



# SIRVA MORTGAGE: INDUSTRY SNAPSHOT

August 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

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We believe the 6.75 - 7% mortgage interest rates which have been seen during the month of June are likely to persist until the 4th quarter. Our forecast is for rates to continue throughout the summer above 6.75% and likely trend down over the fall, ending closer to 6.5% in December 2024. This downward trend will continue into 2025 with as many as 6 to 8 total cuts by the Federal Reserve.

### RENTAL MARKET

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According to Redfin, the median asking rent increased 1% in June to \$1,654, largest increase in over a year and the highest level since 2022. Demand is strong from young renters who are opting to continue renting instead of purchasing in today's challenging homebuying market.



### INVENTORY



The inventory of unsold homes rose 3.1% from and is now at 4.1 month's supply at the current sales pace. "We're seeing a slow shift from a seller's market to a buyer's market," said NAR Chief Economist Lawrence Yun. "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."

## AFFORDABILITY

A Zillow analysis of major U.S. metropolitan areas shows that a home buyer making the median income needs to put down nearly \$127,750, or 35.4%, to comfortably afford a typical U.S. home, where less than 30% of their income goes toward monthly mortgage payments.



### ROSALYN SONKOY

Manager, Loan Processing, Sirva Mortgage

"Consumers expect faster and more efficient loan processing, leading lenders to adopt technologies like digital applications, quick decision-making tools, and instant income validation. There's also a growing demand for personalized services, prompting lenders to use data analytics to offer tailored mortgage products."

## US HOUSING IMPACT ON TRANSFERRING EMPLOYEES

The increased interest rates with rising insurance costs and insufficient existing home inventory continue to impact affordability for those purchasing in the current market. The one item of note to be considered is the balance between the cost of the interest

rate in comparison to the loss of appreciation and increased home price for those choosing to wait for the lower rates.

## INSIDER TIPS

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What are mortgage points? Points are a way for a relocating employee to permanently buy down their interest rate and lower their monthly payment. While the upfront cost will be higher than it would be without points, the buyer is trading the initial expense for ongoing lower monthly payments.

- ✔ One point is equal to 1% of the loan amount
- ✔ Each point reduces the mortgage rate by approximately 0.25%

The cost of points cannot be deferred and must be paid at the time of closing. For more information on points, please reach out to your Sirva Mortgage representative.

Questions? Contact a Sirva Mortgage Director of Client Services.

[Contact Me](#)

Sources:

<https://www.redfin.com/news/rents-fall-in-florida-austin-june-2024/>

<https://www.nar.realtor/newsroom/existing-home-sales-slipped-5-4-in-june-median-sales-price-jumps-to-record-high-of-426900>

<https://www.zillow.com/research/june-2024-market-report-34222/>

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