

REAL ESTATE TRENDS

FOR REALTORS, HOMEOWNERS AND PROFESSIONALS

October 2023

Three Quarters of The Way Home

We are through three-quarters of the year. And if we had a word to describe this year, it would be persistence. As a matter of fact, persistence could describe the past 15 years. Yes, it has been 15 years since the Great Recession. And the effects of the Great Recession persisted for much longer than we expected. The housing market slowly recovered for years before real estate turned hot again. Then the pandemic hit and again the pandemic persisted longer than we expected. Those who expected COVID to fade away quickly were deeply disappointed.

PERSISTENT

Now we have the same persistence applied to the current interest rate environment. When the Federal Reserve started raising rates about 18 months ago, many thought that we are just going back to normal after the pandemic. But the increases in rates have persisted for much longer than expected and now rates are expected to stay higher for a longer period of time. Why? For one, inflation has persisted for longer than expected. Secondly, the economy has continued to expand for longer than expected. Thus 2023 is all about persistence. But that does not mean that higher rates and inflation are here to stay. Like the recession recovery, the tide will change.

We are already seeing evidence of this change. Inflation has slowed down significantly. Jobs growth is subsiding, which will open the way for the economy to slow down. These trends open the door for rates to stabilize and hopefully fall somewhat in the future. Will this happen in the fourth quarter of this year? Or will we have to wait a bit longer? Early this month we will see the jobs report for September. This data will help us answer these questions. If there is good news on the “moderation front” – remember that market rates such as mortgages can move before the Fed acts – especially if we hear positive statements from Fed members... □

3.8%

Unemployment Rate For August



City Centers Calling

As businesses call employees back to the office, more home buyers are moving closer to city centers, according to a new analysis. More home buyers are once again factoring commute times into their homebuying decisions and are moving closer to city centers. Remote work in recent years prompted many to move to more affordable exurbs.



Now companies are demanding that workers return to the office, which is driving growth back to the city, according to a report from realtor.com®. “As many companies continue to call employees back to the office, we’re seeing a surge in home shoppers who are seeking a desirable combination of cost and convenience within commuting distance of major metropolitan areas,” says Danielle Hale, realtor.com®’s chief economist. “In addition to affordable markets, this year’s list also features some higher-priced areas close to large urban cores, which will likely appeal to buyers who are concerned with finding the right mix of size and amenities within reach of a nearby city center.”

The renewed interest in cities marks the first time in five years that the suburbs of major metro areas have made it onto realtor.com®’s list of “hottest ZIP codes.” Realtor.com® researchers note that its 2023 list reflects growing demand for areas near metro areas that also offer greater affordability... □

Source: Realtor® Magazine

Selected Interest Rates

September 21 2023

30 Year Mortgages	7.19%
2022 High (Nov 10)	7.08%
2022 Low (Jan 6)	3.22%
15 Year Mortgages	6.54%
10 Year Treasuries	4.47%

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.

Single Women Move Ahead

More single women swipe right on homeownership than single men. Owners of 1 in 8 homes in the U.S., it’s a group that can’t be ignored. Woman may earn 83 cents to every dollar a man makes, but they’re dominating the housing market.



A LendingTree study using data from the U.S. Census Bureau found that single women are more likely than single men to own a home in 48 of 50 states. In 2022, single women made up 17% of recent buyers, compared to 9% of men. For the past decade, these numbers have been fairly stable; single women have maintained between 15% and 19% of the buyer pool, and single men have maintained between 7% and 9%.

Jessica Lautz, NAR’s deputy chief economist and VP of research indicated that — “Single women have really made it their mission to not be at the mercy of a landlord. They want their own spaces, and homeownership seems more important to their demographic.” Lautz says that there is a laundry list of factors as to why single women are dominating: they live longer than men, marriage rates are declining, women are more likely to move closer to family and friends, they express a desire for stable homes to raise a family in potentially, and they make more sacrifices when it comes to their house wish lists... □

Source: National Mortgage Professional

Did You Know...

A recent Axios/Ipsos polling on retirement finds that about one in five Americans believe they will never retire. Financial worries are the main reasons people feel they can’t retire. Among the people who don’t think they’ll ever retire, a decisive majority (70%) say that they won’t ever retire because they can’t or won’t be able to afford to retire, versus 19% of people who just don’t want to retire (an additional 10% picked ‘other’ as a response).