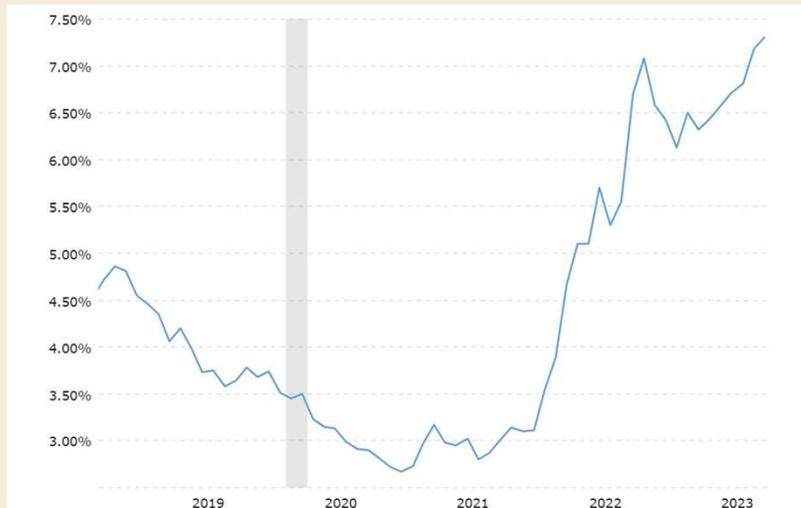


30-Year Fixed Mortgage Rates



7.18%

August 2023



7.31%

September 2023

Source: Macrotrends.net

TALKING POINTS

- While cash sales are excellent, according to Freddie Mac, nearly 90% of home buyers choose a 30-year fixed-rate mortgage, mainly for its affordability and flexibility.

WHY IS THIS IMPORTANT?

- If your buyer chooses a 30-year mortgage, ask them to check with their mortgage representative about the pros and cons of paying off their mortgage early. They should also ask their lender what costs are entailed with refinancing and how to know if it's a good financial move for them.
- If you're working with a seller, brainstorm a few creative ideas to entice a buyer who will be mortgaging the purchase to choose the seller's property, such as down payment assistance or offering to pay a certain number of months of an HOA fee.



TALKING POINTS

- August 2023 brought just over 4 million in sales, a median sales price of \$407,000, up 3.9% YOY, and 3.3 months of inventory (Absorption Rate) – an increase of a few days from August of 2022.

WHY IS THIS IMPORTANT?

- When talking with sellers this month, let them know that the median sales price increased only by 3.9% from a year ago. Most markets are no longer seeing double-digit appreciation YOY.
- If you're preparing your market's Absorption Rate monthly, look back at last year's data to compare to the national trend and share this information with your clients.
- Prepare your sellers that homes may linger on the market a little longer than they were last month. Provide them with ideas that will help their home stand out from their competition, thereby positioning their home for a quicker sale.
- This is good information to include in your listing presentation to help set the correct

expectations for sellers.

- According to NAR, “Existing home sales improved in the Midwest, were unchanged in the Northeast, and slipped in the South and West.” All four regions saw sales declines in YOY statistics.



TALKING POINTS

- The monthly absorption rate of new construction homes is increasing slightly, meaning that it is taking longer to sell.
- The National Association of Home Builders estimates that “...at least 1.5 million housing units are needed to meet demand and bring the housing market into balance.”

WHY IS THIS IMPORTANT?

- If your buyers are considering buying new construction, make sure you are recommending a private home inspection vs. the builder’s inspector. Homes are going up quickly to take advantage of existing homes’ low inventory, and sub-contractors aren’t held accountable as they should. Even local County building departments have been known to let sub-par work slide during the inspection.
- Builders, like existing home sellers, still have the upper hand in hot markets, so getting builders to throw in extras at no charge will be challenging.