



CALIFORNIA ASSOCIATION OF REALTORS®
VIRTUAL LEGISLATIVE DAY 2022
March 2, 2022
[Register Now!](#)

CA
HOMEOWNERSHIP
FOR ALL
VIRTUAL LEGISLATIVE DAY 2022



First-time homebuyer guide: steps to get you started

Source: Fox Business News

Owning a home has been a pillar of the American dream for decades, and for good reason. Homeownership brings financial benefits like

stable monthly payments and tax deductions, and intangibles like the ability to put down roots in your community.

But now may or may not be the right time for you to take the leap and buy your first home. Before you go any further, you'll first want to go through some steps including deciding whether homeownership is right for you, getting your finances into shape, setting your budget and saving for a down payment.

[READ MORE](#)

GET THE 9-POINT VIP BUYERS CHECKLIST:

Are you nurturing your buyers correctly? Most agents do a poor job of this. Just waiting on the buyer to call or relying on back and forth email communication is a terrible waste of your leads [>> cont'd](#)

CA housing affordability inches up in 4th-quarter 2021

Source: CALIFORNIA ASSN. OF REALTORS®

A tempering of home price growth combined with a solid increase in household incomes improved the affordability outlook for Californians in the fourth quarter of 2021, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) said.

The percentage of home buyers who could afford to purchase a median-priced, existing single-family home in California in fourth-

quarter 2021 inched up to 25 percent from 24 percent in the third quarter of 2021 but was down from 27 percent in the fourth quarter of 2020, according to C.A.R.'s Traditional Housing Affordability Index (HAI). The fourth-quarter 2021 figure is less than half of the affordability index peak of 56 percent in the first quarter of 2012.

[READ MORE](#)

What higher interest rates mean for CA homes, cars and credit cards

Source: Sacramento Bee

With the Federal Reserve likely to raise interest rates for the first time in three years, housing could be more expensive, interest on credit cards, cars and student loans is likely to go up too. The good news is that the increases are expected to come gradually throughout 2022, so sudden jolts in monthly payments for loans are unlikely.

Based on the California projected median home price of \$835,000, an increase in the average rate from 3 to 3.5% would cost a homeowner an additional \$183, to \$3,957. If the rate were to go to 4%, the increase would be \$373, for a monthly payment of \$4,146.

[READ MORE](#)

Buyers purchasing older homes

Source: National Assn. of REALTORS®

Homes in America are getting older. With new construction activity having declined for more than two decades, buyers are purchasing older homes. In 2021, the typical home purchased was built in 1993—28 years ago—according to new research from the National Association of REALTORS®. For comparison, in 2011, the typical home purchased was also built in 1993, suggesting that year was when home construction started to slow and the gap began to widen.

The younger the buyer, the older the home purchased. Young buyers are more likely to feel the financial pressure of rising home prices and the lack of affordable inventory are more willing to buy a fixer-upper.

[READ MORE](#)

Market competition remains unseasonably strong

Source: Realtor.com

With the highly anticipated spring homebuying season kicking off next month, there is a record-low number of homes on the market.

And the problem is getting exponentially worse as buyers scramble for places to live—and the inventory of available homes on the market just keeps dropping. Last month, there were just 408,922 homes for

sale in the entire country of more than 332 million people, according to the latest Realtor.com® and U.S. Census Bureau data. And with the number of new listings continuing to fall, prices are expected to keep rising to new heights as buyers battle it out for just about any home with a “For Sale” sign out front.

[READ MORE](#)

Homebuyer demand for mortgages drops

Source: CNBC

Mortgage applications to purchase a home dropped 10% from the previous week, while applications to refinance a home loan fell 7% for the week, according to the Mortgage Bankers Association.

Realtor.com reported homes sold at a record-fast January pace, suggesting that buyers are more active than usual for this time of year.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances increased to 3.83% from 3.78% as the average loan size hit another record high at \$446,000.

[READ MORE](#)

