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August New Home Sales Retrench but Still Solid

After a **spectacular** run for new home sales in July, it was anticipated that August activity would be considerably more modest. While sales did retrench from the post-crash highs reached the previous month (which improved even further when revised), the August numbers still came in above analysts' estimates

The Census Bureau and the Department of Housing and Urban Development estimates that August sales of newly constructed single-family homes were at a **seasonally adjusted annual rate of 609,000**, a 7.6 percent drop from July when the rate was 659,000 units, a number originally reported at 654,000. The August sales rate was 20.6 percent higher than that of a year earlier, 505,000.

Analysts polled by Econoday had expected sales to be within a range of 575,000 to 630,000. The consensus was 598,000.

On an **unadjusted** basis, sales during the month totaled 50,000 units compared to 57,000 in July. In August 2015 there were 41,000 units sold. Units going under contract in August were on the market for a median of 3.2 months.

The **median** sales price of a home sold during the month was **\$284,000 compared to \$300,200** a year earlier. The most recent **average** price was **\$353,600, up from \$348,800** in August 2015.

There were an estimated 239,000 units (unadjusted) available for sale as the end of the reporting period, a **4.8-month supply** at the current absorption rate. In August 2015 the inventory was deemed sufficient for 5.2 months. Of those units currently available, construction is complete on 56,000, 138,000 are in process, and work has not begun on 45,000 units.

Sales in the **Northeast** region dropped by 34.3 percent from July and were 25.8 percent lower than a year earlier. In the **Midwest** sales, while down 2.4 percent month-over-month, were 39.7 percent higher than the previous August. Sales were also lower for the month in the **South**, by 12.3 percent, but remained 15.9 percent above sales in the same month in 2015. New home sales in the **West** maintained their momentum, rising 8.0 percent in August and gaining 35.0 percent year-over-year.

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 6/28

Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

Real Talk

	Value	Change
Builder Confidence	Mar 51	+6.25%

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the ONLY objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are NOT mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do NOT have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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