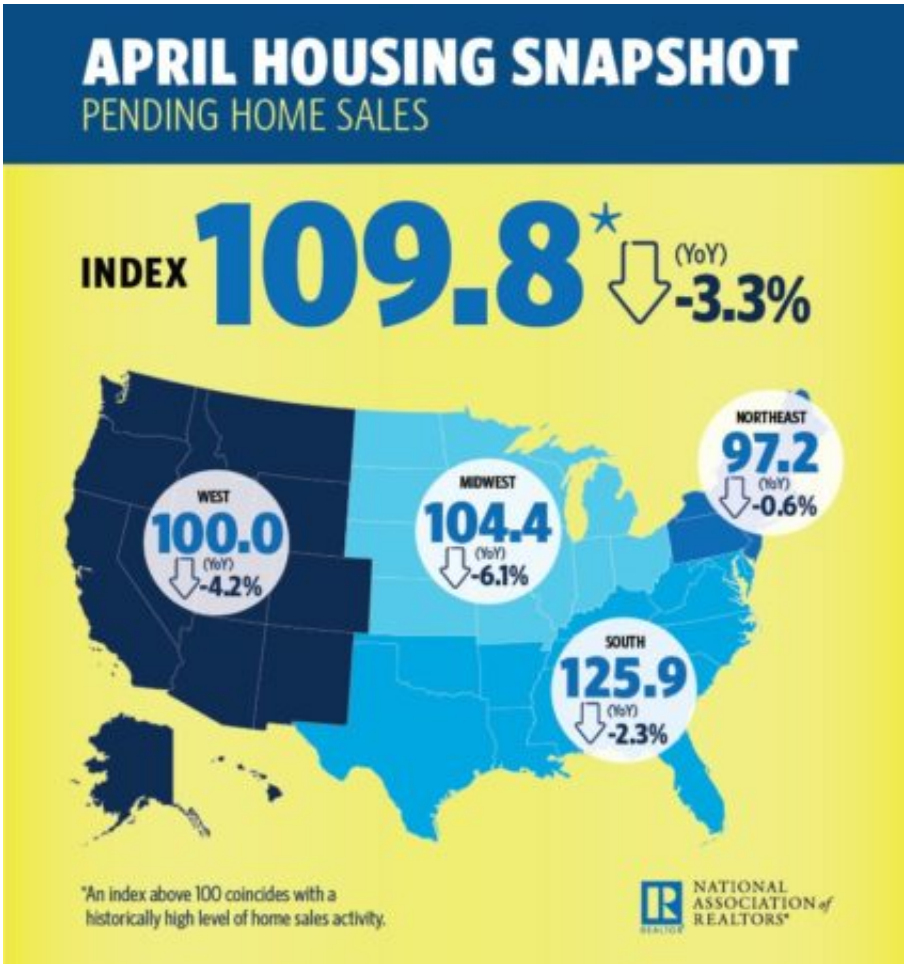
Daily market update: May 31, 2017

We'll add more market news briefs throughout the day. Check back to read the latest.

Most recent market news

Wednesday, May 31

Pending home sales once again hindered by inventory



- Inventory is down 9.0 percent from a year ago, causing a constraint on buyer demand.
- April's PHSI, which is based on contract signings, dipped to 109.8, a 1.3 percentage point drop from March's downwardly revised 111.3.
    - Northeast: PHSI declined 1.7 percent to 97.2 in April, 0.6 percent below a year ago.
    - Midwest: PHSI declined 4.7 percent to 104.4 in April, 6.1 percent lower than April 2016.

- South: PHSI declined 2.7 percent to 125.9 in April, down 2.3 percent year over year.
- West: PHSI increased 5.8 percent in April to 100.0, 4.2 percent lower than the same time last year.

Existing home sales decrease to 5.50 million units in May, according to latest Ten-X Residential Real Estate Nowcast

Existing Home Sales

Month	Reported Existing Home Sales (In millions)	Ten-X Point Estimate (SAR in millions)	Ten-X Predicted Range (SAR in millions)
May 2016	5.53	5.65	5.47 - 5.83
June 2016	5.57	5.56	5.38 - 5.74
July 2016	5.39	5.56	5.38 - 5.74
August 2016	5.33	5.52	5.34 - 5.71
September 2016	5.47	5.27	5.1 - 5.44
October 2016	5.60	5.38	5.21 - 5.56
November 2016	5.61	5.43	5.26 - 5.61
December 2016	5.49	5.51	5.33 - 5.69
January 2017	5.69	5.49	5.32 - 5.67
February 2017	5.48	5.51	5.34 - 5.69
March 2017	5.70	5.59	5.41 - 5.77
April 2017	5.57	5.66	5.4 - 5.76
May 2017	TBD	5.50	5.37 - 05.73

