



9-Point VIP Buyers Checklist

Many agents do not follow through properly with their buyer leads. What is it your buyers really want and need?

Download the checklist to learn how to make sure your buyer leads are nurtured correctly.

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California home sales decline as homebuyers sit tight

Source: MPA Mag

California's housing market experienced a slowdown in January as elevated mortgage rates and the aftermath of the Southern California wildfires dampened buyer demand, according to the CALIFORNIA ASSOCIATION OF REALTORS (C.A.R.). Statewide sales of existing single-family homes fell to a seasonally adjusted annualized rate of 254,110 in January, marking a 10 percent decline from December and a 1.9 percent decrease from January 2024. C.A.R. said this represents the lowest level of home sales in over a year and sharpest month-over-month drop in 30 months.

Meanwhile, the median home price in California dipped 2.6 percent from December to \$838,850, but remained 6.3 percent higher than the same period last year. The decrease was attributed to seasonal trends and a shift on the mix of homes sold. C.A.R. officials expect prices to moderate further in February before rising again in the spring.

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U.S. homebuilders raise alarm over tariffs

Source: CNBC

Sentiment among the nation's single-family homebuilders dropped to the lowest level in five months in February, largely due to concern over tariffs, which would raise their costs significantly. The National Association of Home Builders' Housing Market Index dropped a sharp 5 points from January to a reading of 42. Anything below 50 is considered negative sentiment. Last February, the index stood at 48.

"While builders hold out hope for pro-development policies, particularly for regulatory reform, policy uncertainty and cost factors created a reset for 2025 expectations in the most recent HMI," said NAHB Chairman Carl Harris. Of the index's three components, current sales conditions fell 4 points to 46, buyer traffic fell 3 points to 29 and sales expectations in the next six months plunged 13 points to 46. That last component hit its lowest level since December 2023.

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Insurance commissioner rejects State Farm's 22% rate increase

Source: KTLA

On Friday, California Insurance Commissioner Ricardo Lara rejected State Farm's request for "emergency" rate increases, going against the recommendation of his staff experts. The request from State Farm involved insurance rate increases that would have gone into effect on May 1, 2025. The proposed increases were 22 percent for single-family homeowners, 15 percent for condominium owners and 38 percent for

rental dwellings.

State Farm General, California's largest insurer, shared that it has already received over 8,700 claims, has paid out over \$1 billion to customers and expects to pay out "significantly more," with the Los Angeles-area fires being one of the costliest disasters in its history. However, Consumer Watchdog has alleged that the company seeks to charge customers more "not because it cannot pay wildfire claims, but because it wants to protect its Wall Street credit rating," which is an AA rating and the second-highest possible rating.

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What to expect when inheriting a house in California

Source: Forbes

Inheriting a home in California can bring a big windfall. However, recent rule changes may make that inherited home more costly to own. In the past, if you inherited a home in California, you were able to maintain the tax bases (and often much lower property taxes) on the real estate you inherited. However, recent tax law changes may make keeping the family home much more expensive, thanks to Proposition 19.

Before Prop 19 was passed in 2020, you could pass down your home and very low property tax base to your heir. The rules have changed, and now, the inherited property's value gets reassessed at the time of transfer, and the property taxes that the inheritors will pay could jump substantially. If you live in the inherited home, you can apply for up to \$1 million of home value to be excluded from the property tax reassessment. To get this

benefit, you must move into the property within a year of the transfer and apply for it.

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HUD employees brace for "drastic" staff cuts

Source: Redfin

As layoffs ramped up across the federal government this week, Housing Secretary Scott Turner said he had launched his own “DOGE” task force with HUD employees to review every dollar the Department of Housing and Urban Development spends.

The Trump administration aims to lay off half of HUD’s staff, according to an agency worker with direct knowledge of the plans and a union leader who has spoken with other HUD employees. Agency officials said some areas could face less-severe cuts, specifically citing the Federal Housing Administration, which insures mortgages and generates much of its own funding through premiums.

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Weekly mortgage demand drops 6% as more buyers stay on fence

Source: CNBC

Mortgage rates dipped slightly last week, but so did mortgage demand, as housing affordability continues to sideline potential buyers. Total mortgage application volume fell 6.6 percent for the week, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances decreased to 6.93 percent from 6.95 percent, with points increasing to 0.66 from 0.64 (including the origination fee) for loans with a 20 percent down payment. Applications to refinance a home loan dropped 7 percent for the week but were 39 percent higher than the same week one year ago. Applications for a mortgage to purchase a home declined again, falling 6 percent from one week earlier but were 7 percent higher than the same week one year ago. Housing affordability continues to weigh on potential buyers, and economic uncertainty – especially regarding the potential tariffs – are only adding to the pressure.

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