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CALIFORNIA ASSOCIATION OF REALTORS®

America's median renters have $10,000 net worth, while homeowners have $400,000

Source: CNN

The story of the housing market over the past few years has been characterized by a growing divide between "haves" and "have-nots" – those who own a home and those who rent. Existing homeowners in American have seen their wealth on paper explode as home prices have surged across the country. At the same time, after a slight dip in rents after the start of the COVID pandemic, rents have also spiked, eating into many people's savings.

A recent report from the Aspen Institute highlights the gaping wealth chasm that has formed between homeowners and renters in America. The median homeowner in America has a net worth of $400,000 as of 2022, the most recent data available, while the median renter's net worth is just $10,000, according to the report. That means the typical homeowner has almost 40 times as much wealth as the typical renter.

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November home sales surged, boosted by lower rates

Source: CNBC

Sales of previously owned homes rose 4.8 percent in November compared with October, according to the National Association of REALTORS. That put them at a seasonally adjusted, annualized rate of 4.15 million units. Sales were 6.1 percent higher than November 2023. This is the third-highest pace of the year and the largest annual gain in three years.

"Home sales momentum is building," said Lawrence Yun, chief economist at the NAR. "More buyers have entered the market as the economy continues to add jobs, housing inventory grows compared to a year ago, and consumers get used to a new normal of mortgage rates between 6 percent and 7 percent." The supply of homes for sale at the end of October was 1.33 million units, up 17.7 percent from November of last year. At the current sales pace, that represents a 3.8-month supply. A six-month supply is considered balanced between buyer and seller.

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FHFA finalizes new housing goals for Fannie Mae, Freddie Mac

Source: HousingWire

The Federal Housing Finance Agency (FHFA) this week announced a new final rule establishing affordable housing goals for the loan purchases of government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac from 2025 through 2027.

The goals, originally proposed in August, are largely unchanged from the initial draft. They are designed to “support equitable housing access for low-income families and families in low-income areas,” according to an announcement. On the single-family side, 25 percent of the purchase mortgages acquired by Fannie and Freddie must go to borrowers earning less than 80 percent of the area median income (AMI), a decline from the 28 percent required in the previously outlined goals.

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20 million homes could be available, but not where buyers want them

Source: CNBC

As the U.S. continues to face a shortage of available homes, some may be looking at those occupied by “empty nesters” as an incoming source of inventory. As older residents begin to downsize, the thinking goes, the millions of homes they currently own will fill the deficit, thus bringing housing costs down. However, those units are likely to be the solution, says Zillow Senior Economist Orphe Divounguy. The reason is simple: Empty nesters, which Zillow defines as “residents ages 55 or older who have lived in the same home for 10 or more years, have no children at home and have at least two extra bedrooms,” don’t live in the same places where younger generations want to be, according to recent research.

“These empty-nest households are concentrated in more affordable markets where housing is already more accessible – not in the expensive coastal job centers where young workers are moving and where homes are most desperately needed,” said Divounguy in the report. Around 20.9 million households fit the definition of empty nesters in 2022 and out of

the 50 biggest, U.S. cities, they have the greatest concentrations in Pittsburgh, Buffalo and Cleveland. But the cities with the most people under 44 are San Jose, Austin and Denver.

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Unglamorous feature now sought after in California

hikes un

Source: MSN

Well-to-do homeowners in California are increasingly investing in personal fire hydrants to protect against the growing threat of wildfires. The trend has led to the unlikely object emerging as a new status symbol in ritzy areas such as Malibu, with claiming they can help homes sell faster because they "mitigate fear," reported the Wall Street Journal.

Personal hydrants are connected to municipal water systems or private tanks and provide an immediate water source in the event of a fire. Some homeowners choose to install such a device as an extra safety measure, whereas others have no choice because their property is located in a remote area. The rise in demand for personal fire hydrants reflects growing awareness around the frequency and severity of wildfire outbreaks. In the 2000s, wildfires in the U.S. were four times larger, three times more frequent and significantly more widespread compared to the previous two decades, found researchers at the University of Colorado, Boulder.

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Mortgage rates rise after Fed rate cut

Source: CNBC

After a 21-basis point jump following last week's Fed meeting, the next day mortgage rates rose even higher, to 7.14 percent, according to *Mortgage News Daily*. That translates to $218 more per month today on a mortgage payment for a 30-year fixed rate mortgage with 20 percent down. The data is based on closings, so that contracts will have been signed in September or October.

The supply of homes was up nearly 18 percent compared to the year before. Homebuilder stocks are down due in part to the slowdown in mortgages.

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