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Second Best Month in 11 Years for Pending Home Sales

Pending home sales in February surprised everyone with an **unexpected jump of 5.5 percent**. The National Association of Realtors® said its Pending Home Sales Index, which is a leading indicator based on signed home purchase contracts, rose to 112.3 in February from 106.4 in January. The reading is 2.6 percent above a year earlier, and surpassed index readings for every month since May 2006 with the exception of last April.

Lackluster pending home sales in recent months have **worried the housing industry**, indicating that the spring market might be less successful than hoped. Analysts had expected pending sales to recover from their 2.8 percent downturn in January, but they undershot the market in their estimates for February. Those polled by Econoday had been looking for an increase ranging from 1.4 to 3.5 percent, with a consensus of 2.4 percent.

Lawrence Yun, NAR chief economist, says the level of contract activity in February is proof that, with spring on the doorstep, demand is rising "**Buyers came back in force** last month as a modest, seasonal uptick in listings were enough to fuel an increase in contract signings throughout the country," he said. "The stock market's continued rise and steady hiring in most markets is spurring significant interest in buying, as well as the expectation from some households that delaying their home search may mean paying higher interest rates later this year."

Added Yun, "Last month being the **warmest February in decades** also played a role in kick-starting prospective buyers' house hunt."

Yun says the **tight inventory** will continue to play a role in the spring market. He expects to see "continued ebbs and flows in activity as new supply struggles to replace listings that are going under contract at a very quick pace. This is especially the case at the lower- and mid-market price ranges, where choices are minimal and prices are being bid higher by multiple offers," he said.

He continued, "The homes most buyers are in the market for are unfortunately the **most difficult to find** and ultimately buy. The country's healthy labor market is translating to greater job security, but affordability is not improving because home prices in some areas are still outpacing incomes by three times or more because of tight supply. How much new and existing inventory there is on the market this spring will determine if sales can reach their full potential and finally start reversing the nation's low

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%

Housing News Update

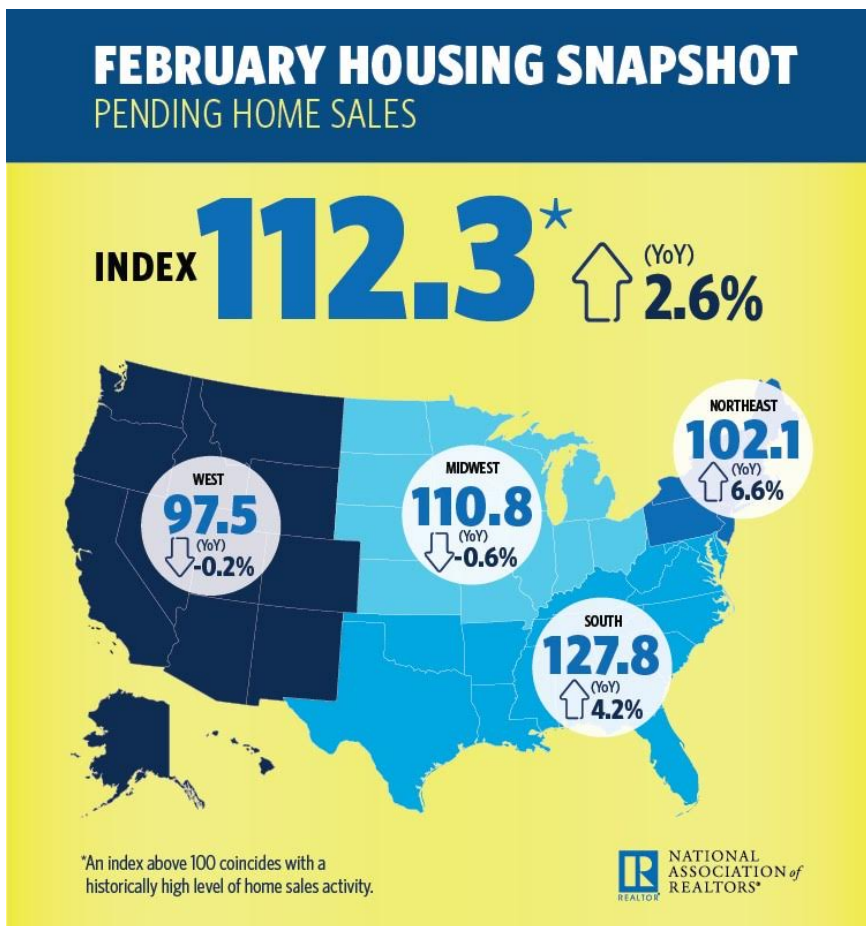
homeownership rate."

	Value	Change
Builder Confidence	Mar 51	+6.25%

Existing-home sales are forecast to be around 5.57 million this year, an increase of 2.3 percent from 2016 (5.45 million). The national median existing-home price this year is expected to increase around 4 percent. In 2016, existing sales increased 3.8 percent and prices rose 5.1 percent.

Contract sales were up in **every part of the country**. The PHSI in the **Northeast** rose 3.4 percent to 102.1 in February, putting it 6.6 percent higher than a year earlier. In the **Midwest**, the index jumped 11.4 percent to 110.8, although it is still 0.6 percent lower than the previous February.

Pending home sales in the **South** climbed 4.3 percent to an index of 127.8, 4.2 percent above the same period in 2016. The **West's** number increased 3.1 percent in February to 97.5, 0.2 percent higher than a year ago.



The Pending Home Sales Index is a leading indicator of upcoming existing home sales. A pending sale is usually expected to be finalized within one or two months of signing.

The index is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined.

Real Talk

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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