

Home Prices

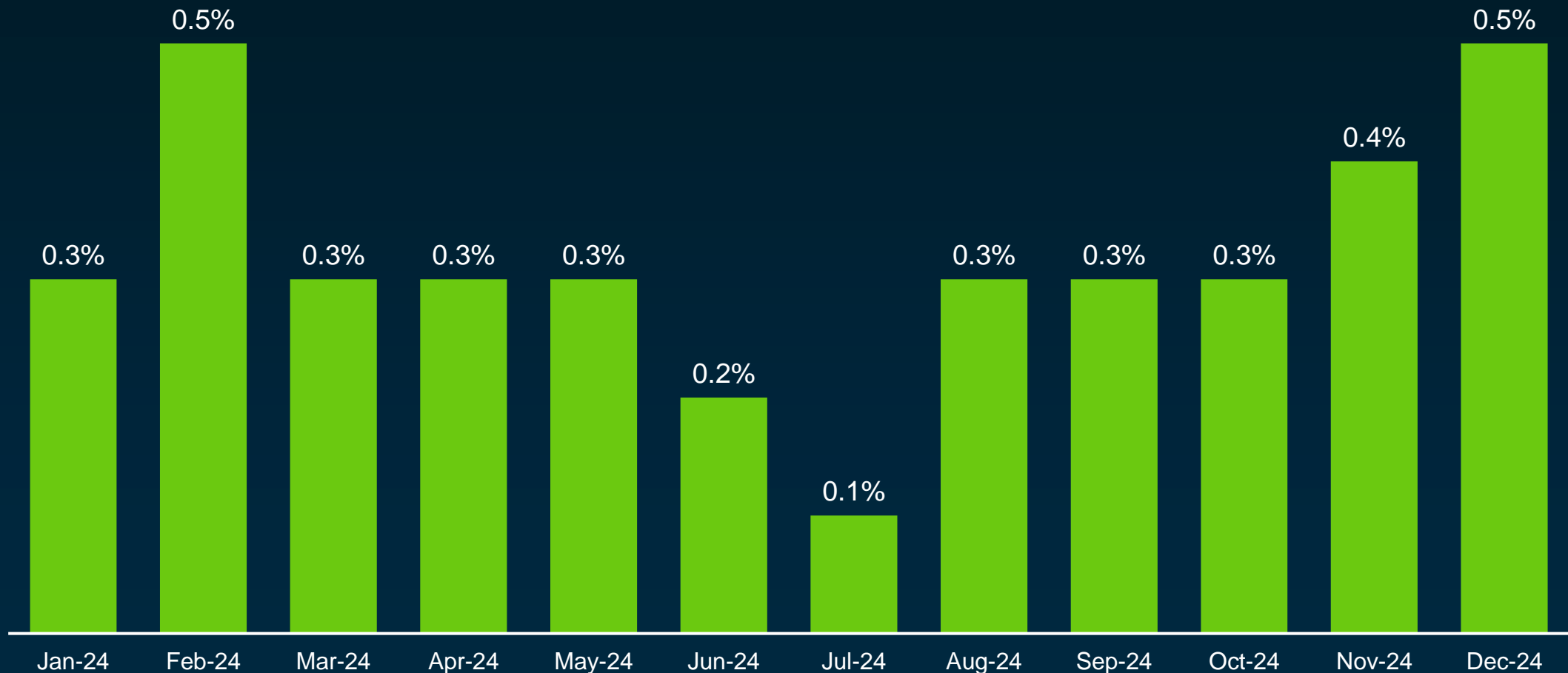


Home prices have mostly been moving sideways starting in late summer through the end of 2024, a trend that may continue into early months of 2025.

