



## 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](mailto:dan@cliftonmortgageservices.com)

[View My Website](#)

## Some States Still Near 50 Percent Cash Sales

Cash sales rose incrementally in September while continuing to diminish as a share of all sales on a year-over-year basis. CoreLogic, in its monthly sales report, said that all cash transactions made up **32.5 percent** of sales during the month, up 0.2 percentage points compared to August. According to the report, cash sales share typically increases on a monthly basis in September due to seasonality in the housing market. The cash share was down 3.4 percentage points from September 2014 when it was 35.9 percent.

The cash sales share **peaked in January 2011** when cash transactions accounted for 46.6 percent of total home sales nationally. Prior to the housing crisis, the cash sales share of total home sales averaged approximately 25 percent. If the cash sales share continues to fall at the same rate it did in September 2015, the share should hit 25 percent by mid-2017.

The largest share of cash transactions was, as usual, in sales of **lender-owned** properties (REO) where they constituted 58.3 percent of the total. Thirty-two percent of resales were all cash, 29.1 percent of short sales, and 15.9 percent of new home sales.

## National Average Mortgage Rates



|                                | Rate  | Change       | Points |
|--------------------------------|-------|--------------|--------|
| <b>Mortgage News Daily</b>     |       |              |        |
| 30 Yr. Fixed                   | 6.43% | <b>+0.02</b> | 0.00   |
| 15 Yr. Fixed                   | 5.95% | <b>0.00</b>  | 0.00   |
| 30 Yr. FHA                     | 5.82% | <b>+0.02</b> | 0.00   |
| 30 Yr. Jumbo                   | 6.62% | <b>0.00</b>  | 0.00   |
| 5/1 ARM                        | 6.28% | <b>-0.01</b> | 0.00   |
| <b>Freddie Mac</b>             |       |              |        |
| 30 Yr. Fixed                   | 6.35% | <b>-0.51</b> | 0.00   |
| 15 Yr. Fixed                   | 5.51% | <b>-0.65</b> | 0.00   |
| <b>Mortgage Bankers Assoc.</b> |       |              |        |
| 30 Yr. Fixed                   | 6.44% | <b>-0.06</b> | 0.54   |
| 15 Yr. Fixed                   | 5.88% | <b>-0.16</b> | 0.68   |
| 30 Yr. FHA                     | 6.36% | <b>-0.06</b> | 0.85   |
| 30 Yr. Jumbo                   | 6.75% | <b>+0.07</b> | 0.39   |
| 5/1 ARM                        | 5.98% | <b>-0.27</b> | 0.65   |

