



The Arizona Loan Baron

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All-Cash Home Sales Down Sharply

A third of home sales in March were all-cash transactions according to CoreLogic. This was a decrease of 2.8 percentage points, the company termed it a **sharp drop**, from February. CoreLogic also said that the average cash share of sales over the first three months of 2016 was 34.7 percent, the lowest for a first quarter **since 2008**.

Cash sales peaked in January 2011 at 46.6 percent of total home sales nationally, close to double the average share prior to the housing crash. If those sales continue to decline at the same rate as the February-March pace, CoreLogic estimates they will return to the "normal" 25 percent level by **mid-2018**.

As usual, sales of lender owned property (REO) had the highest share of cash sales, 57.2 percent. However, REO transactions accounted for only 6.8 percent of March sales so the impact on the overall cash share was small. When cash sales were at their peak REO sales made up close to a quarter of the market.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

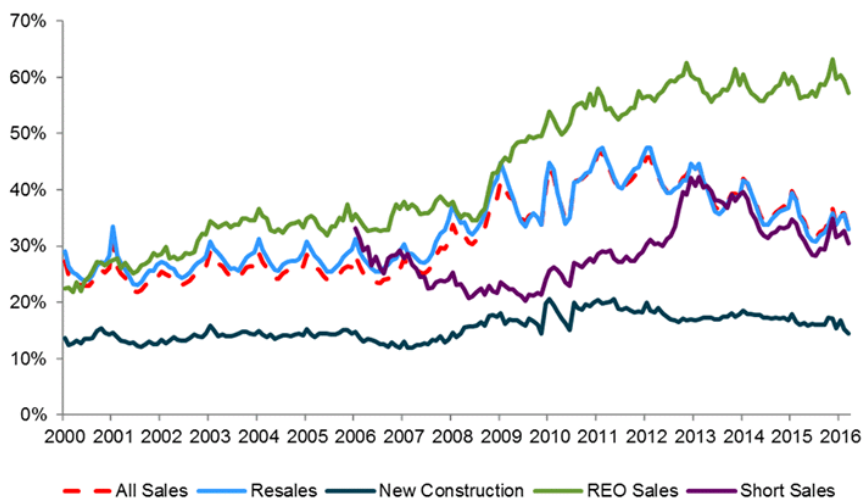
Freddie Mac			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3

Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

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



Source: CoreLogic: March 2016

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Resales accounted for **80 percent** of sales and had the second highest cash share at **32.9 percent**. Short sales, again only a small fraction of the overall market, had a cash share of 30.6 percent while 14.4 percent of new home sales did not involve a mortgage.

Alabama had the largest cash sales share of any state at 49.8 percent, followed by New York (47.5 percent), Florida (45.9 percent), Michigan (41.8 percent) and Indiana (41 percent). Of the nation's largest 100 Core Based Statistical Areas (CBSAs) measured by population, Philadelphia led with a 55.7 percent cash share. Four Florida cities followed; West Palm Beach-Boca Raton, Cape Coral-Fort Myers, Sarasota-Bradenton, and Miami, all with shares exceeding 50 percent.

	Value	Change
Builder Confidence	51	+6.25%

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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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