



 **LEGAL MATTERS**  
PODCAST

**START LISTENING HERE!**

 CALIFORNIA  
ASSOCIATION  
OF REALTORS<sup>SM</sup>



## Young homeowners more likely better off now than 4 years ago than young renters

**Source: Redfin**

Just over two-thirds (68.7 percent) of millennial/Gen Z homeowners say they are better off financially than they were four years ago. That compares to just over half (52.2 percent) of millennial/Gen Z renters, according to survey by Ipsos and commissioned by Redfin in September 2024. The survey was fielded to 1,802 U.S. residents aged 18-65. For the purposes of this report, respondents aged 18-27 were classified as Gen Z, while respondents aged 28-43 were classified as millennials. Those aged 44-59 were called Gen Xers and those aged 60-65 were baby boomers.

As recently as four years ago, millennials were considered the “unluckiest generation” given their relatively weak economic standing, saddled with debt for higher education and suffering from low wages and high costs of living. However, that started to change during the pandemic. Scores of young Americans bought their first home during the pandemic or the years leading up to it, and then benefitted from a surge in home values fueled by the 2021-2022 homebuying boom. That helped many young people build tremendous home equity, and home values are still on the rise today.

[READ MORE](#)

**Identify, develop and connect women in real estate.**

Join C.A.R.'s #IamWomanUP initiative. [CLICK HERE.](#)

## **Annual inflation dips to 2.1%**

***Source: U.S. News and World Report***

The last inflation report ahead of Tuesday's election and next week's Federal Reserve meeting shows prices rose at a 2.1 percent annual rate in September – a hair's breadth away from the central bank's 2 percent target. The personal consumption price expenditures index report last Thursday shows inflation at the lowest level since February 2021 and down from 2.2 percent in August. The core index, leaving out energy and food costs, was 2.7 percent. Analysts believe the Fed is likely to lower interest rates by 25 basis points, or one-quarter of a percent, following its surprise 50-basis-point (one-half a percent) cut in September.

The promise of lower borrowing costs appears to be cheering up consumers. Although shelter costs have remained a problem for inflation readings because rents remain high, the Conference Board's monthly consumer confidence index surged in October, rising to 108.7 from 99.2 in September. On Wednesday, the government reported that gross domestic product increased at a 2.8 percent annual rate in the third quarter on strong consumer and government spending. Also, ADP said that employers added 233,000 jobs in October, far more than had been expected.

[READ MORE](#)

**Center for California Real Estate recaps top housing issues of 2024**

**Source: Yahoo! Finance**

The Center for California Real Estate (CCRE) released its list of top issues and insights in housing this year, reflecting the past 10 months of conversations among the state's leading government, academic, nonprofit and business leaders working together to tackle California's multi-faceted housing challenges. The list was published just ahead of CCRE's flagship event, the CCRE Housing Summit: Charting California's Future, yesterday in Los Angeles.

The first issue in the report was insurance. As rates skyrocket, large insurers leaving the state and major legislative changes underway, homeowners insurance was the biggest issue in the housing sector this year. The second issue was housing supply, and actions needed to reverse a decades-long drought in building new housing. The third issue was affordability, which has become an issue at all income levels. C.A.R.'s 2024 second-quarter Housing Affordability Index (HAI) shows that just 14 percent of California households can afford a median-priced home and must earn upwards of \$236,800 to do so.

[READ MORE](#)

## **California sees spike in home sales falling through due to insurance**

**Source: Newsweek**

California home sales are falling as property insurance becomes increasingly unaffordable, a new report from the CALIFORNIA ASSOCIATION OF REALTORS® has found. Based on responses from 96,000 REALTORS® in California, 13.4 percent said a sale had fallen through because of issues finding affordable insurance. That means about one in

**seven REALTORS® saw home insurance issues derail a sale – what was double the rate of last year, when 6.9 percent of REALTORS® said the same.**

**For 74.7 percent of REALTORS®, no insurance was available to a client, reflecting a growing crisis as more insurers leave the state. Meanwhile, 17.8 percent of the REALTORS said insurance premiums were simply too expensive for their client, causing the deal to collapse. While the insurance crisis might not be posing a significant problem in top markets such as the Bay Area, it can still force expensive renovations and delays in escrow, experts say.**

[READ MORE](#)

## **Scammers are stealing homes using AI**

***Source: Business Insider***

**Emboldened by AI technology and immense amounts of public information, some scammers have begun more aggressively stealing deeds – also called title theft – say real-estate fraud experts. Their targets can range from mansion dwellers to owners of more modest homes and parcels of land. A May 2024 study by the American Land Title Association and economic research firm NDP Analytics with 783 responses found seller impersonation fraud – when someone fakes the identities of property owners with the aim to sell their properties – is fairly common. Twenty-eight percent of title insurance companies experienced at least one seller impersonation fraud attempt in 2023; 19 percent saw attempts in April 2024 alone.**

The FBI's Internet Crime Complaint Center doesn't specifically track deed fraud. However, in 2023, it processed a total of 9,521 real-estate-related complaints – which it defines as a loss of funds from a real-estate investment – resulting in more than \$145 million in losses. Property data is readily available to the public, and in some states a simple search can unearth appraisal data, blueprints, transaction records, and even pictures of executed deeds. With AI, fake documents could be created faster and look more realistic. AI tools can also recognize vacant properties in databases faster than a human could or identify homes without mortgages attached to them (which could mark them as targets for a refinancing scheme). The amount of personal information available to fraudsters also makes impersonation easier.

[READ MORE](#)

**Pending home sales took an unexpected leap last month, despite higher rates**

*Source: CNBC*

Signed contracts to buy existing homes in September jumped a surprising 7.4 percent compared with August, according to the National Association of REALTORS. Analysts had been expecting a 1 percent gain. Pending sales were at the highest level since March and 2.6 percent higher than September of last year. However, mortgage rates rose last week for the fourth time in five weeks, causing a pullback in refinancing. Total mortgage application volume was essentially flat, falling 0.1 percent compared with the prior 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 of \$766,650 or less increased to 6.73 percent from 6.52 percent, with points increasing to 0.69 from 0.64 (including the origination fee) for loans with a 20 percent down payment. Refinance demand dropped 6 percent for the week but were 84 percent higher than the same week one year ago. Applications for a mortgage to purchase a home increased 5 percent for the week and were 10 percent higher than the same week one year ago.**

[READ MORE](#)