REAL ESTATE

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Average 30-year U.S. mortgage rate climbs to 6.55%

By Alex Veiga
AP BUSINESS WRITER

The average long-term U.S. mortgage rate climbed this week to its highest level in nearly a year, driving up borrowing costs for prospective homebuyers.

The benchmark 30-year fixed rate mortgage rate rose to 6.55% from 6.49% last week, mortgage buyer Freddie Mac said Thursday. One year ago, the average rate was 6.75%.

Higher mortgage rates can add hundreds of dollars a month in costs for borrowers, limiting homebuyers' purchasing power at a time when affordability challenges continue to sideline many aspiring homeowners.

Mortgage rates are influenced by several factors, from the Federal Reserve's interest rate policy decisions to bond market investors' expectations for the economy and inflation. They generally follow the trajectory of the 10-year Treasury yield, which lenders use as a guide to pricing home loans.

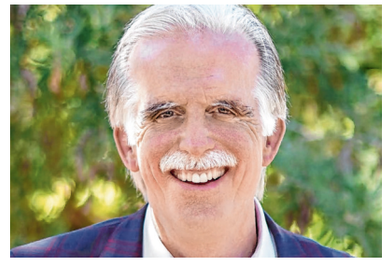
Rates have been mostly rising this year as the war with Iran has driven crude oil prices sharply higher, stoking expectations of hotter inflation. That's pushed up long-term bond yields relative to where they were before the conflict began in late February, causing mortgage rates to trend higher.

The 10-year Treasury yield was 4.57% at midday Thursday on the bond market, up from 4.54% a week ago. It was just 3.97% in late February, before the war broke out.

The average rate on a 30-year mortgage is now the highest it's been since Aug. 28, when it was at 6.56%. As recently as late February, the average rate dropped slightly below 6% for the first time since late 2022.

SOUND OFF

What are your preferred strategies for effectively pricing a listing?



A: In our strong sellers' market, my pricing strategy begins with a thorough market analysis. I evaluate recent comparable sales, current competition, and market trends to determine fair market value. Then, we establish a listing price designed to generate the greatest buyer interest.

For me, the most effective approach is what I call an entry price strategy — pricing the property below its projected market value. Industry research and my own experience have shown that competitively priced homes attract significantly more buyers, often resulting in multiple offers and a stronger sale price.

Conversely, pricing a home above fair market value can dramatically reduce buyer interest. Studies have shown that even modest overpricing can substantially reduce showings and online activity.

When a home is overpriced, it remains on the market longer, and increased days on market can lead buyers to perceive something is wrong with the property, frequently resulting in price reductions and a lower sale price.

To maximize exposure, buyer traffic, and negotiating leverage, I recommend pricing the home competitively from the very beginning rather than "testing the market" with an inflated asking price.

Ultimately, buyers determine market value, and an effective pricing strategy encourages them to compete rather than negotiate.

Jeff LaMont, Coldwell Banker Realty, 650-740-8808, jeff@jefflamont.com.

A: Figuring out a home market value is a whole thought process and isn't just a number pulled out of a hat!

After determining the number of bedrooms and bathrooms a place has, an agent does a radius search of homes that have sold recently with the same number. Square footage of house and lot play an important factor.

The home's condition is also very important.

Of course, location is looked at carefully and has various determining factors; is it close to shopping, schools, and transportation or, on the other hand, is it facing a freeway, railroad, or is it in a high fire, high flood, or high crime area?

Are there any additions to the house? Bedrooms, bathrooms, family room, in-law or ADU? Whether these additions are done with or without a permit can determine a higher or lower market value.

Lastly, how is the market in a given area? If it is a condo, it could be a little sluggish. If it is in a desirable area of San Francisco, there will always be a demand. Is it in a quiet suburb outside the city? Even that depends on exact location, whether you are up on a hill or down by the tracks, wide street with plenty of parking or a narrow one where everyone is on top of each other.

The best way to prepare a house effectively, with the least amount of money, is haul, paint, floors, deep clean, yard, stage, photoshoot, in that order.

Karin Cunningham, Intero Real Estate, 650-438-3504, kcunningham@intero.com.

A: List prices are officially a seller decision, but a lot of agent advice is at play. Part science, part art, list price is a signal to buyers from sellers. In San Francisco, the signal is more, please. List price may signal:

- The seller has no intention of accepting list — more than 65% of sold homes sell well above list.
- The last two significant digits will likely be -95, -99, or -98. A study of the more than 4,100 San Francisco closed sales since September 2025 shows these three combinations were used more than half the time (35%, 13%, and 7.5% respectively).
- A -95 catches buyers who'd otherwise never look: if the goal is $2.4M+, list at $1.995M and everyone with a $2M ceiling may now stretch.
- Bidding-war agents just price at $995,000 no matter what.

In my advice to sellers, I look at comparable sales. Because these are lagging indicators, I ask other active agents for their read. Then I draw on years of intuition and experience, with the goal of being just the right amount of enticing while staying a bit mysterious (just how much under!?) — but only just so, as this art demands.

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WANT TO CONTRIBUTE TO ASK A REALTOR?

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