

Washington Real Estate Market: Predictions for 2024

Extract taken from Houzeo publication dated November 2023

“Washingtonians have survived the shockwaves of skyrocketing mortgage rates and rising home prices of 2023. Here is what we predict for Washington’s housing market:”

1 Home Sellers Will Return to the Market in 2024	Sellers who chose the sidelines in 2023 will come back. Especially those who can't avoid new jobs or want to move to a cheap place. Whitney, the analyst who predicted the 2008 financial crisis accurately, has forecasted that baby boomers looking to downsize will also add up to 30 million housing units.
2 Mortgage Interest Rates Will Stabilize by the 2nd Half of 2024	Mortgage rates hit 7.79% in October 2023, the highest level in 23 years. However, the rate dropped to 7.35% in November due to the softening labor market and slowing economy. Even the annual inflation rate went from 3.7% to 3.2%. We think the rates will remain above 6%, but they will stabilize in the second half.
3 The Number of Home Buyers Will Rise	The historically high interest rates averted buyers in 2023. But mortgage demand rose after the interest rates lowered to 7.35% in November. The easing inflation and stabilizing rates will bring back house hunters.
4 Home Prices Will Continue to Rise	Home prices rose steadily in the top metropolitan areas across Washington year over year, reaching \$602K in September 2023. Experts predict home prices will continue to rise until the low supply-high demand dynamic changes.
5 New Home Constructions Sales Will Increase	Washington Building Permits Survey, 20,454 new private housing units were authorized increased by 12.8% from 2022. Washington's housing market is in high demand owing to a growing population, a low unemployment rate, and a shrunken housing inventory.
6 iBuyers Will Continue to Make Lowball Offers	iBuyers offered 104.1% of market value in 2021. They offered 86% in 2022 and around 70% in 2023. Opendoor and Offerpad have lost billions of dollars in 2023. As they struggle to survive, they will make lowball offers.