives real estate agents the key strategies that separate the winners from the also-rans. Only serious agents determined to achieve massive business growth should **>> MORE**

Unsung power players of real estate: How Gen X impacts the market

Source: Realtor.com

The real estate market seems to be constantly buzzing about baby boomers, Millennials and Gen Z, but what about Gen X? Born between 1965 and 1982, Gen X is the smallest age cohort by population, but they're no less mighty when it comes to the housing market. Though Gen X accounts for just 19 percent of the U.S. population, a new National Association of REALTORS® report reveals that they represent 24 percent of recent homebuyers – a significant slice of the market. Around 60 percent of Gen Xers own their homes, and these properties carry some serious value.

Gen X is the second-highest-earning generation with an average annual income of $126,900 in 2023, with an average home size of 1,940 square feet. But homeownership hasn't come without challenges. Gen X also shoulders more debt than any other generation, including an average of $45,557 in student loans and an average of $279,935 in mortgage balances. Many Gen Xers locked in historically low interest rates during the 2000s and early 2010s, with an average mortgage rate of just 4 percent, according to Freddie Mac.

READ MORE

Mini gold rush drives up property values in the Mojave Desert

Source: KTLA

It has been nearly 200 years since the famous California gold rush of the late 1840s, but mining property is hot once again, at least in one area of Southern California. Record-high gold prices have driven demand for mines in the Mojave Desert, the *Los Angeles Times* reports. "It's a modern day gold rush," entrepreneur Sean Tucker told the *Times*. "People are snapping up claims as quickly as possible."

The physical dangers of mining remain, as do financial concerns. One might need to find only 18 ounces to make the property pay for itself. Plenty of gold is being found, but as one truck-driver-turned-miner noted, nothing about mining is simple or guaranteed. "It's not easy," Rudy Salazar said. "But I hope it pans out."

READ MORE

Housing clash involving two mortgage giants could drive up mortgage costs

Source: Yahoo! Finance

The Trump administration's latest push to end government conservatorship of Fannie Mae and Freddie Mac has the housing world abuzz. According to the National Association of REALTORS, these government-sponsored enterprises (GSEs) guarantee about 70 percent of U.S. mortgages. Any alterations to their structure could send shock waves

through the housing market, impacting everything from mortgage rates to affordability.

Fannie Mae and Freddie Mac have been under federal control since 2008 when the financial crisis pushed them into conservatorship. They are critical to the housing market because they buy mortgages from lenders, package them into securities and sell them to investors. This process allows banks to maintain the liquidity they need to continue issuing loans that help millions of Americans obtain long-term fixed-rate mortgages. Privatizing these two major lenders could remake the entire housing finance system. Advocates argue that it would reduce taxpayer risks and bring competition into the market. Critics, however, caution that it could come at a high price for borrowers. Without the implicit guarantee from the government, investors might grow more wary of mortgage-back securities, forcing up yields and, ultimately, mortgage rates.

READ MORE

Housing cost burdens climbed to record levels in 2023

hikes un

Source: Harvard Joint Center for Housing Studies
Housing affordability worsened again last year, as a record number of U.S. households were cost burdened. According to Harvard's Joint Center for Housing Studies' analysis of the 2023 American Community Survey data, an all-time high 42.9 million households were cost burdened, meaning they spent more than 30 percent of their income on housing costs. Additionally, 21.5 million households were severely cost burdened, devoting more than 50 percent of their income to housing, marking another all-time high.

The majority of the rise in burdened households was driven by an increasing number of cost-burdened homeowners, up by 3.6 million since 2019 to 20.3 million overall. Fully 24 percent of homeowners were burdened by housing costs. Median monthly costs for homeowners increased 6 percent in 2023 to $1,327. Overall costs for homeowners have risen 18 percent since 2019. At the same time, median homeowner incomes have risen 16 percent.

READ MORE

Homebuyer mortgage demand jumped 6% as interest rates fell

Source: CNBC

Potential homebuyers are responding to lower mortgage rates and a higher supply of homes for sale. That fueled mortgage demand last week, as consumers looking to refinance pulled back. Total mortgage application volume rose 2.8 percent compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. An additional adjustment was made for the Thanksgiving holiday.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances of $766,650 or less decreased to 6.69 percent from 6.86 percent, with points remaining falling to 0.67 from 0.70 (including the origination fee) for loans with a 20 percent down payment. Applications for a mortgage to purchase a home jumped 6 percent for the week and were 21 percent lower than the same week one year ago. Refinance demand dropped 1 percent for the week and were 7 percent lower than the same week one year ago. Conventional refinance

applications declined despite the lower rates, but FHA and VA refinances rebounded from the week prior.

READ MORE