

HOME MATTERS

MONTHLY HOMEOWNERSHIP NEWSLETTER



HOUSING MARKET PREDICTIONS 2023

In 2022, we saw mortgage rates steadily increase with every inflation hike throughout the year. So, while our days of incredibly low market rates may temporarily be a thing of the past, is there hope of entering 2023 with improvement on the horizon? Let's find out.

Note: Much like weather forecasts, outlying factors can change the prediction at any time. Based on current available information, this is how we foresee the housing market playing out in 2023 but realize it is subject to change.



MARKET PERFORMANCE OUTLOOK

While 2021 may have been a banner year for the housing market, 2022 sort of hit the brakes on home sales; as mortgage rates fluctuated throughout 2022, home sales slowed down. In a recent [article](#), the National Association of REALTORS® (NAR) reported that, while we can expect existing-home sales to be down 16% from this time in 2021, NAR Chief Economist Lawrence Yun anticipates an additional 6.8% decline in home sales in 2023.

It may not be a far stretch to assume the decrease in home sales could be linked to buyers holding out for a “better” market. According to [U.S. News](#), over 85% of homeowners pay less than 5% mortgage rates which leads experts to believe homebuyers don't want to risk a higher rate by moving. Will 2023 be worth the wait for homebuyers looking to keep a lower interest rate?

MORTGAGE RATE PREDICTIONS

If high inflation sticks around, odds are mortgage interest rates will follow suit and stay the same too. However, there is hope of inflation reducing over the coming year. “Based on what I know,” said Brett Stewart, PrimeLending Secondary Markets Senior Trader, “inflation in the U.S. will come down at a faster pace than expected.”

Experts polled in a recent article by [The Mortgage Reports](#) predicted we may see average rates on 30-year and 15-year fixed rate mortgages that would fall in line with the way they closed out 2022. Some insiders believe rates may



lower from there as the year goes on. "I can see mortgage rates coming down into the 5's for conventional loans by this summer," said Stewart.

The consensus seems to be that while mortgage rates are expected to be lower in 2023, we won't see them quite as low as they were in 2021. But it is worth noting that even if rates stay in the 5-7% range they would still be significantly lower than the historic high in 1981 of [18.4%](#).

Knowing the right time to buy for you is the first step to becoming a homeowner. I'm the lender you can trust to help you access your options and guide you through the mortgage process.

Call me today to get started!

