



## Tom Payne

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## Annual New Home Sales/Prices Fall For First Time Since 2014

A sharp drop in sales in the West brought about an overall decline in the national rate of new home sales in January. The U.S. Census Bureau and the Department of Housing and Urban Development reported that sales of newly constructed homes fell **9.2 percent** from December and were 5.2 percent below sales in January 2015. In the West sales plunged **32.1 percent** month-over-month and they were down by 24.1 percent from a year earlier.

The report put the seasonally adjusted annual rate of sales in January at 494,000 units compared to 544,000 units in December and 521,000 in January 2015. December sales had jumped 10.8 percent from November and Bloomberg noted that new home sales **regularly undergo wild swings** because the samples are small. Econoday forecasters had predicted sales would slow from December's surge but the actual number was well below the consensus of 520,000 and even the lowest estimates which ranged from 505,000 to 550,000.

The disappointing report came one day after the National Association of Realtors® said sales of existing homes in January had risen at the quickest pace since last July and prices saw the **largest** annual appreciation since April 2015.

On a non-seasonally adjusted basis there were an estimated 37,000 new homes sold in January. The unadjusted estimate for December was 38,000.

The median price of a home sold in January was **\$278,800, a 4.3 percent decline** from last January when the median was \$292,000. The average price was \$365,700, up from \$356,000 a year earlier.

At the end of the reporting period there were an estimated 238,000 new homes for sale. This is a **5.8 month supply** at the current rate of sales. Homes sold in January had been on the market a median of 3.4 months.

January new home sales in the Northeast region were up 3.4 percent from December and jumped 100 percent compared to January 2015. The Midwest saw a decline in sales of 5.9 percent for the month and 1.5 percent year-over-year. Sales increased slightly in the South, up 1.8 percent from December but they dipped 2.0 percent lower than a year earlier.

## 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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