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### LAST WEEK IN REAL ESTATE

Last Week in Real Estate is a roundup of relevant news and statistics from the prior week that influence our business. Disclaimer: this is a compilation of industry news from trade media and industry groups, it does not share any forward-looking predictions or projections.

#### November 20, 2023

Freddie Mac highlighted *Last Week in Real Estate* a consistent downward trend in mortgage rates, marking the third consecutive week of decline to their lowest point since late September. Specifically, the average rate for a 30-year fixed-rate mortgage decreased from 7.50% to 7.44% compared to the previous week. This reduction spurred an uptick in mortgage demand, reaching its highest level in five weeks, with total mortgage applications rising by 2.8% from the previous week. Among these applications, purchase requests saw a 3% increase, while refinance applications saw a more modest 2% uptick. Additionally, the U.S. Department of Housing and Urban Development and U.S. Census Bureau's Friday report revealed promising growth in October's housing starts, surging to a three-month high at an annual rate of 1,372,000, representing a 1.9% month-over-month increase. Notably, single-family starts reached an annual rate of 970,000, marking a 0.2% rise from the prior month. Furthermore, permits for future construction also saw a notable surge, rising by 1.1% compared to the prior month. Single-family permits specifically increased by 0.5% to reach an annual pace of 968,000. Below are a few newsworthy events from the second week of November that influence our business:

- **MORE RELIEF IN MORTGAGE RATES THIS WEEK.** For the third consecutive week, mortgage rates fell. The 30-year fixed-rate mortgage averaged 7.44% this week, backing further away from its near-8% high, Freddie Mac reports. "The three-week drop is a steady sign we likely have hit a peak and are headed south for mortgage rates, especially as the 10-year Treasury continues to fall from its peak," says Jessica Lautz, deputy chief economist at the National Association of REALTORS. NAR Chief Economist Lawrence Yun predicts more favorable rates for home buyers are on the horizon. During this week's NAR NXT, The REALTOR Experience, in Anaheim, California, Yun forecasted that the 30-year fixed-rate mortgage will drop to the 6% to 7% range by spring. The combination of continued economic strength, lower inflation and lower mortgage rates will likely bring more potential home buyers into the market, adds Sam Khater, Freddie Mac's chief economist. Full Story... [More Relief in Mortgage Rates This Week \(nar.realtor\)](#)
- **PENDING-HOME SALES RISE TO HIGHEST LEVEL IN A YEAR IN OCTOBER.** U.S. pending-home sales rose 1% month over month in October to a seasonally adjusted annual rate of 401,000, the highest

level in a year. Since late October, mortgage rates have fallen slightly, spurring an uptick in buyer demand. Mortgage applications rose once rates dropped. Since rates have fallen lower in November, pending sales may post a bigger increase this month. Although pending sales fell 4.8% compared to October 2022, it's still the smallest annual decline in nearly two years. The median U.S. home sale price surged 3.5% year over year to \$413,874 in October, up slightly (0.5%) from the month prior. The limited number of existing homes on the market is buoying elevated home prices.

Full Story... [Pending-home sales rise to highest level in a year in October: Redfin \(yahoo.com\)](#)

- **SINGLE-FAMILY STARTS FLAT IN OCTOBER.** Overall housing starts increased 1.9% in October to a seasonally adjusted annual rate of 1.37 million units, according to a report from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. Within this overall number, single-family starts increased 0.2% to a 970,000 seasonally adjusted annual rate. However, single-family starts are down 10.6% year-to-date. NAHB is forecasting improving conditions for single-family home building, as the 10-year Treasury rate has returned to near 4.5%, with an outright gain for single-family starts in 2024. The multifamily sector, which includes apartment buildings and condos, increased 6.3% to an annualized 402,000 pace. However, multifamily construction 5-plus unit starts are down more than 12% on a year-to-date basis with additional weakness in the forecast ahead. NAHB is forecasting a decline for multifamily construction in 2024. Overall permits increased 1.1% to a 1.49-million-unit annualized rate in October. Single-family permits increased 0.5% to a 968,000-unit rate. However, single-family permits are down 10.6% year-to-date. Multifamily permits increased 2.2% to an annualized 519,000 pace. There are currently 669,000 single-family homes under construction, down almost 15% from a year ago. In contrast, there are more than one million apartments under construction, near the highest total since 1973. This number will decline in the months ahead as permits weaken due to tight financing conditions.

Full Story... [Single-Family Starts Flat in October | Eye On Housing](#)

Have a productive week.

*Jason*