



## Mike Baker

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## New Home Sales Relatively Strong, Despite Downward Revision

New home sales resumed their upward march in September, rising above August sales which had retreated significantly from a near decade-long high of 629,000 units set in July. The Census Bureau and Department of Housing and Urban Development said newly constructed homes were sold at a seasonally adjusted annual rate of 593,000 in September, up 3.1 percent from August. The number was an improvement however only because the sales rate for August was revised down from the original report of 609,000 units to 575,000. September sales were **29.8 percent higher** than a year earlier when the estimate was 457,000

The September results were in the middle of the range of analysts' expectations. According to Econoday, predictions varied between 570,000 and 635,000 with a consensus of 601,000.

On a **non-seasonally adjusted** basis there were 46,000 homes sold compared to 47,000 in August.

Sales in the **Northeast** were up 33.3 percent from August and were 60.0 percent higher than in September 2015. The **Midwest** saw an increase of 8.6 percent for the month and 33.3 percent year-over-year. Sales in the **South** rose 3.4 percent and 25.7 percent from the two earlier periods while in the **West** there was a decline of 4.5 percent from August while sales remained 32.4 percent higher than a year earlier.

The **median price** of a homes sold in September was \$313,500 compared to 307,600 in September 2015. The average price was \$377,700, up from \$367,800.

At the end of September there were an estimated 243,000 new homes available for sale, a **4.8-month supply**. A year ago the inventory of available homes was estimated at 5.8-month supply at the then current sales rate. Of homes currently for sale 141,000 are under construction and 57,000 are complete.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.07%	<b>+0.02</b>	0.00
15 Yr. Fixed	6.45%	<b>0.00</b>	0.00
30 Yr. FHA	6.51%	<b>+0.02</b>	0.00
30 Yr. Jumbo	7.26%	<b>0.00</b>	0.00
5/1 ARM	7.02%	<b>-0.01</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	<b>-0.01</b>	0.00
15 Yr. Fixed	6.16%	<b>+0.03</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.02%	<b>-0.05</b>	0.65
15 Yr. Fixed	6.60%	<b>-0.15</b>	0.55
30 Yr. FHA	6.87%	<b>0.00</b>	0.92
30 Yr. Jumbo	7.18%	<b>-0.03</b>	0.54
5/1 ARM	6.45%	<b>+0.08</b>	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.

**Mike Baker**

