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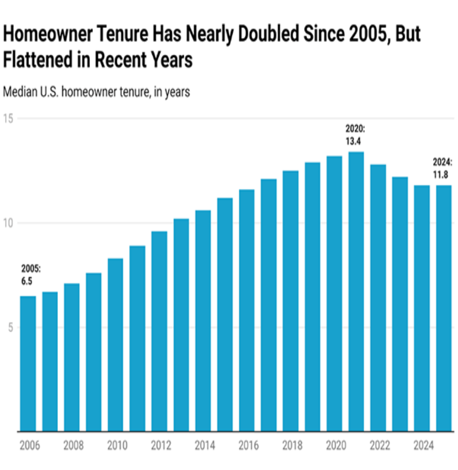
Real Estate Trends For Realtors, Homeowners and Professionals
April 2025

Wait and See Attitude

The Federal Reserve's Open Market Committee met last week and as expected, they did not lower or raise their benchmark interest rate. Despite evidence of a softening of the economic climate, they choose to sit back and wait to see what the effects will be as certain new policies are implemented by the Administration. There certainly has been a whirlwind of activity emanating from the government sector and while everyone is hoping for a positive economic response, the markets have shown more anxiety than anything as of this time.

So, what would it take for the Fed to come in and make such a move? If the economy slowed down enough to threaten a recession, one would think we would see actions to lower interest rates further. On the other hand, if these policies cause a regeneration of inflationary pressures, we could actually see the Fed raise interest rates from their present levels. The real concern is an economic slowdown accompanied by inflation, which is known as stagflation, which would put the Fed in a quandary.

Certainly, it is too early in the game to predict any of these scenarios, which is why the Fed has decided to adopt their wait and see attitude. The initial reaction of the markets is often not indicative of long-term trends. The markets often react to change negatively. On the other hand, there are plenty of times that the markets reactions are on point and thus we should not ignore the messages being displayed. What we can say is that this year is starting out with a lot of fireworks, and it looks like we could be in for quite a wild ride. Fasten your seatbelts...



Return to Work

During the remote work boom, 25% of employees were living in a different city or region from their company's office — either because they relocated during this period (12%) or were hired as remote workers (13%).

Meanwhile, 75% of employees remained or accepted jobs in the same city or region as their office. Workers who relocated did so for lifestyle or financial reasons. More specifically, 46% moved to a more desirable location, 44% sought a more affordable area, 34% moved closer to family, and 30% relocated for a spouse or partner. Now, with more companies enforcing RTO mandates, 19% of remote workers have already moved back, and 60% plan to relocate to comply. However, 21% do not intend to move and 40% plan to find a new job.

Among the 21% of workers who are unwilling to relocate, 40% found a new job instead. Even among those planning to move back, many attempted to secure a different job. In fact, 56% of relocating workers sought a new job before deciding to move, but 33% received no offers, and 63% felt the offers weren't worth taking. Workers relocating due to RTO are facing financial strain. Among those who have already moved, 34% report paying higher rent or mortgage, 32% have downsized to a smaller home, and 22% moved in with family or roommates to offset costs...

Source: StorageUnits.com

Selected Interest Rates

March 20, 2025

30 Year Mortgages——6.67%
2024 High (May 2)——7.22%
2024 Low (Sept 26)——6.08%
15 Year Mortgages——5.83%
10 Year Treasuries——4.24%

Sources—Fed Reserve, Freddie Mac
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

The Renovation Question

Home renovators have made an honest living by fixing up distressed properties, and putting them back on the market. But, the latest study from Zillow indicates that home shoppers are passing on fixed up homes for properties that are more move-in ready. Zillow's analysis shows home shoppers are shelling out nearly 4% more than expected for a home that is already remodeled -- about $13,194 on a typical U.S. home -- to skip the dust, delays, and contractor nightmares. That's the biggest sale price bump of all 359 listing keywords Zillow analyzed across two million homes in 2024. Plus, remodeled listings on Zillow get 26% more daily saves and are shared with a shopping partner 30% more often than homes that still need work.

Translation: buyers aren't just looking -- they're ready to make a move. It wasn't always this way. Last year, a "remodeled" home barely nudged up the sale price, adding less than 1%. And before the pandemic, homes labeled as "fixer," "TLC," or "needs work," actually moved faster than those without the buzzwords. "Fixer-uppers can be appealing to a first-time buyer trying to get their foot in the door of homeownership because they offer a lower initial price of entry," said Amanda Pendleton, Zillow's home trends expert. "However, buyers who are already stretching their budget to afford a home in today's market may not be willing or able to spend more on renovations or repairs...

Source: Zillow

Did You Know…

Zillow analyzed 2024 home sales, finding home sellers who listed their home for sale in the second half of May fared the best…

Redfin released a new report finding that the typical U.S. homeowner stays in their home for 11.8 years. That's flat from 2023, and down from a peak of 13.4 years hit in 2020. That's significantly higher than the 6.5 years typical in 2005…

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