

Spring Home Buying Season Looks Promising for 2015 !!!!!!!!!!!!!!!!!!!!!!! Existing Home Sales Spike in March !!!!!!!!!!!!!!!!!!!!!!! GREAT NEWS !!!!!!!

Hi Guys and Gals, below is an article from the California Association of Realtors (Market Snapshot) !!!

Also included is a report from the National Association of Realtors !!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

If You Know Anyone Interested in Selling, Buying or Just may have Questions about Real Estate Please let Me Know? Thanks,

Existing-Home Sales Spike in March

WASHINGTON (April 22, 2015)—Existing-home sales jumped in March to their highest annual rate in 18 months, while unsold inventory showed needed improvement, according to the [National Association of Realtors®](#). Led by the Midwest, all major regions experienced strong sales gains in March and are above their year-over-year sales pace.

Total [existing-home sales](#)¹, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, increased 6.1 percent to a seasonally adjusted annual rate of 5.19 million in March from 4.89 million in February—the highest annual rate since September 2013 (also 5.19 million). Sales have increased year-over-year for six consecutive months and are now 10.4 percent above a year ago, the highest annual increase since August 2013 (10.7 percent). March's sales increase was the largest monthly increase since December 2010 (6.2 percent).

[Lawrence Yun](#), NAR chief economist, says the housing market appears to be off to an encouraging start this spring. "After a quiet start to the year, sales activity picked up greatly throughout the country in March," he said. "The combination of low interest rates and the ongoing stability in the job market is improving buyer confidence and finally releasing some of the sizable pent-up demand that accumulated in recent years."

Total housing inventory² at the end of March climbed 5.3 percent to 2.00 million existing homes available for sale, and is now 2.0 percent above a year ago (1.96 million). Unsold inventory is at a 4.6-month supply at the current sales pace, down from 4.7 months in February.

The median existing-home price³ for all housing types in March was \$212,100, which is 7.8 percent above March 2014. This marks the 37th consecutive month of year-over-year price gains and the largest since February 2014 (8.8 percent).

"The modest rise in housing supply at the end of the month despite the strong growth in sales is a welcoming sign," adds Yun. "For sales to build upon their current pace, homeowners will increasingly need to be confident in their ability to sell their home while having enough time and choices to upgrade or downsize. More listings and new home construction are still needed to tame price growth and provide more opportunity for first-time buyers to enter the market."

The percent share of first-time buyers was 30 percent in March, marking the third time since last March that the first-time buyer share was at or above 30 percent. First-time buyers represented 29 percent of all buyers last month; they were 30 percent in March 2014.

According to Freddie Mac, the [average commitment rate](#) for a 30-year, conventional, fixed-rate mortgage increased in March for the second consecutive month, rising to 3.77 percent from 3.71 percent in February. Despite the slight increase, the monthly average is still below 4.00 percent for the fourth straight month.

NAR President [Chris Polychron](#), executive broker with 1st Choice Realty in Hot Springs, Ark., says there needs to be additional choices for borrowers looking for safe and secure mortgage products to finance their home purchase. Realtors® urge the U.S. Senate to schedule a vote for the bipartisan Mortgage Choice Act, which passed the U.S. House of Representatives last week.

"This legislation levels the playing field for brokerages with affiliated business agreements by eliminating the 3 percent cap on the calculations of fees and points in the Dodd-Frank Ability-to-Repay/Qualified Mortgage rule," he said.

All-cash sales were 24 percent of transactions in March, down from 26 percent in February and down considerably from a year ago (33 percent). Individual investors, who account for many cash sales, purchased 14 percent of homes in March, unchanged from last month and down from 17 percent in March 2014. Seventy percent of investors paid cash in March.

Distressed sales⁴—foreclosures and short sales—were 10 percent of sales in March, down from 11 percent in February and 14 percent a year ago. Seven percent of March sales were foreclosures and 3 percent were short sales. Foreclosures sold for an average discount of 16 percent below market value in March (17 percent in February), while short sales were also discounted 16 percent (15 percent in February).

[A NAR study released earlier this week](#) revealed that nearly a million formerly distressed owners of prime quality have become re-eligible for Federal Housing Administration or similar financing programs and may have purchased a home again, and an additional 1.5 million are likely to become eligible over the next five years. However, damaged credit and other factors will severely limit the overall number of those being able to return. Properties typically stayed on the market for a shorter time period in March (52 days) compared to February (62 days), and are also selling slightly faster than a year ago (55 days). Short sales were on the market the longest at a median of 165 days in March, while foreclosures sold in 56 days and non-distressed homes took 51 days. Forty percent of homes sold in March were on the market for less than a month.