Sources: Google, NAR, Ten-X

Existing Home Sales Pricing

Month	Reported Existing Home Price	YoY % Change	Ten-X Point Estimate	YoY % Change	Ten-X Predicted Range
May 2016	$239,700	4.8%	$238,418	4.2%	$226,497 - $250,339
June 2016	$247,700	4.8%	$243,833	3.1%	$231,642 - $256,025
July 2016	$244,100	4.3%	$250,646	7.1%	$238,114 - $263,179
August 2016	$240,200	5.1%	$248,256	8.6%	$235,843 - $260,669
September 2016	$234,200	5.6%	$239,268	7.8%	$227,305 - $251,232
October 2016	$232,200	6%	$233,452	5.9%	$221,779 - $245,125
November 2016	$234,900	6.8%	$232,306	3.1%	$220,691 - $243,922
December 2016	$232,200	4.0%	$233,346	4.1%	$221,679 - $245,013
January 2017	$228,900	7.1%	$232,918	2.0%	$221,272 - $244,564
February 2017	$228,400	7.7%	$231,638	9.9%	$220,056 - $243,220
March 2017	$236,400	6.8%	$232,511	4.4%	$220,885 - $244,136
April 2017	$244,800	6%	$242,158	4.2%	$230,050 - $254,266
May 2017	TBD	TBD	$250,074	4.3%	$237,570 - $262,577

Sources: Google, NAR, Ten-X

- Ten-X Residential Real Estate Nowcast indicates a slight decrease in May existing home sales.
- The nowcast projects May sales will hit a seasonally adjusted annual rate (SAAR) between 5.37 and 5.73 million with a targeted number of 5.50 million, down 1.2 percent from NAR's reported April sales and down .54 percent from a year ago.

"Two consecutive months of weaker existing home sales isn't cause for panic, but it does suggest that forecasts calling for a robust housing market may have been too optimistic," said Rick Sharga. "It appears that the combination of extraordinarily low inventory and home price appreciation that continues to outpace wage growth is slowing down sales, especially in some of the country's higher priced markets."

Mortgage Applications Decrease in Latest MBA Weekly Survey

- Mortgage applications decreased 3.4 percent from one week earlier.
- The refinance share of mortgage activity decreased to 43.2 percent of total applications from 43.9 percent the previous week. The adjustable-rate mortgage (ARM) share of activity decreased to 7.7 percent of total applications.
- The FHA share of total applications decreased to 10.5 percent from 10.8 percent the week prior. The VA share of total applications increased to 10.8 percent from 10.5 percent the week prior. The USDA share of total applications remained unchanged at 0.8 percent from the week prior.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances and with jumbo loan balances remained unchanged.
- The average contract interest rate for 15-year fixed-rate mortgages decreased to 3.42 percent from 3.45 percent.

