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A Message from Elliot "E J" Paul:

"Eagle is a Direct Lender in 45 States. We finance residential investment, multifamily, mixed-use, and commercial real estate for cash-out, refinance, purchase, construction and rehab from \$250,000 to \$9 Million+. No upfront fees, income tax returns or income verification required. Loans close in 3+ weeks. Email ejpaul@eaglecfs.com or call me at 856-353-3430 to take advantage of our lower rates. Have a relaxing weekend."

Two Ways to Look at Existing Home Sales

The reality of the home sales market is in the eye of the beholder these days and the just-released Existing Home Sales report doesn't shed much light. The National Association of Realtors (NAR) logged an annual pace of 4.3 million units, essentially unchanged from last month's 4.28m and close enough to the median forecast of 4.25m.

Existing sales bottomed in January at 4.0m units, and you'd have to go back to 2010 to find anything lower. The bounce back since then has lacked a certain sense of urgency, but that's not a huge surprise given the persistence of [mortgage rates](#) near 7%.

A frequent observation is that the rapid rise in rates has homeowners reluctant to give up the low rates achieved in 2020 through early 2022, thus crimping supply and restricting sales. The housing market has certainly managed to post a lot more inventory at rates this high, but only have years of getting used to them (not to mention the fact that rates were still generally falling from the ultra-high levels of the early 80s at the time).

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00
Mortgage Bankers Assoc.			
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: 7/26

Inventory of Existing Homes Vs. Mortgage Rate

Seasonally Adjusted, Millions



Source: NAR, Freddie Mac and Wells Fargo Economics

A chart of actual sales (as opposed to inventory) versus mortgage rates suggests that the ultra-low rates achieved in 2020 through early 2022 also helped pull forward a few years worth of housing demand.



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All that having been said, those who continue to lament inventory being a bigger issue in the resale market certainly have a leg to stand on. The difference in "months of supply" versus the new homes market is very enlightening in that regard.

Inventory of Homes Months' Supply at Current Sales Pace



Source: U.S. Department of Commerce, NAR and Wells Fargo Economics

Bottom line, it will either take lots of time or decent drop in rates to free up more of the discretionary inventory of existing homes.

Other highlights from the release:

- The median existing-home price for all housing types in May was \$396,100, a decline of 3.1% from May 2022 (\$408,600). Prices grew in the Northeast and Midwest but fell in the South and West.
- Properties typically remained on the market for 18 days in May, down from 22 days in April but up from 16 days in May 2022.
- First-time buyers were responsible for 28% of sales in May, down from 29% in April but up from 27% in May 2022.
- All-cash sales accounted for 25% of transactions in May, down from 28% in April and identical to one year ago.
- Regional breakdown of % change in existing sales from last month (and last year):
 - Northeast -2.0% (-25.4%)
 - Midwest -2.9% (-20.8%)
 - South +1.5% (-16.5%)
 - West +2.6% (-25.5%)

Unlock The Power of Private Money Financing...

Elliot "EJ" Paul is CEO of Eagle Commercial Funding Capital Corporation, a direct private commercial lender that finances residential and multifamily real estate properties, for cash-out, refinance, purchase, rehab, and ground-up construction.

Nationwide in most states

DSCR loans: no upfront fees, tax returns or income verification

Eagle is a Certified Member of the American Association of Private Lenders and a contributing writer and Member of Forbes Finance Council.

EJ Paul is a LinkedIn Top Real Estate Development Voice.

Harvard Graduate Business School and University of Pennsylvania educated (Economics).

Please ask for more information and competitive terms.

Have a relaxing weekend!

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