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**Home sales expected to soar in these  
California cities next year**

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*Source: KTLA*

With mortgage rates finally easing, many California cities are expected to see home sales rebound significantly next year, according to a forecast from Realtor.com. Five metro areas are predicted to see double-digit sales growth in 2024 compared to 2023. Those cities include Oxnard-Thousand Oaks (18 percent), Riverside-San Bernadino-Ontario (13.8 percent), Bakersfield (13.4 percent), San Diego-Chula Vista-Carlsbad (11 percent) and Sacramento (10.3 percent).

Home sales in the Los Angeles-Long Beach area are expected to climb 9.2 percent after two years of declining sales. Sales in San Francisco-Oakland-Berkeley area are expected to stay flat, while sales are expected to decline 18.5 percent in San Jose-Sunnyvale-Santa Clara and 6 percent in Fresno. In addition, home prices are predicted to fall in some areas, according to the forecast. Home prices in San Diego are predicted to fall approximately 5.2 percent in the next year, and in Stockton by about 3.7 percent.

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**Though 2023 has been the least affordable year for home buying in more than a decade, 2024 looking up**

*Source: Redfin*

According to an analysis of monthly housing payments for typical homebuyer using median home sale prices, a person making the median U.S. income of \$78,642 in 2023 would have had to spend 41.4 percent of their earnings on monthly housing cost if they had bought a \$408,806 median-priced U.S. home. This assumes a 6.73 percent, 30-year fixed mortgage with a 20 percent down payment. A common rule of thumb is that people should spend no more than 30 percent of their income on housing, though that has grown less realistic due to current mortgage rates and home prices. This was the least affordable year in at least 11 years.

The good news is that housing costs have started to decline as mortgage rates have begun falling, and new listings posted the biggest annual uptick in more than two years. New listings are up 7 percent from last year. As listings climb, experts expect mortgage rates to fall to approximately 6.5 percent in 2024.

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## Amid housing slowdown, new construction grew most in outlying areas, not cities

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*Source: HousingWire*

During the third quarter of 2023, new home construction grew most in areas outside of urban areas, according the National Association of

Home Builders (NAHB). Their Home Building Geography Index estimates the growth of home construction using county-level information about single- and multifamily building permits. From Q2 to Q3 of 2023, single-family new construction in counties outside large metropolitan areas grew from 9.5 percent of the market to 9.7 percent. Multifamily buildings also grew most in outlying counties.

Outlying counties of large metro areas had their ninth quarter of positive growth (that's two and a quarter years), while non-metro areas had their eleventh quarter of growth (two and three quarters years).

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## Southern California home prices rose 4.3 percent in a year

*Source: Pasadena Star-News*

Home prices saw their biggest percentage gain in a year in Southern California, rising 4.3 percent to \$735,000 in October, according to CoreLogic. The higher median combined with higher mortgage rates in October to lower the number of homes sold by 8 percent from the prior year. Lower sales were due to both fewer homes on the market and fewer buyers willing to pay higher mortgage payments.

However, because interest rates have begun to fall since October, sales may pick back up again and improve throughout 2024.

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## Mortgage refinance demand jumps 14 percent as mortgage rates fall to lowest point since August

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*Source: CNBC*

After rising over 8 percent in October, mortgage rates are falling back toward 7 percent again, and that is boosting the demand for mortgage refinancing. The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances fell from 7.37 percent to 7.17 percent, with points dropping from 0.64 to 0.60 for loans with a 20 percent down payment, according to the Mortgage Bankers Association.

As a result, applications to refinance a home loan increased 14 percent from the week prior and were 10 percent higher than the same week one year ago. “November was a stellar month for mortgage rates, and December is picking up right where it left off,” said Matthew Graham, COO at Mortgage New Daily.

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