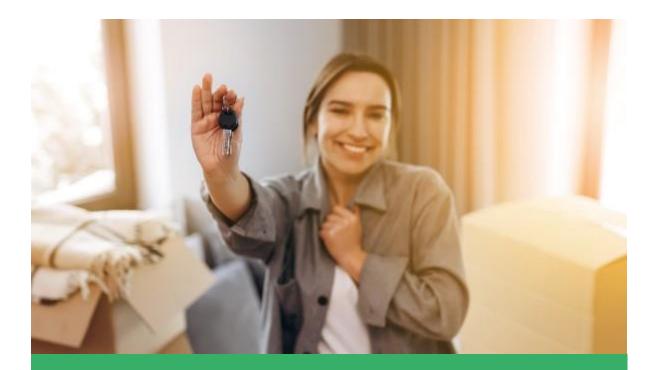
CCRE PRESENTS...

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More First-Time Homebuyers Buying Homes

Source: Realtor.com

First-time homebuyers increased their share of home purchases from 26 percent last year to 32 percent this year, according to the National Association of REALTORS® 2023 Profile of Home Buyers and Sellers. First-time homebuyers were likely able to gain an edge as mortgage rates rose and less determined buyers dropped out or were priced

out.

First-time buyers were generally better off financially than they were in past years, with a median household income of \$95,900, up 35 percent from \$71,000 the previous year. However, this also reflected the higher home prices and increased mortgage rates that meant that only first-time buyers with higher incomes could afford to enter this market. The report is based on an NAR survey of 6,800 buyers who purchased primary homes between July 2022 and June 2023. Investment and vacation home purchases were not included in the report.

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NEW WILDFIRE DISCLOSURE REPORT AVAILABLE NOW

C.A.R. recommends this report to help inform buyers, sellers, & their agents of wildfire risks – including regulatory compliance and insurability – minimizing confusion and bringing greater certainty to real estate transactions. Learn More.

Nationally, More Than One-Third of Home Sellers Are Giving Concessions to Buyers

Source: Redfin

During the three months ending Oct. 31, home sellers gave concessions to buyers in 35 percent of U.S. home sales. This percentage is not very different from a year earlier (35.9 percent), but

it is higher than it was two years ago (27.6 percent). Concessions typically include money toward repairs, closing costs, mortgage rate buydowns or other items that would help reduce the buyer's total cost of purchasing the home, but they do not include lowering the purchase price due to negotiations with the buyer.

"Sellers have become more open to the idea of giving out concessions, in part because many want to get their homes sold quickly due to major life events like divorce and new jobs.

Homeowners who don't have to move are staying put and holding onto their low mortgage rates," said agent David Palmer. "The good news for buyers, aside from more concessions, is that contingent offers are also more feasible in a market like this, meaning house hunters don't have to waive inspections and other important safeguards." In addition, home builders are offering deals to offload newly built inventory and taking up a greater share of home sales. In the third quarter, 30.6 percent of U.S. single family homes were new construction.

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Key U.S. Inflation Gauge Fell Last Month by the Most Since 2020

Source: CNN

U.S. wholesale inflation cooled in October, reversing a three-month trend in which energy costs had pushed up prices, according to the Bureau of Labor Statistics' data released yesterday. The Producer

Price Index (PPI) measures average price changes that businesses pay to suppliers, which fell 0.5 percent last month. This is the largest monthly drop since April 2020. Energy prices fell 6.5 percent in October, with gasoline falling 15.3 percent. The lower energy costs contributed to a 1.4 percent drop in goods inflation.

The PPI captures average price shifts before they reach consumers, and it serves as a signal for the prices that consumers will ultimately end up paying. This shows a positive development in the U.S. Federal Reserve's months-long campaign to rein in high inflation.

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Rents Accelerate Again in the U.S.

Source: Nerdwallet

More than 35 percent of households in the U.S. rent homes, according to U.S. Census Bureau data from 2017-2021. Though rental prices have increased in the last year by only an average of 3.2 percent since last year to an average price of \$2,011, prices started rising more quickly in October, as inflation increased, and pandemic-era rent freezes and discounts expired.

Despite rent increases nationwide, it's still typically less expensive to rent than to buy in the short term, which increases demand for rental housing. Approximately 74 percent of Generation Z adults rent their

home, while 51.5 percent of Millennials now own their own home. Baby boomers represent 40 percent of all homeowners in the U.S.

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Mortgage Demand Climbs to the Highest Level in Five Weeks After Interest Rates Move Lower

Source: CNBC

The average rate on the 30-year fixed mortgage fell 18 basis points to 7.40 percent on Tuesday, and accordingly, mortgage demand rose 2.8 percent, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances remained unchanged at 7.61 percent last week, with points decreasing from 0.69 to 0.67, for loans with a 20 percent down payment. Applications to refinance a home increased 2 percent for the week and were 7 percent higher than the same week one year ago.

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