

HOUSING TRENDS UPDATE

November 2015

Housing Trends Update is derived from the

Campbell/Inside Mortgage Finance HousingPulse Tracking Survey

It is based on a national survey of more than 2,000 real estate agents each month and provides up-to-date intelligence on home sales and mortgage usage patterns throughout the United States



Housing Trends Update

Housing Trends Update is published monthly and is available only to real estate agents who are part of the Campbell/Inside Mortgage Finance HousingPulse survey panel.

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Non-Distressed Home Prices Decline in October Along with Sales-to-List Price Ratios

Emerging trends involving home prices and sales-to-list price ratios on non-distressed properties suggest a shift in the housing market, according to results from the latest Campbell/Inside Mortgage Finance HousingPulse Tracking Survey.

Home prices on non-distressed properties declined in October after increasing fairly steadily since November 2014. Non-distressed properties sold in October had an average price of \$290,000, based on a three-month moving average. That was down 2.4% from the previous month.

Average prices on non-distressed properties had increased from \$260,000 in November 2014 to \$297,000 in October of this year.

Comments from real-estate agents indicated a prospective weakening in home prices, especially in California.

“There seems to be an increasing number of properties going back on the market or prices that are being reduced,” said an agent in the state. “The market appears to be tapering off with a seasonal slowdown.”

The sales-to-list price ratio on non-distressed properties also continued a rapid decline in October. The ratio was 97.3% in October, down from a peak of 98.5% in July.

Declines in sales-to-list price ratios were particularly evident on the west coast, where the ratios dipped below 100.0% for the first time in months. The sales-to-list price ratio in both California and the Pacific Northwest averaged 99.3% in October.

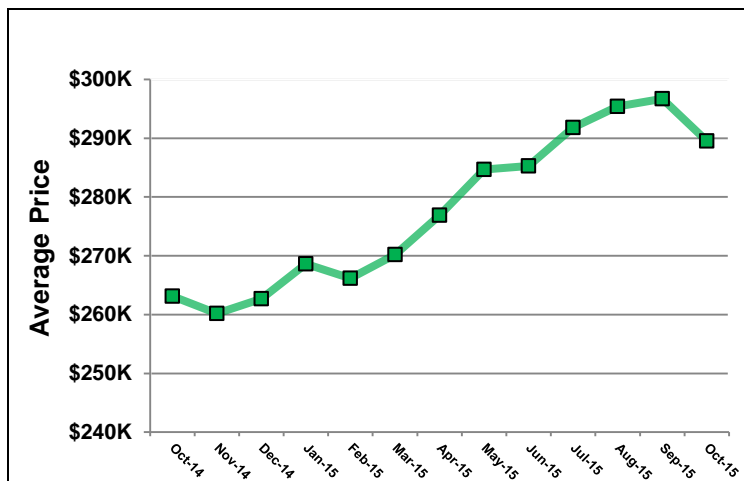
The swings in home-price related trends have occurred as demand from first-time homebuyers has declined for four consecutive months. First-time buyers accounted

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Non-Distressed Home Price Trends in the Past Year

The average price for non-distressed properties sold in October fell to \$290,000, based on a three-month moving average.

