

Monthly Market Report

September 2024



KCM

You can't pour into others what you don't pour into yourself. If you want to keep your families and teams running smoothly, it takes a consistent effort of pouring into them. Pouring advice, energy, expertise, wisdom, care, support and love. In order to do that, you have to seek it out and accept it first. **If your own heart grows bitter or expertise is lacking, you'll run out of things to give to others.** You can't draw fresh water from a salty spring, so avoid getting salty.

Matt Clarke

President, COO Churchill Mortgage



Fed Chair Powell Signals 'Time Has Come' for September Rate Cut

Jerome H. Powell used a speech in Jackson Hole to signal that the Federal Reserve will begin to cut rates on Sept. 18, and to voice wariness about the job market.

New York Times
August 23, 2024



September Fed Meeting and What's Ahead for Mortgage Rates



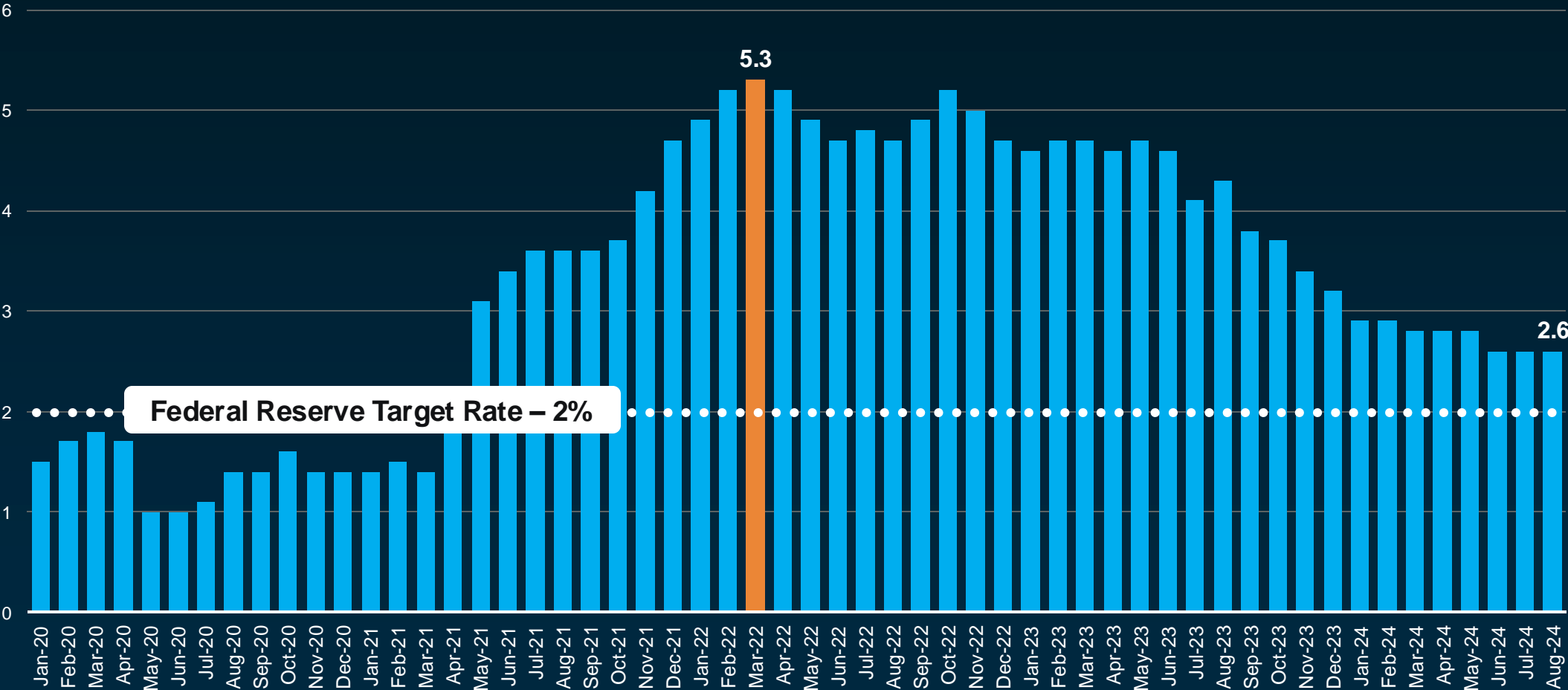
**The time has come for policy
to adjust . . .**

Jerome Powell

Chairman, Federal Reserve (August 22, 2024)

