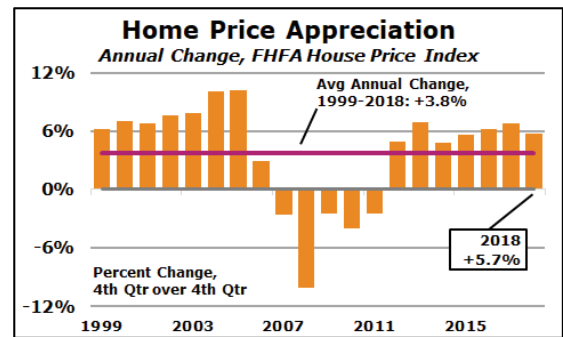
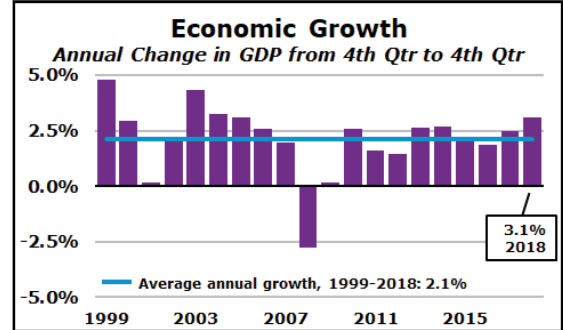


Keeping Current

- New home sales rose 3.7% in December to an annualized sales rate of 621,000 units, its strongest pace since May. An estimated 622,000 new homes were sold last year, up from 613,000 in 2017. The median price of new homes sold in December was \$318,600, a 7.2% decrease from the \$343,300 median price in December 2017.¹
- Conventional financing was used to purchase 74.9% of the new homes sold in 2018, while government financing was used in 18.8%. The remaining 6.3% of new homes were purchased with cash. In 2010, the financing shares for conventional, government, and cash financing were 58.5%, 35.9%, and 5.9%, respectively.²
- The economy expanded at a 2.6% annual rate during the fourth quarter of 2018, a deceleration from the 4.2% and 3.6% rates posted in the second and third quarters, respectively. The average annual growth rate over the nine and a half years of this recovery is 2.3%.³
- Prices on homes purchased using agency financing rose 5.7% in the year ending in the fourth quarter of 2018. The FHFA House Price Index rose at a 5.8% average annual rate over the past five years and now stands 18.5% above its pre-recession peak in 2007.⁴
- Home prices rose over the past year in 98 of the nation’s 100 largest metro areas. Five metro areas had appreciation of at least 10%: Boise City (16.6%), San Francisco (16.6%), Las Vegas (13.2%), Tacoma (11.3%), and Grand Rapids (10.2%). Home prices fell in Hartford (-0.9%) and Honolulu (-1.9%).⁴
- The homeownership rate rose to 64.6% in the fourth quarter, its highest level in more than four years. A year ago, it was 64.0%. It reached its post-recession low of 63.0% in mid-2016. Its pre-recession high was 69.4% in 2004. All figures are seasonally adjusted.⁵
- The under-35 years old homeownership rate was 36.5% in the fourth quarter of 2018. A year earlier, the rate was 36.0%; two years ago, the rate was 34.7%.⁵
- The average rate on 30-year fixed-rate mortgages in Freddie Mac’s survey was 4.41% in the week ending March 7, up six basis points from the previous week. In February, the rate averaged 4.37%; as recently as November it averaged 4.87%. All rates quoted have fees and points averaging 0.4% to 0.5% of the loan amount.⁶



1. "Monthly New Residential Sales, December 2018," Census Bureau, March 5, 2019. www.census.gov/construction/nrs/pdf/newressales_201812.pdf.
2. "New Houses Sold by Type of Financing," Census Bureau, accessed on March 6, 2019. www.census.gov/construction/nrs/xls/quarterly_sales_cust.xls.
3. "Gross Domestic Product: Fourth Quarter 2018 (Initial Estimate)," Bureau of Economic Analysis, Department of Commerce, February 22, 2019.
4. "Federal Housing Finance Agency, House Price Index, February 26, 2019. All figures quoted are based on the sales prices of properties purchased using agency financing. www.fhfa.gov/DataTools/Downloads/Pages/House-Price-Index-Datasets.aspx.
5. "Quarterly Residential Vacancies and Homeownership, Fourth Quarter 2018," Census Bureau, February 28, 2019. www.census.gov/housing/hvs/files/currenthvspress.pdf.
6. Freddie Mac Primary Mortgage Market Survey, Mar 7, 2019. www.freddiemac.com/pmms/. The FRB of St Louis Economic Data system (FRED) was used to collect data on new home sales, GDP, and homeownership.

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