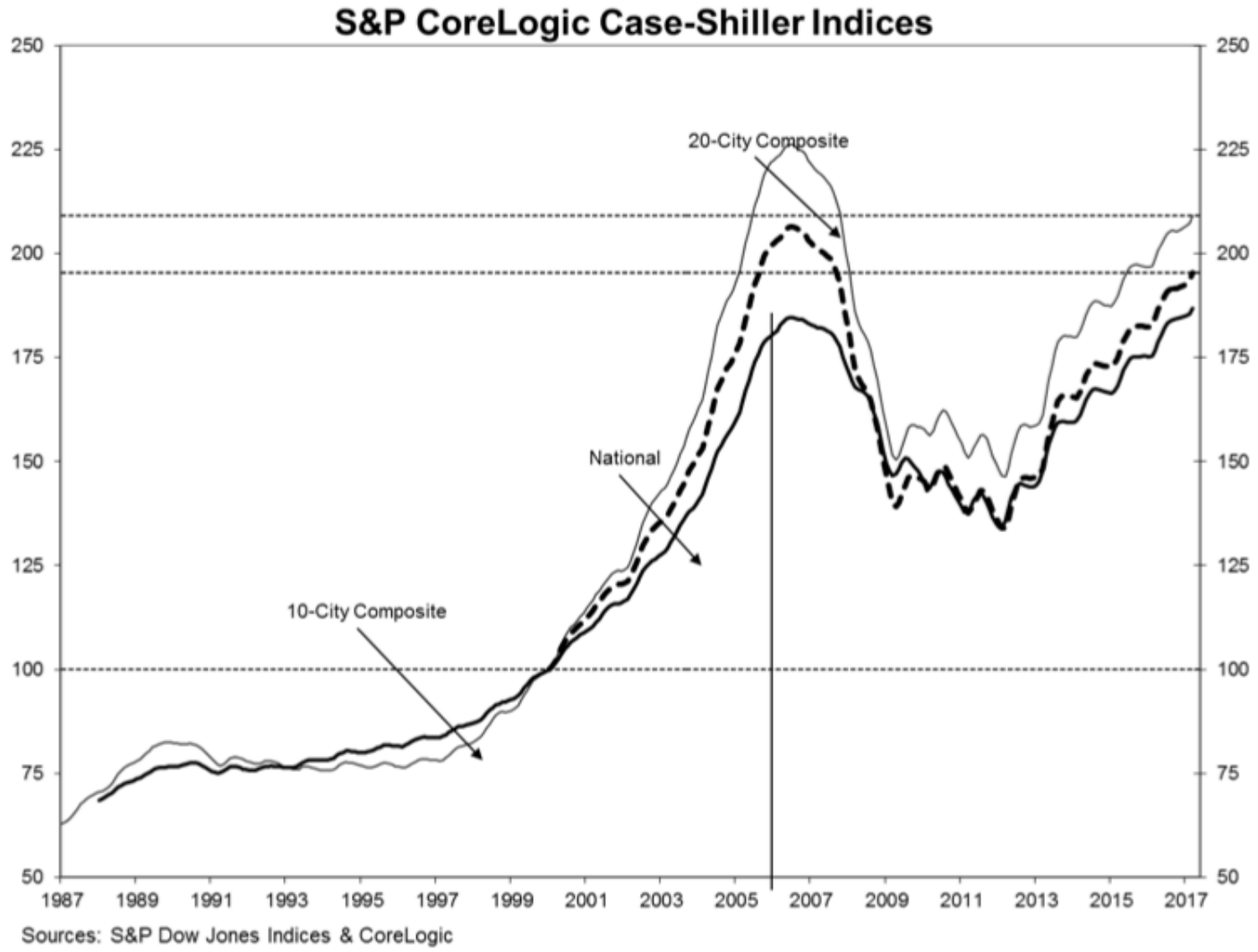
Mortgage rates:

30-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

News from earlier this week

Tuesday, May 30

Seattle, Portland, Dallas and Denver Lead Gains in S&P CoreLogic Case-Shiller Home Price Indices



- Home prices have continued to rise across the country in the last 12 months.
- March saw a 5.8 percent annual gain, which set a 33-month high.
- Seattle, Portland, and Dallas reported the highest year-over-year gains. Seattle led the way with a 12.3 percent year-over-year price increase, followed by Portland with 9.2 percent, and Dallas with an 8.6 percentincrease.
- Ten cities reported higher price increases in the year ending March 2017 than in the year ending February 2017.

“Home prices continue rising with the S&P Corelogic Case -Shiller National Index up 5.8 percent in the year ended March, the fastest pace in almost three years,” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices.

Black Knight Home Price Index Report: U.S. Home Prices Hit Another New Peak, Rising 1.3 Percent for the Month, Up 5.8 Percent Year-Over-Year

Largest States’ HPI Changes from Last Month (Ranked by Population)

California:	1.6%
Texas:	0.8%
Florida:	1.5%
New York:	1.4%
Illinois:	1.7%
Pennsylvania:	1.1%
Ohio:	1.5%
Georgia:	1.7%
North Carolina:	1.4%
Michigan:	1.7%

Largest Metros’ HPI Changes from Last Month (Ranked by Population)

