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## First-Time Buyers Help Push Home Sales to 9-Year High

Sales of existing homes increased in June for the **fourth consecutive month**. The National Association of Realtors® (NAR) said it was encouraged to see the month also bring a modest increase in the percentage of first-time homebuyers.

Sales of existing single-family homes, townhomes, condominiums, and cooperative apartments rose 1.1 percent from May to a seasonally adjusted annual rate of **5.57 million units**. Sales in May were at a rate of 5.51 million, a downward revision from the 5.530 million originally reported. Sales were up 3.0 percent from the June 2015 rate of 5.41 million units. Last month's sales were at the highest annual pace of any month **since February 2007**.

May sales topped analysts' expectations. Those polled by Econoday had expected sales in a range of 5.40 million to 5.56 million. The consensus was 5.475 million.

Lawrence Yun, NAR chief economist, says the impressive four-month streak of sales gains through June caps off a solid first half of 2016 for the housing market. "Existing sales rose again last month as more traditional buyers and fewer investors were able to close on a home despite many competitive areas with unrelenting supply and demand imbalances," he said. "Sustained job growth as well as this year's descent in mortgage rates is undoubtedly driving the appetite for home purchases."

Cautions Yun, "Looking ahead, it's **unclear** if this current sales pace can further accelerate as record high stock prices, near-record low mortgage rates and solid job gains face off against a dearth of homes available for sale and lofty home prices that keep advancing."

**First-time homebuyers accounted for a 33 percent share** of sales, the highest percentage since July 2012. New homeowners represented a 30 percent share and have averaged 31 percent for the first six months of 2016, up 1 percentage point from the average for all of last year.

"The modest bump in June sales to first-time buyers can be attributed to mortgage rates near all-time lows and perhaps a hopeful indication that more affordable, lower-priced homes are beginning to make their way onto the market," Yun added. "The odds of closing on a home are definitely higher right now for first-time buyers living in metro areas with tamer price growth and greater entry-level supply - particularly areas in the Midwest and parts of

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

### Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

## Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
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%

