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MATTERS.

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CHANCE  
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**C.A.R. launches "Homeownership Matters" to build the California we believe in**

**Source: *Yahoo! Finance***

**On Tuesday, the CALIFORNIA ASSOCIATION OF REALTORS® announced the launch of Homeownership Matters, a statewide public education and advocacy campaign to make homeownership a critical priority of California's 2026 housing agenda. As California lawmakers begin their work for the next year, the campaign calls for enacting legislation that helps working Californians create pathways to homeownership.**

**Homeownership Matters will educate, engage and urge policymakers to adopt bold, scalable solutions to expand homeownership access, especially as first-time buyers struggle to break into the market.**

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**AARP pushing to help ease California's soaring housing costs**

**Source: *AARP***

California has long been an expensive market, but costs have continued their upward trek. For California residents, “it’s remarkable how quickly house prices have gone up across the state, and how hard it is to enter homeownership,” says Carolina Reid, faculty research advisor at the Turner Center for Housing Innovation at the University of California, Berkeley. With support from AARP, the state legislature in 2025 passed several housing-related bills.

One bill streamlines the building of multi-family units in already developed urban areas. A second makes it easier to build high-density housing near heavy transit areas, where residents can save considerable money by using rail systems instead of driving their own vehicles. And a third bill makes it easier to build or rebuild accessory dwelling units (ADUs) in declared disaster zones. ADUs are smaller and more affordable housing built on existing single-family lots that offer as much living space as apartments and can be sources of rental income. They give older residents options for close-by living quarters for caregivers or their own adult children. In the coming year, AARP will continue to focus on legislation that increases the state’s housing supply and reforms laws that make it difficult to build housing where it is needed most.

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**Three California cities expected to see home prices fall in 2026**

**Source: *Newsweek***

Among the top ten U.S. metropolitan areas where home prices are expected to fall the fastest in 2026, three are in California, according to an

analysis by Realtor.com. While home prices at the national level are expected to continue rising by 2.2 percent year-over-year by the end of 2026, prices in 22 cities are forecast to fall, including Stockton, Sacramento and San Francisco.

Stockton is expected to see home prices fall by 4.1 percent; Sacramento, by 3.3 percent; and San Francisco, by 2.5 percent. This is after years of rapid price appreciation. Realtor.com Senior Economic Analyst Hannah Jones explained that high prices and the drag of high mortgage rates continue to eat into demand, which cause home prices to soften. This might allow buyers better opportunities, greater negotiating power, more inventory to choose from, and more sellers willing to offer concessions. For sellers, realistic pricing is essential.

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## True cost of 2025 Los Angeles wildfires emerges a year later

Source: *Realtor.com*

A year after wildfires devastated parts of Los Angeles, the true cost of the destruction can be revealed as recovery lags. The Palisades and Eaton fires of January 2025 caused property values to plummet, with many parts of the city that were affected still struggling to recover as the majority of residents continue to live in temporary housing.

Housing data analysis conducted by Realtor.com researchers reveals that the issue of destroyed homes in the fire zones of the celebrity-studded Pacific Palisades enclave and working-class Altadena fell from \$14.7 billion to \$10.8 billion and from \$7 billion to \$4.7 billion, respectively,

between late 2024 and the second half of 2025. Even properties that were not physically affected but merely located in the hardest-hit burn zones experienced significant losses, with aggregate values falling from \$10.4 billion to \$9.4 billion in Pacific Palisades and from \$3.8 billion to \$3.2 billion in Altadena. Altogether, the fires erased an estimated \$8.3 billion in home values across the two scorched suburban L.A. communities.

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**Mortgage demand drops nearly 10% to end 2025, despite lower interest rates**

*Source: CNBC*

Mortgage rates moved lower to end 2025 and start 2026, but that did little to pull demand back to the market. For the week ended Jan. 2, 2026, total mortgage application volume fell 9.7 percent on a seasonally adjusted basis from two weeks earlier, according to the Mortgage Bankers Association's seasonally adjusted index. There were additional adjustments made for the holidays and the read is for two weeks because the MBA did not report last week.

Over those two weeks, the average contract interest rate on the 30-year fixed-rate mortgage with conforming loan balances (\$806,500 or less) decreased to 6.25 percent from 6.32 percent, with points dropping to 0.57 from 0.59, including the origination fee, for loans with a 20 percent down payment. That was the lowest level since September 2024. Applications to refinance a home loan declined 14 percent over the two-week period but were still 133 percent higher than the same week one year ago. Applications for a mortgage to purchase a home fell 6 percent from two

**weeks earlier and were 10 percent higher year-over-year. The average loan size was \$408,700, the smallest in the year. As mortgage rates fall, there is less demand for adjustable-rate loans. The ARM share of activity decreased to 6.3 percent of total applications.**

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