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FOR CA REALTORS®***
WEDNESDAY, JULY 26 | 1-2 PM (PACIFIC)

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Do this in the interim while you're waiting for rates to decline

Source: CBS News

With high inflation and high mortgage rates, many prospective homebuyers and sellers are trying to figure out what to do. Many

buyers may want to wait to see if mortgage rates drop before making a home purchase.

But buyers and sellers don't need to put everything on hold until interest rates reverse. However, they can start now to they take steps to improve their financial situation and position themselves to qualify for the best possible rates in the future.

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CURIOUS TO KNOW C.A.R.'S FUTURE PLANS?

Access the Association's 2023-2025 Strategic Plan [here](#).

Starter homes may be a thing of the past

Source: CNBC

For millennial and Gen Z homebuyers, purchasing a starter home – smaller and less-expensive dwellings – may be a thing of the past as homeowners stay in their homes longer.

Nearly 40% of Americans between the ages of 25 and 44 who bought homes last year plan to stay in them for 16 years or more, according to data from the National Association of Realtors. For homebuyers between the ages of 18 and 24, that number jumps to 48%.

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Housing more unaffordable for some Baby Boomers than for homebuyers today

Source: Business Insider

Housing affordability was even worse for some Baby Boomers, according to a new Realtor.com analysis. In 1981, a single-family home cost around \$66,125, around 6 times less than today's average home price of \$410,110. While the current rate on the 30-year fixed mortgage has hovered close to 7% for the past year, mortgage rates averaged 18% homebuyers in 1981.

The higher cost of borrowing means the housing market of the early 1980s was less affordable than today's market, despite other studies claiming that housing has never been this unaffordable, according to researchers.

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Home price growth dips to lowest level since 2012

Source: Fox Business News

Home price growth increased by 2% in April, the lowest annual home price growth since March 2012, according to the latest CoreLogic Home Price Index (HPI) and HPI Forecast.

Despite this cooling of home price growth, housing affordability has remained a long-term issue, CoreLogic said. April's home price growth data signaled the 135th consecutive month of annual gains. However, it also represented the sixth straight month of single-digit increases. This means home price growth has slowed down from its all-time high of nearly 20% annual elevation in the spring of 2022, CoreLogic reported.

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Interest rates rise as mortgage demand falls to lowest level in a month

Source: CNBC

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances increased to 6.85% from 6.75%, with points rising to 0.65 from 0.64 for loans with a 20% down payment.

Total mortgage application volume dropped 4.4% last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. Demand is now at its lowest level in a month.

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