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Is the mortgage refinance boom ending?

Source: Fox Business News

Record low interest rates for mortgage refinancing were a boon to homeowners during the pandemic. Mortgage interest rates saw their biggest dip at the beginning of 2021, before steadily increasing through the first quarter of the year. While refinance rates are above historical lows once again, it's still possible to save on mortgage interest.

Whether you're able to secure the best refinance rates may depend largely on your credit history and credit score. In response to the

coronavirus pandemic, many lenders tightened restrictions on new mortgage loans and refinance loans for borrowers, shrinking the pool of homebuyers and homeowners who were able to qualify.

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Most blacks locked out of market as prices soar

Source: Sacramento Observer

Black and Latinx households are priced out of the market disproportionately as the median sales price of a home in California surged past a record \$813,980 in April, and housing production stalled for the second consecutive year in 2020.

“California desperately needs more housing to meet the needs of diverse middle-class and low-income Californians,” C.A.R. President Dave Walsh said during a virtual news conference last week. “With a historic budget surplus, now is the time to address the racial divide in homeownership and fix California’s severe housing shortage.”

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Homebuyers face challenges in hot market

Source: CBS News

Increasingly, offering above asking price isn't enough to win a bid in the tight pandemic housing market. Going above the asking price is only one step in winning an offer. Some buyers are waiving inspections and allowing sellers to remain in the homes after closing — free of rental charges.

That's raising concerns among some market observers that real estate prices may be getting overheated, with memories of the 2006 housing bubble that ended in an ugly burst. At the end of 2020, home prices were about 15% higher than a year earlier, before the pandemic shuttered the U.S. economy, according to the National Association of Realtors.

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New-home construction slows as costs increase

Source: National Assn. of Homebuilders

Rising building costs caused housing starts to drop in April, hampering inventory and affordability. Housing production fell 9.5% last month to a seasonally adjusted annual rate of 1.57 million units, the U.S. Department of Housing and Urban Development and the U.S. Census Bureau reported.

For the year to date, housing starts are up 15%, at an annualized pace of 1.59 million units (compared to 1.38 million in 2020). Housing starts

are projected to reach 1.6 million for all of 2021 and rise to 1.7 million in 2022, according to a forecast by the National Assn. of REALTORS®, which would mark the highest construction activity in 15 years.

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Looser mortgage credit could give first-time buyers a chance

Source: Housing Wire

Mortgage credit showed signs of loosening up in March, and with it, more availability for lower credit scores and high LTV products to enter the housing market, the Mortgage Bankers Association said.

The group's Mortgage Credit Availability Index rose .6% to 125.4 last month, a positive indicator after pandemic-driven factors plunged the index from record highs previously seen in late 2019.

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Weekly mortgage demand falls as rates move higher

Source: CNBC

A slight increase in mortgage interest rates was enough to lower refinances and reduce overall demand.

Total mortgage application volume fell 4.2% last week from the previous week, according to the Mortgage Bankers Association.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances increased to 3.18% from 3.15%, with points decreasing to 0.35 from 0.36 (including the origination fee) for loans with a 20% down payment.

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