Life & Times

AUGUST & SEPTEMBER 2025

California's 2026 Housing Market Forecast

California's housing market was set for a modest recovery in 2026, according to the California Association of Realtors (C.A.R.), which forecast a 2% rise in single-family home sales and a 3.6% increase in the median home price. While affordability would still be tough, C.A.R. said better lending conditions and more available homes could help more buyers enter the market.

In This Issue

Sales and prices inch upward as market steadies

C.A.R. expected 274,400 single-family homes to be sold in 2026, up from 269,000 in 2025. The median price was forecast to reach a record $905,000, after rising to $873,900 in 2025. Although these increases were smaller than the big jumps seen earlier in the decade, they pointed to a more stable market.

"Home prices in California are expected to rise in 2026, but the growth pace will remain mild when compared to rates we've seen in past years," said C.A.R. President Heather Ozur, a Palm Springs REALTOR®.

"For would-be buyers who sat out the competitive market during the past couple of years, that means more opportunities as inventory increases moderately and lending conditions become more favorable. Seller confidence will also improve as home prices stabilize and demand begins to rise again next year after a slow 2025."

California's housing market remained under pressure in July, with both sales and prices falling for the fourth straight month compared to last year. In July, 261,820 existing single-family homes were sold on a seasonally adjusted annualized basis. This was a 1% drop from June's 264,400 sales and 4.1% lower than the 272,990 homes sold in July 2024.

Affordability remains tight, but relief in sight

The C.A.R. forecast anticipated a slight improvement in housing affordability, with the index expected to tick up to 18% in 2026 from a projected 17% in 2025. This would still leave affordability near historic lows, with only about one in six California households able to purchase a median-priced home. The average 30-year fixed mortgage rate was expected to decline to 6.0% in 2026, down from 6.6% in 2025, potentially easing monthly payment burdens for new buyers.

A study from HomeAbroad and Ziffy.ai found that if mortgage rates fell to 6%, buyers would need about $2,448 less in annual income to qualify for a loan. The savings would be even greater in high-cost areas, making it easier for middle-income earners, such as teachers and first responders, to buy homes in places they couldn't afford before.

C.A.R. Senior Vice President and Chief Economist Jordan Levine said, "As economic uncertainty begins to clear up in the next 12 months and mortgage rates start declining more consistently in the upcoming quarters, housing sentiment will see some improvement in 2026." Levine flagged ongoing trade tensions, the home insurance crisis, and a potential stock market bubble as persistent risks for the market.

GDP, inflation shape housing market outlook

The forecast also pointed to broader economic trends shaping the market. US GDP growth was expected to slow to 1% in 2026, while California's job growth was projected at 0.3%. The state's unemployment rate was forecast to rise to 5.8%. Inflation was expected to average 3.0% in 2026, up from 2.8% in 2025. Active listings were projected to rise nearly 10%, bringing supply closer to pre-pandemic levels.

Source: Liezel Once , MPAMag

FREE
MONTHLY DRAWING
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For Details

Watch Out For These Tax Surprises

Our tax code contains plenty of opportunities to cut your taxes. There are also plenty of places in the tax code that could create a surprising tax bill. Here are some of the more common traps.

- **Home office tax surprise.** If you deduct home office expenses on your tax return, you could end up with a tax bill when you sell your home in the future. When you sell a home you've been living in for at least 2 of the past 5 years, you may qualify to exclude from your taxable income up to $250,000 of profit from the sale of your home if you're single or $500,000 if you're married. But if you have a home office, you may be required to pay taxes on a proportionate share of the gain. For example, let's say you have a 100-square-foot home office located in a garage, cottage or guest house that's on your property. Your main house is 2,000 square feet, making the size of your office 5% of your house's overall area. When you sell your home, you may have to pay taxes on 5% of the gain. (TIP: If you move your office out of the detached structure and into your home the year you sell your home, you may not have to pay taxes on the gain associated with the home office.) Even worse, if you claim depreciation on your home office, this could add even more to your tax surprise. This depreciation surprise could happen to either a home office located in a separate structure on your property or in a home office located within your primary home. This added tax hit courtesy of depreciation surprises many unwary users of home offices.

- **Kids getting older tax surprise.** Your children are a wonderful tax deduction if they meet certain qualifications. But as they get older, many child-related deductions fall off and create an unexpected tax bill. And it does not happen all at once. As an example, one of the largest tax deductions your children can provide you is via the child tax credit. If they are under age 17 on December 31st and meet several other qualifications, you could get up to $2,000 for that child on the following year's tax return. But you'll lose this deduction the year they turn 17. If their 17th birthday occurs in 2025, you can't claim them for the child tax credit when you file your 2025 tax return in 2026, resulting in $2,000 more in taxes you'll need to pay.

