

REAL ESTATE TRENDS

FOR REALTORS, HOMEOWNERS AND PROFESSIONALS

July 2023

Recession Update

Just about every market analyst has been predicting a recession sometime in 2023. Well, here we are ending the first half of the year and we have seen very few signs of a recession. To the contrary, as of last month the economy had added almost 1.5 million jobs in the first five months of the year – on pace for 3.5 million jobs for the year. And job openings are currently hovering around 10 million. That is a lot of jobs to fill.



As the solid economic news has continued to roll in, the market analysts have pushed the recession forecast down the road a bit and have added the phrase “mild recession” to their analyses. Even we have made the statement that job growth cannot continue at this pace, because the unemployment rate is so low. This is not really much of a projection, just logical thinking in this regard.

But we also would remind you of another statement we made months ago – you can’t have a recession if the economy is adding hundreds of thousands of jobs each month. The economy can slow down—but people who are employed spend money and consumers continue to spend in this environment. So, will a recession finally arrive?

We don’t know the answer to that question, but certainly employment growth must slow down in order for a recession to take hold. Certainly, the Fed must be confounded by the fact that they have raised rates again and again, but the economy keeps producing jobs. So, employers of the country – keep hiring and stick your tongue out at the Fed!... ▢

Sources: BLS, Yahoo Finance



Prices Not Falling

Two different indexes released recently show that home prices continue to increase. The Federal Housing Finance Agency (FHFA) House Price Index showed that prices nationwide in the first quarter of 2023 were up 4.3% from the same quarter a year earlier. It was the 45th-consecutive quarter with a year-over-year increase, the FHFA said.



That's every quarter since the first quarter of 2012. The FHFA index also showed that prices were up 0.5% from the previous quarter, and that its seasonally adjusted monthly index for March also increased, rising 0.6% from February.

In addition to the FHFA index, the S&P CoreLogic Case-Shiller Indices also showed that prices rose in March, as all 20 major metro markets reported month-over-month price increases. Before seasonal adjustment, the U.S. National Index posted a 1.3% month-over-month increase in March, while the 10-City and 20-City Composites posted increases of 1.6% and 1.5%, respectively, S&P Dow Jones Indices (DJI) said. “The modest increases in home prices we saw a month ago accelerated in March 2023,” said Craig J. Lazzara, managing director at S&P DJI. “The National Composite rose by 1.3% in March, and now stands only 3.6% below its June 2022 peak... ▢

Source: National Mortgage Professional

Selected Interest Rates

June 22 2023

- 30 Year Mortgages—6.67%
- 2022 High (Nov 10)—7.08%
- 2022 Low (Jan 6)—3.22%
- 15 Year Mortgages—6.03%
- 10 Year Treasuries—3.79%

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

Purchase Interest Still Strong

Regardless of age, people still want to buy homes. That’s the takeaway from a new report from ServiceLink, a provider of digital mortgage services to the mortgage and finance industries. The 2023 ServiceLink State of Homebuying Report (SOHBR) analyzes generational trends among recent homebuyers, their sentiment about today’s housing market, and the role technology plays throughout the process.



The survey features insights from 1,000 homeowners who either purchased or tried to purchase a home within the past three years. According to the report, 52% of all respondents, across all generations, said they plan to consider buying a home. “Even with the ups and downs in today’s housing market, there is still a strong desire among several generations to obtain homeownership,” said Dave Steinmetz, ServiceLink’s president of origination services. “Our latest study suggests there are many homeowners and homebuyers who are ready to make their mark in the real estate market this year; whether it’s to purchase a new home or take out a home equity loan.” Of the respondents, 61% of millennials said they plan to consider buying a home, vs. 25% of Gen X, 12% of Gen Z, and 2% of baby boomers... ▢

Source: Service Link

Did You Know...

Can’t move, won’t move. That’s increasingly the approach of Americans who are in the market for a new job. The share of job seekers who relocated to take up a new position fell to 1.6%, the lowest level on record, in the first quarter of 2023, according to a quarterly survey that’s been carried out by executive coaching firm Challenger, Gray & Christmas, Inc. for decades. Behind the shift in attitudes lies a post-pandemic surge in remote and hybrid positions, which has made it possible for more workers to stay where they’re living even as they change jobs.