



# A SPRING HOUSING MARKET SNAPSHOT

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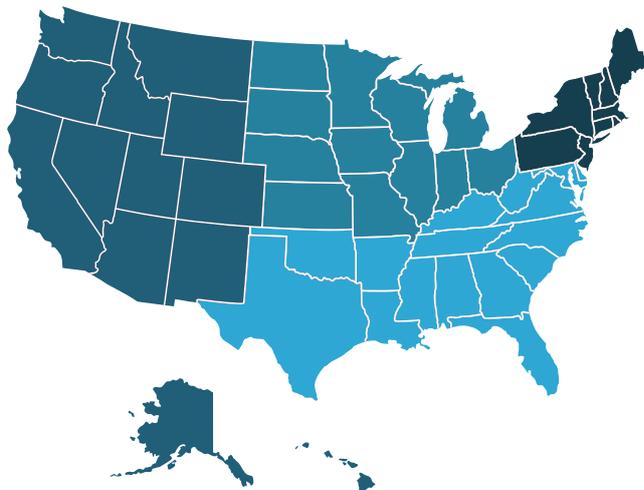
**SPRING 2019**

# A SPRING HOUSING MARKET SNAPSHOT

As we head toward the spring homebuying season, shoppers have reasons to be optimistic. The strong seller's market of years past isn't completely gone, but the market is shifting in buyers' favor. Inventory is increasing, price growth is slowing and mortgage rates are at steady lows. **Are you thinking of buying or selling a home this spring? Use this guide to get up to speed and set your expectations.**

## 1. HOME PRICES

- National Median Listing Price: [\\$289,300](#) in January, a 7% increase YoY
- Median Existing Home Price: [\\$247,500](#) in January, up 2.8% YoY
- Price Growth Rate: Home price growth is at its [lowest point](#) since 2012.
- Price Cuts: [15%](#) of all listings saw a price cut in January, an increase of 2%.
- Average Home Price a Consumer Can Afford: [\\$365,659](#) as of December 2018
- Predictions: Home price growth will continue slowing, hitting [4.6%](#) by year's end.



### MEDIAN HOME PRICES BY REGION

<b>NORTHEAST</b> \$270,000, up 0.4% YoY	<b>SOUTH</b> \$214,800, up 2.5% YoY
<b>MIDWEST</b> \$189,700, up 1.4% YoY	<b>WEST</b> \$374,600, up 2.9% YoY

Data from [NAR](#). Medians represent market conditions better than average prices, which can be skewed higher by high-end transactions.



### EXPERT COMMENT

“So far in 2019, we’ve seen the growth in house prices ease, mortgage rates decline, and wages rise – all three trends work to boost house-buying power.”

— **Odetta Kushi, deputy chief economist at First American**

### What it Means:

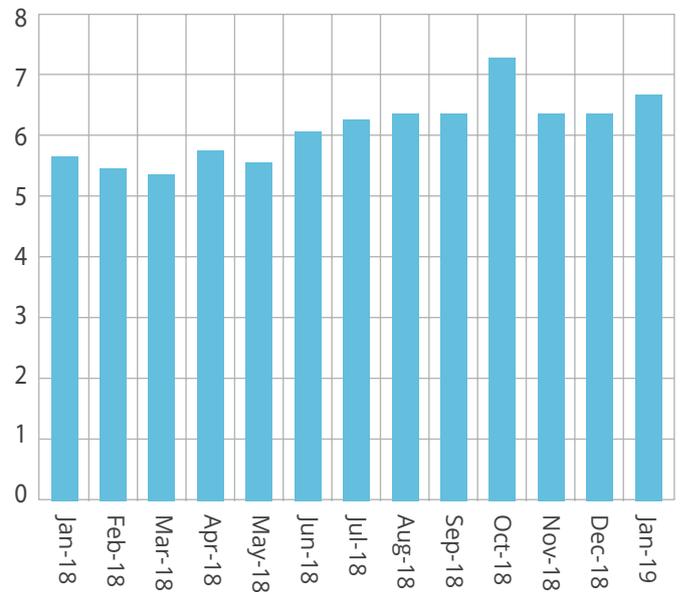


Home prices are still increasing, but at a steadily slowing rate. When combined with low mortgage rates and increasing price cuts, this should bode well for spring homebuyers — particularly those in the Midwest, where prices are rising the slowest.

## 2. COMPETITION

- Housing Starts: [1,256,000](#) in November 2018, up over October 2018 but down YoY
- Builder Confidence: [Up in January](#), thanks to lower mortgage rates
- National Housing Inventory: Up [6%](#) YoY in January
- Average Days on Market: [49 days](#) in January
- Above-Listing Sales: [19.4%](#) of homes sold above list price in December 2018, down from 24% in May 2018
- Millennial Demand: Millennials are expected to account for [45%](#) of all mortgages this year. It should be the peak homebuying year for this generation.
- Forecast: Sales will [start rising](#) in Q2 and continue increasing throughout 2019

**MONTHLY SUPPLY OF HOUSES IN THE U.S.**



Data from [U.S. Bureau of the Census](#). The months' supply indicates how long the current for-sale inventory would last given the current sales rate if no additional new houses were built.