- **Limited losses tax surprise.** If you sell stock, cryptocurrency or any other asset at a loss of $5,000, for example, you can match this up with another asset you sell at a $5,000 gain and - presto! You won't have to pay taxes on that $5,000 gain because the $5,000 loss cancels it out. But what if you don't have another asset that you sold at a gain? In this example, the most you can deduct on your tax return is $3,000 (the remaining loss can be carried forward to subsequent years). Herein lies the tax trap. If you have more than $3,000 in losses from selling assets, and you don't have a corresponding amount of gains from selling assets, you're limited to the $3,000 loss. So if you have a big loss from selling an asset in 2025, and no large gains from selling other assets to use as an offset, you can only deduct $3,000 of your loss on your 2025 tax return.

- **Planning next year's tax obligation tax surprise.** It's always smart to start your tax planning for next year by looking at your prior year tax return. But you should then take into consideration any changes that have occurred in the current year. Solely relying on last year's tax return to plan next year's tax obligation could lead to a tax surprise.

Source: JK Services, Inc.

Clean Your Toothbrush Holder

How can something so small become so gross? Pretty easily, according to Doyle James, president of Mr. Rooter Plumbing.

"Since you use your toothbrush to clean your mouth, you expect [your toothbrush holder] to be clean. But what many don't realize is your toothbrush is the perfect place for bacteria to hide," James says.

In fact, a recent study by the National Sanitation Foundation found that toothbrush holders are the third-dirtiest item in your home (after kitchen sponges and sinks, of course).

How to clean it: To keep your toothbrush holder clean, James recommends storing it as far away from the toilet as possible (the struggle with spray is real) and washing your hands before brushing your teeth.

And rather than using a toothbrush holder that's stuck in place (to the wall, for example), opt instead for one that can be swapped out and cleaned thoroughly in the dishwasher.

Source: Larissa Runkle

Vehicle Break-Ins

Most vehicle break-ins are crimes of opportunity, don't give thieves the chance.

It's Crime Prevention Week and Safety starts with awareness. Most car break-ins are quick 'grab-and-go' crimes.

Here's how to stop thieves in their tracks:

- Lock your doors
- Remove valuables
- Park in well-lit areas
- Never leave keys inside

A few seconds of prevention can save you hours of hassle.

Source: Placer County Sheriff's Office

Military Retirement and State Income Tax

Some states don't charge income tax on military retired pay. In all states, U.S. Department of Veterans Affairs disability payments are tax-free.

If you have issues with retired pay and state income tax, including changing your withholding amount, you can always contact the Defense Finance and Accounting Service or the Coast Guard Pay and Personnel Center for assistance.

States Without Personal Income Tax

Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming do not have a personal income tax. New Hampshire and Tennessee tax only dividend and interest income.

States That Don't Tax Military Retirement Pay

The following states do not tax retired military pay:

- Alabama
- Arizona
- Arkansas
- Connecticut
- Hawaii
- Illinois
- Indiana
- Iowa
- Kansas
- Louisiana
- Maine
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- Nebraska
- New Jersey
- New York
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- South Carolina
- Utah (offset by a credit of 4.65% of the income)
- West Virginia
- Wisconsin

States With Special Military Retirement Pay Exemptions

The following states have special provisions for military or public pensions:

- Colorado: Military retirees under age 55 can exclude up to $15,000 of their retirement pay from their gross income; while all retirees ages 55-64 can exclude up to $20,000; and those 65 and over can exclude up to $24,000.
- Delaware: Up to $12,500 of military retirement excluded for retirees under age 60.
- Georgia: Military retirees under 62 years may exempt up to $17,500 of military retirement income plus an additional $17,500 for those with at least $17,500 of earned income. All Georgia retirees ages 62 to 64 may exempt up to $35,000. Those 65 and older may claim an exemption of up to $65,000.
- Idaho: Tax-free for retirees 65 and older, or disabled retirees 62 or older.
- Kentucky: Up to $31,110 is tax-free. You may be able to exclude more in some situations.
- Maryland: The first $12,500 is tax-free; that amount increases to $20,000 at age 55.
- Montana: Starting in the 2024 tax year, residents who work in Montana may deduct up to 50% of military retirement or survivor pay for up to the first five years of meeting the eligibility requirements. For retirees in general, up to $5,060 is exempt if gross income is less than $42,140 for the 2023 tax year. Starting in the 2024 tax tear, taxpayers ages 65 and over will receive a $5,500 subtraction from their federal taxable income.
- New Mexico: Up to $30,000 of military retirement is tax-free.
- Oregon: If you had military service before Oct. 1, 1991, you may be able to deduct a portion of your retirement pay.
- Vermont: Up to $10,000 in retirement income is tax-free for those with a gross income less than $50,000 for single filers or $65,000 for joint filers.
- Virginia: A $20,000 exemption in the 2023 tax year; $30,000 in 2024, with the age requirement expiring in this tax year; and $40,000 in 2025 and beyond.

