

4.29.24

**CCRE PRESENTS...
CAPITOL
CONVERSATIONS:
NAVIGATING
CALIFORNIA'S
HOUSING SOLUTIONS**

**RESERVE YOUR
FREE C.A.R.
MEMBER SEAT HERE**

**MONDAY,
APRIL 29, 2024
SACRAMENTO**

 **CENTER FOR
CALIFORNIA
REAL ESTATE**



California sees surge in homeowners trying to sell their houses

Source: MSN

The number of homes listed for sale in California is on the rise and last month saw the largest jump in more than a year amid rising home prices in the state, according to data from the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). Active listings shot up based on monthly comparisons to last year for the second consecutive month, while new active listings also increased by double digits as the spring season for home sales gets underway.

“It’s a great time to sell a home in California,” Jordan Levine, C.A.R.’s chief economist told Newsweek. “About half the homes are now selling above list price once again and prices themselves are rising.” Sellers are also seeing their homes spend less time on the market, the data showed. It took about 19 days to sell a single-family home last month, compared to 24 days one year ago. Sales were down on a monthly basis by about 8 percent and by 4 percent compared to a year ago, largely due to elevated mortgage rates that are keeping sellers locked into their low home loans. This constricted supply is why prices for homes in the state are high, as competition for available homes has escalated.

[READ MORE](#)

WOMANUP!® 2024 CONFERENCE:

Create a future that reflects our collective ambition and individual dreams. [Register here](#) for the June 12-13 event!

California legislators take aim at construction fees to boost housing

Source: KQED

After nearly a decade of trying to peel away the red tape holding back housing construction in California, legislators are targeting impact fees. Cities impose impact fees to fund construction for new schools, road maintenance, public art installations and other amenities. The fees vary widely based on the type of project and city, ranging from as low as \$12,000 per unit to as high as \$157,000 per unit. The constitutionality of these fees was recently challenged in the Supreme Court. Last week, the court unanimously ruled that cities should have to demonstrate that the fees they are charging are reasonable, though they left it to the lower courts to determine what counts as a reasonable fee.

Senate bill 937 would make payment due only once people are actually living in the new housing. Assembly bills 2144 and 1820 would require cities to post easily accessible information about the fees they charge. AB 1210 would cap the fees developers have to pay to connect new homes and apartment buildings to utility services, limiting the fees to 1 percent of the project's estimated value.

[READ MORE](#)

Map of ZIP codes where State Farm will drop home insurance policies

Source: San Francisco Chronicle

Starting this summer, 30,000 California policyholders will be told they are being dropped by California's largest home insurer, State Farm. The decision affects homeowners policies, rental insurance and other property insurance. The company will not send official notices until July, but some customers have been notified by their State Farm agents that they will be among the 30,000. State Farm accounts for 8.7 percent of all home insurance policies in California. The company wrote that it would not renew policies "that present the most substantial wildfire or fire following earthquake hazards, or that are in areas of significant concentration."

Recent filings with the California Department of Insurance show where these nonrenewals will be concentrated, which is mostly in Sonoma County, Contra Costa County, Los Angeles County and the Santa Cruz Mountains. The link below takes you to an article with a map showing the ZIP codes included. You can enter your address to see if you are likely to be affected. Customers affected by the decision will retain coverage until their current contract is up.

[READ MORE](#)

U.S. home investor share reached new high in Q4 2023

Source: CoreLogic

The share of homes being purchased by home investors in the U.S.

climbed to almost 29 percent in December 2023 and could exceed 30 percent in 2024, according to CoreLogic data. Despite price appreciation slowing in 2023, the share of investor purchases has remained high. Elevated interest rates have not deterred home investors, and in fact because both prices and rates remain high and the Federal Reserve has yet to cut rates, there is strong demand for home rentals that investors are seizing upon.

Owner-occupied buyers are purchasing about 100,000 fewer homes per month than they were before 2022, though investors are likely only making a small dent in homeownership numbers. Home-flipping activity continued to fall in the first half of 2023. Only 12 percent of investors who purchased a home in March 2023 resold by the end of December 2023. Flipping is a relatively less attractive business model than renting out a home when appreciation is slow and interest rates are high. If mortgage rates decline in the second half of 2024, this may bring owner-occupying buyers back off the sidelines, leading to a drop in home investor share.

[READ MORE](#)

Mortgage rates hit highest level of the year and could still rise

Source: CNBC

The average rate on the popular 30-year fixed mortgage crossed over 7 percent on April 1 and just kept going, according to the Mortgage Bankers Association's seasonally adjusted index. It now sits at

around 7.5 percent, the highest level since mid-November of last year. When rates got that high at the end of last year, home sales ground to a halt until rates fell through mid-January to the mid-6 percent range and held there into February, causing a surge in home sales. A pick-up in inflation reset expectations, putting mortgage rates back on an upward trend.

Even with rates higher, however, mortgage applications to purchase a home rose 5 percent last week compared with the previous week. Demand was still 10 percent lower than the same week one year ago. Some borrowers may have decided to act in case rates continued to rise, said Joel Kan, MBA's chief economist. Applications for a mortgage to purchase a home decreased 0.1 percent for the week and were 13 percent lower than a year ago.

[READ MORE](#)