



**2024 C.A.R.
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California housing market roars back to life

Source: *Newsweek*

The California housing market is showing signs of a dramatic rebound, recording its highest number of home sales in more than two years in February. Average house prices have also risen in the state. The surge was fueled by declining mortgage rates at the start of the year and an uptick in available inventory, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.).

California's housing market experienced a significant rebound in February, with existing, single-family home sales reaching 283,540 on a seasonally adjusted annualized basis. This marked an 11.6 percent increase from January and a 2.6 percent rise from February 2024 – the highest sales level since October 2022, signaling renewed buyer activity after a sluggish start to the year.

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Join the fun and engage with your community at C.A.R.'s REALTOR® Block Party on April 29 in Sacramento!

Stay for Legislative Day on April 30 to lobby your legislators in support of homeownership, hear from political leaders and more. [Learn more now.](#)

Fed holds interest rates steady, predicts two cuts this year

Source: CNBC

The Federal Reserve in a closely watched decision Wednesday held the line on benchmark interest rates though still indicated that reductions are likely later in the year. Faced with pressing concerns over the impact tariffs will have on a slowing economy, the rate-setting Federal Open Market Committee kept its key borrowing rate targeted in a range between 4.25 percent and 4.5 percent, where it has been since December. Markets had been pricing in virtually zero chance of a move at this week's two-day policy meeting.

Along with the decision, officials updated their rate and economic projections for this year and through 2027 and altered the pace at which they are reducing bond holdings. Despite the uncertain impact of President Trump's tariffs as well as an ambitious fiscal policy of tax breaks and deregulation, officials said they still see another half percentage point of rate cuts through 2025. The Fed prefers to move in quarter percentage point increments, so that most likely means two reductions this year.

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State Farm allowed to hike rates if it pauses cancellations and proves need

Source: CalMatters

California Insurance Commissioner Ricardo Lara announced that he will grant State Farm's request to raise home insurance premiums by 22 percent on average if the company agrees to certain conditions – and wins approval at a public rate hearing next month. Lara's conditions are that State Farm, the stat's biggest provider of homeowners insurance, commit

to pause canceling and not renewing policies through the end of this year. He also is asking that its parent company, State Farm Mutual, give or loan the California entity, State Farm General, \$500 million to help boost its finances. In addition, State Farm must prove its need for the interim rate increases at a hearing April 8, where it must present updated and more detailed data.

State Farm asked for “emergency” interim rate increases after fires burned through parts of Los Angeles County in January, saying it expects more than \$7 billion in claims from the deadly blazes, a drastically reduced surplus and a potential cut to its credit rating, which could affect its ability to meet mortgage lenders’ insurance requirements. The company, which insures nearly 3 million property owners in the state, including more than 1 million homeowners, has been waiting for a decision on rate hikes it requested last summer.

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U.S. labor market holding steady, but job opportunities dwindling

Source: Reuters

The number of Americans filing new applications for unemployment benefits increased slightly last week, suggesting the labor market remained stable in March, though the outlook is darkening amid rising trade tensions and deep cuts in government spending. Despite the low level of layoffs, more people are staying on jobless rolls longer compared to the same period last year, the report from the Labor Department on Thursday showed.

Economists say still-high interest rates and policy uncertainty, especially around import tariffs, are making companies cautious about increasing headcount. Initial claims for state unemployment benefits rose 2,000 to a seasonally adjusted 223,000 for the week ended March 15. Economists polled by Reuters had forecast 224,000 claims for the latest week. Claims have been bouncing in the middle of the 203,000-242,000 range this year, with layoffs generally staying low and hiring cooling off.

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Look inside the world's largest 3D printed housing development

Source: CNBC

Two years ago, Lennar – the nation’s second-largest homebuilder, partnered with Icon, a 3D technology company, to print 100 homes in the Wolf Ranch development just outside Austin, in Georgetown, Texas. The company says about 75 percent of them have already sold.

All the walls have rounded edges, as that’s how the printers navigate the concrete. The layering process makes it feel like hard, wide-wale corduroy. The roofing is the only part of the structures not 3D-printed. In this community, it is made of metal. Each home is solar-powered. Icon started the project in 2022, using two 40-foot robotic printers. By the second year, the company was using 11 machines, cutting printing time in half and squeezing out two homes per week. Each printer does the job of more than a dozen construction workers. The systems operated 24 hours a day. The homes end up being fire-resistant and well insulated, cutting

energy costs significantly for residents. The company is now planning its second 3D-printed community.

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Mortgage demand pulls back as rates rise for the first time in 9 weeks

Source: CNBC

After a strong streak of gains, mortgage demand pulled back last week. An increase in mortgage rates, as well as rising uncertainty about the economy, were the likely culprits. Total mortgage application volume dropped 6.2 percent from the previous 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 (\$806,500 or less) increased to 6.72 percent from 6.67 percent, with points increasing to 0.64 from 0.63 (including the origination fee) for loans with a 20 percent down payment. Applications to refinance a home loan fell 13 percent for the week and were 70 percent higher than the same week one year ago. Applications for a mortgage to purchase a home rose 7 percent for the week and were 4 percent higher than the same week one year ago.

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