



## Tom Payne

Senior Loan Consultant, loanDepot  
 NMLS# 1017004 #174457 Licensed in all 50 States  
 2835 St. Rose Parkway, Suite 120 Henderson, NV 89052

Office: 702-303-0243  
 Mobile: 702-303-0243  
[tompaynemortgage@gmail.com](mailto:tompaynemortgage@gmail.com)  
[View My Website](#)

## New Home Sales Buoyed by 135 Percent Gain in New England

New home sales in October **reversed their sharp downturn** in September and also bucked other recent sales trends, rising by a substantial 10.7 percent. The U.S. Census Bureau and the Department of Housing and Urban Development reported today that sales of newly constructed homes were at a seasonally adjusted annual rate of 498,500 units, up from a revised September rate of 447,000. The October number was 4.9 percent higher than the previous October's pace of 472,000 units.

The revision of the September number paints an even dimmer picture of those sales. They were originally reported at a rate of 468,000 units, already 11.5 percent below sales in August. Despite the strong October number sales are **still below the half-million** and higher numbers posted in July and August.

Pending sales were down in both August and September and earlier this week the National Association of Realtors said existing home sales reflected those pending estimates, declining by 3.4 percent so today's new home report provides some needed good news. Still the sales didn't quite meet the analysts' consensus which, while ranging widely from 458,000 to 540,000 averaged 499,000

On a non-seasonally adjusted basis there were **41,000 newly constructed homes** sold during the month compared to 34,000 in September and 38,000 in October 2014. At the end of the reporting period there were an estimated 231,000 (not seasonally adjusted) new homes available for sale, approximately a 5.7 month supply compared to a 6.7 month supply in September.

The **median price** of a home sold in October was **\$281,500** and the average price was \$366,000. A year earlier the median and average prices were \$299,400 and \$384,000 respectively.

On a regional basis sales rose a whopping **135.3 percent in New England** (84% margin of error!) compared to September and were 60.0 percent higher than a year earlier. Sales in the Midwest were up 5.2 percent for the month but lost 4.8 percent on an annual basis. In the South sales rose for both periods - by 8.9 percent and 5.2 percent respectively and in the West both saw lower sales by 0.9 percent for the month and 2.6 percent year-over-year.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

## Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

## Update: Buyer Broker Agreement

	Value	Change
Builder Confidence	Mar 51	+6.25%

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its "Proposed Criteria for Evaluating Home Buyer Contract Forms" on Tuesday. The 15 criteria focus on the contracts' form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document's expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker's compensation clearly stated and that the buyer broker can't receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker's commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

Contact me for more information. 702-303-0243 or TPayne@loandepot.com

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Tom Payne 