Rates as of: 8/30

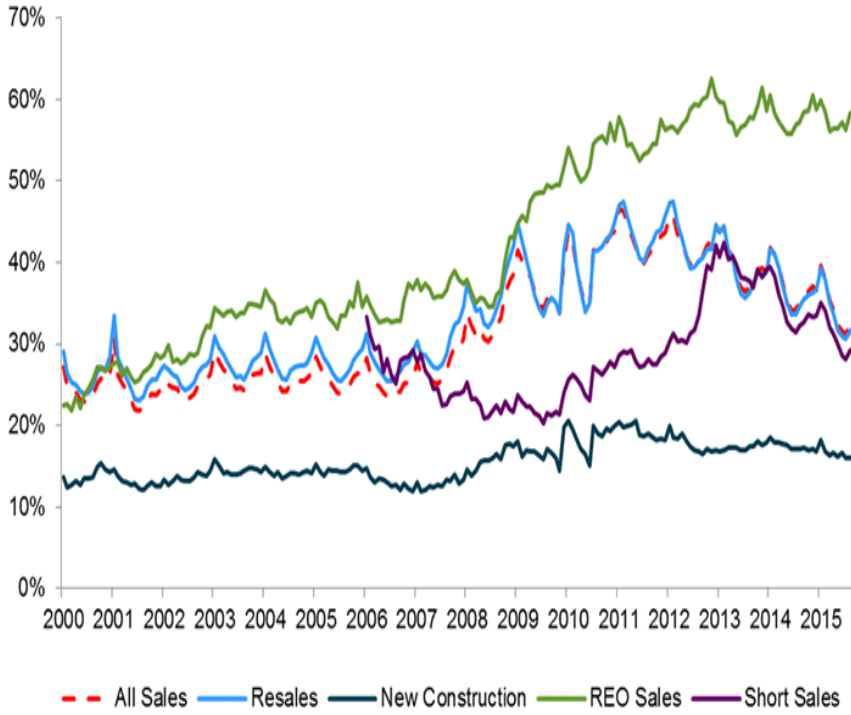
## Recent Housing Data

|                     |        | 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%  |

|                    |     | Value | Change |
|--------------------|-----|-------|--------|
| Builder Confidence | Mar | 51    | +6.25% |

**Figure 1: Cash Sales Share by Sale Type**

Cash Sales Percent



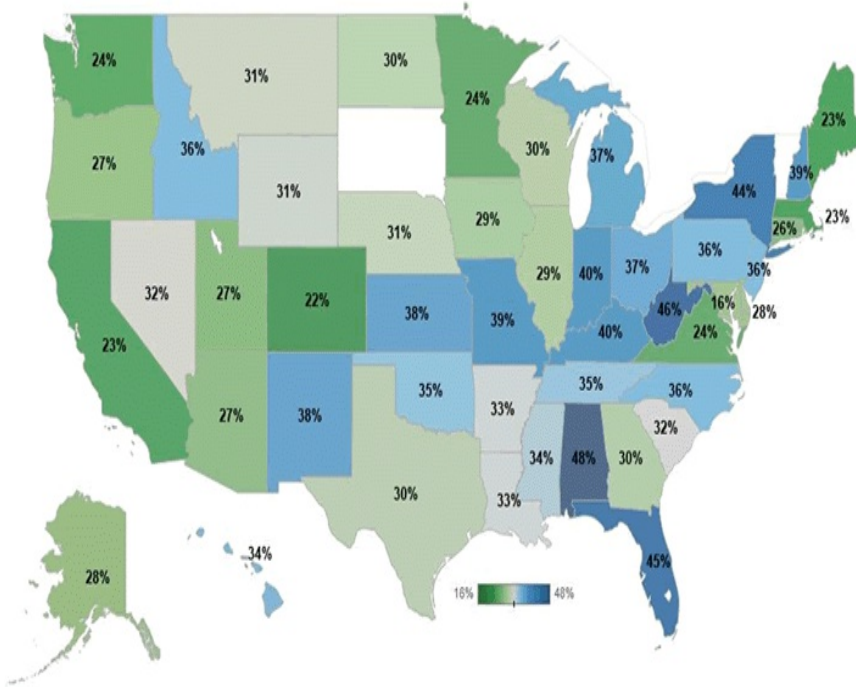
Source: CoreLogic: September 2015

©2015 CoreLogic, Inc. All Rights Reserved

When cash sales peaked in 2011 REO sales represented **23.9 percent** of home sales whereas in September 2015 only 6.4 percent of sales were REO. Consequently they have much less bearing on the cash sales share. Resales made up 81 percent of all sales and therefore have the biggest impact on the total cash sales share.

# Housing News Update

Figure 2: Cash Sales Share of Total Sales



Source: CoreLogic September 2015

© 2015 CoreLogic, Inc. All Rights Reserved.

At 48.2 percent Alabama had the **largest share** of cash sales followed by **West Virginia** (46 percent), **Florida** (45.2 percent), **New York** (44.1 percent) and **Kentucky** (39.6 percent). Four of the top five Core Based Statistical Areas (CBSAs) for cash sales in September were in Florida. Miami led with 50.8 percent, followed by West Palm Beach-Boca Raton (50.6 percent). Fort Lauderdale was fourth at 47.9 percent and Sarasota-Bradenton fifth at 47.2 percent. These cities were joined by Philadelphia in third place with a 48.9 percent share.