

# February 21 - 27



## California Weekly Data 2021

### How the market is doing



% change indicates change from previous week

\*Daily Average

Last week, there were...

**660** 5.8%

Closed Sales per day\*



**841** -0.4%

Pending Sales per day\*



**712** -1.8%

New Listings per day\*



### What REALTORS® are saying



**24.8%** 16.4%

Closed a sale last week



**23.9%** 3.0%

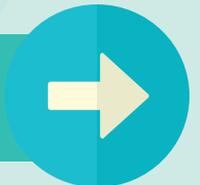
Entered escrow last week



**23.4%** 20.0%

Listed a property last week

### What REALTORS® think will happen



**48.9%** -7.6%

Think sales will be **up** next week

**66.2%** 2.5%

Think prices will be **up** next week

**45.8%** -3.8%

Think listings will be **up** next week

The sharp rise in interest rates caused the market to slow somewhat over the past two weeks. However, rates remain low by historical standards and fears about inflation, which have been bolstered by the probability of a new round of pandemic relief, are likely overblown. Interest rates remain very low by historical standards, and although inventory remains tight, buyer demand remains strong. In addition, there have been several encouraging economic reports this week so the housing market should remain relatively robust, albeit growing at a slower pace than we saw the previous six months.

**California Home Sales Likely Post Double-Digit Growth in February:** Although many closed transactions from February are still being reported, preliminary figures from MLSs across the state show that California likely grew by more than 15% on a year to year basis last month. That would represent a slight cooling from the 20%+ pace of the last several months, but it also represents ongoing growth at a relatively high volume of transactions.

**REALTORS® in California Report a Stronger Week:** Consistent with the preliminary market figures, more members reported an uptick in key elements of their business in our latest weekly survey. The percentage of REALTORS® that listed a property increased to 23.4%. A larger percentage also opened escrow on a new transaction (23.9%). Most importantly, The percentage of REALTORS® that closed a sale increased for the second consecutive week to 24.8% and corroborates the pending sales data that suggests March will remain strong for closed sales.

**Regular Unemployment Claims Dip Below 100,000:** The reopening of outdoor dining and other forms of local retail, even at reduced capacity, has helped to bolster the labor market as the number of new unemployment claims dipped below 100,000 for only the second time in the past 49 weeks. In addition, California's Pandemic Unemployment Assistance (PUA) has seen new claims drop below 50,000 for the past 5 weeks. These are still elevated relative to pre-recession levels, but they represent a substantial improvement from just a few months ago.

**Light at the End of the Tunnel for Supply?:** Last week, the number of REALTORS® that had a client hold back from selling their home declined to 40.7%. That represents an improvement from January, when more than half of respondents to our weekly survey of California agents had sellers who had gotten cold feet. This is also dramatically improved from last spring, when nearly 90% of REALTORS® reported having at least one seller hold back from selling due to the pandemic.

**California Pandemic Still Getting Better:** The 7-day average for new coronavirus cases in California fell to a 115-day low at the end of February in a sign that the public health picture continues to improve. Deaths remain stubbornly high, still averaging more than 400 per day despite fewer new infections, but a lower positivity rate and broader availability of the vaccines should help to bolster the economy and the housing market.

**Interest Rates Rise to 3.2%:** With prospects of another round of stimulus looking increasingly likely, 10-year treasury rates have increased by roughly 40 basis points. Mortgage rates have followed suit rising to 3.2% in the latest reading from Mortgage Daily News and although Freddie Mac has yet to publish their latest weekly reading, it is likely to show a similar trend. This is likely linked to the slowdown in mortgage applications over the past month, which has dipped from roughly 30% year-to-year growth to just 7% last week.

**Home Sales Dip For First Time Since Recovery Began:** For the first time since the housing market recovery turned the corner on an annualize basis back in July, the number of existing single-family home sales declined on a year-to-year basis during the final week of February. This ends a 34-week consecutive streak of growing home sales, even though cumulatively, February closed with more homes sold than February 2020.