

Housing News Update

THE FEDERAL SAVINGS BANK



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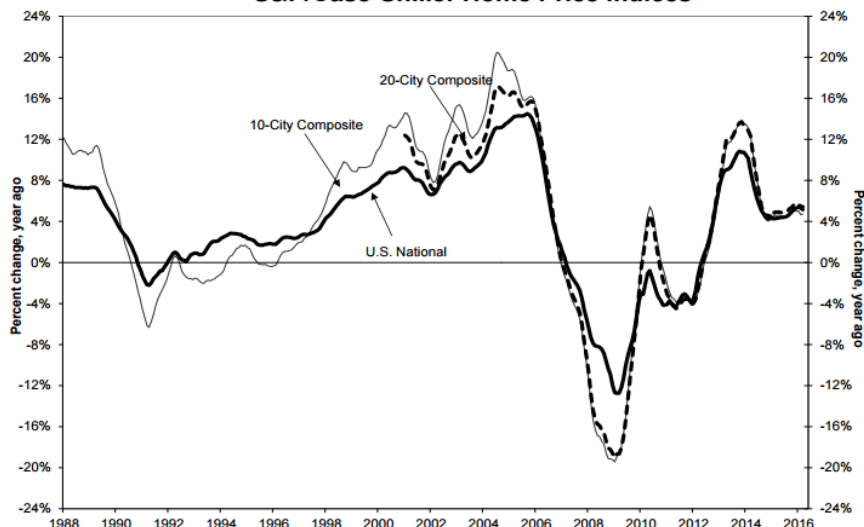
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Price Gains Ease Slightly on National Basis

The annual pace of price gains nationally slowed slightly in March according to the S&P Case-Shiller National Home Price Index. The 10- and 20-City Composite Indices however increased at the same level as in February.

The National Index, which covers all nine U.S. census districts, was **up 5.2 percent** compared to March 2015. The February-to-February gain was 5.4 percent. The 10-City Composite rose 4.7 percent year-over-year and the 20-City was 5.4 percent higher. Both increases were identical to those in February.

S&P/Case-Shiller Home Price Indices



Source: S&P Dow Jones Indices & CoreLogic

Three **western cities** continued to post double digit annual price increases. Portland was up 12.3 percent, Seattle prices rose 10.8 percent and Denver's by 10.0 percent. Ten cities reported greater year-over-year increases in March than in February.

March prices increased nationally compared to February by **0.1 percent** on a seasonally adjusted basis and 0.7 percent without adjustment. In February the respective monthly increases were 0.2 and 0.4 percent. The 10-City Composite recorded a 0.8 percent month-over-month increase and the 20-City Composite a 0.9 percent increase. The two composite increases were the same both with and without seasonal adjustment. After seasonal

National Average Mortgage Rates



Rate Change Points

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	Rate	Change	Points
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%

Housing News Update

adjustment, six cities saw prices rise, one city was unchanged, and 13 cities experienced negative monthly price changes.

Builder Confidence	Mar	Value	Change
		51	+6.25%

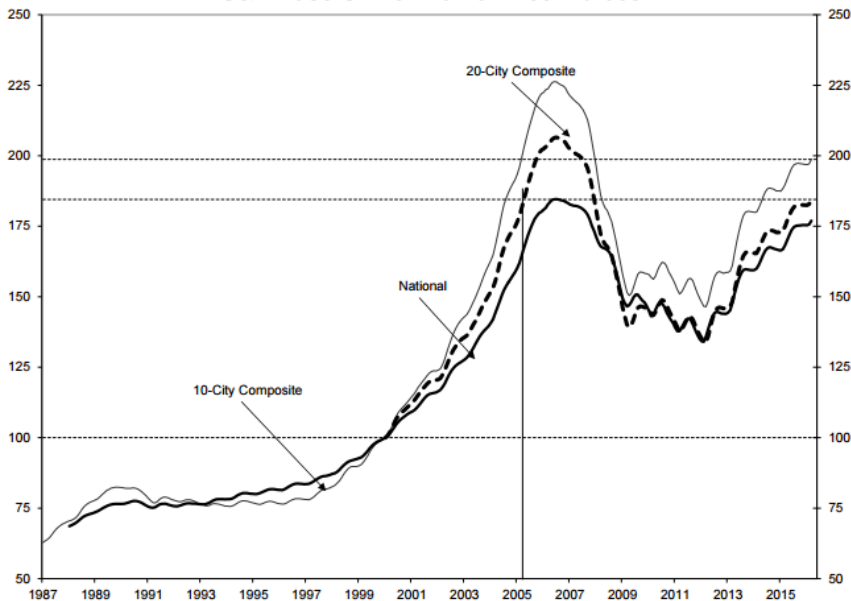
Econoday's poll of analysts prior to the report asked only about the 20-City Composite. The consensus for a seasonally adjusted monthly increase was 0.7 percent while the annual increase was projected at 5.1 percent.

"Home prices are continuing to rise at a 5% annual rate, a pace that has held since the start of 2015," says David M. Blitzer, Managing Director & Chairman of the Index Committee at S&P Dow Jones Indices. "The economy is supporting the price increases with improving labor markets, falling unemployment rates and extremely low mortgage rates. Another factor behind rising home prices is the limited supply of homes on the market. The number of homes currently on the market is less than two percent of the number of households in the U.S., the lowest percentage seen since the mid- 1980s.

"Price movements vary across the country. The **Pacific Northwest** and the west continue to be the strongest regions. Seattle, Portland, Oregon and Denver had the largest year-over-year price increases. These cities also saw some of the largest declines in unemployment rates among the 20 cities included in the S&P/Case-Shiller Indices. The northeast and upper mid-west regions were at the other end of the ranking. The four cities with the smallest year-over-year prices gains were Washington DC, Chicago, New York, and Cleveland. The unemployment rates in Chicago and Cleveland rose from March 2015 to March 2016."

As of March 2016, average home prices for the MSAs within the 10-City and 20-City Composites are back to their winter 2007 levels. Measured from their June/July 2006 peaks, the peak-to-current decline for both Composites is approximately 10.5-12.5%. Since the March 2012 lows, the 10-City and 20-City Composites have recovered 35.7% and 37.6%.

S&P/Case-Shiller Home Price Indices



The S&P/Case-Shiller Home Price Indices are constructed to accurately track the price path of typical single-family home pairs for thousands of individual houses from the available universe of arms-length sales data. The S&P/Case-Shiller National U.S. Home Price Index tracks the value of single-family housing within the United States. The indices have a base value of 100 in January 2000; thus, for example, a current index value of 150 translates to a 50 percent appreciation rate since January 2000 for a typical home located within the subject market.

The 10-City Composite currently has an index level of 198.68 and the 20-City a value of 184.50. The National Index is at 176.91. Detroit continues to have the lowest index value at 103.94 and Los Angeles the highest at 244.52.

Responsive service, experienced expertise

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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