



Dan Clifton

Principal Broker and Mortgage Guru, Clifton Mortgage Services, LLC

NMLS # 284174

670 N Orlando Ave Suite 101 Maitland, FL 32751

Office: 888-681-0777 x1001

Mobile: 407-252-3039

Fax: 866-512-0169

dan@cliftonmortgageservices.com

[View My Website](#)

Existing Homes Sales Post Huge February Gain

Existing home sales took off like a rocket in February, with strong results in three of the four major regions. The National Association of Realtors® (NAR) said single-family homes, townhouses, condominiums and cooperative apartments were sold during the month at a seasonally adjusted annual rate of 5.51 million. **This is an 11.8 percent increase over the January sales rate of 4.94 million and is the largest month-over-month gain since December 2015.** Despite the unexpected gain, months of lackluster sales have left year-over-year sales behind by 1.8 percent.

Analysts were looking for results in a range of 4.99 million to 5.47 million. *Econoday*, sponsor of the poll, said their consensus of 5.10 million reflected an expected rebound in the West, an accurate prediction in part.

Single-family home sales rose from 4.36 million units in January to 4.94 million in February, but also continue to lag year ago numbers by 1.4 percent. Condo and co-op sales were unchanged from January at 570,000 and 5.0 percent lower than in January 2018.

Lawrence Yun, NAR's chief economist, credited a number of aspects for February surge. "A powerful combination of **lower mortgage rates, more inventory, rising income and higher consumer confidence** is driving the sales rebound," he said.

The median **existing-home price for all housing types** in February was \$249,500, up 3.6 percent from last February's median of \$240,800. It was the 84th straight month of year-over-year price gains. The median existing single-family home price rose 3.6 percent on an annual basis to \$251,400 and the median condo price gained 3.1 percent to \$233,300.

There were an estimated 1.63 million existing homes for sale at the end of February, up from 1.59 million the previous month. This is a 3.2 percent increase from February 2018. The current inventory is estimated at a 3.5-month supply at the current rate of sales, down from 3.9 months in January but slightly higher than in February 2018 (3.5 months.) A six-month supply is usually considered a balanced market.

"It is **very welcoming to see more inventory showing up in the market**," says Yun. "Consumer foot traffic consequently is rising as measured by the opening rate of (electronic) key boxes."

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
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%

Properties remained on the market for an average of 44 days in February, down from 49 days in January but up from 37 days a year ago. Forty-one percent of homes sold in February were on the market for less than a month.

	Value	Change
Builder Confidence	51	+6.25%
Mar		

Yun, said that while inventory is improving, **the market would benefit greatly from more newly constructed homes.** "For sustained growth, significant construction of moderately priced-homes is still needed," he said. "More construction will help boost local economies and more home sales will help lessen wealth inequality as more households can enjoy in housing wealth gains." A typical homeowner accumulated an estimated \$8,700 in housing equity over the past 12 months and \$21,300 over the past 24 months.

First-time buyers were responsible for 32 percent of sales in February, up from last month and a year ago (both 29 percent). All-cash sales accounted for 23 percent of transactions in February, equal to January's percentage, but marginally down from a year ago (24 percent). Individual investors, who account for many cash sales, purchased 16 percent of homes in February, identical to January's percentage but a tick up from 15 percent a year ago. Foreclosed homes accounted for 3 percent of February's transaction and 1 percent were short sales

The **Northeast** was the only region where sales did not take off in February. They remained at the same rate as in January 690,000 units, however this is 1.5 percent higher than a year earlier. The median home price was \$272,900, up 3.8 percent from February 2018.

Existing-home sales rose 9.5 percent in the **Midwest** to an annual rate of 1.27 million, roughly even to February 2018 levels. The median price increased 5.4 percent to \$188,800.

Sales in the **South** grew 14.9 percent to an annual rate of 2.39 million in February, down 0.4 percent from last year. The median price was \$219,300, up 2.5 percent from a year ago.

As analysts had predicted, existing-home sales in the **West** jumped 16.0 percent to an annual rate of 1.16 million units in February. However, this rate was still down 7.9 percent year-over-year. The median price in the West was \$379,300, a 3.0 percent annual gain.