



## SIRVA MORTGAGE: INDUSTRY SNAPSHOT

August 2023

### A Quick Update on the Latest Market Trends

The following update was curated by industry experts at Sirva Mortgage specifically for you and other global mobility professionals. Visit our [industry snapshot web page](#) to view additional updates.

#### HOME SALES



According to a new Redfin report, about 14 of every 1,000 homes changed hands during the first half of this year, down from 19 of every 1,000 homes during the same time frame in 2019. This is the lowest turnover rate in a decade, and today's prospective buyers have 28% fewer homes to choose from than they did pre-pandemic.

#### ECONOMIC ACTIVITY

Overall economic activity increased slightly since May according to the Fed's Beige Book. Consumer spending reports indicated growth in some services but mixed discretionary spending in retail. Demand for residential real estate remained stable, however, sales were impacted by low inventory. The overall expectation for the coming months is slow growth.



#### RENT PRICE INCREASES



Rent prices have increased by 60% or more in seven U.S. cities since 2009: San Jose, CA (85%), Denver, CO (82%), Seattle, WA (81%), Portland, OR (72%), San Francisco, CA (71%), Nashville, TN (62%), and Austin, TX (60%). Rent prices are rising faster than incomes, which forces tenants to spend a greater percentage of their wages on rent. Miami has the highest rent-to-income ratio of the 50 largest U.S. cities at 28.5%, while Cincinnati has the lowest ratio at 15.5%. The rent-to-income ratio declined in only four cities: Cleveland, Pittsburgh, Buffalo, and Providence.

## SMALL BUSINESS CONFIDENCE

The National Federation of Independent Business (NFIB) Small Business Optimism Index increased in June but marked the 18th consecutive month below the 49-year average. Inflation and labor quality are the top concerns of small business owners, and a historically high percentage of small business owners reported that job openings were hard to fill. Of those trying to hire, 92% report a lack of qualified applications for open positions.



MICHAEL HOUGAN

Director, Secondary Marketing, Sirva Mortgage, Inc.

“Home buyers continue to be challenged with mortgage rates in the mid-6%’s and ongoing inflation pressures. With the average existing home sale price up 12% on the year, buyers are being squeezed by both rate and sale price. This is expected to continue into 2024 with rates in the 6%-7% range for the remainder of the year.”

## US HOUSING IMPACT ON TRANSFERRING EMPLOYEES

The housing market remains competitive due to strong demand and low supply of inventory. Transferring employees should choose an agent who specializes in relocation and can assist in pricing the home to sell quickly. Sellers may also consider offering incentives to offset increasing interest rates. Buyers should obtain a loan pre-approval prior to house hunting and be prepared to act quickly when extending an offer on a home.

## INSIDER TIPS



Restricted Stock Units (RSUs) can be used as a qualifying income source for borrowers. RSU income can be either time-based or performance-based, and vest over any period of time as designated by the company. To use as qualifying income, the borrower must:

- ✓ Document a two-year history of receipt, and
- ✓ Provide vesting schedules that demonstrate a three-year continuance.

Qualifying calculation will depend on the loan type.

Questions? Contact a Sirva Mortgage Director of Client Services.

*Sources:*

<https://www.redfin.com/news/housing-turnover-decline-since-pandemic>

[https://www.federalreserve.gov/monetarypolicy/files/BeigeBook\\_20230712.pdf](https://www.federalreserve.gov/monetarypolicy/files/BeigeBook_20230712.pdf)

<https://www.realestatewitch.com/rent-to-income-ratio-2023>

<https://www.nfib.com/content/press-release/economy/small-businesses-raising-prices-falls-to-lowest-level-since-march-2021>

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