

## 30-Year Fixed Mortgage Rates



**7.31%**

September 2023



**7.79%**

October 2023

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

### TALKING POINTS

- Interest rates continue to inch up slightly above the recorded average for October.
- The Federal Reserve has indicated that it anticipates one more rate hike in 2023.

### 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

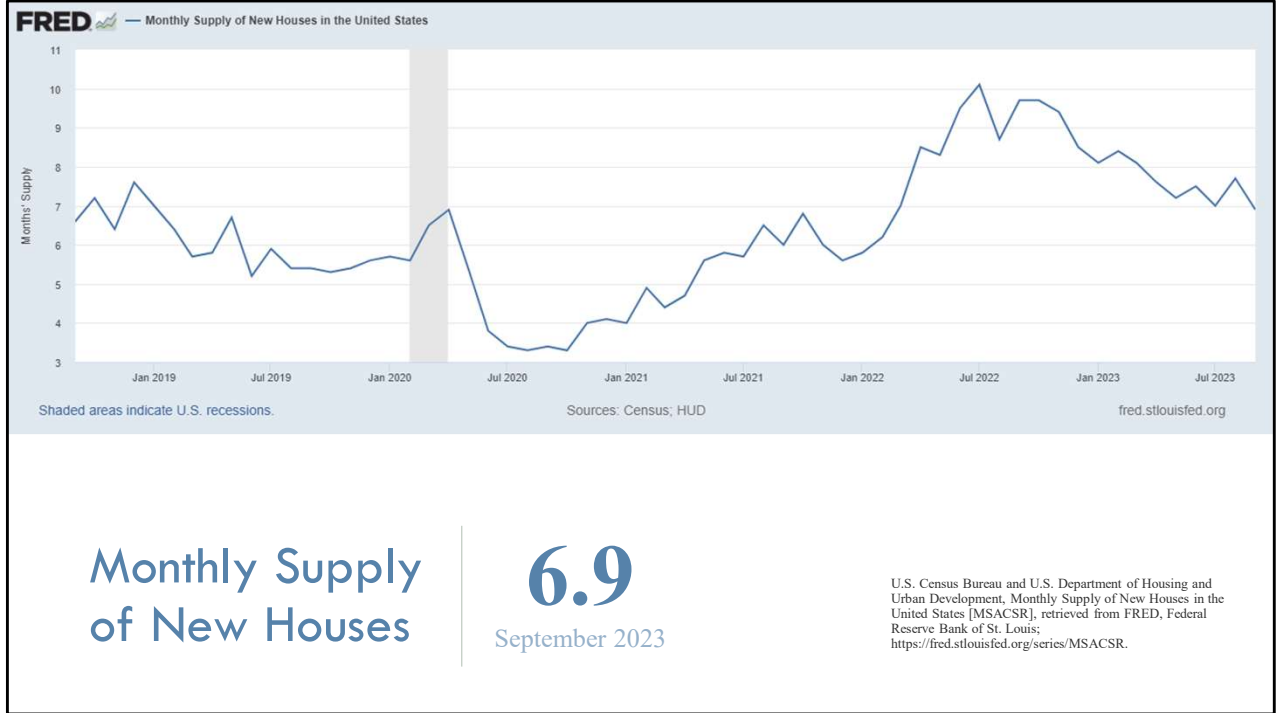
- In September 2023, existing home sales fell by 2.0% month over month and 15.4% year over year.
- The median sales price fell month-over-month from \$407,100 in August.

## WHY IS THIS IMPORTANT?

- When talking with sellers this month, let them know that last month's median sales price decreased by 3.14%. Most markets are no longer seeing double-digit appreciation YOY.
- For your listings, you'll want to prepare a new market analysis each month it remains on the market to ensure your clients have their homes priced correctly.
- If you're preparing your market's absorption rate monthly, look back at last year's data to compare it to the national trend and share this information with your clients.
- Prepare your sellers for the fact that homes may linger on the market slightly longer

than last month. The national absorption rate increased from 3.3 months of inventory to 3.4 months. Provide them with ideas to help their home stand out from their competition, 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, “Among the four major US regions, sales rose in the Northeast, but receded in the Midwest, South and West. All four regions registered year-over-year declines.”



## TALKING POINTS

- The monthly absorption rate of new construction homes fell by almost a month to 6.9 months of inventory from 7.8 months of inventory last month.
- New construction sales are on the uptick.
- 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?

- Now is the time to work on your buyer’s presentation – make sure you let buyers know you can represent them if they want to buy a new construction, but that it may require you to be with them on their initial visit to view the builder’s models.
- Make sure you recommend to your buyers that they have 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.