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CALIFORNIA ASSOCIATION OF REALTORS®

For some Millennials, a starter home is hard to find

Source: Wall St. Journal

A shortage of available starter homes is preventing some millennials from getting on the first rung of the homeownership ladder. "Starter homes," with smaller footprints and more affordable prices, allow young homeowners to build wealth and trade up as they start families.

But surging prices and a competitive market mean there aren't enough smaller, more affordable starter homes to go around in many

regions. The pandemic and subsequent recession, along with the student debt crisis and delayed family formation, contributed to frustration and despair among younger house hunters.

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More homebuyers are turning to adjustable-rate mortgages

Source: Realtor.com

Adjustable-rate mortgages (ARMs), which became unpopular after 2008 housing crisis, are gaining in popularity as buyers struggle with record high home prices because they offer lower monthly payments initially.

ARMs offer mortgage rates that reset after a period of five or 10 years. If rates go up by the time borrowers' loans reset, they will likely face higher monthly mortgage payments. Financial experts warn that borrowers taking out ARMs today at historically low rates likely will face higher rates and payments in the future.

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Home selling mistakes that can cost you

Source: Nerd Wallet
In a seller's market, it's easy to make home-selling errors. Here are some common home selling mistakes and how to avoid them:

Selling your home as-is without an inspection - Real estate experts recommend getting an inspection before you list the home so there are no surprises during escrow.

Overpricing the home - Setting an asking price based on predicting where home prices will be in a few weeks or months could mean your home sits on the market longer than necessary and result in a lower-than-desired price. A REALTOR® can help you determine an asking price based on pending sales of comparable homes.

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New home equity loans don't notably impact credit score

Source: Lending Tree
Credit scores are important for qualifying for a mortgage and getting the best rates. What consumers do with their finances leading up to the application process can raise or lowering their credit score. With home prices rapidly rising over the past year, homeowners may be tempted to take out a home equity loan to pay for remodeling projects, medical expenses, or other reasons.

According to a LendingTree study of more than 1,500 home equity

loan requests in 40 of the nation's largest metros — although most borrowers do see a decline in their credit score after taking out a home equity loan, the decline tends to be relatively small and their credit score usually recovers in less than a year.

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Three ways to improve your credit score

Source: CNBC

Your credit score is important in determining whether you land your dream home or apartment, what cell phone plan you are eligible for and the interest rates you'll pay on loans. Your credit score is considered a measurement of how likely you are to pay back the money you borrow from a lender. The better your score, the more likely you'll pay it back on time.

The average American has a credit score of 711, which qualifies as "good" under the FICO credit score breakdown. But if you're looking at your score and see room for improvement, here are three things you can do to start building back up your credit.

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Mortgage demand sinks to lowest level since pandemic

Source: CNBC

Even as mortgage rates slipped, mortgage demand fell for the second week in a row, as low inventory and high home prices continue to hamper the housing market. Total mortgage applications decreased 1.8% last week to the lowest level since the beginning of 2020, before the coronavirus pandemic started to take a toll on the economy, according to the Mortgage Bankers Association.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances dropped 5 basis points to 3.15, with points decreasing to 0.38 from 0.39 for loans with a 20% down payment.

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