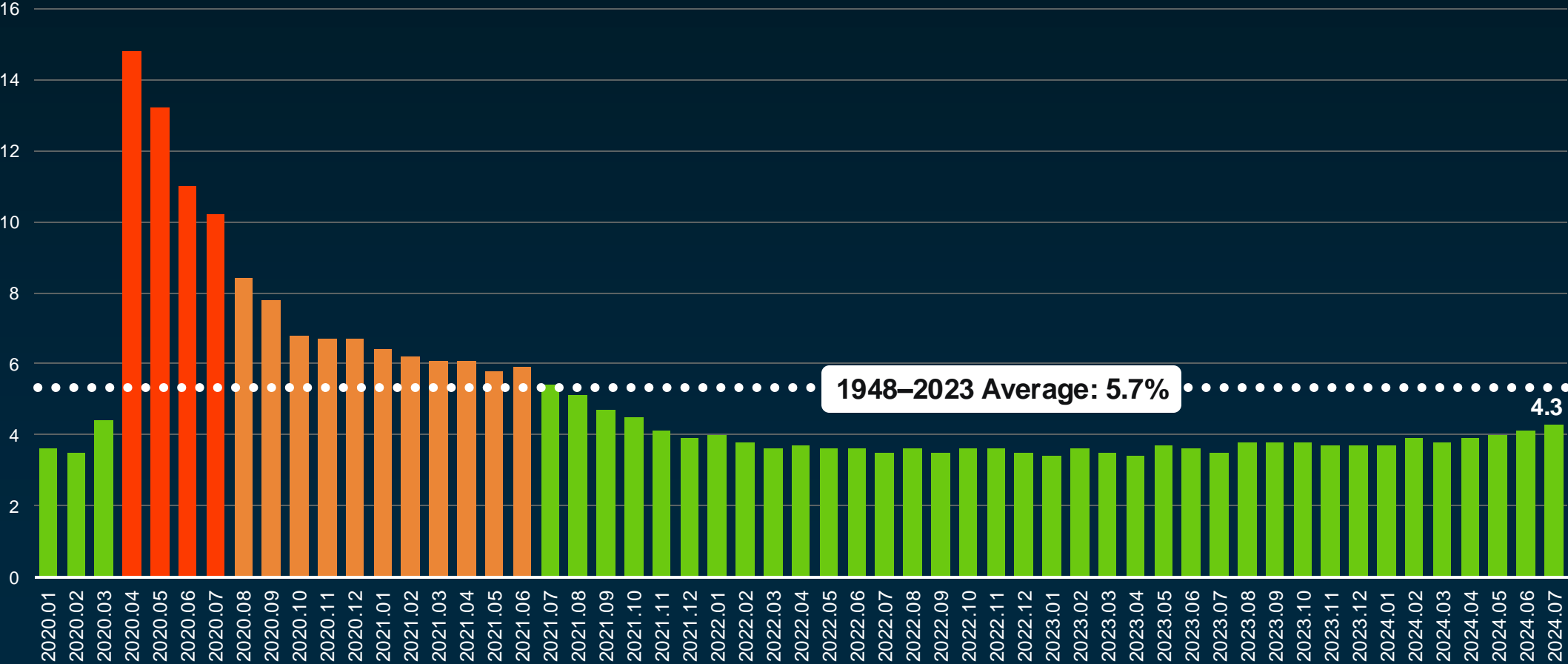
Inflation Is Approaching Target Rate

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



Unemployment Rate Rising, But Still Below Average

Unemployment Rate Rose to 4.3% in July, Seasonally Adjusted



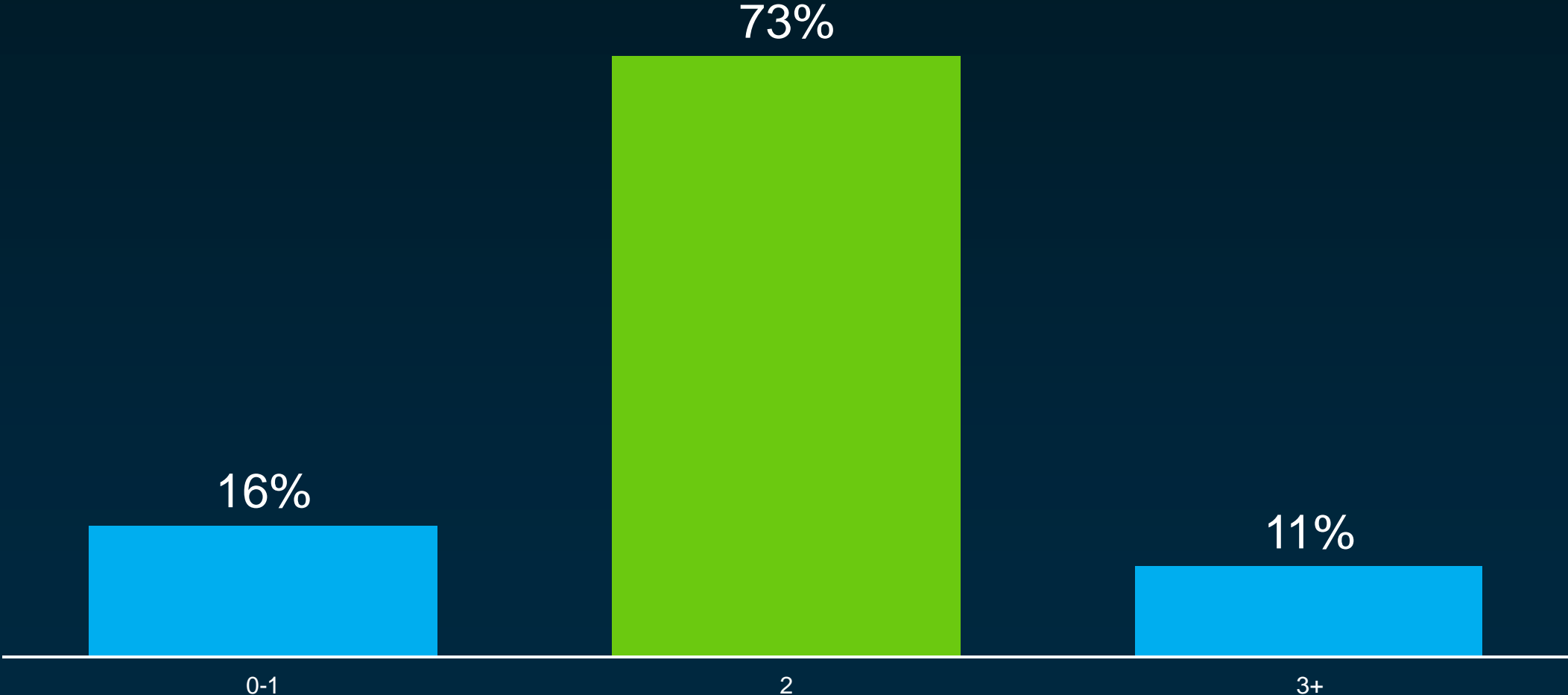
Source: BLS



Nearly 80% of economists surveyed by Bloomberg recently predict the Fed will make a quarter-point decrease to a range of 5% to 5.25% in September.

