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**California housing to see stronger sales, rising prices in 2025, REALTORS®  
forecast**

**Source: OC Register**

**California's beleaguered real estate industry will get some relief next year, with house sales projected to increase 10 percent to 304,400 transactions in 2025, the CALIFORNIA ASSOCIATION OF REALTORS® predicted on Wednesday, Sept. 25.**

**In the last two years, sales plunged to fewer than 276,000, well below the state's average of more than 400,000 transactions per year. House prices, meanwhile, are expected to continue rising next year, but at a slightly slower pace than in 2024. C.A.R. economists predicted the median price, or price at the mid-point of all sales, will rise almost 5 percent to a record high of \$909,400. If accurate, house prices will have nearly doubled in the past 10 years. C.A.R. also predicted that 30-year mortgage rates will drop to an average of 5.9 percent next year, down from 6.6 percent this year. Lower mortgage rates will encourage many "locked-in" homeowners – reluctant to give up low payments they acquired during the pandemic – to put their properties up for sale.**

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**GDP: U.S. economy grows at 3% annualized pace in second quarter**

***Source: Yahoo! Finance***

The U.S. economy grew at a 3 percent annualized pace in the second quarter, a faster rate than Wall Street had expected. The Bureau of Economic Analysis's third estimate of second quarter U.S. gross domestic product (GDP) was unchanged from the second estimate which had shown 3 percent annualized growth. Economists had estimated the reading to show annualized growth of 2.9 percent. The third estimate for second quarter GDP confirms that economic growth was higher than the 1.4 percent annualized growth seen in the first quarter.

Separately, data from the U.S. Labor Department released Thursday showed 218,000 unemployment claims were filed in the week ending Sept. 21, below Wall Street's expectations of 223,000. This marked the lowest level of weekly claims since the middle of May. "The revisions only strengthen our conviction that the U.S. economy will continue to expand at a decent pace over the coming year, which suggests labor market conditions are unlikely to deteriorate markedly from here," Oxford Economics Deputy Chief Economist Michael Pearce wrote on Thursday.

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**The Fed sees its inflation fight as a success. Will the public eventually agree?**

***Source: Associated Press***

With its larger-than-usual half-point cut to its interest rate last week, the U.S. Federal Reserve underscored its belief that it's all but conquered inflation after three long years. The public at large does not seem to agree. Consumer surveys, including one released Friday by the Associated Press-

**NORC Center for Public Affairs Research, show that most Americans remain unhappy with the economy, still bruised by an inflation rate that hit a four-decade high two years ago as the economy rebounded from the pandemic recession.**

**Yet in the view of some economists, the shift toward steadily lower borrowing rates could eventually boost consumer sentiment. Inflation has sunk for more than two years and is nearly back down to the Fed's 2 percent target. That that means overall prices are still rising, they're doing so much more slowly. The costs of some high-profile consumer goods, from used cars to grocery prices, have actually been falling. Economic history suggests that a low, stable inflation rate, with prices rising only gradually, eventually leads Americans to adapt to higher price levels. One favorable factor is that average incomes are now rising faster than prices, allowing more households to afford necessities.**

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**Newsom signs bill limiting homebuyer sales contracts to 3 months**

***Source: Marin Independent Journal***

**California Governor Gavin Newsom signed a bill Tuesday limiting real estate contracts between homebuyers and their agents to three months, imposing a time limit on agreements that became mandatory last month under the National Association of REALTORS® commission lawsuit settlement.**

**The new law will take effect on Jan. 1, making California one of at least 28 states with laws requiring home shoppers to have a buyer-representation**

agreement with their agents. The new law requires written consent by both the buyer and the agent for renewing buyer's representation agreements every three months.

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**Home builder confidence rises in September amid rate cuts**

*Source: Yahoo! Finance*

The Home Builder Confidence Index rose to 41 in September, up from August's reading of 39. The latest print from the National Association of Home Builders (NAHB) came in line with expectations as mortgage rates continue to cool to 19-month lows. In this video, anchor Seana Smith breaks down the data and what interest rate cuts from the Federal Reserve could mean for the homebuilder category.

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**Mortgage refinance boom takes hold, as weekly demand surges 20%**

*Source: CNBC*

A steady decline in mortgage rates to two-year lows has current homeowners rushing to take advantage of potential savings. Applications

to refinance a home loan surged 20 percent last week compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. Demand was a stunning 175 percent higher than the same week one year ago.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances of \$766,650 or less decreased to 6.13 percent from 6.15 percent, with points increasing to 0.57 from 0.56 (including the origination fee) for loans with a 20 percent down payment. The rate was 128 basis points, or 7.41 percent, higher the same week one year ago. "The 30-year fixed rate decreased for the eight straight week to 6.13 percent while the FHA rate decreased to 5.99 percent, breaking the psychologically important 6 percent level," said Joel Kan, vice president and deputy chief economist at the MBA, in a release. The refinance share of applications rose to 55.7 percent. Applications for a mortgage to purchase a home rose just 1 percent for the week and were 2 percent higher than the same week one year ago, partially because buyers are still facing high home prices and a limited supply of houses for sale.

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