

Housing News Update

THE FEDERAL SAVINGS BANK



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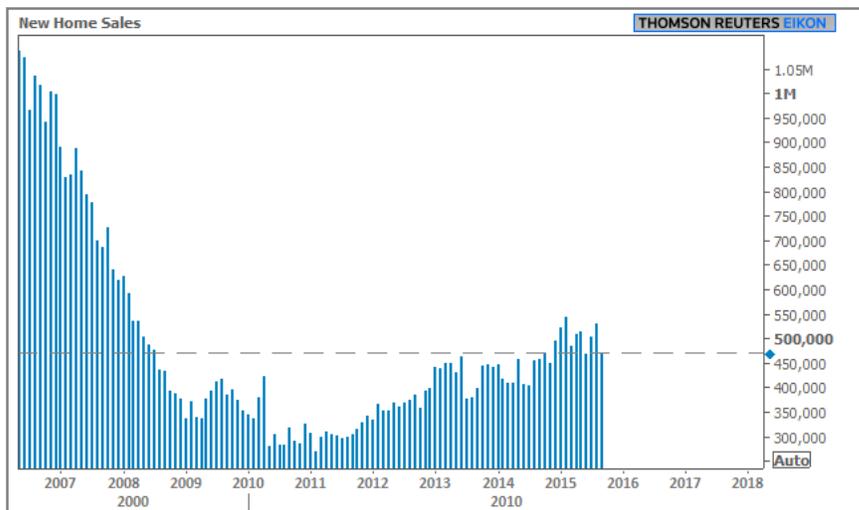
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New Home Sales Abruptly Back to Flat Long-Term Trend

New home sales **nose-dived in September**, dropping by 11.5 percent from the August level. A joint release from the U.S. Census Bureau and the Department of Housing and Urban Development puts the sale of newly constructed single family homes at a seasonally adjusted annual rate of 468,000 units in September compared to a revised August rate of 529,000. Analysts' expectations ranged from 535,000 to 560,000.

There was a further jolt in that the August number which originally represented a 5.7 percent increase was a **significant downgrade** from the original estimate of 552,000 units. September remains 2 percent above the September 2014 rate of 459,000 units. In the longer term, today's drop could be seen as a 'leveling-off' and return to the flat trend that's been intact for most of the past 2.4 years.



September's number was the **lowest since last November** when the rate of sales was 449,000 units and today's report echoes a similar drop new home sales experienced in the spring when a healthy increase in May was followed by a significant downward revision for May and a further decline in Jun to 469,000 units. Today's report also follows last week's residential construction report in which single family permits and starts barely budged from the previous month.

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
On an unadjusted basis there were an estimated 36,000 new homes sold during the month. This was approximately 7,000 fewer units than sold in August and was down 1,000 from the previous September.	7,000	+6.25%

Inventories rose significantly, from 225,000 units for sale at the end of September compared to 216,000 at the end of August. This increased the supply at the current rate of sales from 4.9 months to 5.8 months

All four of the census regions posted declines, most significantly the **Northeast** where sales plummeted by 61.8 percent from August and were down 56.7 percent year over year. Sales in the **Midwest** were down 8.3 percent on both a month-over-month and a year-over-year basis.

The **South** lost 8.7 percent of sales compared to the previous month but remained 8.3 percent higher than a year earlier. Sales in the **West** declined by 6.7 percent from the August level but was 8.6 percent higher than in September 2014.

The median price of a new home sold in September was \$296,900 and the average price was \$364,100. In September 2014 the prices were 261,500 and \$319,100 respectively.

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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