



California home sales and prices to grow slightly next year

Source: CALIFORNIA ASSOCIATION OF REALTORS®

Low mortgage interest rates and pent-up demand from a desire for homeownership will bolster California home sales in 2021, but economic uncertainty caused by the coronavirus pandemic and continued supply shortage will limit sales growth, according to a housing and economic forecast by the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.).

The baseline scenario of C.A.R.'s "2021 California Housing Market Forecast" sees a modest increase in existing single-family home sales of 3.3 percent next year to reach 392,510 units, up from the projected 2020 sales figure of 380,060. The 2020 figure is 4.5 percent lower compared with the pace of 397,960 homes sold in 2019.

The California median home price is forecast to edge up 1.3 percent to \$648,760 in 2021, following a projected 8.1 percent increase to \$640,330 in 2020 from \$592,450 in 2019.

“An extremely favorable lending environment and a strong interest in homeownership will continue to motivate financially eligible buyers to enter the market,” said C.A.R. President Jeanne Radsick, a second-generation REALTOR® from Bakersfield, Calif. “While the economy is expected to improve and interest rates will stay near historical lows, housing supply constraints will continue to be an issue next year and may put a cap on sales growth in 2021.”

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As home prices increase, sellers have upper hand

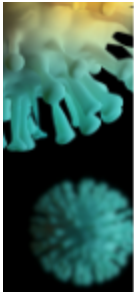
Source: Housing Wire

For the second consecutive month, Fannie Mae’s Home Purchase Sentiment Index, a composite index designed to track consumers’ desire to sell or buy a home, gained 3.5 points in September to 81.

August’s HPSI survey revealed both a confident seller’s and buyer’s market, however, Fannie Mae reported September buyers showing more hesitancy. Despite real estate agents reporting record numbers,

buyer morale fell 5% with 54% of respondents saying it is a good time to buy a home. Those who believe it is a bad time increased to 38%.

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Younger Americans lead desire for bigger homes, outdoor space

Source: National Association of REALTORS®

Young Americans are having their housing preferences shaped by the pandemic. They're seeking larger homes and outdoor space, yet in walkable areas, according to findings from the 2020 Community and Transportation Preference Surveys recently conducted by the National Association of REALTORS®.

Young adults who live in walkable areas tend to report a higher quality of life than those who live in less walkable areas, the survey shows. And young Americans may need a boost: Americans under the age of

40—millennials and Generation Z—are the most likely to say their overall quality of life has been negatively affected by the pandemic.

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Americans behind on mortgage payments less likely to vote

Source: Yahoo Finance

Over 17 million Americans were behind on rent or mortgage payments at the end of September, according to the U.S. Census Bureau — and delinquencies could translate into lower voter turnout, according to a new study.

Only 55% of Americans behind on housing costs plan to vote on November 3, compared to 79% of Americans who are up to date on mortgage or rent payments, according to Apartment List, a California-based rental listing website.

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Latinx buyers are driving U.S. homeownership gains, but gaps remain

Source: Zillow Research

Latinx homeownership has made huge strides over the past decade, helping drive the overall U.S. homeownership rate up in recent years. But the data show that Latinx Americans are still somewhat under-represented among U.S. homeowners, and that this hugely diverse community faces a set of unique challenges in reaching full equality.

Latinx Americans accounted for more than 60% of new U.S. homeowner gains over the past decade, bringing the Latinx homeownership rate to 48.9% by Q1 2020, the highest level since 2008. Between 2009 and 2018, the percent of household decision makers that identified as Latinx rose from 11.8% to 13.9%, according to a Zillow analysis of American Community Survey data. Over the same period, the percent of all U.S. homeowners that identified as Latinx grew from 8.6% to 10.3%.

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Mortgage rates set another low, but applications fall

Source: CNBC

Record low interest rates failed to spur mortgage demand last week resulting in a 0.7% decrease in mortgage applications last week, according to the Mortgage Bankers Association.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances of up to \$510,400 decreased to 3% from 3.01%, with points decreasing to 0.32 from 0.37 (including the origination fee) for loans with a 20% down payment.

Applications to refinance a home, which are most sensitive to weekly interest rate movements, fell 0.3% for the week but were 44% higher than a year ago. While that annual comparison may seem like a lot, it had been around 100% higher earlier this year. The new record low was also such a tiny move that it clearly had little impact.

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