



Steve Chizmadia

Mortgage Advisor - MLO-244902, Home Loans With Steve

NMLS ID: 1845124- CA BRE: 01524985 - 141 Providence Road Charlotte, NC 28207

Office: (760) 715-9688
 Mobile: (760) 715-9688
steve@homeloanswithsteve.com
[View My Website](#)

Pending Sales at 10-Month High, but Weakening in The West

Pending home sales rose for the second straight month in March although the increase was less than in February. The National Association of Realtors® said on Wednesday that its Pending Home Sales Index (PHSI) rose 1.4 percent in March to 110.5. The increase in February was 3.5 percent.

The March gain brought the index up by 1.4 percent from a year earlier as well, making March the **19th consecutive month** in which the index has increased on an annual basis and to its highest reading since May 2015 when it was 111.0. The February PHSI, originally reported at 109.1 was revised slightly to 109.0

The PHSI is a forward looking indicator based on contracts signed for the purchase of existing homes. Those pending contracts are generally expected to close as sales within two months.

Analysts polled by Econoday had provided a **very wide range of predictions** for today's report, ranging from no change from February to a 2.7 percent increase. The consensus was 0.5 percent.

Lawrence Yun, NAR chief economist, says last month's pending sales increase signals a solid beginning to the spring buying season. "Despite **supply deficiencies** in plenty of areas, contract activity was fairly strong in a majority of markets in March," he said. "This spring's surprisingly low mortgage rates are easing some of the affordability pressures potential buyers are experiencing and are taking away some of the sting from home prices that are still rising too fast and above wage growth."

In the short-term, the healthy labor market and favorable borrowing costs should lead to **sustained buyer demand** and a durable pace of sales. However, Yun says the consequences from a failure to construct more single-family homes in recent years are starting to impact some top job producing markets, where endless supply shortages continue to limit choices for buyers and are driving up prices beyond what a growing share of households can comfortably afford.

"Demand is **starting to weaken** in some areas, particularly in the **West**, where the median home price has risen an astonishing 38 percent in the past three years," adds Yun. "As a result, pending sales in the region have now declined in four of the last five months and are lower than one year ago for the third month in a row. Closed sales in the region in March were also below last

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
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%

year's pace."

	Value	Change
Builder Confidence	Mar 51	+6.25%

Contract signings rose in three regions compared to March; the West saw a decline in both monthly and yearly figures. The index for that region was down 1.8 percent in March to 95.3, and is now 7.9 percent below a year ago.

The **South** saw pending sales rise 3.0 percent month-over-month but the region still lagged its March 2015 number by 0.6 percent. The Northeast had an increase of 3.2 percent to 97.0 in March, and an 18.4 percent annual gain. In the Midwest the index inched up 0.2 percent to 112.8, 4.0 percent higher than a year earlier. The Pending Home Sales Index is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. In developing the model for the index, it was demonstrated that the level of monthly sales-contract activity parallels the level of closed existing-home sales in the following two months.

An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined. By coincidence, the volume of existing-home sales in 2001 fell within the range of 5.0 to 5.5 million, which is considered normal for the current U.S. population.

Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

Steve Chizmadia

