



The Arizona Loan Baron

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New Home Sales Up Less Than Expected; Prices up 7.5% Annually

Sales of newly constructed homes, had a strong start in 2016 but flattened out toward the end of the year and ended with a dismal December. Now 2017 has also started on a positive note. The Census Bureau and the Department of Housing and Urban Development reported sales were up in January by 3.7 percent from the previous month to a seasonally adjusted annual rate of 555,000 units. Sales in December, originally estimated at 536,000 unites were revised down to 535,000. The January sales were 5.5 percent higher than sales a year earlier of 526,000. On a non-seasonally adjusted basis there were 41,000 homes sold during the month compared to 38,000 in December.



Analysts had however expected a much stronger recovery from the 10.4 percent nosedive sales took in December. Econoday reported those they polled were looking for sales in a range between 538,000 and 600,000 units with a consensus of 576,000, a 7.5 percent gain.

At the end of January there were an estimated 261,000 homes available for sale (a non-adjusted figure.) This is a larger inventory than existed during any

National Average Mortgage Rates



| | Rate | Change | Points |
|---------------------|-------|--------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.02% | +0.03 | 0.00 |
| 15 Yr. Fixed | 6.53% | +0.03 | 0.00 |
| 30 Yr. FHA | 6.55% | +0.03 | 0.00 |
| 30 Yr. Jumbo | 7.31% | +0.01 | 0.00 |
| 5/1 ARM | 7.24% | +0.04 | 0.00 |

| | | | |
|--------------|-------|-------|------|
| Freddie Mac | | | |
| 30 Yr. Fixed | 7.02% | -0.42 | 0.00 |
| 15 Yr. Fixed | 6.28% | -0.48 | 0.00 |

| | | | |
|-------------------------|-------|-------|------|
| Mortgage Bankers 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 | 6.56% | -0.04 | 0.66 |

Rates as of: 5/16

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% |

Housing News Update

month in 2016 and represents a **6.4-month supply** at the current rate of sales.

| | Value | Change |
|--------------------|--------|--------|
| Builder Confidence | Mar 51 | +6.25% |

Sales in the Northeast region were up 15.8 percent from December and were 22.2 percent higher than a year earlier. The Midwest saw sales rise by 14.8 percent month-over-month and 4.5 percent compared to January 2016. Sales in the South were up 4.3 percent from December, but fell below the year-ago pace by 1.0 percent. New home sales in the west were down 4.4 percent for the month but remained 16.2 percent higher on an annual basis.

The Median price of a new home sold during the month was \$312,900 compared to 291,100 the previous January, an impressive **7.5 percent increase**. The average sale price declined from \$365,600 to \$360,900 over the 12-month period.

Homes sold during January had a median time on the market of **3.2 months**, down from 3.3 months both in December and in January 2016.

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.

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