Most Economists Expect 2 Cuts This Year

Number of Federal Funds Rate Cuts Expected This Year, July 17–23 Poll



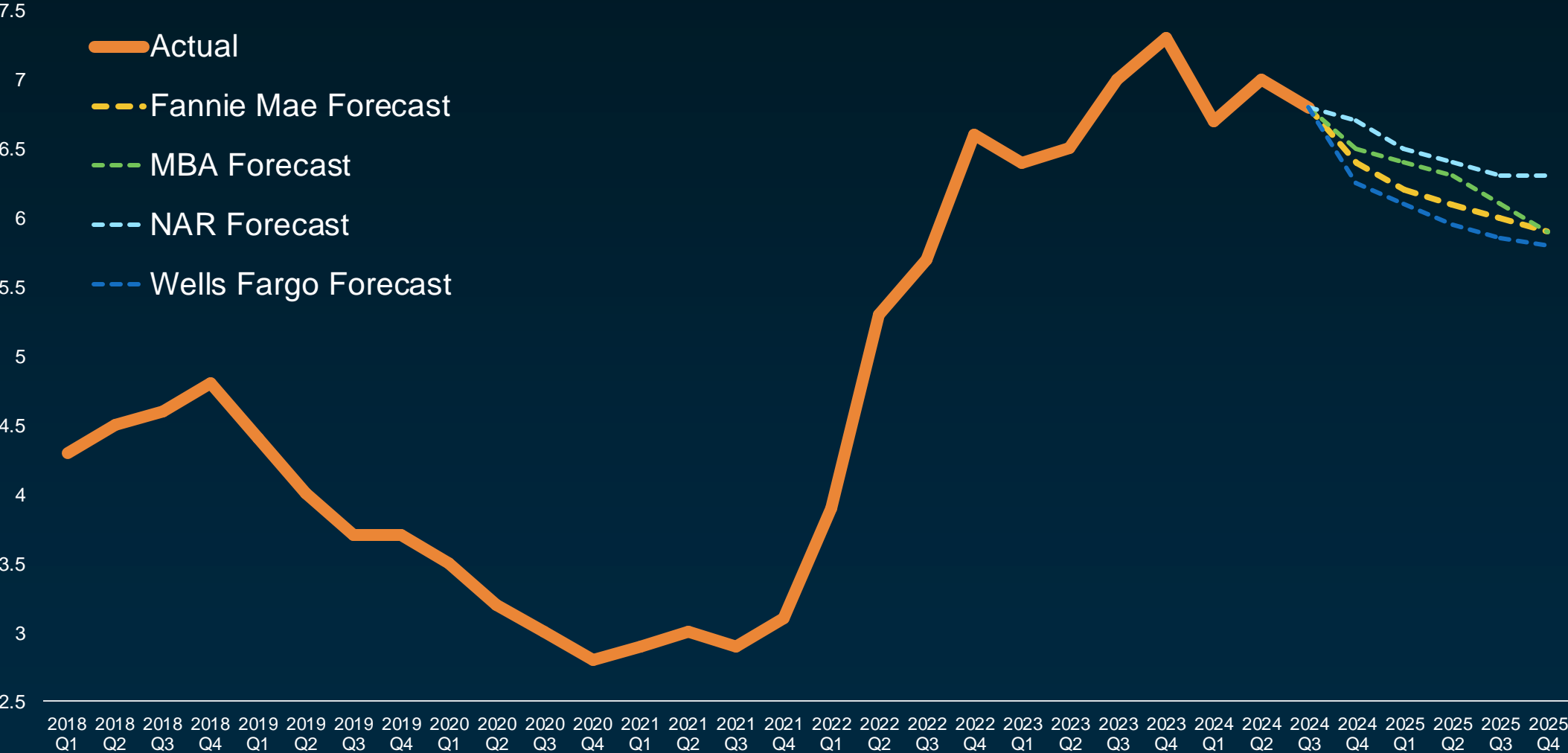


Generally, the rate-cutting cycle is not one-and-done. Six to eight rounds of rate cuts all through 2025 look likely.

Lawrence Yun
Chief Economist, NAR

Mortgage Rates and Projections

30-Year Fixed Rate, As of 9/4/2024



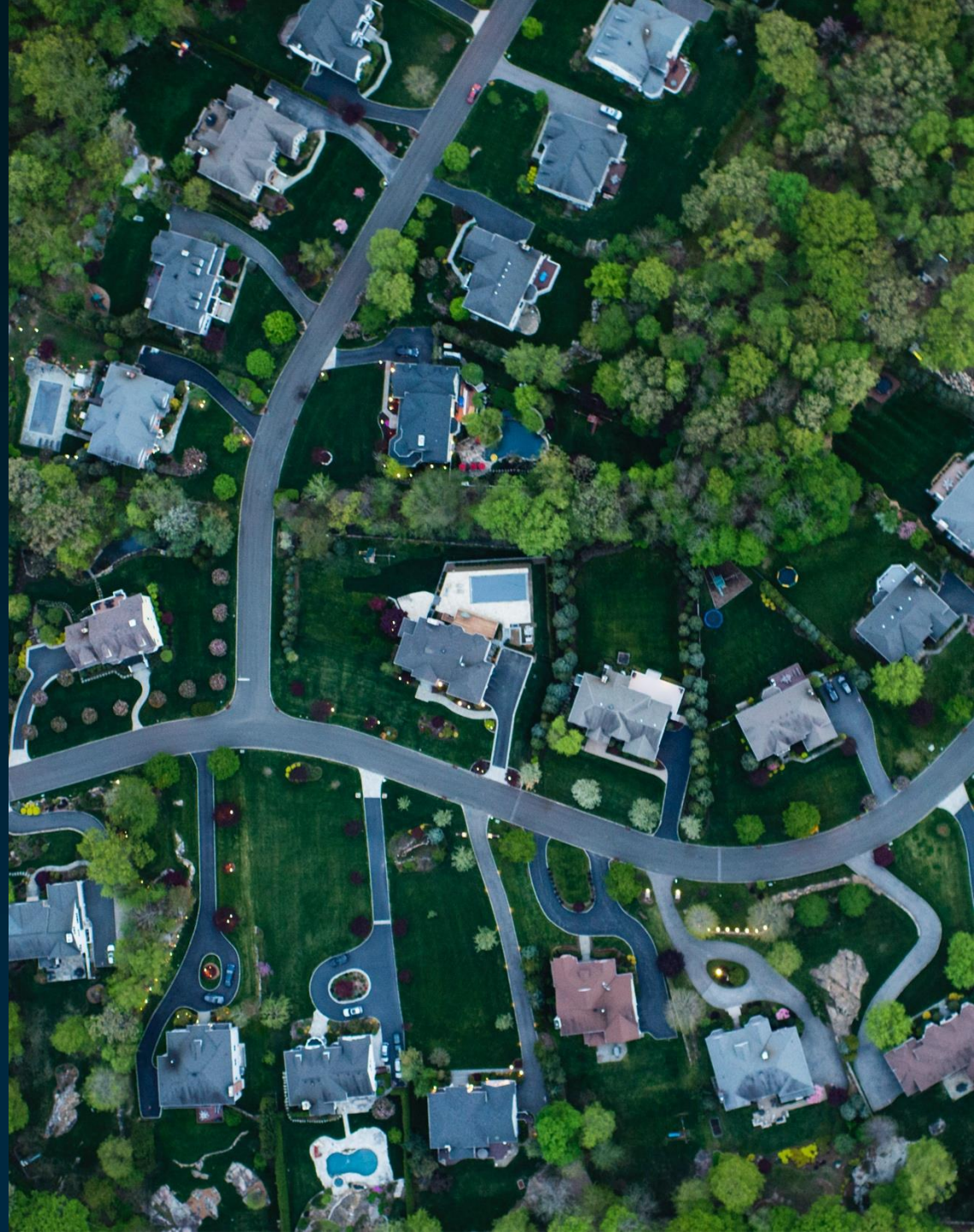
Sources: Fannie Mae, MBA, NAR, Wells Fargo



Timing the market is basically impossible.
If you're always waiting for perfect market
conditions, you're going to be waiting forever.
Buy now only if it's a good idea for you.

