

# HOUSING TRENDS UPDATE

## July 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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## Owner-Occupants Drive Housing Market in June, Boosting Non-Distressed Home Market

Current homeowners and first-time homebuyers increased their share of home purchase activity as the summer started, according to results from the latest *Campbell/Inside Mortgage Finance HousingPulse Tracking Survey*. The demand from owner-occupants helped improve various metrics for non-distressed properties.

Current homeowners accounted for 47.6% of purchases in June, based on a three-month moving average, up from a 45.6% share in June 2014. First-time homebuyers accounted for 38.3% of home purchases in June, a level last seen in 2010 when first-time homebuyer activity was boosted by a federal tax credit.

The investor share of home purchases has declined significantly, hitting just 14.1% in June. As recently as March, investors accounted for 18.7% of purchases and they had a 17.2% share in June 2014.

Trends in home prices and an expected increase in interest rates have helped spur home purchases by owner-occupants, according to industry participants. “The first-time homebuyer has entered the market in a good way,” said an agent in Arizona. “They are concerned with the possibility of being priced out of the market again with home prices rising and the possibility of interest rates going up.”

Demand from owner-occupants along with limited inventory have prompted a significant increase in sales-to-list price ratios for non-distressed properties. The sales-to-list price ratio for non-distressed properties was 98.5% in June, the highest reading for the metric in more than five years. In the previous two years, sales-to-list price ratios for non-distressed properties topped out at 97.8%.

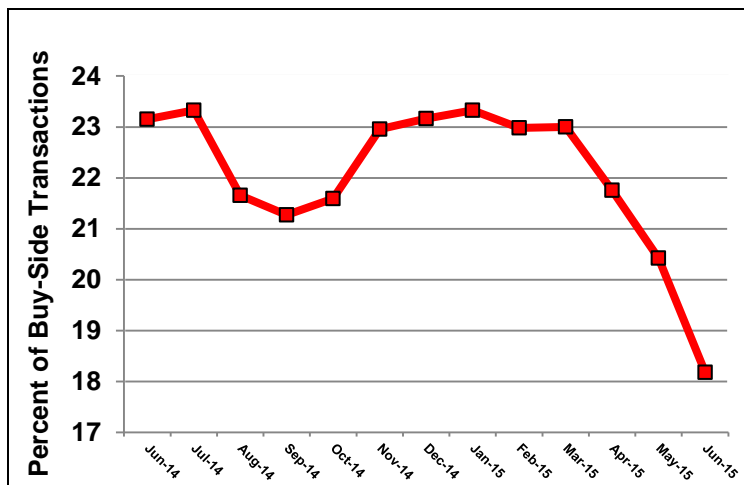
California continues to lead the country in terms of sales-to-list price ratios, hitting 102.0% in June. “Homes are being priced under market value to create a

*(continued on next page)*

## Distressed Property Share Declines Again

Distressed properties accounted for 18.2% of home sales in June, based on a three-month moving average. Short sales alone accounted for only 2.9% of sales during the month.

Source:  
Campbell/Inside Mortgage Finance HousingPulse Tracking Survey



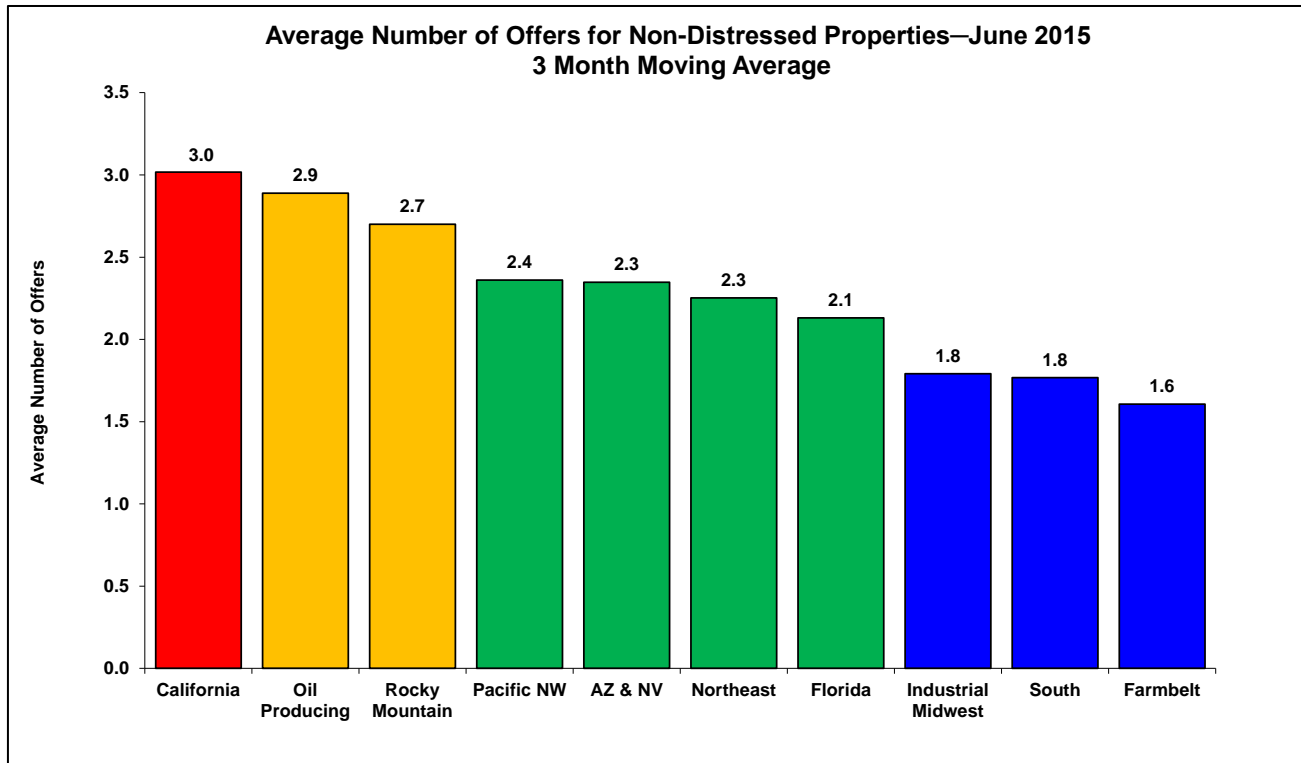
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multiple offer scenario, thus driving the prices over market value,” according to one agent in the state.