Selma Hepp
Chief Economist, CoreLogic

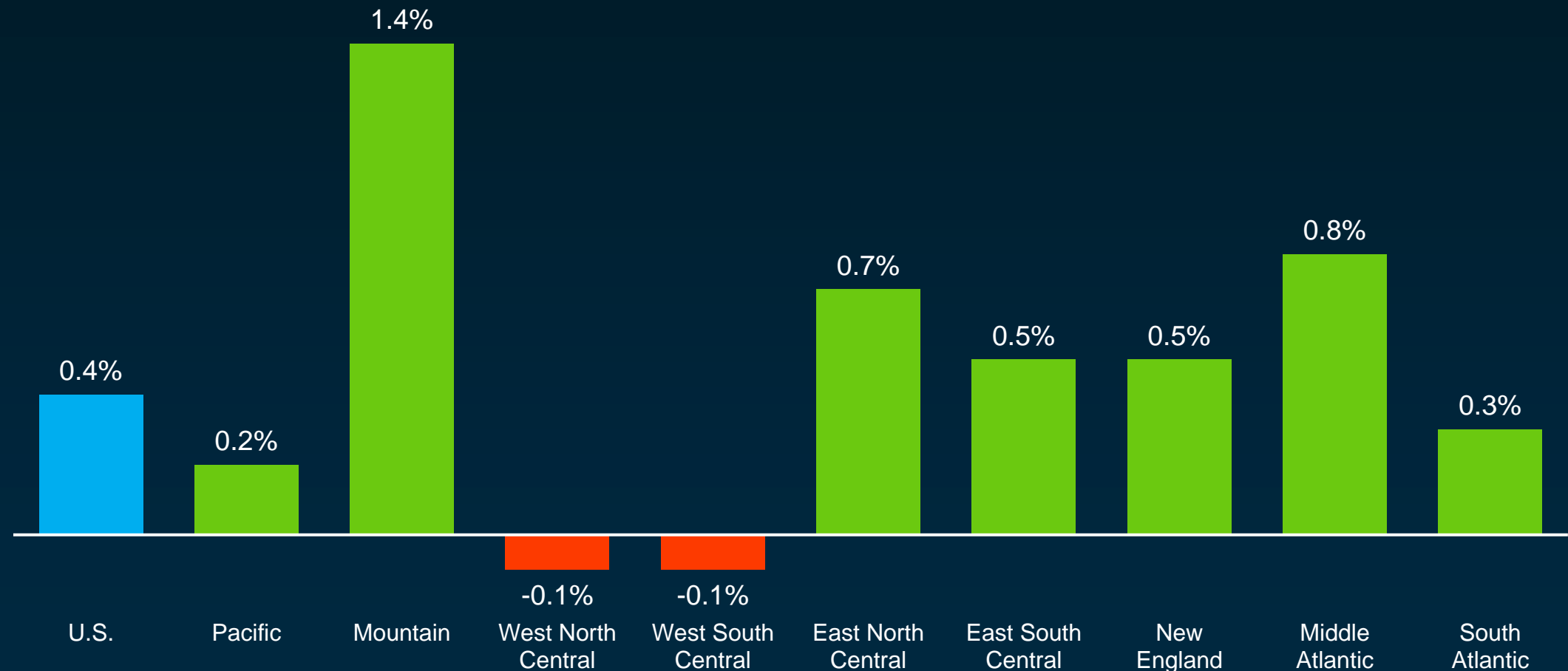
Home Price Growth Remains Relatively Flat

Month-Over-Month Percent Change in Home Values (Seasonally Adjusted)



Home Price Appreciation Varies Regionally

Month-Over-Month Percent Change in Home Values
(Seasonally Adjusted), December 2024



Year-Over-Year Metro Home Price Appreciation

Percent Appreciation in the 20-City Index, December 2024 (Seasonally Adjusted)

U.S. National Ave. = 3.9% (1-Year Change)

Metro	% Change
Atlanta	2.35%
Boston	6.35%
Charlotte	3.47%
Chicago	6.60%
Cleveland	5.24%
Dallas	1.61%
Denver	1.51%
Detroit	4.76%
Las Vegas	5.43%
Los Angeles	3.57%

Metro	% Change
Miami	3.28%
Minneapolis	3.20%
New York	7.22%
Phoenix	2.09%
Portland	2.92%
San Diego	5.51%
San Francisco	2.61%
Seattle	5.61%
Tampa	-1.11%
Washington, D.C.	5.61%

Year-Over-Year Metro Home Price Appreciation

Percent Appreciation in the 20-City Index, December 2024 (Seasonally Adjusted)