Jacob Channel
Senior Economist, LendingTree

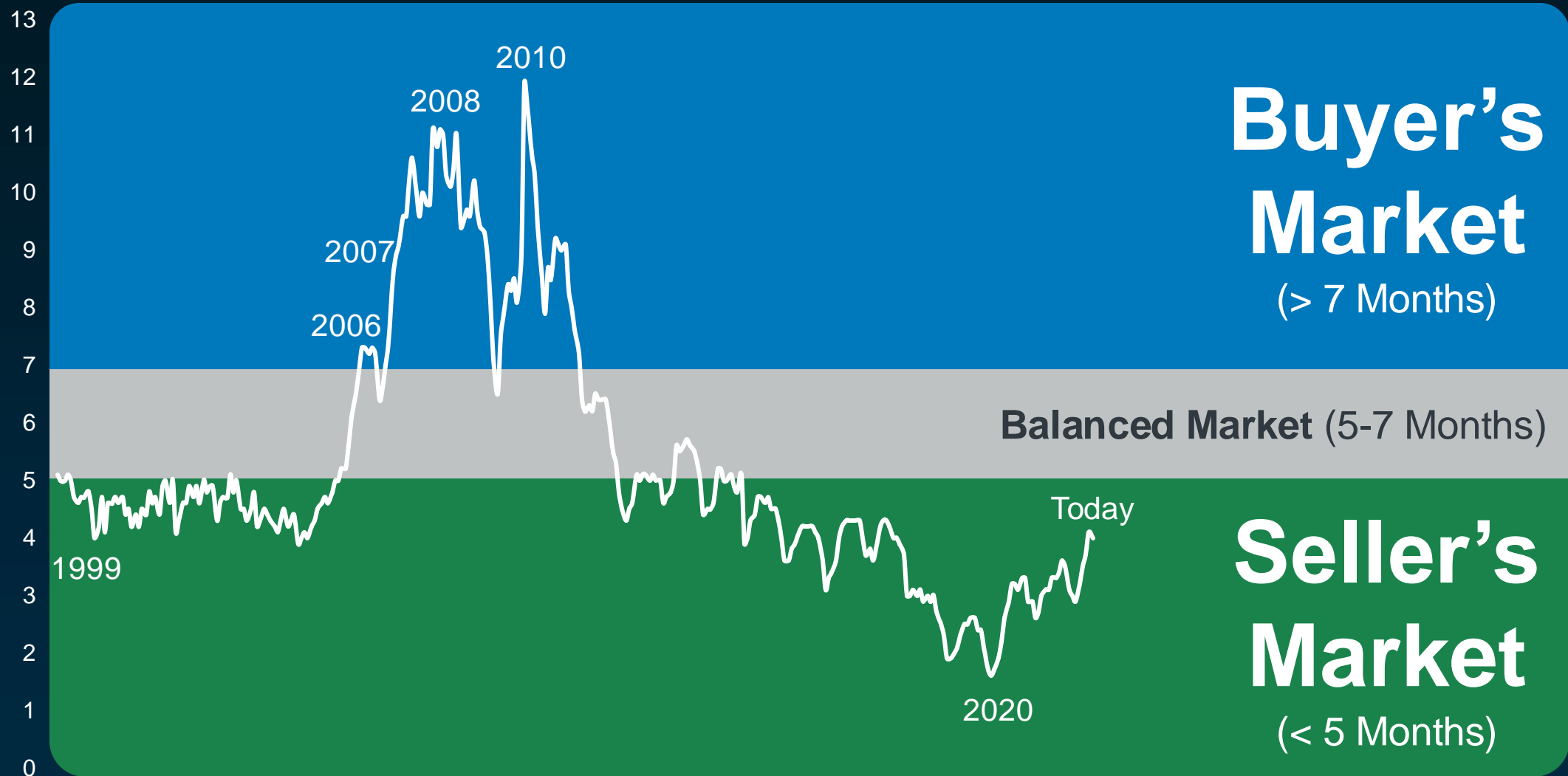
The Market Is Balancing



What Defines a Balanced, Neutral Market?

- *“In general, a housing market with **five to seven months of supply** could be described as balanced between buyers and sellers.”*
U.S. News, April 18th
- *“A **five- to seven-month supply** of homes indicates that it is a balanced market.”*
Realtor.com, May 31st
- *“A **six-month supply** is considered a balanced market between a buyer and a seller.”*
CNBC, July 9th

Months' Inventory of Homes for Sale



**Buyer's
Market**
(> 7 Months)

Balanced Market (5-7 Months)

