Young adults drove homeownership rate increase in past few years

Source: Wolf Street

Young adults under 45 years old drove most of the increase in the overall homeownership rate from 2016, and nearly all of the increase since 2019, through 2022, according to Census Bureau's Population Survey/Housing Vacancy Survey data release recently.

The report sorts out the homeownership rate of "householders" – people

in whose name the home is owned, being bought, or rented – by age group for two time periods: from 2016 through 2022, and from 2019 through 2022. The report found that the growth in homeownership rates for both periods was driven by people under 45 years of age.

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Sales of newly built homes lose momentum in June

Source: Market Watch

Sales of newly built homes in the U.S. fell in June, as demand cooled after a jump the previous month, the Commerce Department said this week. Over all, new-home sales have been higher because home builders are among the few players offering inventory for home buyers.

U.S. new-home sales fell 2.5% at a seasonally adjusted annual rate of 697,000 in June, from a revised 715,000 in the prior month, more than what Wall Street was expecting. The number is seasonally adjusted and refers to how many homes would be built over an entire year if builders continued at the same pace every month.

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Luxury home prices fall in West Coast tech hubs

Source: Redfin

San Francisco was among three other West Coast tech hubs that saw luxury home prices fall faster than anywhere else in the nation because those markets were already among the most expensive in the nation and prices had more room to fall, according to a new report from Redfin.

The median sale price of luxury homes in San Francisco fell a record 12.7% year over year to $4.8 million in the second quarter—the largest decline among the 50 most populous U.S. metropolitan areas. While $4.8 million may not sound like a bargain, it is compared with the $5.5 million record high hit a year earlier.

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Fed raises interest rates 0.25 points, leaves door open for another hike

Source: USA Today

Despite a recent pullback in inflation, the Federal Reserve raised its key interest rate this week by a quarter point Wednesday and signaled another hike is at least on the table, if not likely, in coming months amid a solid economy. The move nudged the federal funds rate to a range of 5.25% to 5.5%, the highest level in 22 years.

The Fed said that "determining the extent of additional policy firming (rate increases) that will be appropriate" to lower inflation to the Fed's 2% target will hinge on inflation as well as economic and financial developments, among other factors. This suggests another rate increase

is likely in September or November, Barclays wrote in a note to clients last week.

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Mortgage demand drops as rates remain high

Source: CNBC

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances remained unchanged at 6.87%, with points decreasing to 0.65 from 0.66 for loans with a 20% down payment. That rate crossed over 7% a few weeks ago and has yet to retreat much.

Mortgage rates didn't move at all last week and are still sitting near a recent high. With home prices continuing to rise, that pushed more potential homebuyers to the sidelines. Total mortgage application volume dropped 1.8% last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index.

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