Report as of

April 2025

California Latest Market Data

CALIFORNIA ASSOCIATION OF REALTORS®

How the market is doing*

+Daily Average for week ending April 5, 2025

439 Closed Sales per day+

512 Pending Sales per day+

711 New Listings per day+

NEW

How REALTORS® did in the previous week**

12.5% Closed a sale (-11.9%)

14.3% Entered escrow (-10.8%)

23.8% Listed a property (-2.8%)

What REALTORS® think will happen in the week ahead**

27.5% Sales will be up (8.4%)

18.8% Prices will be up (8.9%)

43.1% Listings will be up (10.9%)

*Data based on weekly statistics collected from MLSs across California.
**Survey results collected at start of the current quarter.

Bigger Blue font represents share of survey respondents
Smaller font (green/red) reflects % change from previous quarter

Source: California Association of REALTORS®

April 7, 2025 –The tariff announcement made by President Trump last Wednesday sent shockwaves to financial markets across the globe and raised serious concerns that the U.S. economy could fall into a recession in the next 12 months. While the March jobs report released in the same week suggests that the labor market remained solid last month, the decent updates on employment were overshadowed by the tariff turmoil. In his first public speech after the tariff announcement, Federal Reserve Chair Jerome Powell said that the economic fallout from tariffs is likely larger than expected and high inflation could be here to stay. The economic impact is hard to assess at this point and how the situation will play out depends on how long these reciprocal tariffs will stay.

Reciprocal tariff announcement creates market volatility: President Trump on Wednesday of last week announced sweeping tariffs, including a baseline 10% across-the-board tax, on all imports from about 90 nations. In addition to the universal tariff of 10%, dozens of countries will be charged higher specific reciprocal import levy. The measures have sparked global backlash, with countries like China imposing retaliatory tariffs of up to 34%. Stock markets have reacted sharply, with significant declines across major indices. Federal Reserve Chair Jerome Powell warned of potential inflation and slower economic growth due to these tariffs. Economists and investors are concerned about the broader economic impact, with many of them raising odds of a U.S. recession in the next 12 months substantially. Heightened trade tensions triggered more volatility in the bond market and caused mortgage rates to drop sharply late last week but jumped back up strongly on Monday.

U.S. hiring exceeds expectations as unemployment rate inches up: The latest jobs report came in stronger than expected, with nonfarm employment payrolls increasing 228k in March. The increase last month was a jump from the revised 117k recorded in February and was higher than the average monthly gain of 158k over the prior 12 months. The surge in jobs in March was the highest monthly reading for 2025 and it exceeded consensus expectations of 140k. The unemployment rate ticked up from 4.1% to 4.2%, but the labor market conditions remained healthy. The federal government layoffs only had minimal effects on last month's employment, but more contractions in the government payrolls could be observed in the months ahead. Despite the encouraging data in March, the latest report feels dated and backward-looking, as the tariff announcement made by President Trump last week has escalated trade tensions sharply and has altered the economic outlook fundamentally.

Housing sentiment reaches the lowest level in 15 months: Home Purchase Sentiment released by Fannie Mae dipped again for the second straight month in March and reached the lowest level since December 2023. With trade tensions rapidly rising and recession odds being revised sharply upward in the past few weeks, consumers have become increasingly more anxious about their employment and personal financial situations. In fact, the share of employed consumers who were concerned about losing their job in the next 12 months surged from 23% in February to 32% in March, hitting a new survey high. Those who expected their personal financial situation to get worse over the next 12 months jumped for the second straight month and soared to 27%, the highest level since July 2022. Housing sentiment in March was also impacted by consumers' perspectives on mortgage rates' movements. The share of survey respondents who said that mortgage rates will go up in the next 12 months climbed to 35% in March, the highest level in 16 months. The dip in optimism in mortgage financing affected consumers' desire to buy, as the share who believed it was a good time to buy dropped two points from 24% in February to 22% in March.

Construction spending up more than expected: U.S. construction spending in February jumped 0.7% from the prior month after dropping 0.5% (revised) in January, according to the latest Commerce Department's monthly report. The increase in February came in stronger than expected as economists had forecasted to total outlays to rebound by 0.3%. On a year-over-year basis, construction spending was up 2.9%, with residential increasing 1.6% and non-residential jumping 3.9%. Lower financing costs in February were likely the reason that boosted total outlays from the prior month, as a decline in mortgage rates pushed single-family homebuilding and private home improvement up 1% and 2%, respectively. Multifamily spending was flat from a month ago but remained down by 11.6% from the year-ago level. Looking ahead, tariffs and tighter immigration policies will continue to put upward pressure on building costs and create headwinds for developers. As such, construction activity and spending could be negatively impacted in the upcoming months.

Boomers make up largest share of homebuying: Higher home prices and elevated interest rates continue to shift the dynamics of the housing market, with baby boomers regaining the top spot as the largest share of homebuyers, according to the National Association of REALTORS®' 2025 Home Buyers and Sellers Generational Trend Report. Boomers have overtaken millennials to be the top generation of homebuyers in 2025, with the older age cohort accounting for 42% of all homebuyers this year. The younger generation, on the other hand, has fallen from 38% recorded a year ago to 29% in 2025. Results from the same survey suggest that home equity may have played a role in the shift, as half of older boomers (ages 70-78) and two of five younger boomers (ages 60-69) purchased their homes entirely with cash, while more than 90% of buyers 44 years or younger financed their home purchases. As costs of borrowing have skyrocketed in the last four years while home values have improved solidly in the same time frame, it is not a surprise to see house equity playing a role in enabling older generation buyers – who are more likely to be current homeowners – in home purchasing, while younger buyers continue to face affordability challenges.