**Seller's
Market**
(< 5 Months)

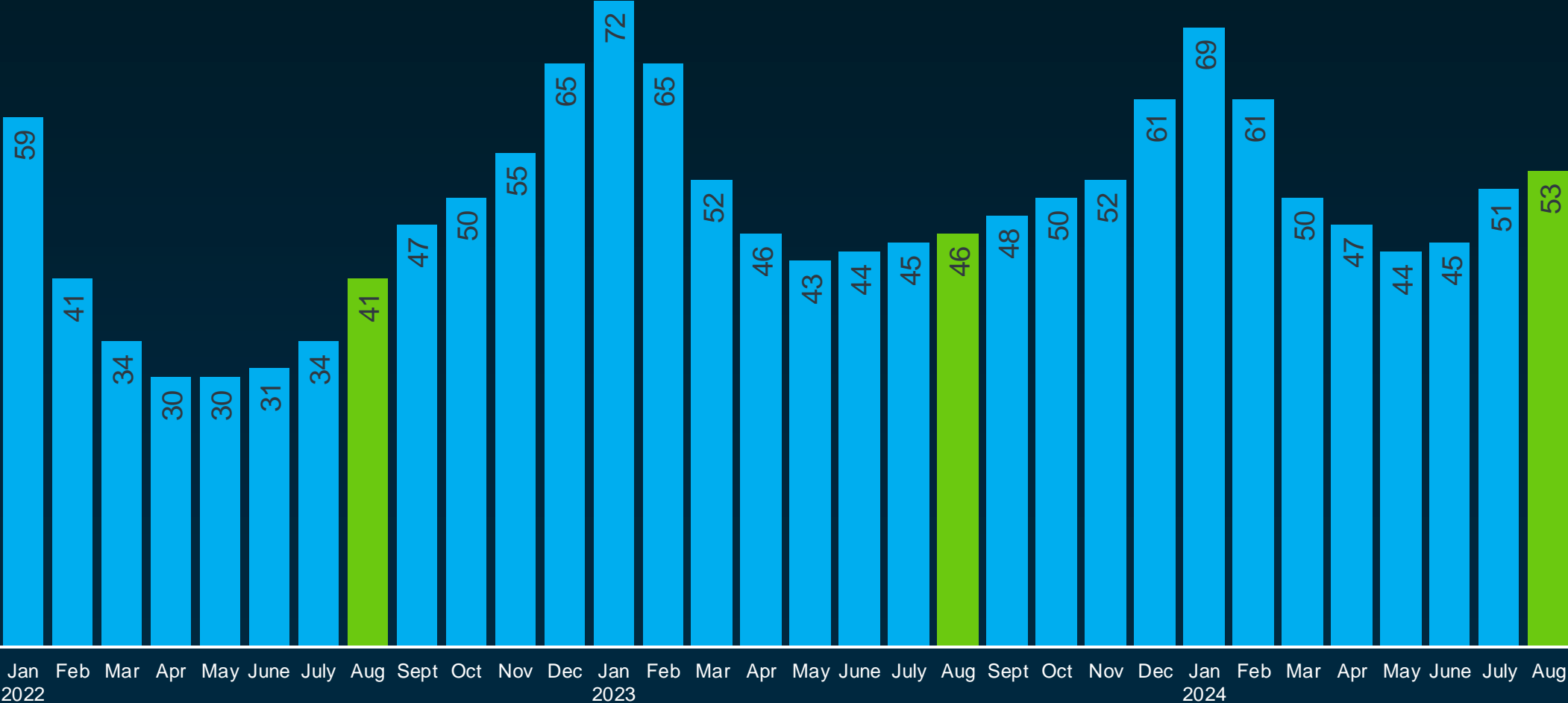


Homes are sitting on the market a bit longer, and sellers are receiving fewer offers. More buyers are insisting on home inspections and appraisals, and inventory is definitively rising on a national basis.

