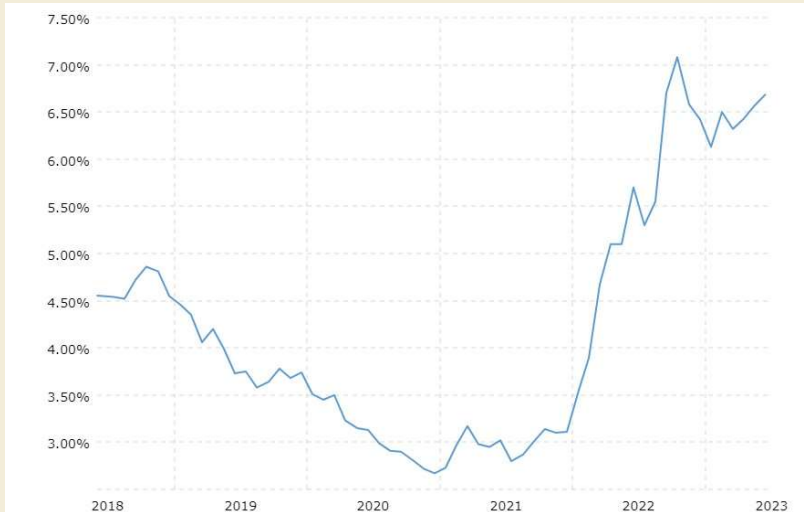


30-Year Fixed Mortgage Rates



6.57%

May 2023



6.69%

June 2023

Source: [Macrotrends.net](https://www.macrotrends.net)

TALKING POINTS

- The Federal Reserve elected not to hike rates at their recent meeting on June 14th.
- Looking ahead, the Federal Reserve has indicated it will most likely implement additional rate hikes this year to bring inflation down to 2%.

WHY IS THIS IMPORTANT?

- When talking with your buyers, you can connect what is happening with global economics to your local market.
- If buyers want to get into a home this year, it will behoove them to know the difference in their monthly mortgage payment based on today's rates vs. rates ½ to 1 percent higher, so they can make an informed decision on their offer prices.

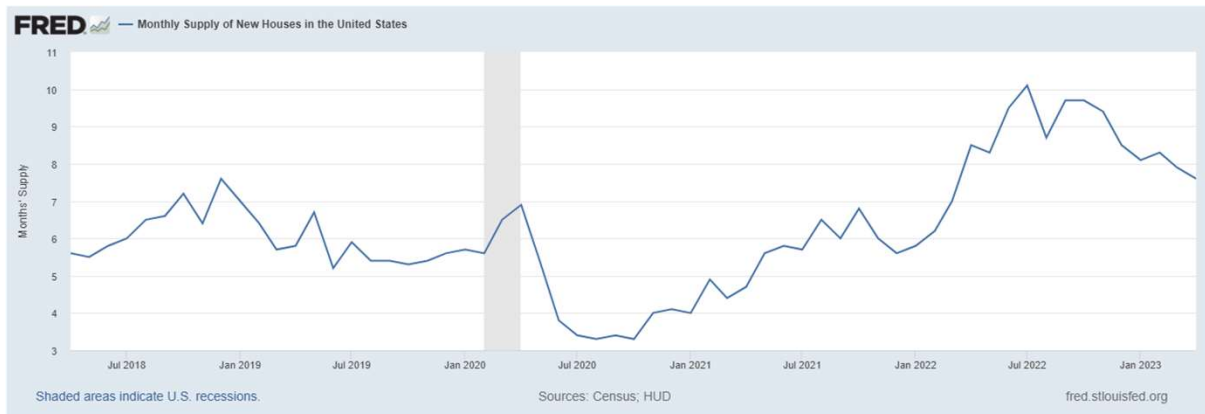


TALKING POINTS

- Existing home sales fell slightly in April, however, compared to a year ago, the drop is significant.

WHY IS THIS IMPORTANT?

- When talking with your buyers, this may signal that a buyer's market is coming into view.
- Buyers who have been frustrated by multiple offer situations may see some relief.
- When talking with your sellers, it is important that you demonstrate your knowledge of your local market. What is the absorption rate, in months, in their price range? A year ago, sellers were calling the shots. However, with the fixed mortgage rates still rising, there are fewer buyers in some price ranges with homes lingering on the market for 8 weeks or longer.
- Advise your sellers to not dismiss a lower offer out of hand, but rather work with the buyer to come to an agreement. Another qualified buyer may not appear for weeks or months depending on your market.



Monthly Supply
of New Houses

7.6
April 2023

U.S. Census Bureau and U.S. Department of Housing and Urban Development, Monthly Supply of New Houses in the United States [MSACSR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MSACSR>, June 18, 2023.

TALKING POINTS

- In the US, more buyers are turning to new construction to get into a home rather than face multiple offer situations on existing homes.
- This has led to the absorption rate of new construction single-family homes decreasing to 7.6 months of inventory, down from 7.9 in March.
- April also saw an increase in new construction housing starts – up just over 2% from March.

WHY IS THIS IMPORTANT?

- You may want to scope out new developments in your market and introduce yourself to the builder or their sales staff.
- Identify which builders will work with you regarding commission and what the protocol is; for example, will you need to accompany the buyer on their first visit to the development to qualify for a commission if they buy? How do you register a buyer?
- Talk to your buyers about the advantages of having you represent them with new construction vs. negotiating the purchase independently. Remember, the builder's salesperson does not represent the buyer's interest; they represent the builder.
- When talking to sellers, let them know that their competition won't just be existing homes for sale but also new construction and why.