Housing News Update



The Arizona Loan Baron

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Some States Still Near 50 Percent Cash Sales

Cash sales rose incrementally in September while continuing to diminish as a share of all sales on a year-over-year basis. CoreLogic, in it's monthly sales report, said that all cash transactions made up **32.5 percent** of sales during the month, up 0.2 percentage points compared to August. According to the report, cash sales share typically increases on a monthly basis in September due to seasonality in the housing market. The cash share was down 3.4 percentage points from September 2014 when it was 35.9 percent.

The cash sales share **peaked in January 2011** when cash transactions accounted for 46.6 percent of total home sales nationally. Prior to the housing crisis, the cash sales share of total home sales averaged approximately 25 percent. If the cash sales share continues to fall at the same rate it did in September 2015, the share should hit 25 percent by mid-2017.

The largest share of cash transactions was, as usual, in sales of **lender-owned** properties (REO) where they constituted 58.3 percent of the total. Thirty-two percent of resales were all cash, 29.1 percent of short sales, and 15.9 percent of new home sales.

National Average Mortgage Rates



	Rate	Change	Points		
Mortgage News Daily					
30 Yr. Fixed	7.09%	+0.07	0.00		
15 Yr. Fixed	6.56%	+0.03	0.00		
30 Yr. FHA	6.62%	+0.07	0.00		
30 Yr. Jumbo	7.35%	+0.04	0.00		
5/1 ARM	7.30%	+0.06	0.00		
Freddie Mac					
30 Yr. Fixed	7.02%	-0.42	0.00		
15 Yr. Fixed	6.28%	-0.48	0.00		
Mortgage Banker	rs Assoc.				
30 Yr. Fixed	7.08%	-0.10	0.63		
15 Yr. Fixed	6.61%	+0.01	0.65		
30 Yr. FHA	6.89%	-0.03	0.94		
30 Yr. Jumbo	7.22%	-0.09	0.58		
5/1 ARM Rates as of: 5/17	6.56%	-0.04	0.66		

Recent Housing Data

		Value	Change
Mortgage Apps	May 15	198.1	+0.51%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

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Figure 1: Cash Sales Share by Sale Type
Cash Sales Percent

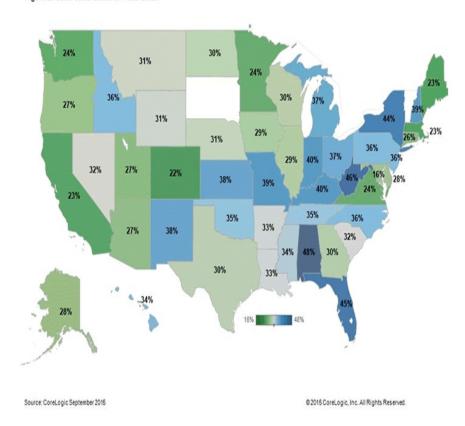
		Value	Change
Builder Confidence	Mar	51	+6.25%

Cash Sales Percent	
70%	
60% -	
50% -	
40% -	my What a
30%	
20%	www.mm
10% -	
2000 2001 2002 2003 2004 2005 2006 2	2007 2008 2009 2010 2011 2012 2013 2014 2015
All Sales Resales Ne	ew Construction —— REO Sales —— Short Sales
Source: CoreLogic: September 2015	©2015 CoreLogic, Inc. All Rights Reserved

When cash sales peaked in 2011 REO sales represented **23.9 percent** of home sales whereas in September 2015 only 6.4 percent of sales were REO. Consequently they have much less bearing on the cash sales share. Resales made up 81 percent of all sales and therefore have the biggest impact on the total cash sales share.

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Figure 2: Cash Sales Share of Total Sales



At 48.2 percent Alabama had the **largest share** of cash sales followed by **West Virginia** (46 percent), **Florida** (45.2 percent), **New York** (44.1 percent) and **Kentucky** (39.6 percent). Four of the top five Core Based Statistical Areas (CBSAs) for cash sales in September were in Florida. Miami led with 50.8 percent, followed by West Palm Beach-Boca Raton (50.6 percent). Fort Lauderdale was fourth at 47.9 percent and Sarasota-Bradenton fifth at 47.2 percent. These cities were joined by Philadelphia in third place with a 48.9 percent share.

The Arizona Loan Baron

The Arizona Loan Baron is at your service!

I would appreciate the opportunity to share with you my extensive mortgage lending experience. My client focused approach has allowed me to build long lasting relationships and partnerships throughout Arizona. I know this market. I live here and work here. Please allow me the opportunity to be your mortgage lending partner.

The Arizona Loan Baron



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