Lawrence Yun
Chief Economist, NAR

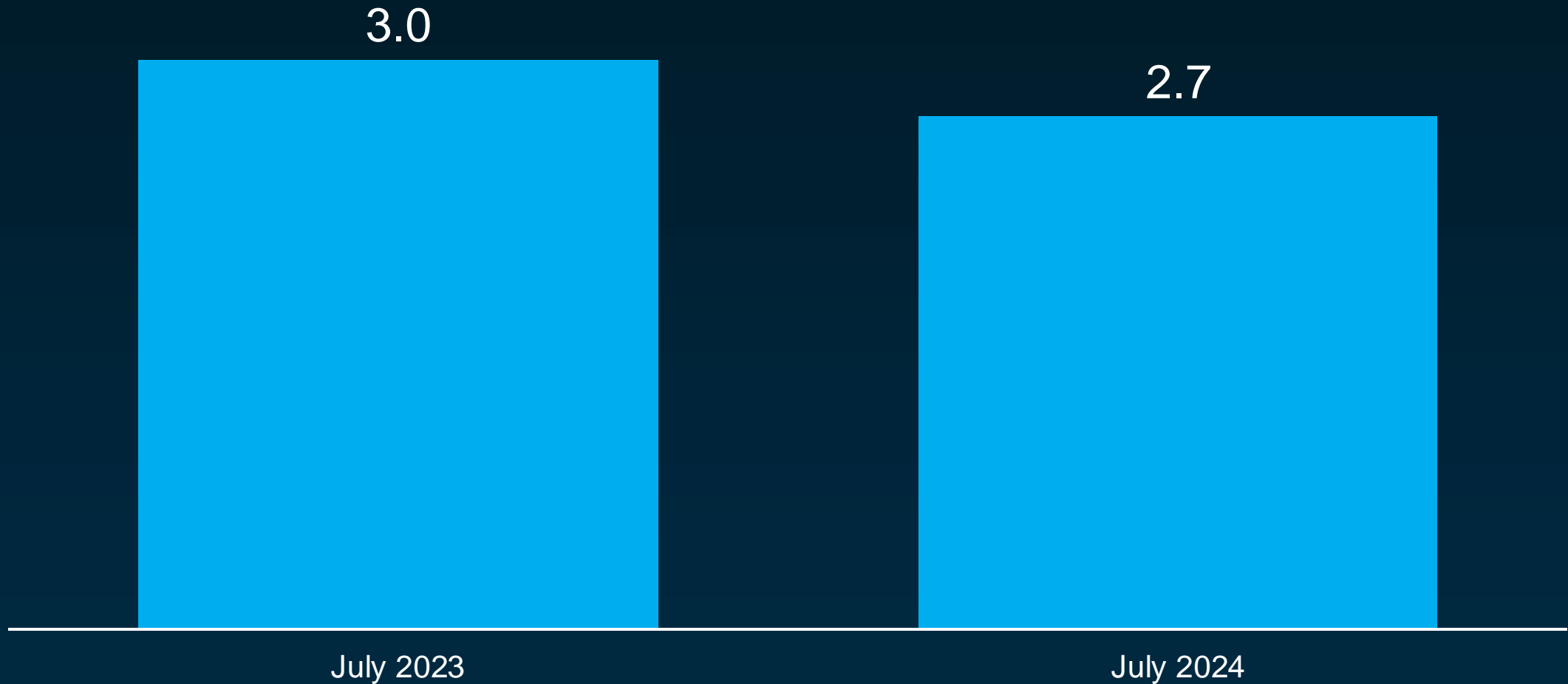
Homes Are Sitting on the Market Longer

Median Days on the Market



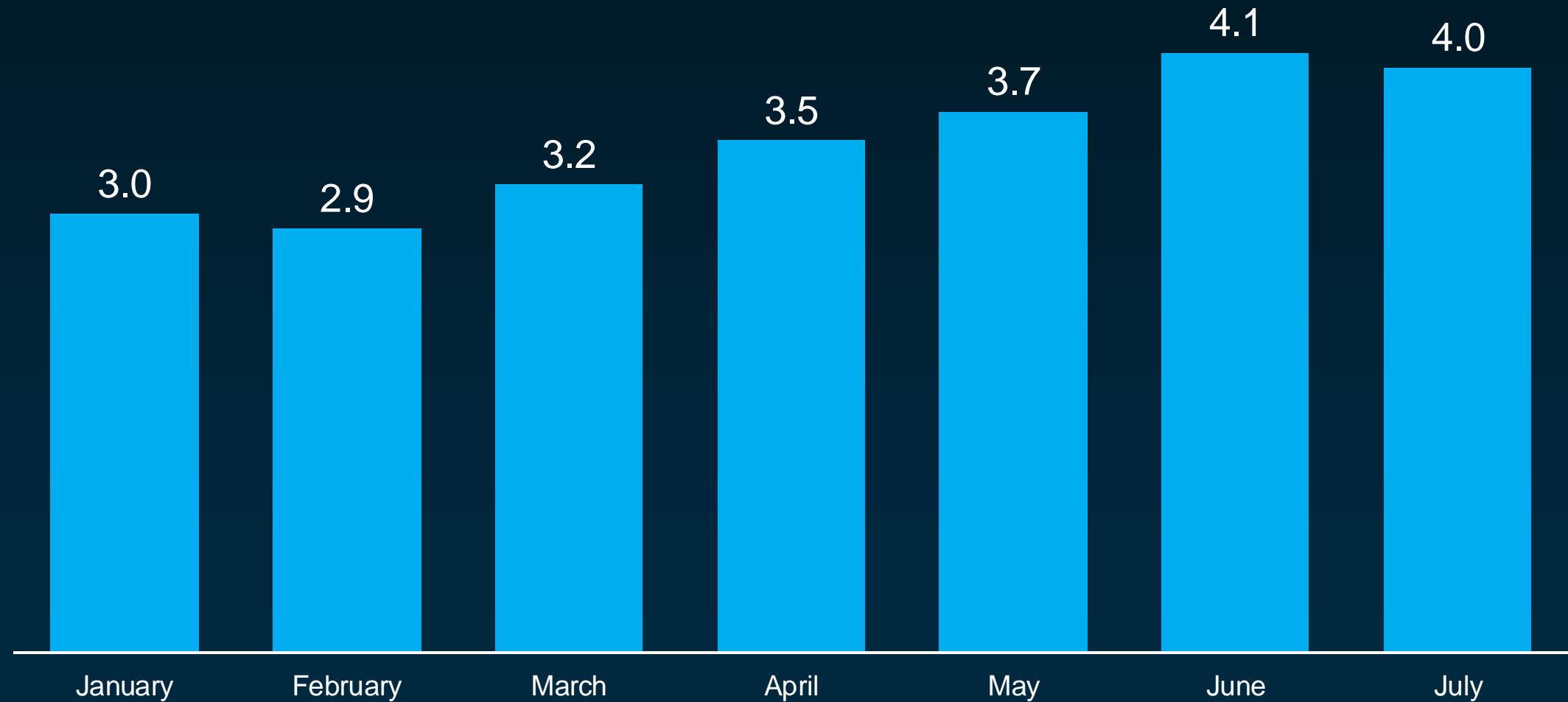
Sellers Are Receiving Fewer Offers

Average Number of Offers Received on the Most Recent Sale



Inventory Is Increasing

Unsold Inventory of Existing Homes at the Current Sales Pace

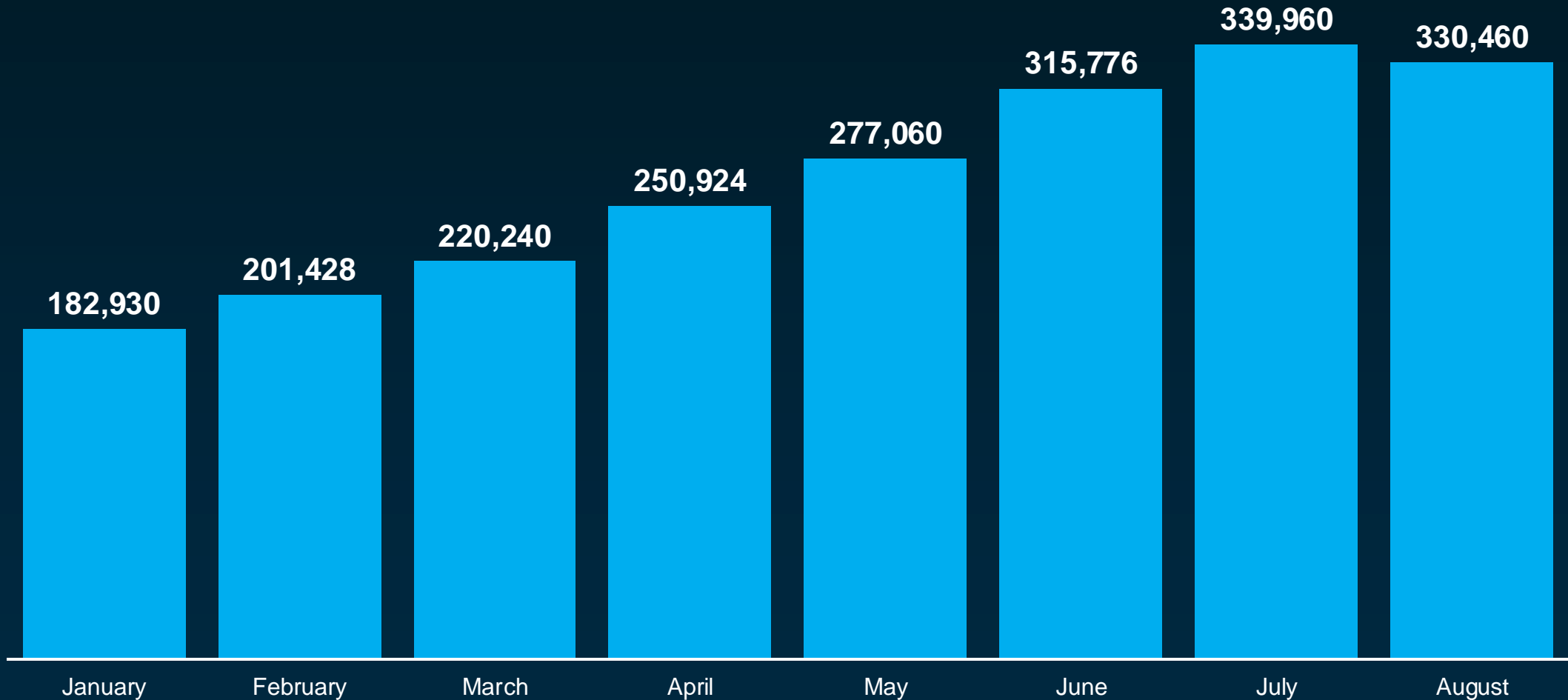




When inventory rises faster than demand, **prices have to adjust eventually.** Increasing inventory levels are a sign that the market is starting to balance out.

