Real estate daily market update: January 16, 2018

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Most recent market news

Tuesday, January 16

January 2018 RE/MAX National Housing Report

- While sales dropped slightly from a year ago, December capped off a 2017 of record home prices, speedy sales and low inventory.
- The median home price rose 8.1 percent year-over-year, with 50 of the report's 54 markets posting increases. At the same time, December sales dropped 3.3 percent from December 2016, with 39 markets reporting fewer transactions.
- Making sales harder was a Months Supply of Inventory of 3.7 which is the lowest December figure in the nine-year history of the report. That corresponds with a 14.6 percent decline in inventory, lengthening a streak of monthly declines that began in November 2008.
- Also setting a report record for December was the speed of home sales: 57 days. That figured into an overall 2017 median for Days on Market of 52.5 — nearly a week less than the 2016 median of 58.5 days.
- Homebuyers paid record prices in 2017, led by June's Median Price Sold of $245,000. Prices increased year-over-year in every month of 2017, with December marking the 21st consecutive month of year-over-year price increases dating back to April 2016.

"We see the median sales price of homes across the country rising every month, year-over-year, but the days on market and the supply of homes for sale hit record lows in December," said Adam Contos, Re/Max Co-CEO. "If inventory keeps getting tighter across the country it'll be interesting to see how it might affect sales."

Closed Transactions:

- Of the 54 metro areas surveyed in December 2017, the overall average number of home sales decreased 2.5 percent compared to November 2017 and decreased 3.3 percent compared to December 2016.
- Fifteen of the 54 metro areas experienced an increase in sales year-over-year including, Trenton, NJ, +13.9 percent, Richmond, VA, +10.9 percent, Burlington, VT, +8.1 percent, and Raleigh-Durham, NC, +5.4 percent.

Median Sales Price – Median of 54 metro median prices:

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- In December 2017, the median of all 54 metro Median Sales Prices was $232,500, up 3.1 percent from November 2017 and up 8.1 percent from December 2016.
- Only four metro areas saw a year-over-year decrease in Median Sales Price; Anchorage, AK, -6.5 percent, Wichita, KS, -3.9 percent, Fargo, ND, -1.8 percent and Wilmington/Dover, DE, -.90 percent. Ten metro areas increased year-over-year by double-digit percentages, with the largest increases seen in San Francisco, CA, +17.8 percent, Las Vegas, NV, +17.1 percent, Seattle, WA, +13 percent and Boise, ID, +12.8 percent.

Days on Market – Average of 54 metro areas:

- The average Days on Market for homes sold in December 2017 was 57, up three days from the average in November 2017, and down five days from the December 2016 average.
- The four metro areas with the lowest Days on Market were Omaha, NE and San Francisco, CA, at 27, Nashville, TN, at 31 and Seattle, WA, at 34.
- The highest Days on Market averages were in Augusta, ME, at 122 and Chicago, IL, and

Miami, FL, at 86.
- Days on Market is the number of days between when a home is first listed in an MLS and a sales contract is signed

Months Supply of Inventory – Average of 54 metro areas:

- The number of homes for sale in December 2017 was down 14 percent from November 2017, and down 14.6 percent from December 2016.
- Based on the rate of home sales in December, the Months Supply of Inventory increased to 3.7 from November 2017 at 3.6, but decreased compared to December 2016 at 4.2.
- A 6.0-months supply indicates a market balanced equally between buyers and sellers.
- In December 2017, 52 of the 54 metro areas surveyed reported a months supply at or less than 6.0, which is typically considered a seller's market.
- The metro areas that saw a months supply above 6.0, which is typically considered a buyer's market, were Augusta, ME, at 9.5 and Miami, FL, at 8.7.
- The markets with the lowest Months Supply of Inventory continued to be in the west with San Francisco, CA, at 0.9, Seattle, WA, at 1.4, and Denver, CO, 1.5.

CoreLogic Loan Performance Insights Report

- The 30 days or more delinquency rate for October 2016 was 5.2 percent. In October 2017, 5.1 percent of mortgages were delinquent by at least 30 days or more including those in foreclosure. This represents a 0.1 percentage point decline in the overall delinquency rate compared with October 2016.
- As of October 2017, the foreclosure inventory rate was 0.6 percent down from 0.6 percent in October 2016.
- The share of mortgages that transitioned from current to 30-days past due was 1.1 percent in October 2017, up from 1 percent in October 2016.

Source: CoreLogic

Source: CoreLogic

“After rising in September, early-stage delinquencies declined by 0.1 percentage points month over month in October,” said Frank Nothaft, chief economist at CoreLogic. “The temporary rise in September’s early-stage delinquencies reflected the impact of the hurricanes in Texas, Florida and Puerto Rico, but now the impact from the hurricanes is fading from a national perspective.

“While the national impact is waning, the local impact remains. Some Florida markets continue to

see increases in early-stage delinquency transition rates in October, reaching 5 percent, on average, in Miami, Orlando, Tampa, Naples and Cape Coral.

“Texas markets such as Houston, Beaumont, Victoria and Corpus Christie peaked at over 7 percent in September, but are on the mend and improving in October.”

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