



 **YARDI breeze**
PREMIER

Intuitive & powerful
property management
software

>



Homeowners turn to cash-out refinancing

Source: AP

Homeowners are cashing in on years of home equity gains, even as mortgage rates remain elevated. The trend sent cash-out home refinancing activity to a nearly three-year high in the April-June quarter, according to data from home loan data tracker ICE Mortgage Technology. In a cash-out refinance, a homeowner takes out a home loan for more than they owe on their mortgage and then pockets the difference. The funds are often used to consolidate debt, finance home improvement projects and pay for big-ticket purchases.

The average cash-out refinance in the second quarter resulted in the homeowner pulling \$94,000 in home equity, increasing their monthly payment by \$590. On average, they also raised their interest rate on their home loan by 1.45 percentage points, according to the report. To qualify for a cash-out refinance, homeowners must have at least 20 percent home equity, have owned the home for at least six months and have at least a 620 credit score, among other criteria. Borrowers who got a cash-out refinance in the second quarter had an average credit score of 719, ICE noted.

[READ MORE](#)

Take care of yourself so you can take care of your clients.

Access your C.A.R. member wellness resources [here](#).

New budget holds surprise boost to CA's affordable housing

Source: *CalMatters*

California lawmakers are preparing for a historic surge in federal funding for affordable housing construction, a tsunami of subsidy that advocates say could as much as double the number of low-cost units produced by the state over the next decade. Buried deep in the One Big Beautiful Bill is an increase in support for the Low-Income Housing Tax Credit. Those credits are the most important federal funding available for affordable housing, and they're used in low-income projects throughout California.

Last week, the state committee that oversees these credits approved changes to its application process that incentivize developers to take advantage of the new federal policy. Rather than fund public housing construction directly like it used to, the federal government rerouted most of its affordable housing funds through the tax code beginning in the 1980s. These tax credits are issued by states to affordable developers, who then sell them on to deep-pocketed banks, insurance companies and other financial institutions, trading tax cuts for ownership shares in affordable housing projects.

[READ MORE](#)

U.S. producer prices surge in July as tariffs push costs higher

Source: *PBS*

U.S. wholesale inflation surged unexpectedly last month, signaling that

President Donald Trump's sweeping taxes on imports are pushing costs up and that higher prices for consumers may be on the way. The Labor Department reported Thursday that its producer price index — which measures inflation before it hits consumers — rose 0.9 percent last month from June, the biggest jump in more than three years. Compared with a year earlier, wholesale prices rose 3.3 percent.

The numbers were much higher than economists had expected. Prices rose faster for producers than consumers last month, suggesting that U.S. importers may, for now, be eating the cost of Trump's tariffs rather than passing them on to customers. But that may not last. "It will only be a matter of time before producers pass their higher tariff-related costs onto the backs of inflation-weary consumers," wrote Christopher Rupkey, chief economist at fwdbonds, a financial markets research firm. The wholesale inflation report two days after the Labor Department reported that consumer prices rose 2.7 percent last month from July 2024, same as the previous month and up from a post-pandemic low of 2.3 percent in April. Core consumer prices rose 3.1 percent, up from 2.9 percent in June. Both figures are above the Federal Reserve's 2 percent target.

[READ MORE](#)

CA housing affordability dips in Q2, improves from a year ago

Source: C.A.R.

Elevated interest rates and higher home prices curbed California housing affordability in the second quarter of 2025, reports the CALIFORNIA ASSOCIATION OF REALTORS®. Fifteen percent of the state's homebuyers could afford to purchase a median-priced, existing single-family home in

California, down from 17 percent in Q1 2025 and up from 14 percent in Q2 2024, according to C.A.R.'s Traditional Housing Affordability Index (HAI). Housing affordability in California remained near its all-time low and continued to be a challenge for both buyers and sellers.

The Q2 2025 figure is less than a third of the affordability index peak of 56 percent in Q2 of 2012. C.A.R.'s HAI measures the percentage of all households that can afford to purchase a median-priced single-family home in California. After increasing for two consecutive quarters, the effective interest rate decreased to 6.90 percent in Q2 of 2025 from 6.93 percent in Q1 of 2025 and was down from 7.10 percent in Q2 of 2024. Mortgage rates fluctuated in the first half of this year as economic uncertainties induced by tariff concerns continue to linger. Rates have moderated since late July. Over the next six months, rates are expected to ease further as recent signs of weakness suggest that the economy will continue to slow in Q3 2025 and possibly into Q4.

[READ MORE](#)

Buying a condo in CA just got easier

Source: SF Gate

California has more homeowners associations (HOAs) than any other state by a long shot. With more than 50,000 associations governing 5 million homes, more than a third of Californians live under HOA rules, and that number isn't shrinking. In many high-cost areas, condo communities remain one of the few accessible entry points to homeownership. Shared infrastructure, smaller footprints and planned development help keep prices lower than standalone homes, especially in dense coastal cities.

The majority of condos are situated within HOAs that are tasked with maintaining shared infrastructure and spaces.

Under a new law, AB 130, most fines issued by HOAs are now capped at \$100 per violation. The law also bans late fees and compounding interest, two mechanisms that often turned small violations into financial nightmares. Homeowners also have more opportunity to contest alleged violations, with the right to request internal dispute resolution before fines escalate. HOAs can still issue fines above \$100 if the violation poses a health or safety risk to other residents or common areas.

READ MORE

Mortgage refinancing shoots 23% higher; riskier loans again popular

Source: CNBC

Homeowners are looking for savings, even if it means taking on a riskier mortgage. Refinance demand, along with renewed demand for adjustable-rate loans, drove a sharp increase in overall applications last week. Total mortgage application volume increased 10.8 percent from the previous week, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (of \$806,500 or less) decreased to 6.67 percent from 6.77 percent, with points increasing to 0.64 from 0.59, including the origination fee, for loans with a 20 percent down payment. The average contract interest rate for 5/1 ARMs (adjustable-rate mortgages) decreased to 5.80 percent from 6.06 percent. ARM loans are generally fixed for a term

but then adjust to market rates, making them riskier products. Applications to refinance a home loan jumped 23 percent for the week and were 8 percent higher than the same week one year ago. The refinance share of mortgage activity increased to 46.5 percent of total applications from 41.5 percent the prior week. Applications for a mortgage to purchase a home rose 1 percent for the week and were 17 percent higher than the same week one year ago.

[READ MORE](#)