The Pacific Northwest, Rocky Mountain states and Oil Producing states also had sales-to-list price ratios above the national average while Florida had the lowest average sales-to-list price ratio in June at 96.2%.

The average number of offers on non-distressed properties has increased steadily each month this year, hitting 2.2 in June, above the average of 2.0 offers seen a year ago. Non-distressed properties in California received an average of 3.0 offers in June while states in the Farmbelt averaged 1.6 offers, followed by the Industrial Midwest and South, which both averaged 1.8 offers.

“Inventory is low and buyers have seen everything,” said an agent in Missouri. “When a new listing comes on the market there is competition for it.”



The average time on market for non-distressed properties was 8.5 weeks in June, down from an average of 11.1 weeks as recently as February. In June 2014, non-distressed properties had an average time on market of 8.6 weeks.

The Pacific Northwest had the lowest average time on market for non-distressed properties in June at 4.9 weeks, followed by California at 5.2 weeks and the Oil Producing states at 5.5 weeks. The South had the longest average time on market for non-distressed properties during the month at 11.7 weeks.

“The good properties that are priced right sell within 48 hours, often with multiple offers,” said an agent in Ohio.

A bonus question in the June survey asked if the increases to home prices seen this year are sustainable. Many agents said the home price trends appear to be sustainable. “Demand and local employment are both strong, and confidence is high,” said an agent in North Carolina.

[July 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	96%	99%	97%	97%
California	97%	100%	96%	101%
Farmbelt	90%	97%	91%	97%
Florida	97%	95%	96%	96%
Industrial Midwest	91%	96%	93%	97%
Northeast	91%	95%	92%	97%
Oil Producing	97%	97%	95%	98%
Pacific NW	97%	99%	98%	98%
Rocky Mountain	95%	96%	96%	98%
South	96%	97%	96%	96%
<b>National Average</b>	<b>95%</b>	<b>97%</b>	<b>95%</b>	<b>98%</b>

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	2.58%	2.76%	3.01%	2.76%
California	2.43%	2.62%	2.90%	2.61%
Farmbelt	2.54%	2.77%	2.71%	2.92%
Florida	2.53%	2.69%	2.93%	2.85%
Industrial Midwest	2.72%	2.79%	2.97%	2.86%
Northeast	2.60%	2.73%	2.97%	2.71%
Oil Producing	2.75%	2.70%	2.86%	2.78%
Pacific NW	2.50%	2.65%	2.88%	2.76%
Rocky Mountain	2.94%	2.76%	2.99%	2.67%
South	2.61%	2.67%	2.87%	2.79%
<b>National Average</b>	<b>2.63%</b>	<b>2.72%</b>	<b>2.92%</b>	<b>2.77%</b>

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	2.77%	2.90%	2.74%	2.88%
California	2.59%	2.67%	2.70%	2.58%
Farmbelt	2.92%	2.66%	2.67%	2.79%
Florida	2.79%	2.87%	2.87%	2.91%
Industrial Midwest	2.80%	2.83%	2.76%	2.86%
Northeast	2.77%	2.69%	2.60%	2.62%
Oil Producing	2.86%	2.93%	2.84%	2.92%
Pacific NW	2.77%	2.88%	2.65%	2.78%
Rocky Mountain	2.80%	2.89%	2.86%	2.86%
South	2.87%	2.87%	2.87%	2.90%
<b>National Average</b>	<b>2.81%</b>	<b>2.83%</b>	<b>2.75%</b>	<b>2.81%</b>

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Average Property Price by Region	Past 12 Months			
	Damaged REO	Move-In Ready REO	Short Sale	Non-Distressed
<b>Region</b>				
AZ & NV	\$148,498	\$225,585	\$185,038	\$243,050
California	\$264,771	\$355,879	\$359,340	\$492,355
Farmbelt	\$68,263	\$167,335	\$150,707	\$194,003
Florida	\$127,750	\$179,691	\$173,962	\$238,525
Industrial Midwest	\$57,293	\$153,436	\$135,833	\$205,658
Northeast	\$123,954	\$260,460	\$188,785	\$338,477
Oil Producing	\$137,162	\$215,461	\$141,560	\$215,117
Pacific NW	\$209,039	\$321,525	\$286,311	\$338,199
Rocky Mountain	\$98,718	\$181,979	\$233,073	\$264,363
South	\$79,906	\$235,502	\$177,156	\$235,634
<b>National Average</b>	<b>\$117,039</b>	<b>\$219,146</b>	<b>\$200,506</b>	<b>\$273,027</b>

