



**Amit Gandhi, MBA, CAPP™, CWPP™**  
 VP | Financial Advisor | Mortgage Broker, 108 Capital Management | HBL  
 2500 NE Green Oaks Blvd. Ste 202A Arlington, Texas 76006

Office: 972-213-5368  
 Mobile: 972-213-5368  
 Fax: 855-940-1899  
[amit@108capitalmgmt.com](mailto:amit@108capitalmgmt.com)  
[View My Website](#)

## Painfully Low Inventory Saps Pending Home Sales

Is there mostly good news in the negative number for March pending home sales? The National Association of Realtors says yes. The NAR's Pending Home Sales Index (PHSI) **dipped** by 0.8 percent to 111.4 in March from 112.3 in February but NAR says, while this was a slight decrease in momentum, "pending home sales maintained their recent high level." The index remains 0.8 percent higher than a year ago.

The PHSI is a forward-looking indicator based on signed contracts to purchase existing homes. Those contracts are generally expected to result in closed sales within 60 days.

Pending Home Sales



The downturn was **not unexpected**. Pending home sales have moved up and down regularly in recent months, pretty accurately predicting, as they are designed to do, the see-saw behavior of existing home sales. Econoday's poll of analysts came up with a consensus of a -0.5 percent decline after February's 5.5 percent increase. Predictions ranged from -1.2 percent to

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.87%	-0.02	0.00
15 Yr. Fixed	6.32%	-0.01	0.00
30 Yr. FHA	6.33%	0.00	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.59%	+0.01	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
<b>Mortgage Bankers Assoc.</b>			
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: 7/23

## 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%

# Housing News Update

+3.7 percent.

	Value	Change
Builder Confidence	Mar 51	+6.25%

Lawrence Yun, NAR chief economist, says **sparse inventory** levels caused a pullback in pending sales in March, but activity was still strong enough to be the third best in the past year. "Home shoppers are coming out in droves this spring and competing with each other for the meager amount of listings in the affordable price range," he said. "In most areas, the lower the price of a home for sale, the more competition there is for it. That's the reason why first-time buyers have yet to make up a larger share of the market this year, despite there being more sales overall."

Yun says he worries that the painfully low supply levels this spring **could heighten price growth**, the annual gain was 6.8 percent in March, even more in the months ahead. Homes also came off the market at a near-record pace last month, with a typical marketing time of 34 days. This is nearly two weeks less than the marketing time in March 2016 and is the second shortest since NAR began tracking the number in 2011. This makes it more likely a listing will receive multiple offers, he said. Indeed, 42 percent of homes sold at or above listing price in March.

"**Sellers are in the driver's seat** this spring as the intense competition for the few homes for sale is forcing many buyers to be aggressive in their offers," he continued. "Buyers are showing resiliency given the challenging conditions. However, at some point - and the sooner the better - price growth must ease to a healthier rate. Otherwise sales could slow if affordability conditions worsen."

NAR forecasts there will be around **5.64 million existing homes** sold in 2017, an increase of 3.5 percent from the 5.45 million sales last year. They expect the median price of an existing home to rise around 5 percent. In 2016, existing sales increased 3.8 percent and prices rose 5.1 percent.

The PHSI pulled back in three of the four regions. The **South** posted the only gain, up 1.2 percent to 129.4. This is an increase of 3.9 percent compared to last March. The PHSI in the **Northeast** decreased 2.9 percent to 99.1, remaining 1.8 percent higher than a year ago.

In the **Midwest**, the index declined 1.2 percent to 109.6 and is down 2.4 percent year-over-year. The index in the **West** fell 2.9 percent in March to 94.5, and is now 2.7 percent below a year ago.

The PHSI is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined. By coincidence, the volume of existing-home sales in 2001 fell within the range of 5.0 to 5.5 million, which is considered normal for the current U.S. population.

## Mortgage Market Newsletter

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,

if you feel you have received this email in error, please let me know, and I will PERSONALLY ensure you are removed from any future communication.

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

I hope to chat with you soon,

Amit Gandhi  
Mortgage Broker | Financial Advisor  
Direct: (972) 213-5368 (Text friendly)

**Amit Gandhi, MBA, CAPP™, CWPP™**