Hannah Jones
Senior Economic Analyst, Realtor.com

The Number of Price Reductions Is Increasing





The faster housing supply increases, the more affordability improves and the strength of a seller's market wanes.

Mark Fleming
Chief Economist, First American

Which Metros Are Buyer's Markets Right Now?

Top 10 Metros
Cape Coral, Florida
McAllen, Texas
New Orleans, Louisiana
Deltona, Florida
Miami, Florida
Urban Honolulu, Hawaii
Jackson, Mississippi
Jacksonville, Florida
Tampa, Florida
Memphis, Tennessee

Which Metros Are Seller's Markets Right Now?

Top 10 Metros
New York, New York
Hartford, Connecticut
Springfield, Massachusetts
San Jose, California
San Francisco, California
Seattle, Washington
Washington, D.C.
Kansas City, Missouri
Chicago, Illinois
Providence, Rhode Island



Sellers and Buyers Need to Be Prepared

As the market moves toward more balance between buyers and sellers, parties on both sides of the transaction need to be prepared to negotiate.

Sellers should expect more prospective buyers to make an offer contingent on a home inspection. Making repairs and improvements to ensure the home is in “ready-to-sell” condition is important. Being prepared to offer assistance for repairs or items discovered during the home inspection will also be important.

For buyers, having all of their financial ducks in a row is critical. Even though mortgage rates are falling generally, the rate and the type of loan someone can qualify for varies across borrowers. By making sure they understand their loan options, buyers will be less likely to stumble on the way to closing.

Lisa Sturtevant
Chief Economist, Bright MLS



Whether you are selling your home in a buyer's market or a seller's market, you should work closely with your real estate agent to find the best way to market and sell your home.

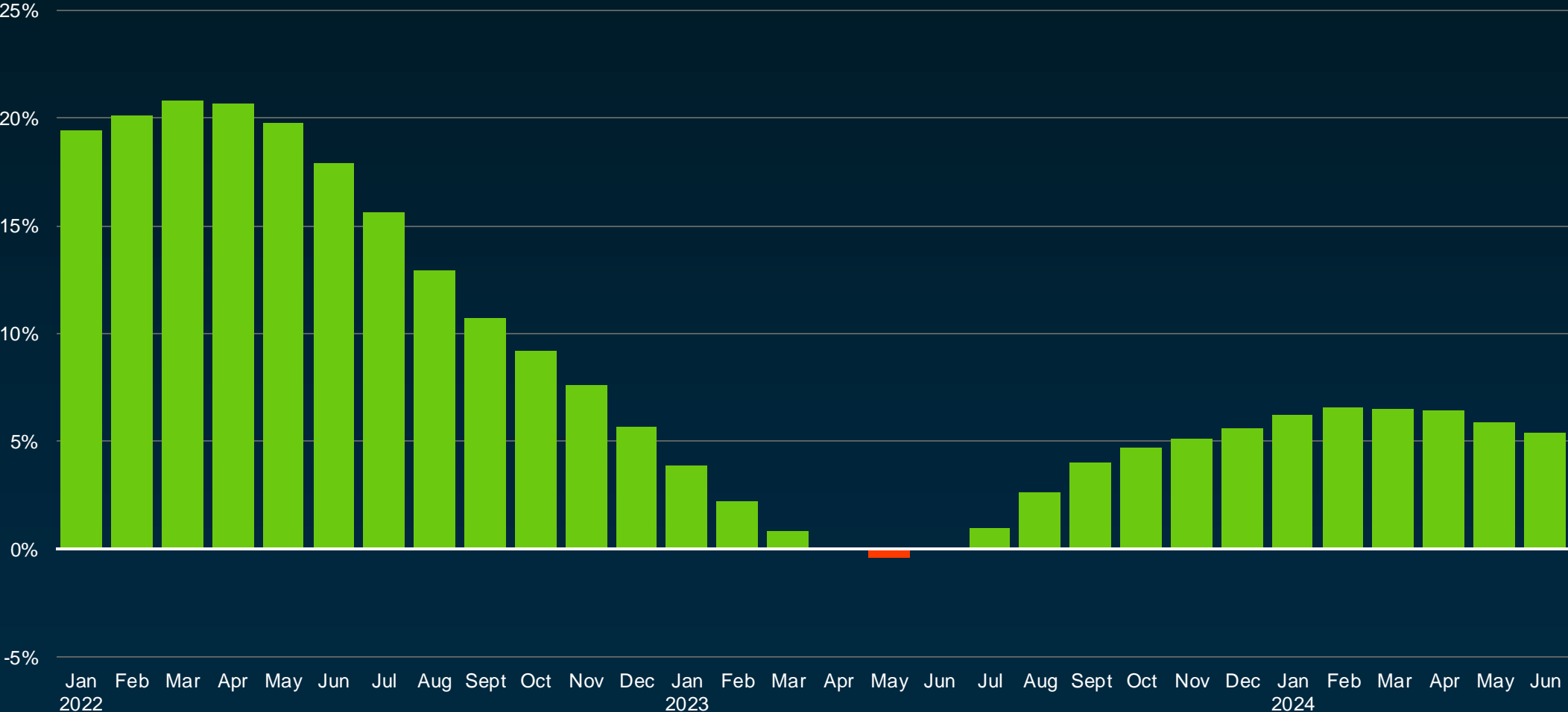
Freddie Mac



The Importance of Pricing It Right

Home Prices Are Moderating

Year-Over-Year Change in Home Prices





Homes priced right are selling very quickly, but homes priced too high are deterring prospective buyers.

Lawrence Yun
Chief Economist, NAR

2 Things You Need To Understand

- **What's the seller's motivation?**
What do they want? Sure, they want as much money as possible, but what else? Maybe it's a bigger home because their family has grown. Maybe it's to be closer to friends and family.
- **What's the seller's timeframe?**
Do they need to sell as quickly as possible? Will it be a while before they can move into their next home?

