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New Home Sales Build on January Strength

New home sales posted a much better February than did existing home sales and, in fact, better than most analysts had expected. The U.S. Census Bureau and the Department of Housing and Urban Development report that sales of newly constructed single family homes rose 6.1 percent from January to February to a seasonally adjusted rate of **592,000 units**.

It was the second consecutive month of strength for the indicator which had see-sawed between positive and negative results in the waning months of 2016. The February rate of sales was 12.8 percent higher than the rate of 525,000 units in February 2016. January sales were revised from an original estimate of 555,000 to 558,000.

Analysts had expected sales to rise, looking for a range of 550,000 to 600,000 units. The consensus among those polled by Econoday was 565,000 units.

On a non-seasonally adjusted basis there were 49,000 new homes sold in February compared to 41,000 in January. Thirty-six-thousand of the homes sold were in the \$200,000 to 299,000 price tier.

The **median price** of a new home sold in February was 296,200 compared to \$311,300 a year earlier. The average price was \$390,400 compared to \$349,400.

There were **strong geographic differences** in the rate of sales. In the Northeast sales were down 21.4 percent for the month while remaining 13.8 percent higher than the previous February. In contrast the Midwest posted a 30.9 percent month-over-month improvement and the annual change was 50.8 percent.

Sales in the **South** rose 3.6 percent from January and 7.9 percent from February 2016 and sales in the **West** were up 7.5 percent and 6.8 percent from the two earlier periods.

At the end of February there were an estimated 261,000 homes available for sale on a non-seasonally adjusted basis. This is an estimated 5.4-month supply at the current rate of sale. Sixty-three-thousand of the available homes are completed, construction had not started on 51,000.

National Average Mortgage Rates



	Rate	Change	Points
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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