

# August 2014 – Real Estate – Contact me NOW

## This Month in Real Estate

### August 2014 Market Update

In June, home sales rose to the fastest pace since October of 2013, building on the large jump in sales we saw in May. The increase in sales pace led to another substantial increase in home price despite a slight bump in the number of homes on the market. Mortgage rates are now below the previous year's level, offering an opportunity for home buyers who thought they missed their opportunity for low rates last year to secure them now. This summer's growth in the housing market is a positive sign for the overall economy after the country got off to a rough start earlier in the year.



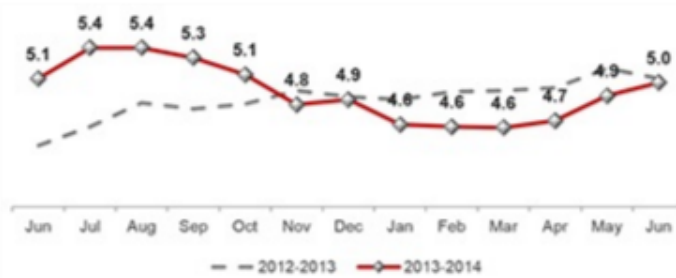
### Interest Rates

Type	Rate
30-year fixed	4.13%
15-year fixed	3.23%
5/1 ARM	2.97%
Historical Average	8.90%

Source: Freddie Mac

30-year rates dropped 4 basis points from the same week of the previous month, continuing this year's streak of relatively flat and occasionally falling mortgage rates. Currently, Freddie Mac reports the following figures: 30-year fixed rate, 4.13%; 15-year fixed rate, 3.23%; 5/1-year adjustable rate, 2.97%.

### Home Sales



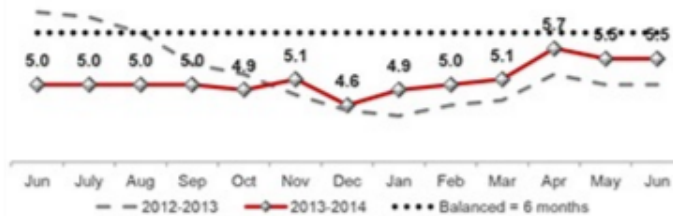
The seasonally adjusted annual rate of home sales rose to 5.04 million homes in June, a month-to-month increase of 2.6% and the fastest pace of home sales since last October. Sales were down only 2.3% from last year, and given the drop of distressed sales to 11% from 15%, it is likely that conventional sales of existing homes were actually up from last year in June.

## Home Price



The median home price increased 5.3% in June to \$223,300, up 4.3% from the same month last year. As we move into the peak months for the housing markets, we are observing home price growing at a similar rate to last year on a monthly basis. However, the year-over-year price increase in June was less than half of that seen last year. This slower rate of annual appreciation is more consistent with sustainable growth.

## Inventory



The number of homes available for sale increased only 2.2% for the second month in a row, growing to 2.3 million homes. That translates to 5.5 months of supply, keeping the market slightly in favor of sellers. However, inventory is up 6.5% from last year, so buyers should have more options available.

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Brought to you by KW Research. For additional graphs and details, please see the This Month in Real Estate PowerPoint Report.

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