

## 30-Year Fixed Mortgage Rates



**6.94%**

February 2024



**6.79%**

March 2024

Source: Macrotrends.net

### TALKING POINTS

The 30-year fixed-rate decreased slightly from 6.95% to 6.79% at the end of March.

### WHY IS THIS IMPORTANT?

Several experts are predicting a decline in mortgage rates over the course of 2024. Projections indicate that 30-year rates could stabilize at anywhere between 6.1% to 6.4% by year end. As a result, we may see slightly expanded buyer pools emerging later in the year.



## TALKING POINTS

- Existing home sales surged by 9.5% in February, the most significant jump in a year, driven by low mortgage rates and strong demand.
- Median sales prices rose 5.7% year-over-year to \$384,500, marking eight consecutive months of increases.
- Despite a slight dip in supply, with a national absorption rate of 2.9 months, prices remain good due to limited inventory.

## WHY IS THIS IMPORTANT?

- This underscores the market's resilience, with prices expected to continue rising in 2024.



## Monthly Supply of New Houses

**8.4**  
February 2024

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>.

### TALKING POINTS

The monthly absorption rate of new construction homes again increased slightly to 8.4 months of inventory in February.

### WHY IS THIS IMPORTANT?

New construction may be appealing to buyers who are struggling to find an existing home that matches their wants and needs. However, new homes can have several disadvantages:

- **Cost:** In February 2024, the median price of a newly built home was \$400,500, \$16,000 more than the median sales price of existing homes.
- **Timeline:** Getting into a new home can take 3-9 months.
- **Quality:** some say new construction homes have low-built quality that can lead to expensive issues later.
- **Advise buyers to research builders and have an independent home inspection before closing.** In Michigan, a new construction buyer who didn't use an inspector couldn't figure out why one room in their home was always cold. Turned out the room lacked insulation in the ceiling – underscoring the importance of thorough inspections.