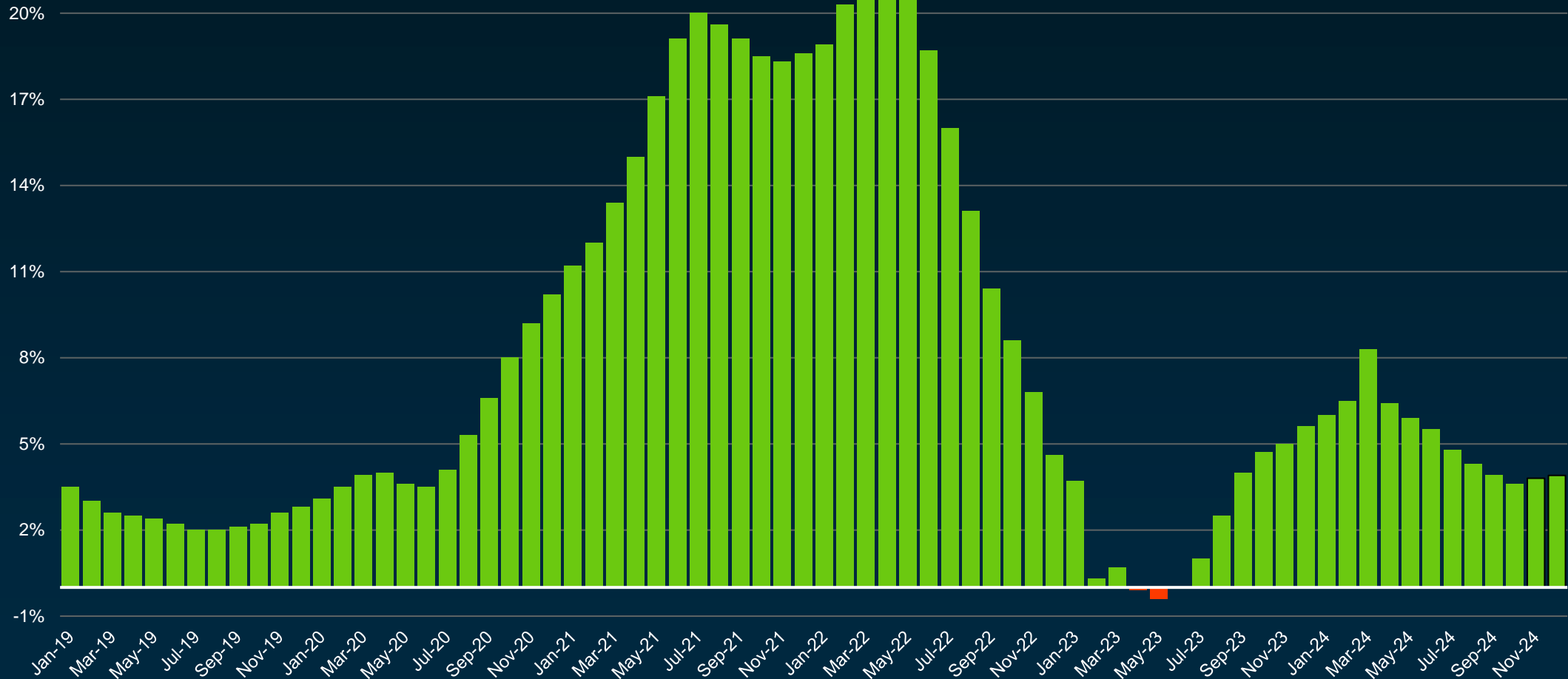
U.S. National Ave. = 3.9% (1-Year Change)

Metro	% Change
Atlanta	2.35%
Boston	6.35%
Charlotte	3.47%
Chicago	6.60%
Cleveland	5.24%
Dallas	1.61%
Denver	1.51%
Detroit	4.76%
Las Vegas	5.43%
Los Angeles	3.57%

Metro	% Change
Miami	3.28%
Minneapolis	3.20%
New York	7.22%
Phoenix	2.09%
Portland	2.92%
San Diego	5.51%
San Francisco	2.61%
Seattle	5.61%
Tampa	-1.11%
Washington, D.C.	5.61%

