

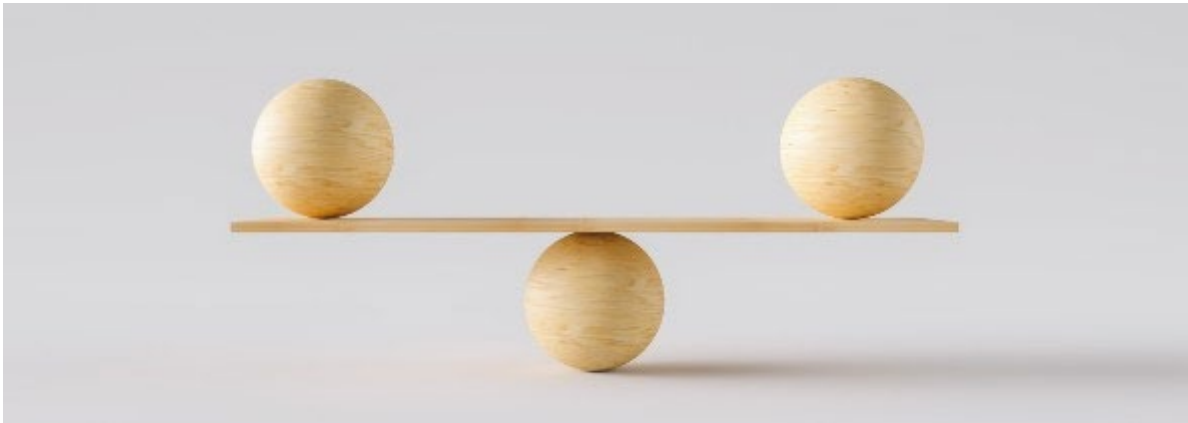


9-Point VIP Buyers Checklist

Many agents do not follow through properly with their buyer leads. What is it your buyers really want and need?

Download the checklist to learn how to make sure your buyer leads are nurtured correctly.

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Fed holds key rate steady, still sees two more cuts this year

Source: CNBC

The Federal Reserve on Wednesday kept interest rates steady amid expectations of higher inflation and lower economic growth ahead and still pointed to two reductions later this year. With markets expecting no

chance of a central bank move this week, the 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.

Along with the rate decision, the committee indicated that two cuts by the end of 2025 are still on the table. However, it lopped off one reduction for both 2026 and 2027, putting the expected future rate cuts at four, or a full percentage point, with a fed funds rate target of 3.4 percent in 2027. The prediction indicated continued uncertainty from Fed officials about the future of rates. Seven of the 19 participants in the committee indicated they wanted no cuts this year, up from four in March. However, the committee approved the policy statement unanimously.

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CA housing market slows in May as prices, sales retreat

Source: C.A.R.

California's housing market continues to face headwinds as lingering tariff wars, ongoing economic uncertainty and elevated mortgage rates undermined buyer confidence and dampened

homebuyer demand in May, according to the CALIFORNIA ASSOCIATION OF REALTORS®. Existing, single-family home sales totaled 254,190 in May on a seasonally adjusted annualized rate, down 5.1 percent from 267,710 in April and down 4.0 percent from 264,850 in May 2024. May's sales level was the lowest in four months. May's statewide median home price was \$900,170, down 1.1 percent from April and down 0.9 percent from \$908,000 in May 2024.

“With home prices leveling off and more homes coming onto the market, it's a great time for well-qualified buyers to enter the market,” said C.A.R. President Heather Ozur, a Palm Springs REALTOR®. “Lower prices are making homes more affordable, and the growing inventory means buyers have more choices, it's a rare window where people can find their ideal home at a good value — making now an ideal time to buy.”

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U.S. housing construction falls to 5-year low

Source: Financial Times

Residential construction in the U.S. dropped to a five-year low in May, as homebuilders grappled with volatile tariffs on imported materials, stubbornly high mortgage rates and excess inventories of unsold units. Housing starts (the number of new residential building projects begun,

including single-family homes, multi-family buildings and townhouses) fell 9.8 percent month over month to a seasonally adjusted annual rate of almost 1.26 million homes in May, according to data released by the Census Bureau on Wednesday. It was the lowest reading since the COVID-19 pandemic stalled construction projects in 2020, and below the almost 1.36 million starts economists had expected.

Permits for new construction also dropped more than expected to an annualized rate of 1.38 million units in May, the lowest since June 2020. The soft data came just hours before the U.S. central bank was due to issue its latest interest-rate decision on Wednesday afternoon. Economists said construction was being weighed down by the volatility of the administration's trade war, which is expected to raise costs on crucial building materials.

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Housing market triggers Lennar to offer biggest incentives since 2009

Source: Fast Company

There is a consensus among major publicly traded homebuilders that the spring 2025 housing market — especially in many parts of the Sun Belt, where inventory has climbed above pre-pandemic 2019 levels — was softer than they expected. Some builders have started focusing more on maintaining margins, and some have slowed their housing starts. Lennar, America's second-largest homebuilder, disclosed in a Monday earnings call that it has observed at least some softening across all its markets this spring, and noted that even in their strongest markets, buyers needed the assistance of incentives, primarily in the form of mortgage rate buy

downs.

In the second quarter of 2025, Lennar spent an average of 13.3 percent of the final sales price on sales incentives such as mortgage-rate buydowns. At this incentive rate, a home with a \$450,000 sticker price would come with nearly \$60,000 in incentives. That's the highest incentive level since 2009.

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Nearly a quarter of Americans are "functionally unemployed"

Source: Fortune

Although the current labor market appears strong on the surface, there are big problems underneath. Unemployment is still low at 4.2 percent, wage growth is steady, and the U.S. added a healthy 139,000 roles in May according to the recent jobs report from the Bureau of Labor Statistics. But a growing number of Americans are “functionally unemployed” according to a new report.

The term “functionally unemployed” describes people who are not included in topline unemployment numbers but are still struggling in the labor market. That includes people who are jobless but have stopped searching for work, as well as people who are employed but earn an annual salary of less than \$25,000 a year. Around 24.3 percent of Americans currently fall under that category, according to a report by the Ludwig Institute for Shared Economic Prosperity (LISEP). That's up from around 22.3 percent two years ago. Alternative metrics like “functional

unemployment” might help partially explain why many workers are feeling down about the economy.

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Mortgage demand drops, even as rates hit lowest point since April

Source: CNBC

Weak consumer sentiment is weighing hard on the housing market, as potential homebuyers pull back. Applications for a mortgage to purchase a home fell 3 percent last week compared with the previous week, according to the Mortgage Bankers Association’s seasonally adjusted index. Volume was still 14 percent higher than the same week one year ago.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (of \$806,500 or less) decreased to 6.84 percent from 6.93 percent, with points increasing to 0.66 from 0.64, including the origination fee, for loans with a 20 percent down payment. That was its lowest rate since April and was just 10 basis points lower than the same week one year ago. Applications to refinance a home loan, which are most sensitive to weekly rate moves, declined 2 percent for the week, despite the drop in rates. They were, however, 25 percent higher than the same week one year ago.

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