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California home sales rebound after 5-month slump

Source: Patch

Home sales rebounded last month across California, increasing on both a month-to-month and year-to-year basis, the CALIFORNIA ASSOCIATION OF REALTORS® announced Wednesday. Sales in September increased 5 percent from the previous month and rose 6.6 percent year-over-year. That year-over-year increase came after five months of year-over-year declines.

The statewide median home price last month was $883,640, down 1.7 percent from August, and up 1.8 percent compared to September 2024. The highest median price in California in September was San Mateo County's $2.15 million, while the lowest was Trinity County's $210,000. Three regions recorded year-over-year, double digit sales increases: the Central Coast (11.8 percent), Southern California (11.3 percent) and the Central Valley (10.2 percent). The San Francisco Bay Area saw sales increase 9.8 percent.

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U.S. homebuilder sentiment hits 6-month high

Source: Reuters
U.S. homebuilder sentiment jumped to a six-month high in October amid hopes that declining mortgage rates would stimulate demand for housing and help reduce an inventory overhand that has hampered new housing construction. Economic uncertainty and a lackluster labor market are, however, likely to offset some of the anticipated boost to demand from lower borrowing costs.

The Federal Reserve's Beige Book report on Wednesday described economic activity as little changed in recent weeks and said demand for labor was generally muted. The National Association of Home Builders/Wells Fargo Housing Market index increased five points to 37 this month, the highest reading since April. However, higher goods prices from tariffs on imports as well as a stagnant labor market are hampering spending by lower- and middle-income households.

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How location affects home value

Source: Homes.com
There's more to a listing than a home's condition. A solid neighborhood with features such as a low crime rate and highly rated schools can boost sales price, several real estate professionals told Homes.com. "A property's community impacts its listing price heavily," said Adam Hamilton, CEO of REI Hub, a real estate software firm in Richmond,

Virginia. “It’s also something that prospective buyers need to take seriously. Everything from schools to noise levels, to crime rates, to the busyness of nearby streets all impact how ‘good’ a home is.”

More than half of homebuyers with children under the age of 18 said the quality of a school district is an important factor when buying a home, according to the NATIONAL ASSOCIATION OF REALTORS®. Also, while real estate agents aren’t allowed to offer an opinion on a neighborhood’s crime rate, agents can direct clients to resources such as local police departments. Walkability is also important: a 2023 NAR survey found that 78 percent of respondents said they would pay more for a home that was close to neighborhood amenities such as restaurants and places to shop.

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Fed's Beige Book report finds a stalled job market

Source: Investopedia
The U.S. economy is still stuck in its low hiring, low firing rut, according to the Federal Reserve’s anecdotal Beige Book report. While there is no hard data attached to Wednesday’s report, which covered September and early October, the Beige Book painted a picture of employers across the country avoiding mass layoffs and also steering clear of hiring many new workers. The report is always based on anecdotes from business and community leaders.

Reports from across the U.S. indicate sluggish economic conditions in much of the country, with only three of the Federal Reserve’s 12 district banks reporting expanding activity in their regions. The remaining nine

districts reported either flat or contracting economic activity. The Beige Book normally takes a back seat to the Bureau of Labor Statistics' monthly report on job creation, which is based on massive surveys of businesses and households. But with the government and the BLS mostly shut down since Oct. 1, the Beige Book is one of the Fed's few reliable sources of information about how the economy is doing.

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Fed: slowdown in U.S. hiring suggests economy needs rate cuts

Source: AP
A sharp slowdown in hiring poses a growing risk to the U.S. economy, Federal Reserve Chair Jerome Powell said Tuesday, a sign that the Fed will likely cut its key interest rate twice more this year.

Powell said in a speech in Philadelphia that despite the federal government shutdown cutting off economic data, the outlook for employment and inflation does not appear to have changed much since the September meeting. Fed officials at that meeting forecast that the central bank would reduce its rate twice more this year and once in 2026. Lower rates from the Fed could reduce borrowing costs for mortgages, car loans, and business loans.

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Average 30-year mortgage rate slips to 6.27%

Source: AP

The average rate on a 30-year U.S. mortgage declined again this week, easing to just above its lowest level this year. The average rate slipped to 6.17 percent from 6.3 percent last week, mortgage buyer Freddie Mac said Thursday. A year ago, the rate averaged 6.44 percent. The latest dip brings the average rate to just above 6.26 percent, where it was four weeks ago after a string of declines brought down home loan borrowing costs to their lowest level since early October 2024.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, also eased this week. The average rate dropped to 5.52 percent from 5.53 percent last week. A year ago, it was 5.63 percent, Freddie Mac said. Mortgage rates started declining in July in the lead-up to the Federal Reserve's decision last month to cut its main interest rate for the first time in a year amid growing concern over the U.S. job market. Even if the Fed opts to cut its rate further that doesn't necessarily mean mortgage rates will keep declining. Last fall, after the Fed cut its rate for the first time in more than four years, mortgage rates marched higher, eventually reaching just above 7 percent in January this year.

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