Source: Campbell/Inside Mortgage Finance HousingPulse Tracking Survey

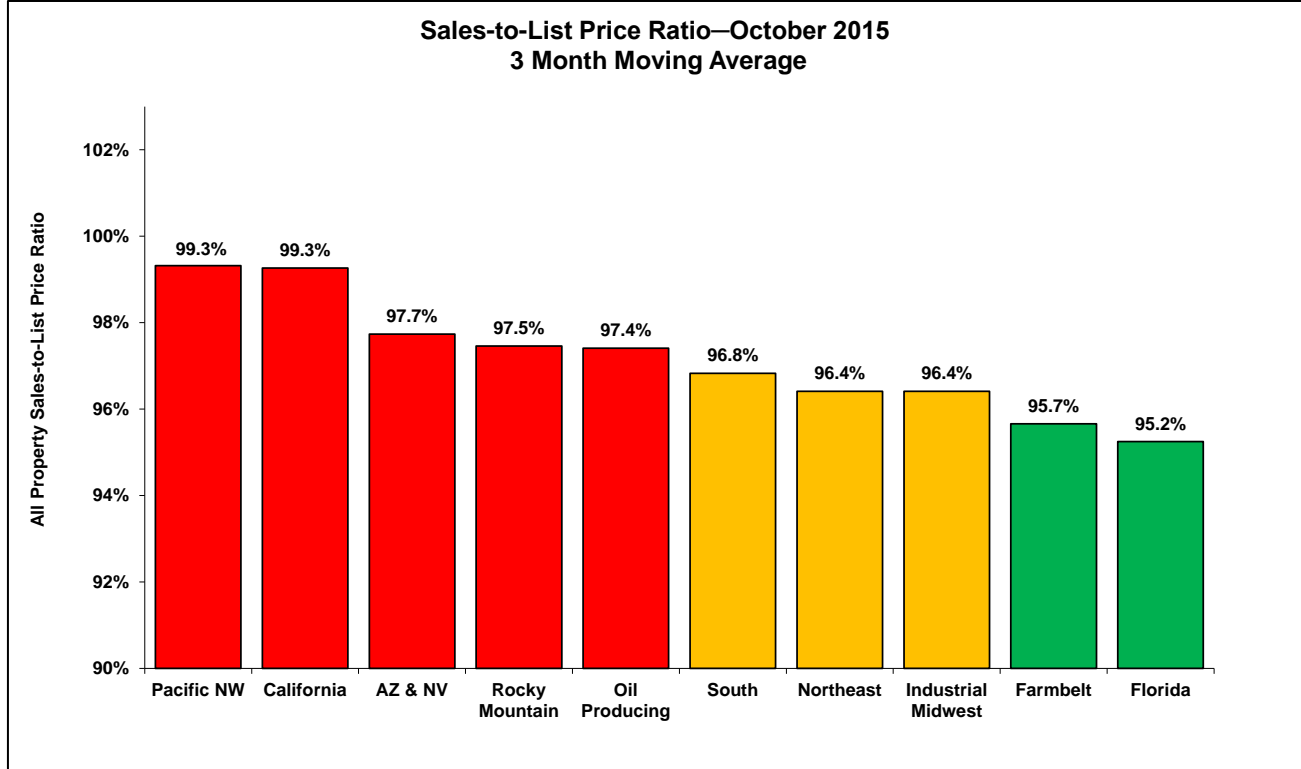


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for 35.0% of purchases in October, down from a 38.3% share in June.

Investors have gained market share from first-time homebuyers in that span. Investors accounted for 15.8% of home purchases in October.

Some agents also reported that the number of sales being completed is declining significantly. Gross closed listings in southern Florida were down by 18% in the first eight months of 2015 compared with the same span last year, according to an agent in the state.



But most closed transaction metrics continue to be strong, especially in western states.

The average time on market for non-distressed properties was 8.3 weeks in October compared with an average of 9.3 weeks a year earlier. California had the shortest average time on market for non-distressed properties during the month at 5.9 weeks while the Northeast had the longest at 10.2 weeks.

Non-distressed properties received an average of 2.0 offers in October, up from an average of 1.9 offers in October 2014. Non-distressed properties in California received an average of 2.7 offers in October while properties in the Industrial Midwest received an average of 1.7 offers.

Meanwhile, disruptions to home sales and mortgage closings predicted by some industry participants before a disclosure rule from the Consumer Financial Protection Bureau took effect in October didn't come to pass, according to results from *HousingPulse*.

Trends in the share of sales that closed on time in October compared with September were mixed across various loan types. And the total average closing time including delays for most loan types stayed relatively level or showed only a slight increase between September and October.

Some real-estate agents that have closed home sales subject to the new mortgage disclosure rule said the process went smoothly while others said that they extended potential closing timelines to accommodate possible delays related to the rule.

[November 2015 HousingPulse Audio File](#)

Residential Real Estate Pricing and Commission Metrics

Average Sales to Listing Price Ratio	Past 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	98%	99%	96%	97%
California	96%	99%	98%	101%
Farmbelt	94%	97%	89%	97%
Florida	92%	96%	96%	96%
Industrial Midwest	94%	96%	95%	97%
Northeast	93%	95%	93%	97%
Oil Producing	98%	97%	94%	98%
Pacific NW	98%	99%	99%	99%
Rocky Mountain	91%	97%	97%	99%
South	97%	98%	96%	97%
National Average	95%	97%	96%	98%

Average Listing Side Commissions	Past 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	2.50%	2.59%	2.94%	2.75%
California	2.31%	2.65%	2.86%	2.59%
Farmbelt	2.58%	2.68%	2.76%	2.94%
Florida	2.57%	2.67%	2.96%	2.85%
Industrial Midwest	2.71%	2.75%	3.02%	2.85%
Northeast	2.63%	2.66%	2.96%	2.71%
Oil Producing	2.75%	2.73%	2.91%	2.77%
Pacific NW	2.42%	2.69%	2.87%	2.72%
Rocky Mountain	3.05%	2.64%	3.03%	2.72%
South	2.72%	2.74%	2.89%	2.77%
National Average	2.66%	2.70%	2.93%	2.77%

Average Buy Side Commissions	Past 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	2.62%	2.91%	2.79%	2.87%
California	2.59%	2.64%	2.67%	2.56%
Farmbelt	2.90%	2.62%	2.71%	2.78%
Florida	2.82%	2.88%	2.87%	2.90%
Industrial Midwest	2.81%	2.84%	2.76%	2.86%
Northeast	2.76%	2.68%	2.65%	2.63%
Oil Producing	2.91%	2.91%	2.79%	2.92%
Pacific NW	2.80%	2.85%	2.61%	2.75%
Rocky Mountain	2.77%	2.85%	2.86%	2.86%
South	2.87%	2.87%	2.84%	2.90%
National Average	2.81%	2.83%	2.75%	2.81%

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Average Property Price by Region	Past 12 Months			
	Damaged REO	Move-In Ready REO	Short Sale	Non-Distressed
Region				
AZ & NV	\$140,779	\$174,889	\$180,543	\$242,659
California	\$274,806	\$384,526	\$381,734	\$494,107
Farmbelt	\$73,512	\$187,196	\$155,416	\$200,089
Florida	\$142,505	\$198,655	\$182,431	\$237,987
Industrial Midwest	\$62,335	\$161,529	\$134,397	\$202,741
Northeast	\$138,785	\$267,446	\$210,913	\$335,648
Oil Producing	\$131,011	\$215,673	\$146,047	\$225,039
Pacific NW	\$198,803	\$331,793	\$248,623	\$355,932
Rocky Mountain	\$112,658	\$192,090	\$247,045	\$273,851
South	\$89,590	\$240,890	\$176,386	\$247,026
National Average	\$122,627	\$225,638	\$209,144	\$278,155