Source: Jim Absher and Amanda Miller, Military.com

Exercise in Midlife Pays Off for Decades

In their 40s and 50s, people who made a point of staying fit before may get pretty busy. They start wondering if lifting weights/ exercising at home or going to the gym is worth the time and effort.

There has always been some evidence that people who are fit at midlife are more likely to be healthy in their 60's/70's and 80's. The best evidence available comes from the Cooper Institute. It has a database of patients who have gone to their preventive medicine clinic since 1970.

Their study, published in the September Archives of Internal Medicine, focused on data from 18,000 healthy people whose cardiovascular fitness was measured by treadmill tests in their 40's or 50's. By examining Medicare claims on these subjects, researchers found that those who were most fit were much less likely to develop heart disease, Alzheimer's, diabetes, kidney disease, colon or lung cancer during the next 20 to 30 years.

They also found that subjects who were fittest at midlife were one-third less likely to develop dementia in their 70's and 80s.

Cardiovascular fitness helps prevent dementia by reducing the risk of diabetes and hypertension, both of which can contribute to dementia. But even after controlling these factors, the reduced risk for dementia and Alzheimer's disease remained.

One benefit of being fit in middle age is that it increases the likelihood that you'll continue to exercise, eat well & stop smoking.

If you're past middle age and didn't exercise much back then, you can still get many of the benefits of midlife fitness if you start to exercise now.

It's never too late to start improving your fitness level with exercise and other healthy habits.

Source: Cheryl Bower, SF Realtor

Caring for Crystal and Glassware

Glassware has been around since 3,500 B.C., captivating the people of ancient Egypt and Rome. Artisans across Europe refined the formula over many generations, but it wasn't until the 17th century that the English added lead oxide to the mix—giving crystal its characteristic sparkle and shine!

In other words, those wine glasses in your cupboard represent thousands of years of innovation... and the following tips can keep them pristine for years to come.

Lemon Peel Shine: When life gives you lemons, save the peels and drop them in the rinse water. The acid cuts through grease and gives it a clear shine.

Avoid Extreme Temperatures: Very cold and very hot water can compromise the underlying structure.

Twist to Dry: To dry a wine glass, wrap the towel gently around it, hold it at the stem, and twist the stem at the base until the towel has absorbed the moisture. Squeezing the top of a delicate glass can break it!

Polishing: Create a thin paste with water and baking soda, then rub the mixture on the glass or crystal in a small circular motion. Rinse thoroughly, and repeat if necessary.

Source: Old Republic Home Protection, Lisa Masterson

Red Bell Peppers

Did you know that one red bell pepper contains a whopping 200mg or more of Vitamin C (an orange, by comparison, only provides about 70mg)?

Looks like Red Bell Peppers may be a great way to boost your immune system with all the illness circulating around; especially against a cold, flu or coronavirus.

Source: Live Healthy Magazine

Today's Laugh

Crescent-Roll Apple Dumplings

INGREDIENTS:

- 2 cans refrigerated crescent rolls
- 1 cup butter
- 1½ cups brown sugar
- 1 tsp vanilla
- 1 tsp cinnamon
- 1 12-oz can Mountain Dew®
- 2 large Granny Smith apples, peeled and cored
- 1 pt vanilla ice cream

DIRECTIONS:

1. Preheat the oven to 350° F.
2. Cut the apples into eight equal slices. Unwrap the crescent rolls and separate the triangles. Place a slice of apple on each triangle of dough on the wider side and roll up the dough into a croissant shape.
3. Butter a 13x9–inch baking dish. In a separate bowl, combine the butter, cinnamon, sugar, and vanilla; mix until you get a liquid mixture without lumps and pour over the rolls. Pour Mountain Dew® between the rolls (but not over them) and bake for 35-45 minutes or until they become golden brown.
4. Serve immediately with ice cream.

Source: FridgeTips

Recycled Tin Can Windsocks

KiDs corner

NEEDED

- Tin Cans
- Paint
- Paint Brushes
- Masking Tape
- Glue
- Colorful Ribbon Strips

INSTRUCTIONS

1. Clean tin can and cut top and bottom off. Line the inside rim of the can with layer of masking tape to avoid sharp edges.
2. Paint tin can, let dry.
3. Attach strips of ribbon with glue to bottom and 1 looped one to top (for hanging).
4. Optional, add glitter, stickers, gemstones, sequins, etc.