Home Prices Are Growing at a More Normal Pace

Change in Home Prices, Year-Over-Year, 20 City Composite



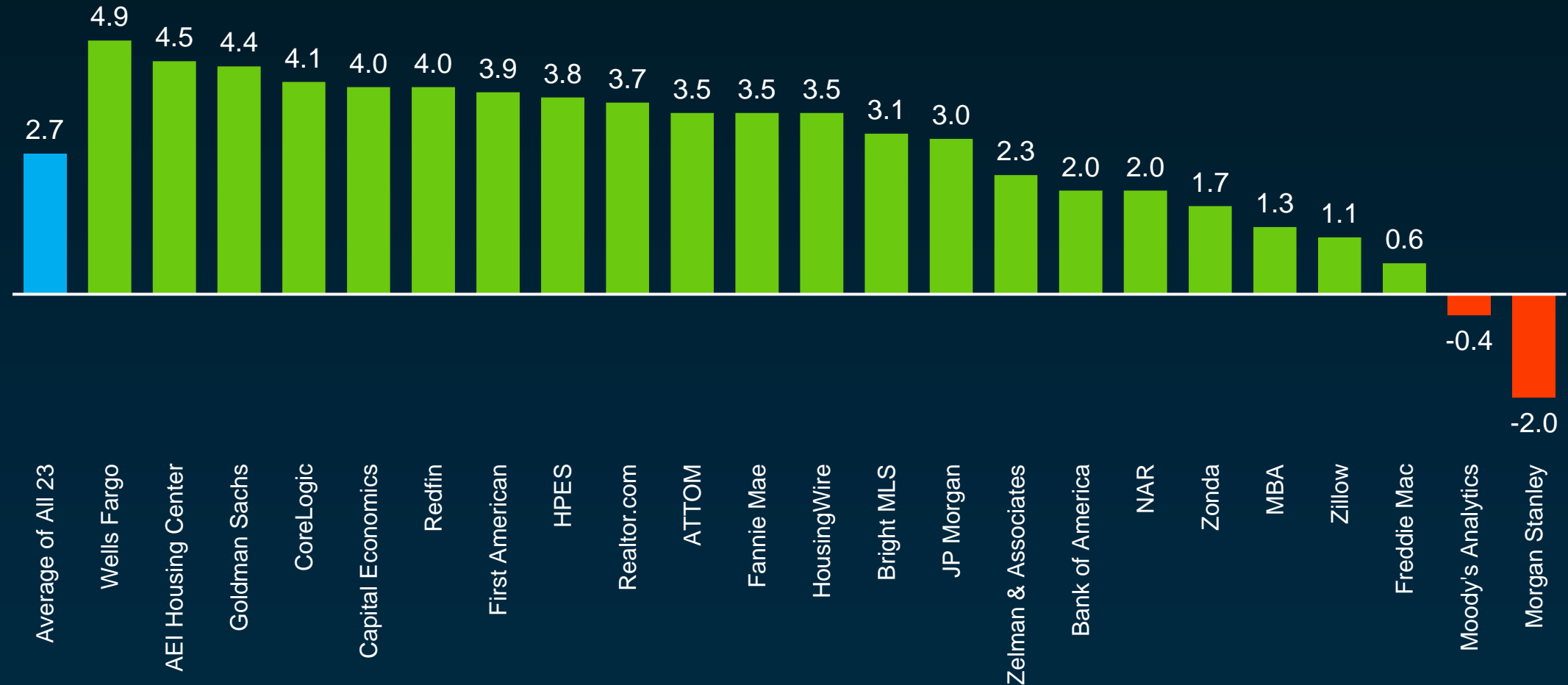


... prices are expected to rise this year – though most will do so more slowly than they did last year ...
Slower growth is good news for buyers who have locked in their budgets and are saving for down payments.

