

PROPERTY MANAGEMENT CONFERENCE

VIRTUAL EVENT
FEBRUARY 29, 2024
9 AM - 12:30 PM (PACIFIC)

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\$19 FOR C.A.R. MEMBERS



More people touring homes, but not buying yet

Source: Redfin

More potential homebuyers are touring homes now, after early January's weather kept many on the sidelines. Redfin's Homebuyer Demand Index measures requests for tours and other buying services from Redfin agents, and that index rose 6 percent last week compared

to the prior week. However, applications for mortgages to purchase a home declined from a week prior and pending sales had their largest decline in four months. Agents expect the increase in tours to convert into an improvement in pending sales over the next few months because home listings and sales usually pick up as spring approaches.

This week's announcement from the U.S. Federal Reserve bank that left interest rates untouched and indicated that they're unlikely to cut rates in March suggests that mortgage rates are unlikely to fall significantly in the next few months. Economists still expect interest and mortgage rates to gradually decline by the end of the year.

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Homebuyer assistance programs increased last year to 2,300

Source: HousingWire

In order to tackle the growing issue of housing affordability, agencies have increasingly rolled out homebuyer assistance programs. A total of 135 new homebuyer assistance programs were introduced in 2023,

a 6 percent increase over the previous year. This brought the nationwide tally up to 2,294, according to Down Payment Resource's fourth-quarter Homeownership Program Index (HPI) report.

Of the homeownership program types, 74 percent consisted of down payment and closing cost assistance programs. Thirteen percent were additional programs including matched savings programs and Housing Choice Vouchers. Ten percent were first-lien mortgages with below-market interest rates, lower or no mortgage insurance. Three percent came from mortgage credit certificates (MCCs) that provide up to \$2,000 in annual tax credits for the life of the loan.

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New home sales are growing

Source: The New York Times

The housing market has been mired for much of the past year by high prices, growing interest rates and dearth of homes for sale, so that existing-home sales that typically account for about 90 percent of sales fell to the lowest point in nearly 30 years while the median price hit a record high, according to recent report by NAR. However, that spurred a rise in construction, as developers rushed to meet demand and dangled incentives to entice buyers. Sales of new homes jumped 4.2 percent last year from 2022, the U.S. Census Bureau reported last Thursday.

New homes often appeal to those who are tired of the maintenance

costs of older homes. Though new homes are typically more expensive than existing ones, builders are reconfiguring floor plans and shrinking room sizes in an effort to appeal to budget-conscious buyers. Sellers of new homes are also offering incentives such as discounts on mortgage rates and upgraded features such as new appliances and countertops.

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Thousands of California homeowners can cut their property tax bill

Source: The Los Angeles Times

Homeowners in California can take advantage of the “homeowners exemption” that will reduce the assessed value of any owner-occupied home by \$7,000, and that reduces the home’s annual tax bill. You just have to apply once and the exemption will be applied automatically until you move or sell. However, according to Los Angeles County Assessor Jeff Prang, nearly one-third of county homeowners do not sign up for the exemption. That translates to \$30 million in extra tax payments by roughly 435,000 households.

Signing up for the exemption is especially important for homeowners hoping to take advantage of 2020’s Proposition 19, Prang’s office said in a press release. The ballot measure allows people to transfer their homes to one or more of their children without it being reassessed for property tax purposes, potentially shielding their offspring from an enormous increase in taxes. But to qualify for this benefit, the

recipient of the house must apply for a homeowner's exemption or disabled veteran's exemption within one year of the transfer.

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Weekly mortgage demand drops

Source: CNBC

After rising for several weeks, mortgage demand fell last week as buyers faced increased competition for a limited supply of homes. The number of mortgage applications to purchase a home dropped 7.2 percent last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. Though refinancing mortgages rose slightly, buyers' demand fell enough to lower demand for mortgages overall.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less on average) remained unchanged at 6.78 percent from 6.75 percent, with points rising to 0.65 from 0.63 for loans with a 20 percent down payment. Applications to refinance a home loan increased 2 percent for the week and were 3 percent higher than the same week a year ago, but applications to purchase a home fell 11 percent from the prior week and were 20 percent lower than the same week a year ago.

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