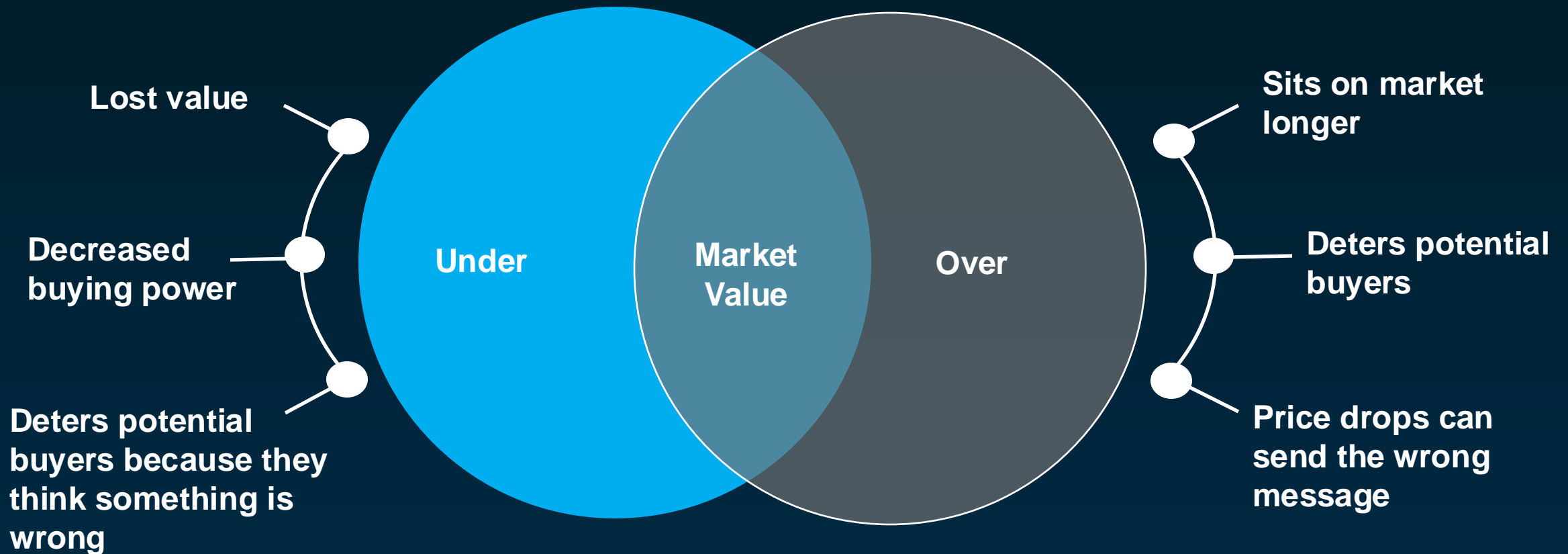
5 Things Every Single Seller Needs

1. They need the house sold.
2. They need the most money.
3. They need the sale to occur in a certain amount of time
4. They need the least problems.
5. They want you to help them with the relocation to their new home.



Why Pricing Right Matters

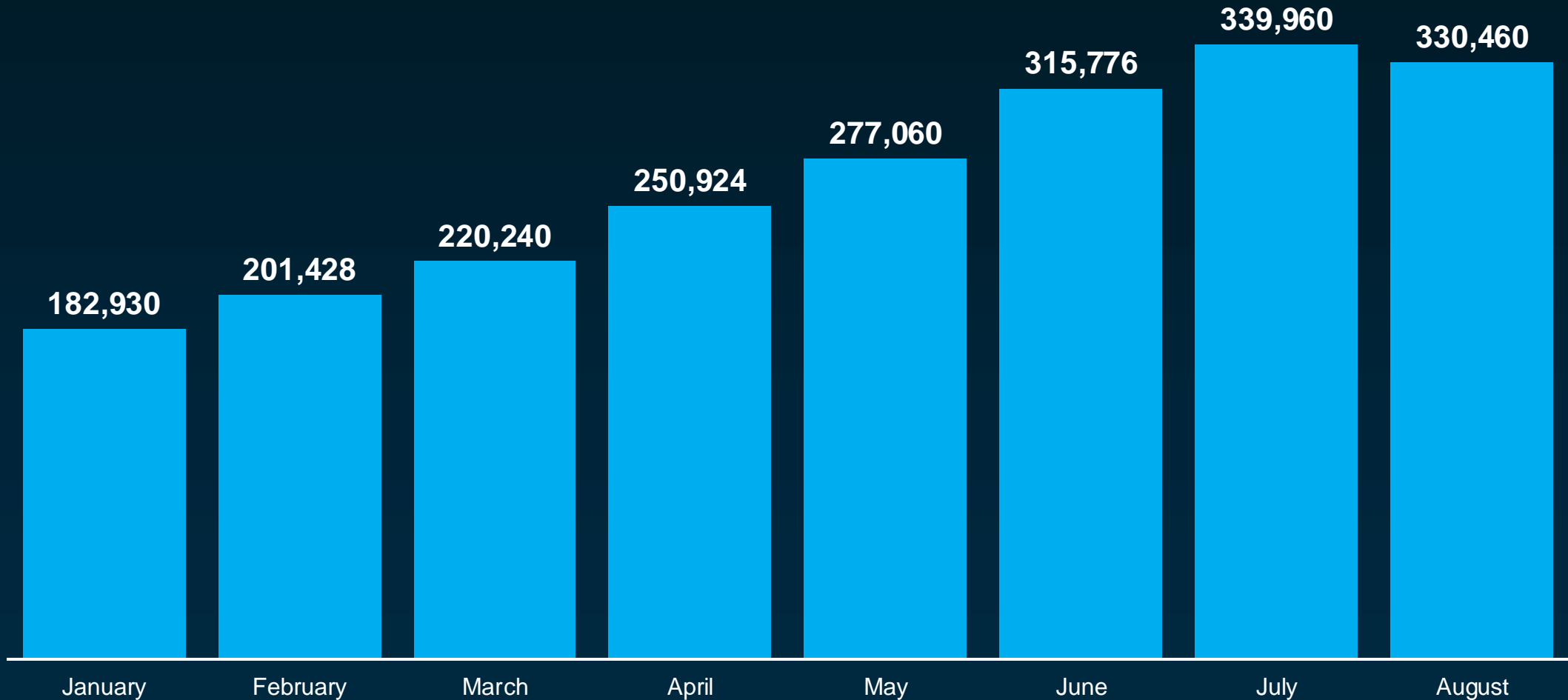
When it comes to pricing your home, setting it at market value will increase the visibility of your listing and drive more buyers your way. This strategy **actually increases** the number of buyers who will see your home in their search process.





. . . setting an unrealistically high price with the idea that you can come down later doesn't work in real estate. . . A home that's overpriced in the beginning tends to stay on the market longer, even after the price is cut, because buyers think there must be something wrong with it.

The Number of Price Reductions Is Increasing





You want to sell your house for top dollar, but be realistic about the value of the property and how buyers will see it. If you've overpriced your home, chances are you'll eventually need to lower the number, but the peak period of activity that a new listing experiences is already gone.



The character you show over the next 90 days will play a **HUGE** part in the reputation you enjoy over the next 10 years.

Steve Harney
Founder, Keeping Current Matters