Zillow

2025 Home Price Forecasts

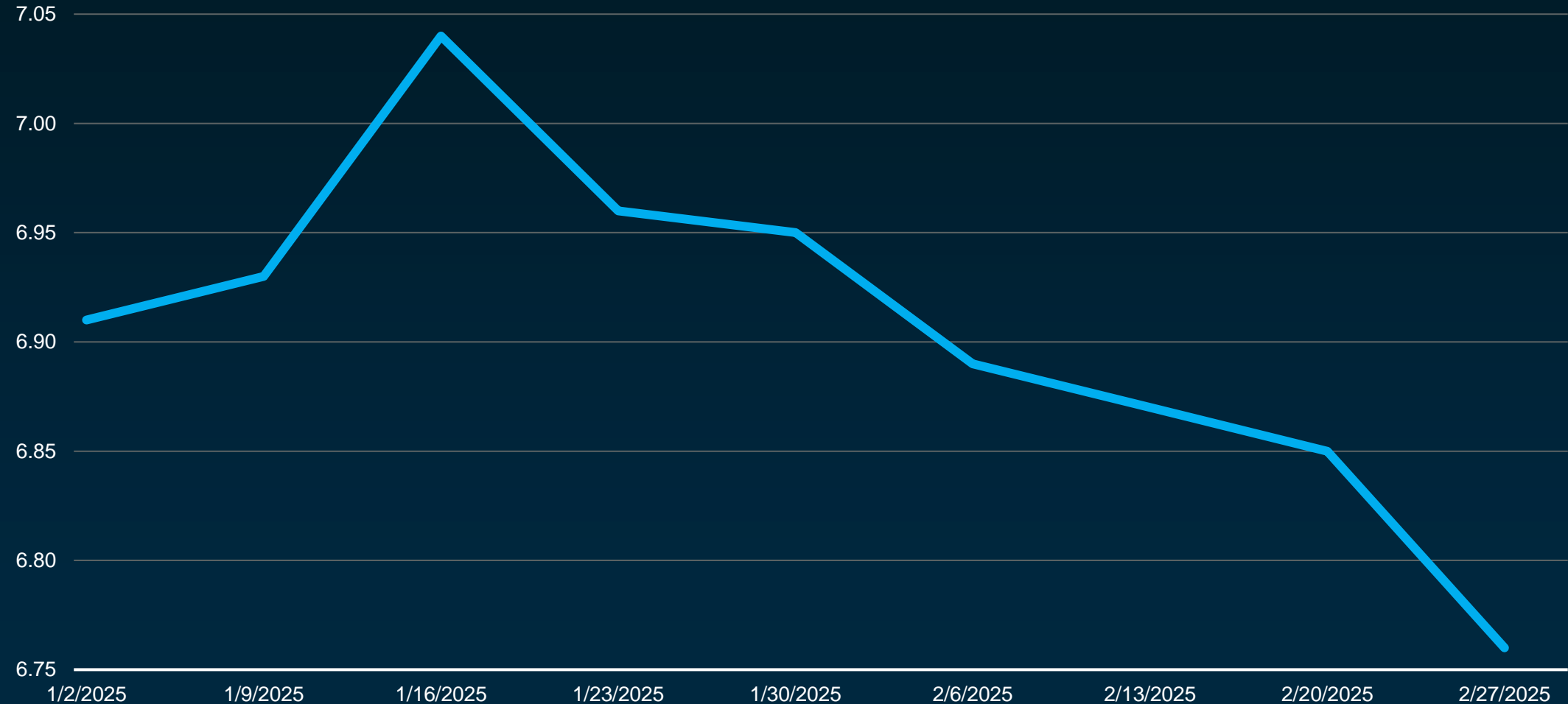
Percent Appreciation as of 2/26/2025



Mortgage Rates

Mortgage Rates Have Declined This Year

Average 30-Year Fixed Mortgage Rate in 2025





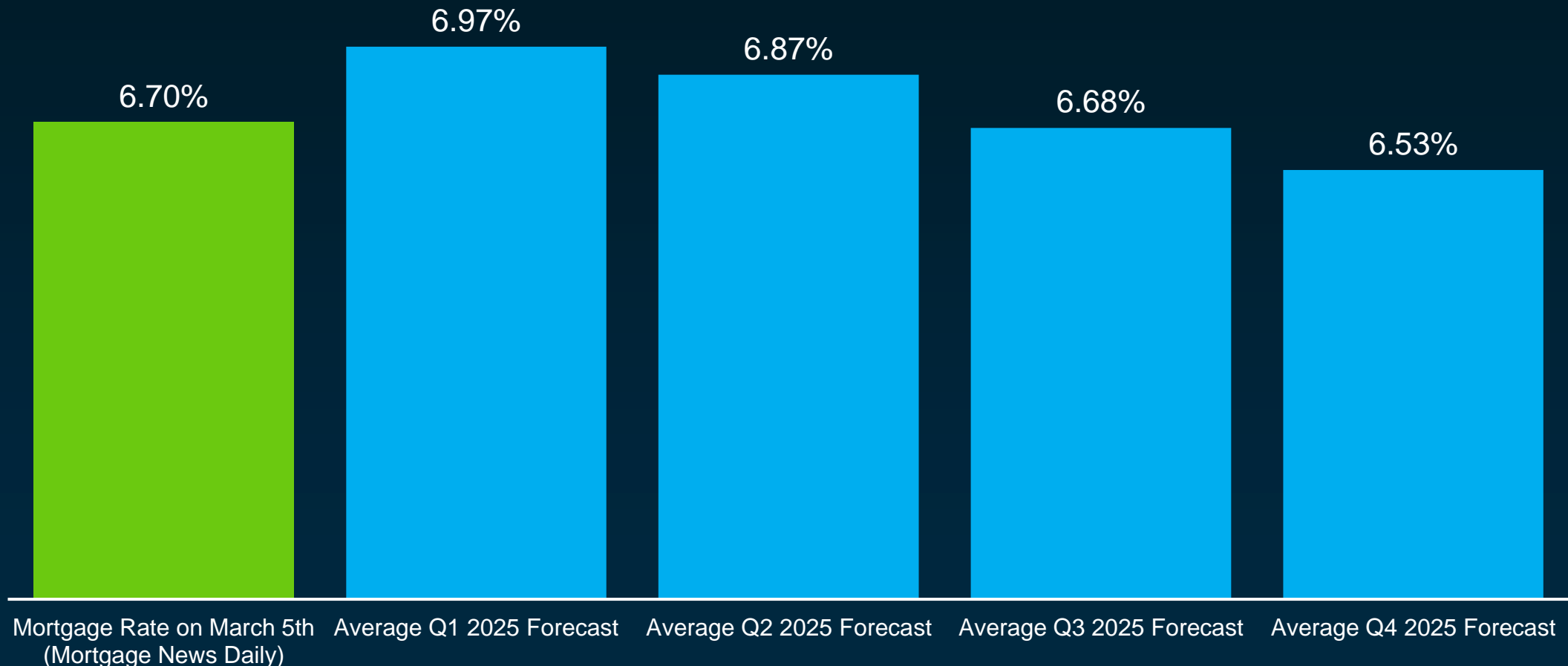
This is the lowest rate for the 30-year fixed mortgage in two months, marking six consecutive weeks of rate declines. It results in a monthly savings of \$60 on a \$400,000 home, which represents a 20% decrease from when rates peaked recently at 7.04%. Is \$60 a dealbreaker for someone purchasing a home? Perhaps not. **However, it could influence a buyer's financial perspective, shifting from the mid-6% range instead of 7%. Ultimately, vibes rather than data could prevail.**

Jessica Lautz

Deputy Chief Economist and VP of Research, NAR

Rates Are Declining Faster Than Expected

Current 30-Year Fixed Mortgage Rate Compared to Latest Forecasts





The drop in mortgage rates, combined with modestly improving inventory, is an encouraging sign for consumers in the market to buy a home.

