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PANEL DISCUSSION
IN SAN FRANCISCO**

**MAY 21, 2024
9 - 11:30 AM (PT)**

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Mortgage rates decrease for first time since March

Source: Yahoo Finance

After a five-week climb, mortgage rates ticked down following a weaker than expected jobs report, Freddie Mac reported. The 30-year fixed rate averaged 7.09 percent as of May 9, 2024, down from last week when it averaged 7.22 percent. It averaged 6.35 percent a year ago. The 15-year fixed rate averaged 6.38 percent, down from last week when it averaged 6.47 percent. A year ago at this time, it averaged 5.75 percent.

“An environment where rates continue to hover above seven percent impacts both sellers and buyers. Many potential sellers remain hesitant to list their home and part with lower mortgage rates from years prior, adversely impacting supply and keeping house prices elevated. These elevated house prices add to the overall affordability challenges that potential buyers face in this high-rate environment, according to Freddie Mac’s Chief Economist Sam Khater.”

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44% of adults would buy their childhood home today if they could afford it

Source: Zillow

The nostalgia craze that has swept pop culture, social media, fashion and marketing has now reached housing. A new Zillow® survey finds that 44% of Americans would buy their childhood home if cost were not an issue, yet only half of all adults say they could afford it at today's prices. An even larger share of millennials and Gen Z adults would buy their childhood home today.

Children of the 1980s and 1990s are the most likely to say they would buy

their childhood home today — 62% and 55% respectively. Yet almost half of those born in the '80s (47%) and nearly two-thirds of those born in the '90s (62%) say they couldn't afford it at today's prices.

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Improvement in home prices, interest rates lifts CA housing affordability

Source: CALIFORNIA ASSN. OF REALTORS®

A mild retreat in mortgage interest rates and home prices made it easier for more Californians to purchase a home during the first quarter of 2024, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) said this week. Seventeen percent of the state's homebuyers could afford to purchase a median-priced, existing single-family home in California in first-quarter 2024, up from 15 percent in the fourth quarter of 2023 and down from 20 percent in the first quarter of 2023, according to C.A.R.'s Traditional Housing Affordability Index (HAI).

The first-quarter 2024 figure is less than less than a third of the affordability index peak of 56 percent in the first quarter of 2012. With the U.S. economy performing better than expected, the Federal Reserve is unlikely to cut interest rates until at least the summer, hindering any significant improvement in affordability in the coming months.

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American families spend nearly one-fourth of income on mortgage payments

Source: Realtor.com

The average family spent nearly a quarter of their income on mortgage payments during the first three months of this year, according to a new report from the National Association of Realtors® (NAR).

The monthly mortgage payment on a typical existing single-family home with a 20% down payment was \$2,037 in the first quarter, NAR said. That was down 5.7% from the fourth quarter of 2023, when mortgage rates hit their recent peak. But the average monthly payment was still up 9.3% from one year ago, an increase of \$173.

Families typically spent 24.2% of their income on mortgage payments in the three months through March, down from 26.1% in the prior quarter but up 23.3% from a year ago. First-time buyers typically spent 36.5% of their family income on mortgage payments.

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More home sellers are paying capital gains tax

Source: CNBC

More Americans are paying capital gains taxes on home sale profits amid soaring property values — but there are ways to reduce your bill, experts say. In 2023, nearly 8% of U.S. home sales yielded profits exceeding \$500,000, compared with about 3% in 2019, according to an April report from real estate data firm CoreLogic.

There's a reason the report called out that threshold. It's key for a special tax break for homeowners who make a profit when selling a primary residence. Married couples filing together can make up to \$500,000 on the sale without owing capital gains taxes. The threshold for single filers is \$250,000.

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Mortgage refinance demand rises as rates dip

Source: CNBC

Mortgage rates are significantly higher than they were at the start of this year, but they pulled back slightly last week after several weeks of straight increases. That was enough to spark some new demand, especially for refinances.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$766,550 or less) decreased to 7.18% from 7.29%, with points unchanged at 0.65 (including the origination fee) for loans with a 20% down payment.

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