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A Message from Elliot "E J" Paul:

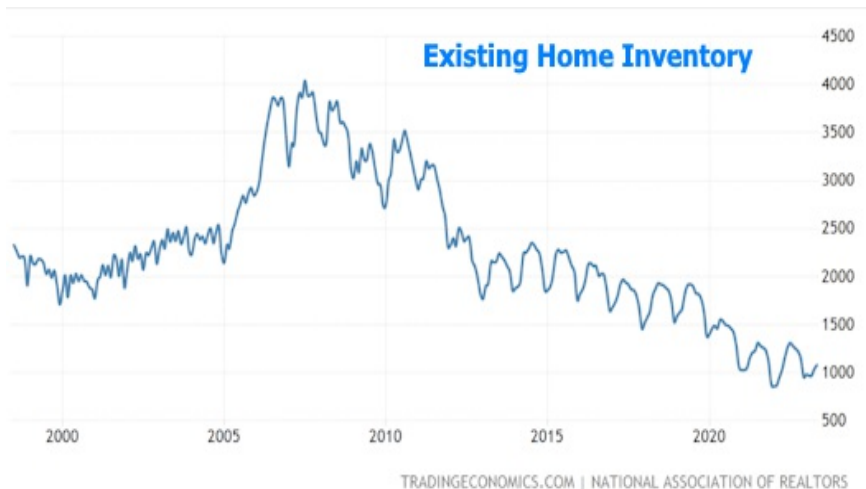
"100% Financing for Residential Construction Loans: Smart investors are building residential properties to take advantage of weak supply of housing. To qualify, you must have built 1 ground up last year, have cash to close, reserves, own land with a foundation, and building permits. Loans close in 10-21-days. No tax returns or income verification loans are available. We never charge up-front fees. Contact us now for likely terms and how to get started. Thanks! EJ Paul"

Does Inventory Really Explain Home Sales Slump?

Almost everyone has said it or heard it: Existing Home Sales are in the toilet because there's no inventory and there's no inventory because no one wants to give up their 3% mortgage when rates are 7%.

"There are simply not enough homes for sale," according to NAR Chief Economist Lawrence Yun. "The market can easily absorb a doubling of inventory."

To be sure, more inventory would be a good thing in almost every regard. A doubling of inventory would likely keep prices in check or push them slightly lower, but it might not conjure up as much buying demand as you might assume. Two separate stats in today's Existing Home Sales data illustrate the point. The first is for inventory in terms of UNITS.



National Average Mortgage Rates



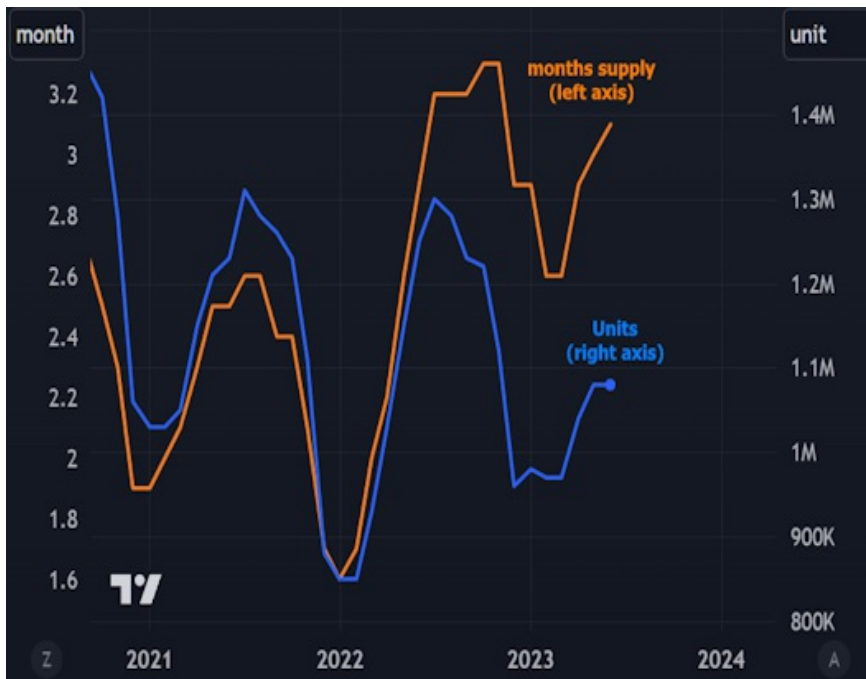
	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
Freddie Mac			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-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

This chart makes it seem as if inventory is in line with all time lows and not building as quickly as it normally does at this time of year. But the takeaway changes a bit when we look at inventory in terms of "months of supply."



Since it's not incredibly easy to quickly glean the takeaway from the two charts above, here you go: in terms of units, inventory is nowhere near mid-2020 levels while "months of supply" is well above. Let's zoom in:



All that to say: inventory alone is only part of the problem. There's also definitely a demand problem in the housing market, likely due to rates, program availability, and other lesser factors. After all, sales aren't doing great since attempting to bounce at the beginning of the year.

Existing Home Sales



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This is about as low as Existing Sales have been since the mid 90s, with a brief exception for the housing/mortgage meltdown.

Existing Home Sales



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Other highlights from today's data:

- Median price: \$410,200
 - 2nd highest June on record
 - June 2022 was \$413,800
- Time on market
 - up to 18 days from 14 days in June 2022
- First time buyers
 - no major changes
 - 27%, down from 28% last month
- All cash buyers

- no major changes
- up to 26% from 25% last month

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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