



Guy McAtee

Sr Loan Officer, American Financial Lending, Inc
 NMLS #154570
 20860 N Tatum Blvd #160 BK#0910057 Phoenix, AZ 85050

Office: 602-277-3800
 Mobile: 602-448-3464
 Fax: 602-631-9788
guy@aflending.com

Realtors See Home Prices Moderating Soon

All but one of the 183 metropolitan housing markets tracked by the National Realtors Association® (NAR) posted annual price increases in the second quarter of 2021. Twelve of those areas had appreciation that exceeded 30 percent.

The median price of a single family home rose 22.9 percent to \$357,900. This translates to an increase of \$66,800. All four major regions had double-digit gains and **for once the highest growth was not in the West**. In the Northeast, where Pittsfield, Mass led with a 46.5 percent increase, the highest in the nation, prices were up 21.8 percent. It was followed by the South, up 21.0 percent; the West at 20.9 percent, and the Midwest with 17.1 percent appreciation.

Home price gains and the accompanying housing wealth accumulation have been spectacular over the past year, but are unlikely to be repeated in 2022," said Lawrence Yun, NAR chief economist. But he added, "There are signs of more supply reaching the market and some tapering of demand. The housing market looks to move from 'super-hot' to 'warm' with markedly slower price gains."

Besides Pittsfield other price leaders were Austin, Texas (45.1 percent); Naples-Marco Island, Florida (41.9 percent); Boise City-Nampa, Idaho (41 percent); and Barnstable, Massachusetts. (37.8%).

With home prices rising, the monthly mortgage payment on an existing single-family home financed with a 30-year fixed-rate loan and 20 percent down payment rose to \$1,215, an increase of \$196 from a year earlier. Among all homebuyers, the **monthly mortgage payment as a share of the median family income rose to 16.5 percent** in the second quarter of 2021 **up from 14.0 percent in the second quarter of 2020**.

"Housing affordability for first-time buyers is weakening," Yun explained. "Unfortunately, **the benefits of historically-low interest rates are overwhelmed by home prices rising too fast**, thereby requiring a higher income in order to become a homeowner."

In 17 metro areas, a family needed more than \$100,000 to affordably pay a 90 percent mortgage against 14 percent in the first quarter of this year. The number of metro areas in which a family needed less than \$50,000 to afford a home fell to 84 markets in Q2 compared to 104 markets in Q1.

"Housing supply will be critical in moderating the growing housing costs and

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%

Housing News Update

rising rents," Yun said. "Any disincentive to produce more housing inventory, such as extending the eviction moratorium, will only worsen the current shortage," he said.

		Value	Change
Builder Confidence	Mar	51	+6.25%

Experience, Responsive, Expertise

Whether you're buying, selling, refinancing, or building your dream home, you have a lot riding on your loan specialist. Since market conditions and mortgage programs change frequently, you need to make sure you're dealing with a top professional who is able to give you quick and accurate financial advice. I have the expertise and knowledge you need to explore the many financing options available.

Ensuring that you make the right choice for you and your family is my ultimate goal. And I am committed to providing my customers with mortgage services that exceed their expectations.

Guy McAtee

