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Homeownership is Highest Since 2014

The Census Bureau reported on Thursday that the national homeownership rate rose slightly in the fourth quarter of 2018 to **64.8 percent**, up from 64.4 percent in the third quarter and 64.2 percent in the fourth quarter of 2017. The Census Bureau said that change was not statistically different in either case, but at least it did continue the gradual upward trend in the rate since it hit an all-time low of 62.9 percent in the second quarter of 2016.

The headline news however was a 1.2-point year-over-year change in the rate for those 34 to 44 years of age to 61.1 percent, **by far the largest gain** for any age group. The rate for those the next oldest cohort gained 0.6 point to 70.1 percent and homeownership for those under 35 rose from 36.0 percent to 36.5 percent. The rate declined for those 65 and over from 79.2 percent to 78.8 percent.

The rate remained highest in the **Midwest** at 69.3 percent while the **West** was the lowest at 60.9 percent. The rate of black homeownership improved by 0.8 point but the gap between white and black homeownership increased with a slightly larger gain for the former. There is now more than a 30-point difference.

The Mortgage Bankers Association's Joel Kan released the following statement on the homeownership rate. "The U.S. homeownership rate increased in the fourth quarter of 2018 to 64.8 percent - the **highest rate since 2014**. The increase was driven mainly by a rise in the 35-44-year-old homeownership rate.

The final three months of last year also yielded an additional **1.7 million units** (compared to the end of 2017). This made 2018 the strongest year for owner household formation since 2004. We have now seen three years of growth in homeownership - with the last two well in excess of the one million mark - and believe that housing demand continues to be strong.

Vacancy rates were also essentially unchanged from a year earlier. The rental vacancy rate was 6.6 percent in the fourth quarter and the homeowner vacancy rate was 1.5 percent. The median asking rent for a vacant unit was \$947 and the median for a vacant for-sale unit was \$232,000.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

Mortgage Market Newsletter

	Value	Change
Builder Confidence	Mar 51	+6.25%

This is one of the most insightful resources when following the mortgage market news. If you have any questions, please feel free to contact me directly,

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This email is for educational purposes only and to establish relationships with like-minded individuals like yourself!

I hope to chat with you soon,

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