



Stephen Moye

Sales Manager/Senior Loan Officer NMLS:
268619/CA-DBO268619, New American Funding Corporation. NMLS: 6606, Equal Housing Lender
Licensed by the Department of Business Oversight
Under the California Residential Mortgage Lending Act
CA-DBO268619 Corp. NMLS: 67180 Equal Housing Lender
1615 Murray Canyon Road #1050 San Diego, CA 92108

Office: 619-309-1678
Mobile: 619-895-8128
Fax: (619) 793-1026
stephen.moye@nafinc.com
[View My Website](#)

NAR Sees Overheated Housing Market Starting to Cool

Expectations weren't particularly high for a solid July report on home purchase contracts, but today's report from the National Association of Realtors® (NAR) **didn't meet even those**. NAR's Pending Home Sales Index (PHSI) came in at 106.2, down from an upwardly revised (from 106.9) 107.0 in June, a decline of 0.7 percent. The decrease put the PHSI 2.3 percent behind its level in July 2017. It was the seventh straight month the NAR's leading indicator for existing home sales has trailed on an annual basis.

It would have been difficult for the results to fall outside of the wide range of estimates from analysts polled by Econoday. They ranged from a loss of 1.1 percent to a positive 1.0 percent change. However, the July index was **well off the consensus which was for the index to remain unchanged** from June.

Lawrence Yun, NAR chief economist, says the housing market's summer slowdown continued in July. "Contract signings inched backward once again last month, as declines in the South and West weighed down on overall activity," he said. "It's evident in recent months that many of the most overheated real estate markets - especially those out West - are **starting to see a slight decline in home sales** and slower price growth."

Yun added, "The reason sales are falling off last year's pace is that multiple years of inadequate supply in markets with strong job growth have finally driven up home prices to a point where an increasing number of prospective buyers are unable to afford it."

There has been some **increase in listings of available homes** in some large metro areas, especially those in the West and Yun said this may help cool price growth and make homes more affordable going forward. Listings were up in several areas which have been especially "hot" including Denver, Nashville, Portland Oregon, and the California metro areas of Santa Rosa and San Jose.

"Rising inventory levels - especially if new home construction finally starts picking up - should help slow price appreciation to around two-and-four percent, which will help aspiring first-time buyers, and be good for the long-term health of the nation's housing market," said Yun. In its July existing home sales report NAR put the year-over-year appreciation at 4.5 percent.

National Average Mortgage Rates



	Rate	Change	Points
--	------	--------	--------

Mortgage News Daily

30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%

Referring to a recent NAR commentary on the progress in the decade since the Great Recession, Yun said it is important to note just **how much the housing market has recovered**. Although supply and affordability headwinds are the biggest issues right now, thanks to several years of solid job growth, as well as safe lending and regulatory policy reforms, foreclosures sit near historic lows and record high home values have helped millions of households build substantial wealth.

		Value	Change
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%

Yun expects existing-home sales this year to decrease 1.0 percent to 5.46 million, and the national median existing-home price to increase around 5.0 percent. Looking ahead to next year, existing sales are forecast to increase 2 percent and home prices around 3.5 percent.

Sales contract activity picked up in the **Northeast and Midwest** but were slower in the other two regions and all four regions are down on an annual basis. The PHSI in the Northeast climbed 1.0 percent to 94.6 in July, but lags July 2017 by 2.3 percent. The Midwest index ticked up 0.3 percent to 102.2, 1.5 percent below a year ago.

Pending sales were down 1.7 percent in the **South** to an index of 122.1, 0.9 percent lower than a year ago. In the **West** the index was at 94.7 in July, 0.9 percent and 5.8 percent behind the two earlier periods.

The PHSI is based on a large national sample, typically representing about 20 percent of transactions for existing-home sales. In developing the model for the index, it was demonstrated that the level of monthly sales-contract activity parallels the level of closed existing-home sales in the following two months.

An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined. By coincidence, the volume of existing-home sales in 2001 fell within the range of 5.0 to 5.5 million, which is considered normal for the current U.S. population.

thanks for visiting this site

thank you for coming to website. Having been a loan officer for 20+year...I know first hand how important it is to stay on top of the news and event that effect mortgage rates, regulation, and program guidelines. Let this web site be a resource for you.

New American Funding CA-DBO268619 Corp. NMLS: 6606

Equal Housing Lender

Licensed by the Department of Business Oversight Under the California Residential Mortgage Lending Act

Stephen Moye

