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Long Beach offers zero-interest loans for homeowners to build backyard housing

Source: KTLA5

The City of Long Beach is launching a pilot program that will award up to 10 residents no-interest loan financing to construct an accessory dwelling unit (ADU) on their property. The goal of the Backyard Builders Program is to incentivize and make it easier for homeowners in the city to create an affordable rental unit on their property by providing assistance with financing, designing, construction and the permitting process.

Up to 10 qualified residents will be able to secure a 30-year, 0 percent interest loan to build an ADU on their property worth up to \$200,000. In exchange for the loan, the homeowners must agree to rent their ADU at an affordable rate to an individual or family who meets the program's income limit. Priority will also be given to homeowners who rent out their new unit to those receiving housing assistance vouchers. Loan payments will be put on pause during the construction of the unit, and no interest will accrue on the loan for as long as it's rented out at an affordable rate to income-qualified tenants.

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September was a turning point for home purchase demand

Source: Redfin

Pending U.S. home sales were flat from a year earlier during the four weeks ending September 29, marking the first time since January pending sales didn't decline. It's worth noting that we're comparing to a period last year when sales slumped as mortgage rates surged into the mid-7 percent range. Pending sales increased year over year in 27 of the 50 most populous U.S. metros, the most since January. They rose most in Phoenix (13 percent), followed by San Jose (12 percent), and Portland, OR (10 percent). Homebuying demand is starting to improve in those places after dropping to a low point last year but pending sales are still below pre-pandemic levels.

Homebuying demand at earlier parts of the buying process is improving, too, as mortgage rates are starting to come down. Redfin's Homebuyer Demand Index (a measure of tours and other buying services from Redfin agents) is up 9 percent month over month to its highest level since April. Homebuyers locked in more than twice as many mortgages than they did a month earlier on September 30, according to Optimal Blue data.

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REALTORS® give homebuyers out due to California's insurance crisis

Source: ABC10

The California insurance crisis, which has seen a pause or a dramatic drop in new and renewed homeowner insurance policies, is now impacting the

state's real estate industry. The CALIFORNIA ASSOCIATION OF REALTORS®'s purchase agreement now has a specific contingency for insurance, allowing the buyer to cancel the contract if they are not satisfied with the insurance options and cost available to them.

“The landscape for insurance in California has changed quite a bit,” said Erin Stumpf, a Sacramento REALTOR® with Coldwell Banker Realty.

“Usually, it was almost an afterthought in our transactions, and now I am advising my clients on day one, start trying to shop for insurance.

Anywhere that is a moderate high fire hazard area, those are the areas where we see difficulty in obtaining policies. It is even becoming a little bit of a problem in our suburban and urban areas, too. If a property is older, if a property has aging plumbing, electrical, or maybe an older roof or trees that encroach on the structure, those things can be problematic when trying to get an insurance policy.” Finding a good REALTOR® and insurance agent can help consumers navigate the changing landscape. For homeowners, it is recommended to be proactive, doing repairs and trimming trees to prevent receiving a non-renewable notice from the insurance company.

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California among top states in which buyers search for tiny homes

Source: Realtor.com

Tiny houses are exploding in popularity, and a new report shows where the most homebuyers are searching for diminutive dwellings. The global market for tiny homes (under 400 square feet) hit \$5.61 billion in 2023, and experts predict it could rise to as much as \$7.39 billion by 2031, according

to research by concierge realty group Palm Paradise. “Tiny homes promote sustainability because they cost fewer resources to build and run, and they encourage minimalist living,” according to the study. “Their small spaces force homeowners to be strategic and thoughtful about what they buy, promoting the concept of mindful consumption.” However, many tiny homes do not include the land they are built on, don’t come with septic tanks, and may be too small for families or those with more storage or accessibility needs.

California ranked number two in the list of states where people were searching for tiny homes, at 32,360 per 100,000 searches. Texas was the number one state in terms of tiny home searches, at 36,200 out of every 100,000 searches. Third was Florida, with 27,310 out of every 100,000 searches, then North Carolina, with 17,470 searches out of every 100,000.

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Home builder confidence rises in September amid rate cuts

Source: Yahoo! Finance

The Home Builder Confidence Index rose to 41 in September, up from August’s reading of 39. The latest print from the National Association of Home Builders (NAHB) came in line with expectations as mortgage rates continue to cool to 19-month lows. In this video, anchor Seana Smith breaks down the data and what interest rate cuts from the Federal Reserve could mean for the homebuilder category.

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Red-hot refinance demand retreats after tiny bump in mortgage rates

Source: CNBC

Mortgage rates moved ever so slightly higher last week, but it was enough to take a little heat out of what had been a briefly red-hot refinance market. That caused total mortgage application volume to fall 1.3 percent for the week, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances of \$766,650 or less increased to 6.14 percent from 6.13 percent, with points increasing to 0.61 from 0.57 (including the origination fee) for loans with a 20 percent down payment. The rate was 139 basis points higher the same week one year ago. The refinance share of applications fell 3 percent for the week but were still a striking 186 percent higher than the same week one year ago. The vast majority of borrowers today have mortgages with rates well below 5 percent, but those who may have purchased a home in the past year or two might be able to benefit from a refinance to today's lower rates. Applications for a mortgage to purchase a home rose 1 percent for the week and were 9 percent higher than the same week one year ago. The fall market does appear to be warming up a little bit, with real estate brokerages such as Redfin reporting more home tours in the last few weeks.

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