

THE FEDERAL SAVINGS BANK



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How New Home Sales (Almost) Got Their Groove Back

Analysts were not expecting new home sales in December to outpace the strong and surprising gains they made in November, **when they jumped 16.9 percent**. They managed to be both right and wrong. Sales were up from November by 3.7 percent, to a seasonally adjusted annual rate of 621,000 units, however they surpassed November **only because of a dramatic revision** of the November estimate from 657,000 units to 599,000.

New Home Sales



Year-over-year sales are now 2.4 percent lower than in December 2017. The estimate for that month was 613,000 units.

Analysts polled by Econoday had forecast that sales would be in the range of 550,000 to 649,000. The consensus was 590,000.

On a non-adjusted basis there were 44,000 newly constructed homes sold in December compared to 43,000 in November. For the entire year the Census Bureau and the Department of Housing and Urban Development estimate a total of 622,000 units were sold compared to 613,000 in 2017. **This was a 2018 increase of 1.5 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%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

	Value	Change
At the end of the reporting period there were 344,000 new homes reportedly available for sale. This is an estimated supply of 6.6 months at the current rate of sales.	Builder Confidence	Mar 19 +6.25%

The median price of a home sold in December was \$318,600 compared to \$343,300 in December 2017. The average price was \$377,000, down from \$402,900 a year earlier.

Sales in the **Northeast** region rose 44.8 percent for the month and were 16.7 percent higher than the previous December while in the **Midwest** there was a decline of 15.3 percent and 3.2 percent from the two earlier periods. Sales in the **South** rose 5.0 percent from November and 7.4 percent year-over-year. The **West** gained 1.4 percent for the month but lags on an annual basis by 23.9 percent.

The Census Bureau continues to catch up with publishing data that was unavailable during the partial government shutdown. January new home sales information will be released on March 14.

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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