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A Message from Jeffrey Chalmers:
"Home prices are still rising. Take advantage of increased values."

1st Quarter Prices Up in 85 Percent of Metro Areas

The first quarter of 2017 the year saw home prices in large metropolitan areas appreciate at the **fastest rate in nearly two years**. The National Association of Realtors® (NAR) said on Monday that prices were up in 85 percent (152 of 178) of the metropolitan statistical areas (MSAs) it tracks, with the median price for an existing single family home gaining 6.9 percent. Metro prices have now accelerated for three consecutive quarters.

The increase, from a median of \$217,200 in the first quarter of 2016 to \$232,100, was the most significant gain since the year-over-year growth of 8.2 percent registered in the second quarter of 2015. The median condominium and cooperative price in the 61 MSAs tracked was \$218,600, up 7.1 percent from the first quarter of 2016. Eighty-five percent of metro areas showed gains in their median condo price from a year ago.

Lawrence Yun, NAR chief economist, says continual supply shortages ignited faster price appreciation across the country in the first quarter. "Prospective buyers poured into the market to start the year, and while their increased presence led to a boost in sales, new listings failed to keep up and hovered around record lows all quarter," he said. "Those able to successfully buy most likely had to outbid others - especially for those in the starter-home market - which in turn quickened price growth to the fastest quarterly pace in almost two years."

Yun noted that several metro areas that had experienced large job gains in recent years **have not seen a ramp-up in new home construction** to match the resulting demand for homes. "This is why many of these areas - in particular several parts of the South and West - are seeing unhealthy price appreciation that far exceeds incomes," he said.

Thirty metro areas in the first quarter (17 percent) experienced double-digit increases, the same number as in the fourth quarter. Overall, there were slightly fewer rising markets in the first quarter compared to the fourth quarter of 2016, when price gains were recorded in 89 percent of metro areas. Twenty-five areas (14 percent) recorded lower median prices from a year earlier.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.09%	+0.07	0.00
15 Yr. Fixed	6.56%	+0.03	0.00
30 Yr. FHA	6.62%	+0.07	0.00
30 Yr. Jumbo	7.35%	+0.04	0.00
5/1 ARM	7.30%	+0.06	0.00
Freddie Mac			
30 Yr. Fixed	7.02%	-0.42	0.00
15 Yr. Fixed	6.28%	-0.48	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.08%	-0.10	0.63
15 Yr. Fixed	6.61%	+0.01	0.65
30 Yr. FHA	6.89%	-0.03	0.94
30 Yr. Jumbo	7.22%	-0.09	0.58
5/1 ARM	6.56%	-0.04	0.66

Rates as of: 5/17

Recent Housing Data

		Value	Change
Mortgage Apps	May 15	198.1	+0.51%
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
Existing homes sales in the first quarter climbed 1.4 percent to a seasonally adjusted annual rate of 5.62 million from 5.55 million the prior quarter and were up 5.0 percent year-over-year. Sales were the highest since a pace of 5.66 million was set in the first quarter of 2007.	5.62	+6.25%

At the end of the first quarter, there were 1.83 million existing homes available for sale, down 6.6 percent from 1.96 million homes for sale at the end of the first quarter in 2016. The supply of homes across the first quarter averaged 3.7 months compared to 4.2 months a year earlier.

Even with a higher national median family income of \$71,201, the combination of higher mortgage rates and home prices slightly weakened affordability compared to a year ago. To purchase a single-family home at the national median price, a buyer making a 5 percent down payment would need an income of \$52,251 and income of \$44,001 with 20 percent down.

"Last quarter's robust pace of sales was especially impressive considering the affordability sting buyers experienced from higher prices and mortgage rates," said Yun. "High demand is poised to continue heading into the summer **as long as job gains continue**. However, many metro areas need to see a significant rise in new and existing inventory to meet this demand and cool down price growth."

First quarter existing home sales were down in the Northeast and the Midwest by 2.2 percent and 4.3 percent respectively but sales in both regions were higher year-over-year; the **Northeast** was up 4.2 percent and the **Midwest** rose 1.6 percent. The median existing home price in the Northeast was \$255,000, up 2.2 percent on an annual basis; the median in the Midwest was 176,600, a gain of 5.7 percent.

Sales in the **South** jumped by 5.8 percent from both the prior quarter and year-earlier numbers. The median existing single-family home price was \$209,000 in the first quarter, an annual increase of 8.8 percent.

Existing-home sales were up 1.6 percent in the **West** compared to the previous quarter and were 7.4 percent higher than in the first quarter of 2016. The median existing single-family home price in the West increased 8.4 percent to \$342,500.

Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

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