Sam Khater
Chief Economist, Freddie Mac

Even Small Rate Changes Affect Your Buying Power

Monthly Mortgage Payment (Principal & Interest)

		Home Loan Amount				
Mortgage Interest Rate		\$440,000	\$420,000	\$400,000	\$380,000	\$360,000
	7.50%	\$3,077	\$2,937	\$2,797	\$2,657	\$2,517
	7.25%	\$3,002	\$2,865	\$2,729	\$2,592	\$2,456
	7.00%	\$2,927	\$2,794	\$2,661	\$2,528	\$2,395
	6.75%	\$2,854	\$2,724	\$2,594	\$2,465	\$2,335
	6.50%	\$2,781	\$2,655	\$2,528	\$2,402	\$2,275
	6.25%	\$2,709	\$2,586	\$2,463	\$2,340	\$2,217
	6.00%	\$2,638	\$2,518	\$2,398	\$2,278	\$2,158
	5.75%	\$2,568	\$2,451	\$2,334	\$2,218	\$2,101

Principal and interest payments rounded to the nearest dollar. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Interest rates used here are for marketing purposes only. Consult your licensed Mortgage Advisor for current rates.

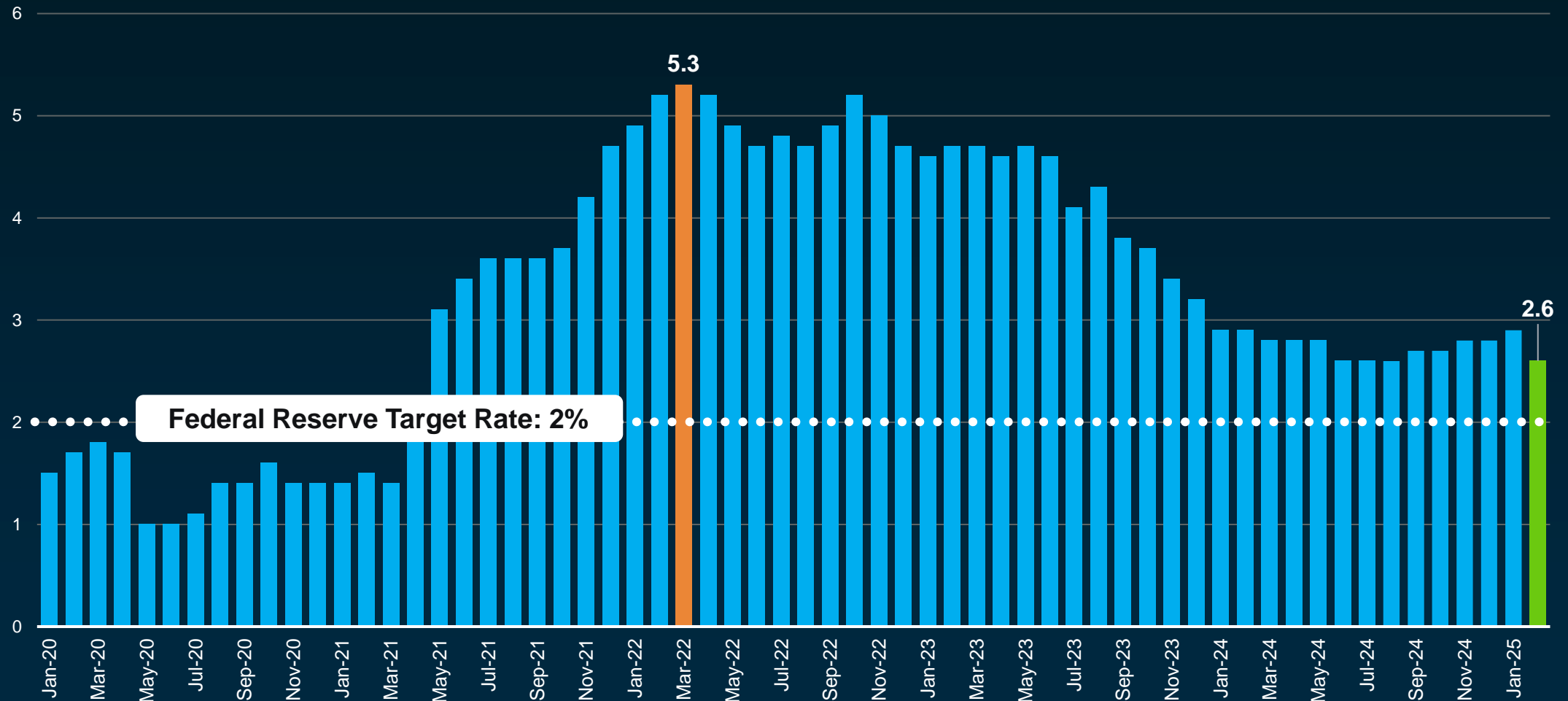


If inflation continues slowing this year, we should see mortgage rates go down a little bit. Weaker economic growth could also help rates fall.