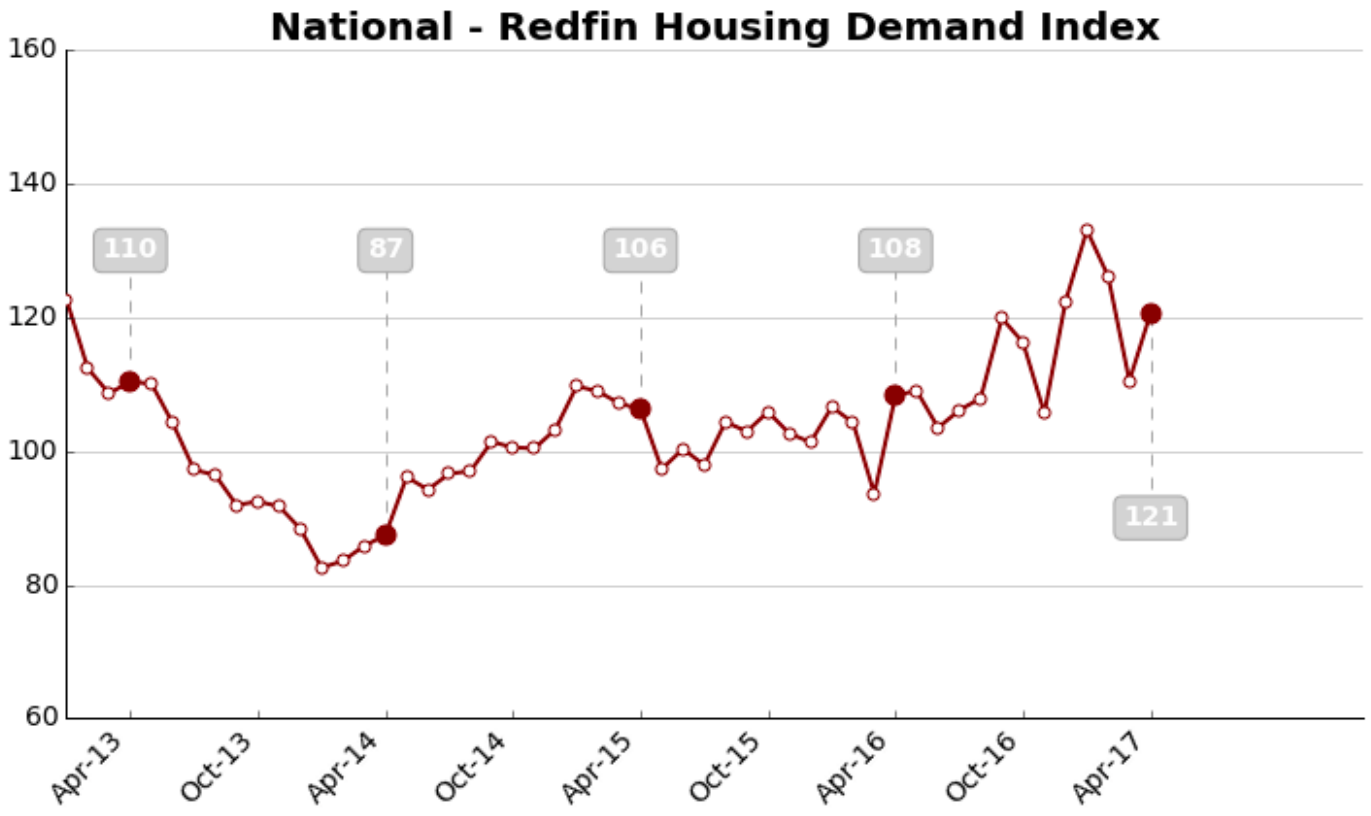
New York, NY:	1.3%
Los Angeles, CA:	1.2%
Chicago, IL:	1.6%
Dallas, TX:	1.1%
Houston, TX:	0.5%
Philadelphia, PA:	1.0%
Washington D.C.:	1.0%
Miami, FL:	1.4%
Atlanta, GA:	1.9%
Boston, MA:	1.4%

Black Knight Home Price Index Report March 2017

- The national Home Price Index (HPI) hit another peak in March 2017, continuing the upward trend and marking a 2.3 percent gain in home prices in 2017.
- San Francisco, Seattle, and San Jose, Calif., have seen metropolitan home prices rise by at least 5 percent since January 2017.
- Prices fell another 4.5 percent in Tuscaloosa, Ala., which marks a 17 percent decline year-to-date.
- The top 5 movers at the state level in March included: Washington (2.2 percent), Nebraska (1.9 percent), Michigan (1.7), Oregon (1.7 percent), and Georgia (1.7 percent).
- The top 5 movers at the metro level in March included: San Jose, Calif., (2.6 percent), Seattle, Wash., (2.4 percent), Bellingham, Wash., (2.3 percent), Walla Walla, Wash., (2.2 percent), and San Francisco, Calif., (2.2 percent).

Redfin Housing Demand Index Ticks Back Up as Prime Selling Season Commence

“The Redfin Housing Demand Index increased 9.2 percent from March to a seasonally adjusted level of 121 in April.”



- The Index has been steadily decreasing from January to March, then picking up in April, showing strong variability in 2017.
- Buyers requesting tours was up 12.1 percent in April, compared to March, and buyers writing offers was up to 6.9 percent.
- “Across the 15 metros covered by the Demand Index, there were 13.1 percent fewer homes for sale than the previous March, marking the 23rd consecutive month of year-over-year inventory declines.”

Email market reports to press@inman.com*.*

Source: click here