



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 its 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	7.08%	-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

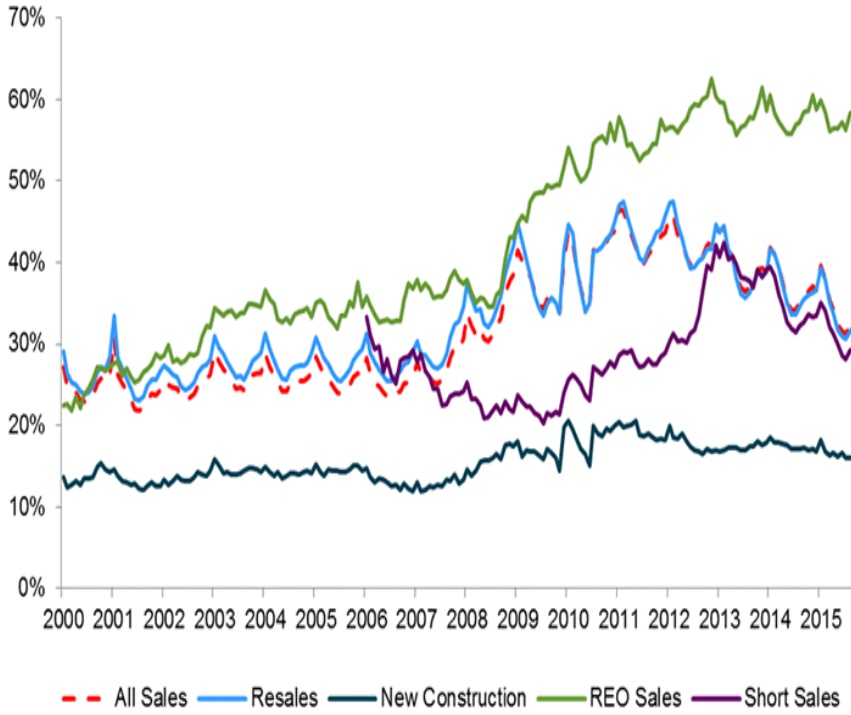
Recent Housing Data

		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%

		Value	Change
Builder Confidence	Mar	51	+6.25%

Figure 1: Cash Sales Share by Sale Type

Cash Sales Percent



Source: CoreLogic: September 2015

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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.