Business Insider

The Rate of Inflation Ticked Down in February

Core Personal Consumption Expenditures (PCE) Price Index
(Percent Change Year-Over-Year, Seasonally Adjusted)





Though mortgage rates have fallen over the past several weeks and look more promising to prospective homebuyers, we are far from the home finance environment of the post-pandemic homebuying frenzy when rates were below 4%, and we are unlikely to return to that environment.

Joel Berner
Senior Economist, Realtor.com

Alternative Financing Options To Explore

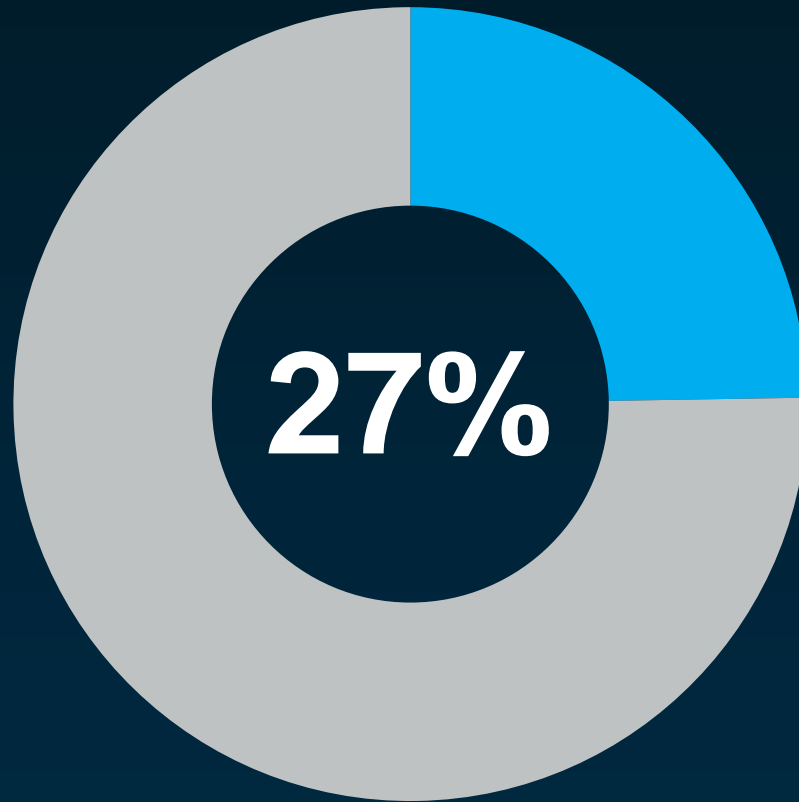
2 Alternative Financing Options To Explore

1. Mortgage Buydowns
2. Adjustable-Rate Mortgages (ARMs)

How Do Mortgage Buydowns Work?

“A mortgage buydown, also known as a mortgage rate buydown, involves paying an upfront fee in exchange for a lower mortgage interest rate. The rate reduction can either be temporary or permanent, depending on the buydown type.”

First-Time Homebuyers Are Looking for Mortgage Rate Buydowns



Agents reported that **27% of first-time buyers requested mortgage rate buydowns from sellers.**

This is **becoming more common** for existing home sales.



. . . ARM products today are different from many of the products issued in the mid-2000s. Before 2008, lenders often approved ARMs based on borrowers' ability to pay the initial lower interest rates. And sometimes they didn't even check that (remember Ninja loans). Today, adjustable-rate borrowers qualify based on their ability to cover a higher monthly payment, not just the initial lower payment.

Lance Lambert
Co-Founder, ResiClub

A Record Percent of People Are Planning To Buy a Home This Year

Share of People Hoping To Buy a Home in the Next 12 Months

