



## SIRVA MORTGAGE: INDUSTRY SNAPSHOT

February 2024

### 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.

#### INTEREST RATES



With inflation showing signs of slowing, the Federal Reserve stated they are likely done with rate increases and are projected to cut interest rates three times during 2024. Interest rates are expected to slowly ease during the first half of 2024 into the 6.5% range. While this is good news for buyers, it can also lead to increased competition as more buyers enter the market.

#### RENTAL MARKET

The median asking rent price saw its largest decline since 2020. Cooling rent prices are due to an increase in supply of available rentals, economic uncertainty, slowing household formation, and increasing affordability challenges. “With rents falling and vacancies rising, now is a good time to shop around or try to renegotiate your rent if your lease is up—especially if you’re a renter in the South or West,” said Chen Zhao, Redfin Economics Research Lead.



## NEW CONSTRUCTION



Construction of new homes fell 4.3% in December as builders scaled back construction of single-family homes but ramped up apartment starts. Builder confidence increased in January as mortgage rates fell. A lack of existing inventory continues to push buyers toward new construction, a trend that could boost new home sales and keep starts elevated in the coming months.

## HOUSING FORECAST

The housing market will stabilize; however, affordability challenges will continue as interest rates remain high, and pent-up demand and low inventory continue to sustain home prices. Home prices will likely remain high in most areas of the country as demand continues to outpace supply. Inventory levels will not increase significantly as existing homeowners are unwilling to give up their current low interest rate.



### ERNIE PHILLIPS

Manager, Loan Production, Sirva Mortgage

“The recent Fed meeting concluded on January 31st with no change to interest rates. Although it appears the Fed will not cut rates at their next meeting in March, we remain optimistic it will happen later in 2024. While rate cuts are not on the immediate horizon, mortgage rates are currently lower than we saw in October of 2023 when the 30-year fixed approached 8%.”

# US HOUSING IMPACT ON TRANSFERRING EMPLOYEES

If interest rates continue to trend downward, relocating employees should be prepared to move quickly if they intend to purchase in the destination location, as lower interest rates will entice more buyers to enter the market and increase competition.

## INSIDER TIPS



Fannie Mae has announced a temporary enhancement to their HomeReady® product. To assist with some of the barriers to homeownership for low-income borrowers, they are implementing a new \$2,500 credit for use towards down payment and closing costs. To qualify:

- ✓ Borrowers must have a qualifying income of less than or equal to 50% of the applicable area median income of the property location.
- ✓ The full amount of the \$2,500 credit can be used towards down payment and closing costs, including escrows and mortgage insurance premiums.

More information can be found [here](#).

### Sources:

<https://www.redfin.com/news/redfin-rental-report-december-2023/>

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[https://www.marketwatch.com/story/builder-confidence-index-jumps-in-january-as-mortgage-rates-fall-6baae90e?mod=aarthy-swaminathan&mod=article\\_inline?mod=realtor](https://www.marketwatch.com/story/builder-confidence-index-jumps-in-january-as-mortgage-rates-fall-6baae90e?mod=aarthy-swaminathan&mod=article_inline?mod=realtor)

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