Source: Happiness is Homemade

HAPPY ANNIVERSARY TO MY AMAZING HUSBAND

Wow, it has been 18 fantastic years! Seems like just yesterday we were saying "I Do"! I am fortunate enough to be married to my best friend. A man that is honorable, loving, smart, successful and a wonderful father to our daughter. Thank you for being such an amazing partner and for reminding me each day how lucky and blessed my life is. I love you completely and forever!

All My Love,

Gretchen

California Home Sales: June 2025

State/Region/County	June 2025	May 2025	MTM% Chg
Calif. State Average	$899,560	$900,160	-0.1%
Calif. Condo Average	$670,000	$675,000	-0.7%
Sacramento	$549,450	$550,000	-0.1%
Placer	$705,000	$665,000	+6.0%
El Dorado	$730,000	$699,000	+4.4%
Yolo	$680,000	$687,400	-1.1%
Stanislaus	$495,000	$505,000	-2.0%
San Joaquin	$578,500	$560,000	+3.3%
Nevada	$573,500	$559,500	+2.5%

State/Region/County	June 2025	May 2025	MTM% Chg
Solano	$571,520	$590,000	-3.1%
Contra-Costa	$940,000	$924,950	+1.6%
San Francisco	$1,705,000	$1,801,000	-5.3%
Fresno	$438,370	$440,000	-0.4%
Santa Clara	$2,107,500	$2,171,125	-2.9%
Orange County	$1,470,000	$1,419,500	+3.6%
Los Angeles	$903,650	$835,480	+8.2%
San Diego	$1,025,000	$1,050,000	-2.4%
Butte	$487,000	$488,750	-0.4%
Yuba	$430,000	$470,000	-8.5%

For Complete Report & All California Counties:
http://www.givingback4homes.com/newsletter.html *revised

California Home Sales: July 2025

State/Region/County	July 2025	June 2025	MTM% Chg
Calif. State Average	$884,050	$899,560	-1.7%
Calif. Condo Average	$647,000	$670,000	-3.4%
Sacramento	$559,500	$549,450	+1.8%
Placer	$687,480	$705,000	-2.5%
El Dorado	$717,500	$730,000	-1.7%
Yolo	$635,000	$680,000	-6.6%
Stanislaus	$475,000	$495,000	-4.0%
San Joaquin	$530,000	$578,500	-8.4%
Nevada	$549,500	$573,500	-4.2%

State/Region/County	July 2025	June 2025	MTM% Chg
Solano	$593,680	$571,520	+3.9%
Contra-Costa	$862,500	$940,000	-8.2%
San Francisco	$1,637,380	$1,705,000	-4.0%
Fresno	$440,000	$438,370	+0.4%
Santa Clara	$1,900,000	$2,110,000*	-10.0%
Orange County	$1,400,000	$1,470,000	-4.8%
Los Angeles	$911,360	$903,650	+0.9%
San Diego	$1,040,000	$1,025,000	+1.5%
Butte	$456,500	$487,000	-6.3%
Yuba	$440,000	$430,000	+2.3%

For Complete Report & All California Counties:
http://www.givingback4homes.com/newsletter.html *revised

August

Wishing a Happy Birthday & Happy Anniversary to the Following:

Glenn B.	Liz E.	Zac D.	Kati M.
Vickilynn K.	Michael N.	Melvin G.	Pam E.
Kassi M.	Lisa S.	Alexandria S.	Kevin & Susan J.
Daryl & Liza L.	Melvin & Wella G.	Zane & Sally M.	

September

Wishing a Happy Birthday & Happy Anniversary to the Following:

Becky H.	Zane M.	Desiree R.	Sabrina R.
Sandra S.	Rialyn J.	Tom M.	Danielle O.
Yassy W.	Phar G.	Tammy G.	Brynne C.
Katie P.	Lucy L.	Shelby G.	Adrienne M.
Lisa C.	Grace P.	Scott T.	Karina F.
Lulu G.	Josh & Alexandria S.	Paul & Heather M.	Lori & David B.
Danielle O & Matt F.	Kate & Ryan S.	Octavio & Sabrina R.	

MONTHLY DRAWING

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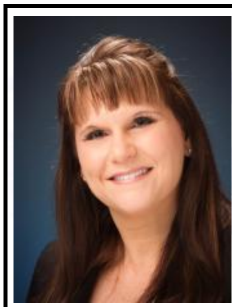
September Prizes

1st Prize $50 Regal Cinemas Gift Card
2nd Prize $25 Old Navy Gift Card
3rd Prize $15 IHOP Gift Card

August Winners

1st Prize $ 50 Red Robin Gift Card-Danielle O.
2nd Prize $ 25 Top Golf Card-Max H.
3rd Prize $ 10 Coldstone Gift Card-Elizabeth P.

Drawing Disclaimer Available Online.



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