

THE FEDERAL SAVINGS BANK



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Strong New Home Sales Report Puts Data Back on Schedule

With the third set of new home sales data in 21 days it seems the Census Bureau has **caught up** from the **partial government shutdown**. Whether because of the delay, or just in the normal course of revisions, changes to the December numbers were dramatic enough to mention. First reported at a seasonally adjusted rate of 621,000 units, a **surprising 16.9 percent increase**, they were revised even higher to 652,000. Now a second revision has lopped more than 60,000 units off that pace, reducing it to 588,000 and erasing the entire percentage gain.

Getting back on track, the most recent data shows newly constructed homes sold during February at a seasonally adjusted annual rate of 667,000 units, an increase of 4.9 percent from the 636,000-unit pace in January. That rate was revised up from 607,000 units. The February sales moved ahead of the year earlier pace of 663,000 units by 0.6 percent.

The February number was **substantially higher than even the most optimistic forecast** by analysts polled by Econoday which ranged from 600,000 to 635,000. The consensus was 615,000.

On a non-adjusted basis there were 56,000 homes sold during the period, up from 49,000 in January. For the year-to-date, sales total 105,000, a 2.8 percent improvement over the first two months of 2018.

Homes sold during the month had a **median price** of \$315,300 and an average sales price of \$379,600. In February 2018 the comparable prices were \$327,200 and \$373,600.

At the end of February there were 340,000 newly constructed homes for sale, an estimated 6.1-month supply. This is up from 5.4 months a year earlier.

New home sales in the **Northeast** rose 26.9 percent compared to January but were 28.3 percent lower than the prior February. Sales in the **Midwest** were also strong, a 28.3 percent increase for the month. They trailed February 2018 by 3.8 percent.

In the **South** sales ticked up 1.8 percent from January and 6.8 percent on an annual basis. Sales were unchanged in the **West**, and down 2.9 percent year-over-year.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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%

Responsive service, experienced expertise

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

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	Value	Change
Builder Confidence	Mar 51	+6.25%