

Housing News Update

THE FEDERAL SAVINGS BANK



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Home Price Gains Accelerated in October

Home price appreciation, which had decelerated somewhat in September, **regained momentum** in October. CoreLogic's Home Price Index (HPI) dropped back to a 6.3 percent annual increase in September after rising by 6.9 percent each of the previous two months. In October it posted a **6.8 percent** 12 month gain.

Colorado posted the largest increase and the only one in double digits; prices there rose 10.5 percent from October 2014 to October 2015. The **Pacific Northwest** also fared well with appreciation in Washington of 9.6 percent and 9.4 percent in Oregon. Two states lost ground; prices in Mississippi fell 1.7 percent and were down in Louisiana by 0.2 percent.

On a **month-over-month** basis the September HPI rose only 0.6 percent, one-half the July to August increase. From September to October the increase rebounded to 1.0 percent.

CoreLogic projects that home prices will increase by 5.2 percent from October 2015 to October 2016 and October 2015 to November 2015 will see a negligible 0.1 percent gain. The CoreLogic HPI Forecast is a projection of home prices using the CoreLogic HPI and other economic variables. Values are derived from state-level forecasts by weighting indices according to the number of owner-occupied households for each state.

"Many markets have experienced a low inventory of homes for sale along with strong buyer demand, which is **sustaining upward pressure** on home prices. These conditions are likely to persist as we enter 2016," said Dr. Frank Nothaft, chief economist for CoreLogic. "A year from now, as we finish out October 2016, we expect the CoreLogic national Home Price Index appreciation to slow to 5.2 percent."

"The rise in home prices over the past few years has largely been a healthy trend. The **shadow inventory** has been reduced significantly and home equity levels are now approaching pre-recession levels," said Anand Nallathambi, president and CEO of CoreLogic. "As we move forward, the rise in home prices will need to be better correlated to family income trends over time to avoid homes becoming unaffordable for many. This is especially true in several metropolitan areas where home prices have grown rapidly."

Among those areas with rapid price increases the Dallas-Plano-Irving metro area made the largest gains with an annual appreciation of 9.1 percent. Phoenix, Houston, and Los Angeles followed, each with gains of 6.8-6.9 percent.

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Responsive service, experienced expertise

	Value	Change
Builder Confidence	Mar 51	+6.25%

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

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