Single-family and Condo/Co-op Sales

Single-family home sales rose 5.5 percent to a seasonally adjusted annual rate of 4.59 million in March from 4.35 million in February, and are now 10.9 percent above the 4.14 million pace a year ago. The median existing single-family home price was \$213,500 in March, up 8.7 percent from March 2014.

Existing condominium and co-op sales increased 11.1 percent to a seasonally adjusted annual rate of 600,000 units in March from 540,000 units in February, and are now 7.1 percent higher than March 2014 (560,000 units). The median existing condo price was \$201,400 in March, which is 1.6 percent higher than a year ago.

Regional Breakdown

March existing-home sales in the Northeast increased 6.9 percent to an annual rate of 620,000, and are 1.6 percent above a year ago. The median price in the Northeast was \$240,500, which is 1.6 percent below a year ago.

In the Midwest, existing-home sales jumped 10.1 percent to an annual rate of 1.20 million in March, and are now 12.1 percent above March 2014. The median price in the Midwest was \$163,600, up 9.7 percent from a year ago.

Existing-home sales in the South climbed 3.8 percent to an annual rate of 2.19 million in March, and are now 11.7 percent above March 2014. The median price in the South was \$187,900, up 9.3 percent from a year ago.

Existing-home sales in the West rose 6.3 percent to an annual rate of 1.18 million in March, and are now 11.3 percent above a year ago. The median price in the West was \$305,000, which is 8.3 percent above March 2014.

Market Snapshot

Spring Home Buying Season Looks Promising

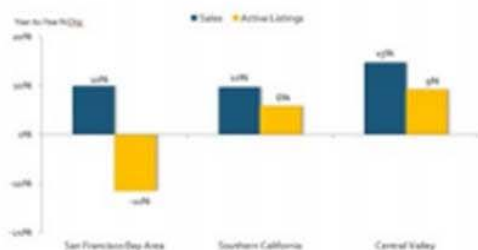
Despite a slow start in the first month of the year, sales continued to gain on a year-over-year basis for the second month in a row in March. The year-over-year growth in sales in March was the first back-to-back increase since December 2012 and it was also the largest increase observed since May 2012. The strong momentum in March elevated sales in the first quarter to 370,520 (seasonally adjusted and annualized), an increase of 2.3 percent when compared to the first quarter of last year. It was the first quarterly increase since the fourth quarter of 2012. Sales increase from the previous month was also much stronger than the long-run average of 0.5 percent increase from February to March recorded since 1979. In fact, it was the biggest February-to-March increase that we have seen since 2008.

Sales surged in all regions when compared to March 2014, with the Central Valley region increasing 14.7 percent year-over-year, the Bay Area increasing 9.9 percent, and Southern California increasing 9.7 percent. Improved economic conditions and more job availability throughout the state benefit the housing market and continue to push sales higher. With pending sales jumping at a double-digits rate from a year ago, the California housing market is picking up its momentum, and should continue to have a solid home buying season in the upcoming months.

The statewide median home price, meanwhile, increased 7.2 percent from last year to \$468,550, the highest level since August 2014. The yearly gain in price was the largest increase observed since September 2014. While the strong increase in high-end home sales in the Bay Area in March might have exerted upward pressure on the statewide median price, tight housing supply conditions probably contributed to the price appreciation as well. The statewide unsold inventory index declined in March to 3.8 months from 5 months in February, and from 4.0 months in March 2014.

While housing supply has been improving in real terms in recent months, the demand for housing continued to grow at a faster pace than that of inventory. The discrepancy between sales and active listings was most obvious in the Bay Area, where sales increased from the previous year by double-digits but active listings fell by more than 10 percent. Six of nine counties in the region, in fact, experienced an increase in sales and a decline in active listings in March. Sales and active listings in the region have been going in opposite directions since late last year. While it is a welcome sign to see the growth in the housing demand continues, the lack of supply is a definitely a concern. The imbalance between the two sides not only intensifies market competition and pushes home prices higher, but also leads to housing affordability issues that ultimately lowers homeownership rate if the problem persists.

DEMAND OUTPACED SUPPLY IN MARCH



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

SUPPLY AND DEMAND GOING IN OPPOSITE DIRECTIONS IN THE BAY AREA



SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

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