

Housing News Update

THE FEDERAL SAVINGS BANK



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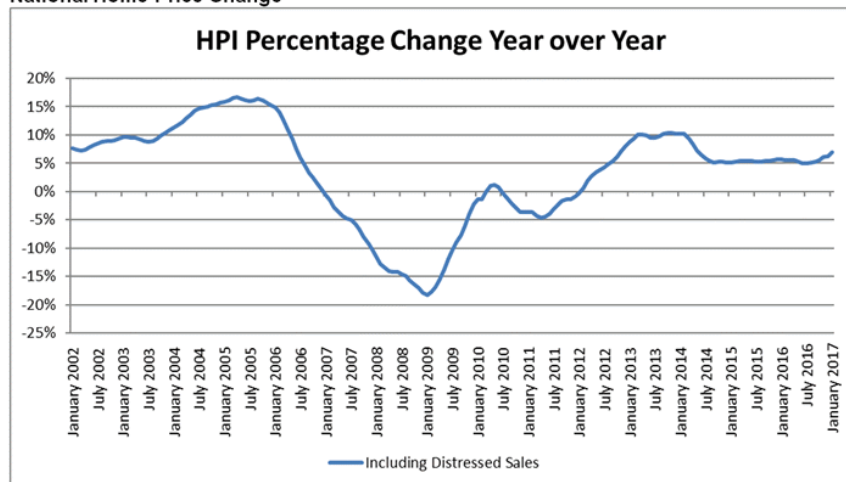
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Annual Home Prices Gains Back Below 7%; More Contraction Ahead?

Home prices measured by CoreLogic's Home Price Index (HPI) for January ended a six-month long pattern of **accelerating** annual gains. The increases also slowed on a month-over-month basis.

The company said that nationally prices were up 6.9 percent from January 2016 to January 2017. The HPI had risen by a minimum of 0.1 percent more every month than it had in the preceding month since May, increasing from 5.7 percent that month and posting a **7.2 percent** annual gain in December.

National Home Price Change



Source: CoreLogic January 2017

Home prices increased from December to January by 0.7 percent. Month-over-month appreciation had been at 1.1 percent for each of the previous six months before slipping to an 0.8 percent gain from November to December.

"With **lean for-sale inventories** and **low rental vacancy** rates, many markets have seen housing prices outpace inflation," said Dr. Frank Nothaft, chief economist for CoreLogic. "Over the 12 months through January of this year, the CoreLogic Home Price Index recorded a 6.9 percent rise in home prices nationally and the CoreLogic Single-Family Rental Index was up 2.7 percent—both rising faster than inflation."

National Average Mortgage Rates



Rate Change Points

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%

Washington and Oregon again led the states in the magnitude of their annual home price increases, at 10.8 and 10.3 percent respectively. Colorado however had to share its near perpetual hold on third place with South Dakota; both states saw annual gains of 9.1 percent. Maine was the only state to see a negative price change, down 1.8 percent. North Dakota had the smallest increase, 1.0 percent, followed by Wyoming where prices were up 1.1 percent.

CoreLogic is **projecting a 4.8 percent** rise in its HPI from January 2017 to January 2018 and expects an 01 percent gain from January to February of this year. It's 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. Last January CoreLogic's forecast was for an annual appreciation of 5.5 percent in January 2017. It had predicted there would be a 0.1 percent change from December to January.

"Home prices **continue to climb** across the nation, and the spring home buying season is shaping up to be one of the strongest in recent memory," said Frank Martell, president and CEO of CoreLogic. "A potent mix of progressive economic recovery, demographics, tight housing stocks and continued low mortgage rates are expected to support this robust market outlook for the foreseeable future. We expect the CoreLogic Home Price Index to rise 4.8 percent nationally over the next 12 months, buoyed by lack of supply and continued high demand."

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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