

# Housing News Update

THE FEDERAL SAVINGS BANK



Co. NMLS# 411500



**Ted Rood**

Mortgage Banker, Homesite Mortgage LLC

NMLS #543290

2299 Technology Drive, Suite 2A5 O Fallon, Missouri

Office: 3147400004

Mobile: 314-740-0004

[ted\\_rood@yahoo.com](mailto:ted_rood@yahoo.com)

## Builders Upbeat on Buyer Traffic, but 6-Month Outlook Dims

After dropping three points in February to 58, the Housing Market Index, a measure of builder confidence in the single-family home market, remained **unchanged in March**. Analysts surveyed by Econoday had predicted a one-point gain. The level the past two months is the lowest for the index since May 2015.

The index is produced by the National Association of Home Builders (NAHB) and Wells Fargo Bank from responses to a survey NAHB conducts monthly among its new home builder members. They are asked to gauge the current market for new homes as "good," "fair" or "poor" and to do the same regarding their expectations over the next six months. They are also asked to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

The component reflecting attitudes about current sales conditions was also unchanged from February at 65 while the index measuring sales expectations over the next six months – typically the most optimistic of the three components - **fell three points** to 61. The component charting buyer traffic **rose four points** to 43.

“Confidence levels are hovering above the 50-point mid-range, indicating that the single-family market continues to make **slow but steady progress**,” said NAHB Chairman Ed Brady. “However, builders continue to report problems regarding a shortage of lots and labor.”

“While builder sentiment has been relatively flat for the last few months, the March HMI reading correlates with NAHB’s forecast of a steady firming of the single-family sector in 2016,” said NAHB Chief Economist David Crowe. “Solid job growth, low mortgage rates and improving mortgage availability will help keep the housing market on a gradual upward trajectory in the coming months.

Regional HMI scores are reported as three-month moving averages and their directions were mixed. The HMI for the **Midwest** was the only one to increase, up one point to 58. The **South** was unchanged at 59 while both the **West** and the Northeast were down; the West by three points to 69 and the **Northeast** down one point to 46.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.43%	<b>+0.02</b>	0.00
15 Yr. Fixed	5.95%	<b>0.00</b>	0.00
30 Yr. FHA	5.82%	<b>+0.02</b>	0.00
30 Yr. Jumbo	6.62%	<b>0.00</b>	0.00
5/1 ARM	6.28%	<b>-0.01</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.35%	<b>-0.51</b>	0.00
15 Yr. Fixed	5.51%	<b>-0.65</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	6.44%	<b>-0.06</b>	0.54
15 Yr. Fixed	5.88%	<b>-0.16</b>	0.68
30 Yr. FHA	6.36%	<b>-0.06</b>	0.85
30 Yr. Jumbo	6.75%	<b>+0.07</b>	0.39
5/1 ARM	5.98%	<b>-0.27</b>	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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