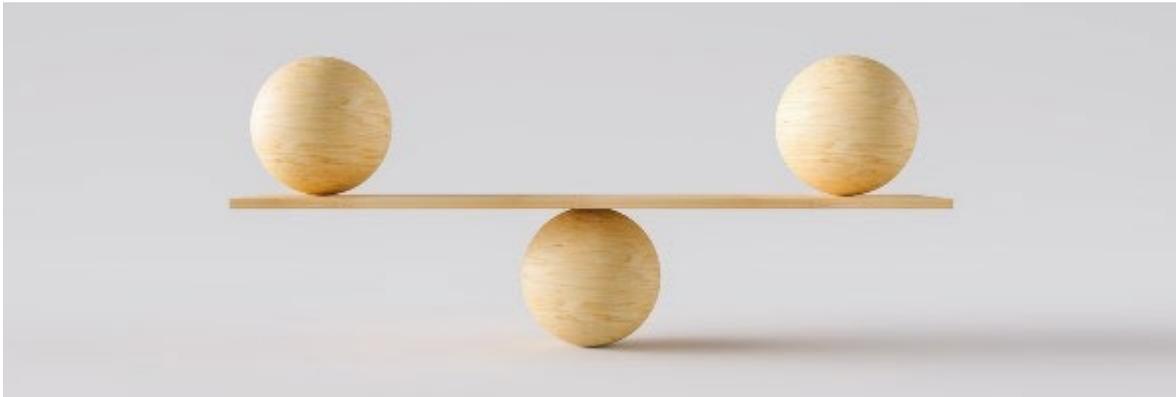




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**Fed leaves rates unchanged**

**Source: Reuters**

The Federal Reserve held interest rates steady amid what U.S. central bank chief Jerome Powell called a clear improvement in the outlook for

economic growth and diminished risks to both inflation and employment, a read that conveyed no sense of urgency for further reductions in borrowing costs.

Powell said that the economy has “once again surprised us with its strength,” after policymakers voted to hold the central bank’s benchmark interest rate in the 3.5 percent to 3.75 percent range following a two-day meeting. He indicated that labor market weakening or inflation heading back down to the Fed’s 2 percent goal could inspire rate cuts later in the year. Wednesday’s rate decision was widely expected by financial markets.

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**More "wildfire-resistant" homes are coming to California**

**Source: *Homes.com***

A new collection of “wildfire-resistant” homes is underway near California’s capital. KB Home recently unveiled its Stone Canyon neighborhood in Cameron Park, near Sacramento. The neighborhood will include 24 single-story homes built to meet wildfire resilience standards set by the Insurance Institute for Business & Home Safety (IBHS).

Each home will be built using fire-resistant materials and construction techniques designed to protect against direct flame contact. For example, the houses will have noncombustible gutters, ember- and flame-resistant vents, and a 5-foot noncombustible buffer around each structure. The neighborhood as a whole will also receive wildfire-resistant certification. Structures will be separated by at least 10 feet and fire-resistant materials, such as all-metal fencing will be put in place to reduce potential fire spread. Sales at Stone Canyon start this week, and the neighborhood is expected to be completed by spring 2027.

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## U.S. home prices tick higher

Source: *MPA Mag*

United States home prices continued to edge higher in November, offering little relief to borrowers who hoped easing mortgage rates would translate into softer valuations. The Federal Housing Finance Agency's (FHFA) latest House Price Index showed a 0.6 percent seasonally adjusted gain from October and 1.9 percent rise compared with November 2024, a slight increase that still marked the fastest annual increase in 14 months.

Even with borrowing costs down from their 2023 peak, the rate backdrop remained challenging. Freddie Mac's latest Primary Mortgage Market Survey put the average 30-year fixed mortgage at 6.09 percent as of January 22, up slightly from the prior week but nearly a full percentage point lower than a year earlier.

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## **Americans' confidence in the economy falls sharply to lowest level since 2014**

**Source: *ABC News***

**U.S. consumer confidence declined sharply in January, hitting the lowest level since 2014 as Americans grow increasingly concerned about their financial prospects. The Conference Board said Tuesday that its consumer confidence index cratered 9.7 points to 85.5 in January, falling below even the lowest readings during the COVID-19 pandemic.**

**A measure of Americans' short-term expectations for their income, business conditions and the job market tumbled 9.5 points to 65.1, well below 80, the marker that can signal a recession ahead. It's the 12th consecutive month that reading has come in under 80. Respondents' references to inflation, including gas and grocery prices, remained elevated. Mentions of tariffs and trade, politics, and the labor market also increased in January, as did comments about health insurance and war. The softening job market comes even as the U.S. economy keeps growing, often beyond projections, powered by strong consumer spending.**

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## **Mortgage demand drops 8.5% as rates swell**

**Source: *CNBC***

**After dropping sharply, mortgage interest rates rose last week for the first time in a month. That pushed mortgage demand down 8.5 percent compared with the previous week, according to the Mortgage Bankers Association's seasonally adjusted index.**

**The average contract interest rate on the 30-year fixed-rate mortgage with conforming loan balances (\$806,500 or less) increased to 6.24 percent from 6.16 percent, with points rising to 0.55 from 0.54, including the origination fee, for loans with a 20 percent down payment. That is the highest rate in three weeks. As a result, applications to refinance a home loan dropped 16 percent for the week, but they were still 156 percent higher than the same week one year ago. That is because rates a year ago were 78 basis points higher. Applications for a mortgage to purchase a home were essentially flat, down 0.4 percent from the prior week and were 18 percent higher year-over-year. Homebuyers are still facing a very pricey market. There is more supply than last year, but most of it is on the high end.**

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