

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

View My Website

Existing Home Inventory Hits Record Low

Existing home sales finished out 2016 with a generally expected decline. Still, the National Association of Realtors® (NAR) said today that 2016 overall was the **best year** for existing home sales **in a decade**.

Sales of existing single-family homes, townhomes, condominiums, and co-ops were at a seasonally adjusted rate of **5.49 million** in December. This was down 2.8 percent from an upwardly revised (from 5.61 million) 5.65 million units in November. The month's slide brought sales down to only 0.7 percent higher than they were a year ago compared to a 15.4 percent year-over-year increase in November.

NAR estimated that sales for the year as a whole were 5.45 million units. This surpasses the 2015 total of 5.25 million and is the **highest total since 2006** when sales reached 6.48 million.

Analysts polled by Econoday had expected sales to slide, but not quite so far. They were looking within a range of 5.45 to 5.59 million, with a consensus of 5.55, which would have been a 1.1 percent decline.

Single-family home sales were at a seasonally adjusted annual rate of 4.88 million in December, a loss of 1.8 percent compared to from November. The December 2016 sales were 1.5 percent higher than those in December 2015, a 4.81 million pace. Existing condominium and co-op sales dropped 10.3 percent to a seasonally adjusted annual rate of 610,000 units, and are now 4.7 percent below the previous year.

Lawrence Yun, NAR chief economist, says the housing market's best year since the Great Recession ended on a healthy but somewhat softer note. "Solid job creation throughout 2016 and exceptionally low mortgage rates translated into a good year for the housing market," he said. "However, higher mortgage rates and home prices combined with record low inventory levels **stunted sales** in much of the country in December."

Added Yun, "While a **lack of listings** and fast rising home prices was a headwind all year, the surge in rates since early November ultimately caught some prospective buyers off guard and dimmed their appetite or ability to buy a home as 2016 came to an end."

The inventory of existing homes shrunk to the **lowest level in NAR's records** which date back to 1999. There were 1.65 million existing homes available for sale at the end of December, down 10.8 percent from November and 6.3 percent from the previous December. Inventories have fallen year-over-year

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.98	+0.17
10 YR Treasury	4.8806	-0.0493
30 YR Treasury	5.2539	-0.0543

Pricing as of: 11/2 9:53AM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgagenewsletter.net/timothybaron

for 19 consecutive months. NAR estimates that the current inventory represents a 3.6-month supply at the current rate of sales, down from 3.9 percent in December 2015.

The **median price** for all types of existing homes sold during the last month of the year was $232,200, a 4.0 percent gain from the December 2015 median of $223,200 and the 58th consecutive month of year-over-year price increases. Single-family homes sold at a median price of $233,500, up 3.8 percent while condo prices rose 5.5 percent on an annual basis, to $221,600.

"Housing **affordability** for both buying and renting remains a **pressing concern** because of another year of insufficient home construction," said Yun. "Given current population and economic growth trends, housing starts should be in the range of 1.5 million to 1.6 million completions and not stuck at recessionary levels. More needs to be done to address the regulatory and cost burdens preventing builders from ramping up production."

Five percent of December home sales were **foreclosures** and 2 percent were short sales, a slight uptick from the 6 percent share of distressed sales in November but down from an 8 percent share the previous December. Foreclosures sold for an average of 20 percent below market value in December (17 percent in November), while short sales were discounted 10 percent (16 percent in November).

Investors accounted for 15 percent of sales during the month, up from 12 percent in November, and 59 percent of them paid all cash for the properties they bought. Twenty-one percent of the total transactions in December were all cash.

Thirty-two percent of home buyers in December were **first-timers**; unchanged from both the previous month and a year earlier. This was also the share for the entirety of 2016. Yun noted that constrained inventory and climbing rents, home prices and mortgage rates mean, "It's not getting any easier to be a first-time buyer. It'll take more entry-level supply, continued job gains and even stronger wage growth for first-timers to make up a greater share of the market," he said.

NAR President William E. Brown says Realtors look forward to expressing to the Federal Housing Administration why it is **necessary to follow through** with the previously announced decision to reduce the cost of mortgage insurance. (The reduction was suspended by the incoming Trump Administration.) Brown said that cutting annual premiums from 0.85 percent to 0.60 percent makes an FHA-insured mortgage a more viable and affordable option for first-time buyers.

"Without the premium reduction, we estimate that roughly **750,000 to 850,000 homebuyers** will face higher costs and between 30,000 and 40,000 would-be buyers will be prevented from entering the market," he said.

Marketing time rose in December to a typical period of **52 days from 43 days** in November but as six days shorter than typical "days on market" in December 2015. Short sales were on the market the longest at a median of 97 days in December, while foreclosures sold in 53 days and non-distressed homes took 50 days. Thirty-seven percent of homes sold in December were on the market for less than a month.

Existing-home sales in the **Northeast** slid 6.2 percent to an annual rate of 760,000, but are still 2.7 percent above a year earlier. The median price was down 3.8 percent year-over-year to $245,900.

Sales also dipped in the **Midwest**, falling 3.8 percent to an annual rate of 1.28 million in December. The pace remains 2.4 percent ahead of last year. The median price in the Midwest was $178,400, up by 4.6 percent on an annual basis.

Sales in the **South** were unchanged from November at an annual rate of 2.25 million and were 0.4 percent higher than in December 2015. The median price in the South was $207,600, a 6.5 percent annual increase.

The **West** saw sales decline by 4.8 percent for the month and 1.6 percent annually to a rate of 1.20 million units. The median price in the West was $341,000, up 6.0 percent from December 2015.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgagenewsletter.net/timothybaron

Experienced. Trusted. Local.

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 to be your mortgage lending partner.

Timothy Baron 

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgagenewsletter.net/timothybaron