### EXPERT COMMENT

“The wave of millennial homebuyer demand has already begun to hit in 2019, as millennials are aging into their prime homebuying years backed by a strong job market and rising wages, allowing for more house-buying power.”

— **Odetta Kushi, deputy chief economist at First American**



**What it Means:** Inventory rose again, marking the fourth time in five months listings have gone up. This is a huge plus for buyers, as inventory had been decreasing steadily since January 2015. Coupled with dipping above-listing price sales and increasing price cuts, the market seems welcoming for spring buyers.

### 3. MORTGAGES

- Average Rate in 2018: [4.54%](#)
- Average Rate in January: 4.46%
- Average Rate in February: 4.37%
- Predictions: Most economists predict mortgage rates to rise, though only slightly. Rates may reach up to [4.9%](#) by year's end.



#### EXPERT COMMENT

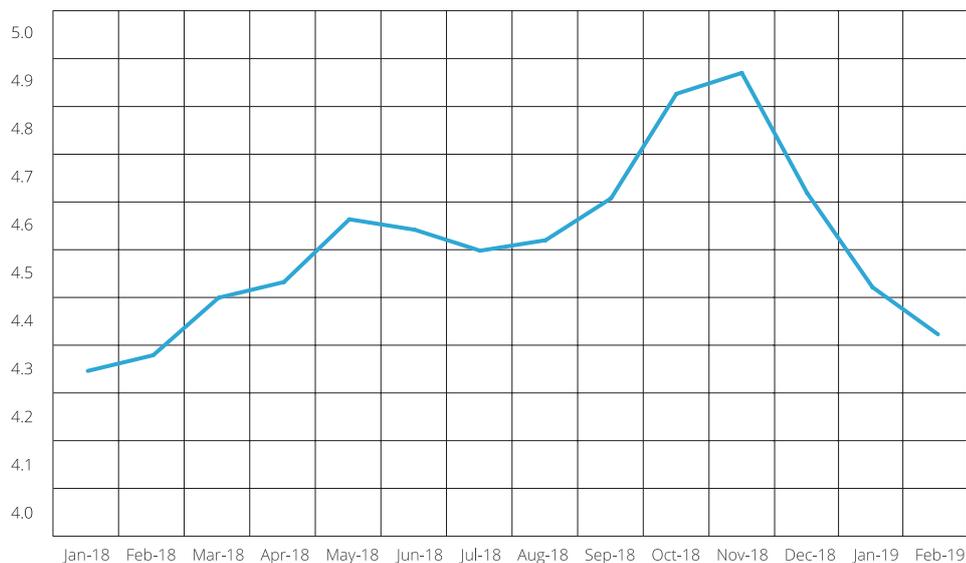
"I anticipate mortgage rates are most likely to stay more or less at current levels — especially given the latest guidance from the Fed and various potential sources for turmoil in our and the global economy."  
 — **Sean Hundtofte, chief economist and head of credit risk at Better Mortgage**

#### What it Means:



*At the end of 2018, mortgage rates stopped their steady climb upward, closing out the year at four-month lows. They've continued to hover around 4.5% ever since — a welcome surprise, considering many expected 5% rates or above in 2019. Still, many predict rates will rise, if only slightly, so on-the-fence buyers will want to act soon to lock in a lower rate.*

**AVERAGE MORTGAGE RATES  
FROM JANUARY 2018 - FEBRUARY 2019**



Data from [Freddie Mac](#); graph shows national mortgage interest rates for 30-year fixed rate mortgages by percentage.

## THE FINAL WORD

The housing market is volatile, but given the signs we're seeing now, it looks like buyers can be optimistic heading into the busy spring season. Beyond that, Trulia's Issi Romem predicts the market could get even better. "We're seeing signs that the [tides are shifting](#) towards a buyer's market, but the market hasn't completely flipped yet and the process can be gradual."

### EXPERT COMMENT



"Mortgage rates increased throughout most of 2018, but have since fallen and rates are now lower than they were a year ago. The path of mortgage rates depends largely on the path of the economy – global and domestic economic uncertainty causes the 10-year Treasury yield to decline and mortgage rates alongside it. Against a backdrop of economic uncertainty, but still strong fundamentals, we expect mortgage rates to hold steady, which should increase affordability for first-time homebuyers this spring."

— ***Odeta Kushi, deputy chief economist  
at First American***

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