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Existing Home Sales Back on the Rise as Inventories Improve

Existing homes sales posted the second consecutive increase in July after **breaking out of a slump in June that had endured for four months**. The National Association of Realtors®, (NAR) said sales of pre-owned single-family houses, town houses, condominiums, and cooperative apartments rose to a seasonally adjusted annual rate of 5.99 million units in July, a 2.0 percent increase from the June rate of 5.87 million and 1.5 percent higher than the pace in July 2020.

Sales of single-family homes rose 2.7 percent month-over-month to a seasonally adjusted annual rate of 5.28 million but were 0.8 percent lower than a year earlier. Condo and co-op sales fell, from a 730,000 rate in June to 710,000 in July, a decline of 2.7 percent. Those sales, however, were 22.4 percent higher year-over-year.

The July results were **better than anticipated**. The consensus of analysts polled by Econoday, and Trading Economics was for total sales of around 5.83 million, a 0.7 percent decline from the previous report.

NAR chief economist Lawrence Yun said, "We see inventory beginning to tick up, which will lessen the intensity of multiple offers. Much of the home sales growth is still occurring in the upper-end markets, while the mid- to lower-tier areas aren't seeing as much growth because there are still too few starter homes available."

The inventory of homes for sale rose by 7.3 percent compared to June but is still down significantly (-12.0 percent) from the prior July. At the end of the reporting period there were 1.32 million homes for sale nationally, an estimated 2.6 month supply at the current sales pace, up from 2.5 months in June. A year earlier there was a 3.1 month supply.

The median existing-home price https://mail.google.com/mail/u/0/#m_5062774966235753970__edn3 for all housing types sold during the month was \$359,900 representing annual appreciation of 17.8 percent. It was the 113 straight month of year-over-year price increases. The median existing single-family home price was \$367,000 in July, an 18.6 percent increase. Condo prices grew 14.1 percent to a median of \$307,100.

Yun said people should not expect a price drop in coming months, but the rate of appreciation could level off as inventory grows. "In the meantime," he said, "some prospective buyers who are priced out are raising the demand for

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.81	-0.02
10 YR Treasury	4.9299	+0.0084
30 YR Treasury	5.3082	+0.0081

Pricing as of: 10/30 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

rental homes and they are pushing up [those] rates.”

Yun’s prognosis was supported by CoreLogic earlier this month. The company said its Single-Family Rent Index shows rent growth in June was the highest since at least 2005, an annual gain of 7.5 percent. The annual gain in June 2020 was 1.4 percent.

The typical marketing time for homes sold in July was 17 days, unchanged from June but down from 22 days a year earlier. **Eighty-nine percent of homes sold in July 2021 were on the market for less than a month.**

The percentage of sales to first-time buyers dipped to 30 percent during the month, one point lower than in June. Those buyers had a 34 percent share of sales in July 2020. Individual investors or second-home buyers, who account for many cash sales, purchased 15 percent of homes during the month. All cash sales made up 23 percent of the month’s transactions, unchanged from June but a significant jump from 16 percent a year earlier. Sales of foreclosed and short sales had less than a 1 percent share of the market.

Sales on a regional basis were level with or above their June numbers although only two of the four posted annual gains. Existing-home sales in the **Northeast** were unchanged from June at an annual rate of 740,000. This was an increase of 12.1 percent from the prior July. The median home price in the Northeast was \$411,200, up 23.6 percent from one year ago.

Sales in the **Midwest** gained 3.8 percent from the June rate to 1.380 million annualized units, down 1.4 percent year-over-year. The median price was \$275,300, a 13.1 percent increase from July 2020.

There was a 1.2 percent increase in sales in the **South** both from June and from July 2020. Sales were at an annual rate of 2.63 million. The median price in the region grew 14.4 percent to \$305,200.

The **West** posted a 3.3 percent increase in sales to an annual rate of 1.240 million units, the same level as a year ago. The median price in the West rose 12.5 percent to \$508,300.

About Your Los Angeles Mortgage Broker

Shannon's expertise in residential mortgage lending spans more than 20 years. Beginning on the ground floor of the wholesale side of lending, Shannon subsequently succeeded as a loan officer, account manager, and account executive while working for one of the nation's largest mortgage lenders. In contrast to those who chose to leave the mortgage industry when the Los Angeles housing market began to spiral in 2008; Shannon's passion for helping others to become homeowners remained firmly intact. In fact the changes in the market and new lending laws made her want to help homebuyers to navigate the new rules of real estate lending more than ever. As such, she chose to transition to the retail side of real estate financing in effort to work closer with families, veterans, and those who had previous financial hardships to achieve their goals of home ownership. As a homeowner and real estate investor, Shannon's personal experience in obtaining mortgage loans for her own purchases is extensive. She has bought and sold multiple properties and continues to invest in real estate throughout Los Angeles County. Shannon's specialization and breadth of experience in real estate purchase loans enables her to offer standard/conventional loans, government loans, hard money loans, and specialty/portfolio products.

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