



### The Arizona Loan Baron

Timothy Baron, VP Senior Loan Officer Loan Baron, V.I.P. Mortgage, Inc.

Timothy Baron NMLS #184671 V.I.P. Mortgage, Inc. does 6390 E Tanque Verde Rd. Suite #200 Tucson, AZ 85715

Office: 520-275-5956  
 Mobile: 520-275-5956  
[timothybaron@vipmtginc.com](mailto:timothybaron@vipmtginc.com)  
[View My Website](#)

## Gallup Poll Shows High Hopes For Homeownership

While the historically low homeownership rate as reported by the Census Bureau has improved only marginally over the last year, a recent survey by Gallup indicates that it may be **on the edge of change**. Forty-nine percent of non-homeowners contacted by the polling company in March indicated they expect to buy a home within the next five years, with 10 percent planning on doing so in the next year. An additional 20 percent say they plan on being homeowners within ten years. This leaves only 28 percent with no plans to purchase a home.

Jeffrey M. Jones, who reported the story for Gallup, said these numbers have **increased** since the last such survey in April 2016 when 38 percent did not plan to buy in the foreseeable future. At that point 41 percent were within the five-year window. Gallup has conducted the survey in four of the last five years.

#### U.S. Non-Homeowners Mostly Intend to Buy Homes in the Future

Based on what you know right now, do you think you will buy a home in the next year, in the next five years, in the next 10 years or are you unlikely to buy a home in the foreseeable future?

	Next year	Next five years	Next 10 years	Not in foreseeable future
	%	%	%	%
2017 Mar 9-29	10	39	20	28
2016 Apr 6-10	9	32	18	38
2015 Apr 9-12	7	36	15	41
2013 Apr 4-14	8	37	22	31

GALLUP

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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

<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

<b>Mortgage Bankers Assoc.</b>			
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%

Those who plan on buying in the near future **tend to be young**. Of those aged 18 to 34, 52 percent plan to buy within five years as do 58 percent of those aged 35 to 54. An additional 31 percent of the younger cohort expect buy within 10 years, leaving only 14 percent who do not see homeownership in their foreseeable future. Among older non-homeowners, those over 55, only 30 percent have any plans to buy.

## Younger Non-Homeowners Expect to Buy Homes in the Future

Based on what you know right now, do you think you will buy a home in the next year, in the next five years, in the next 10 years or are you unlikely to buy a home in the foreseeable future?

	18 to 34 years old	35 to 54 years old	55+ years old
	%	%	%
Within the next year	8	13	7
Within the next five years	44	45	15
Within the next 10 years	31	8	8
Not in the foreseeable future	14	28	65

GALLUP

Jones said a separate Gallup survey recently found that **61 percent of Americans** think housing prices in their area will continue to increase, the highest percentage with that opinion since 2005. He points to lack of available homes as one reason prices have been rising. "The limited number of properties for sale often receive multiple bids from the large number of families seeking houses. That dynamic is raising concerns that certain markets may become overheated." He says the results of the homebuying poll indicates that housing demand will remain strong.

They also indicate there may be **constraints** on housing supply. Of homeowning adults, only 4 percent expect to sell their existing homes within the year and another 20 percent plan a move within five years. Nearly two-thirds, 64 percent, do not intend to sell within the foreseeable future. Jones says these results are nearly identical to responses in the 2013 survey.

Most U.S. adults who own their home, 64%, **do not think they will sell it** for the foreseeable future. On the other hand, 20% expect to sell within the next five years, including 4% in the next year, while 13% plan to sell within the next 10 years. These results are nearly identical to what Gallup found when it previously asked this question in 2013.

About half of those who plan to see over the next ten years say they will be **downsizing**, buying a smaller or less expensive home. Roughly three in 10 say they plan to buy a bigger or more expensive home, while 13 percent will exit homeownership entirely, renting their next residence. Jones says that, not surprisingly, older homeowners planning to sell are more likely to say they will buy a smaller and less expensive house, while younger homeowners are more likely to be looking to purchase a larger home. These results are also similar to what Gallup measured four years ago.

Jones says the survey, while showing that homeownership remains an **aspiration** for the vast majority of Americans, also indicates that the supply of homes may not keep up with demand; more non-homeowners plan to buy homes in the next five years than homeowners plan to sell homes. The two numbers needn't match, as the ratio of homeowners to non-homeowners is about three to two, but homeowners who sell will also need new quarters, further adding to the need for housing.

Some of the shortfall in supply can be made up by new construction, Jones says, which might indicate a **construction boom** is on the horizon, if not already underway. "But if real estate demand continues to outpace real estate supply, home prices will continue to rise and could rise beyond what most Americans can afford. To the extent that happens, many would-be homeowners may not be able to achieve their goal of owning a home."

Gallup conducted its poll by phone with a random sample of 1,526 adults, aged 18 and older, living in all 50 U.S. states and the District of Columbia. The sample contained both homeowners and non-homeowners and was conducted March 9-29, 2017.

## 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**

