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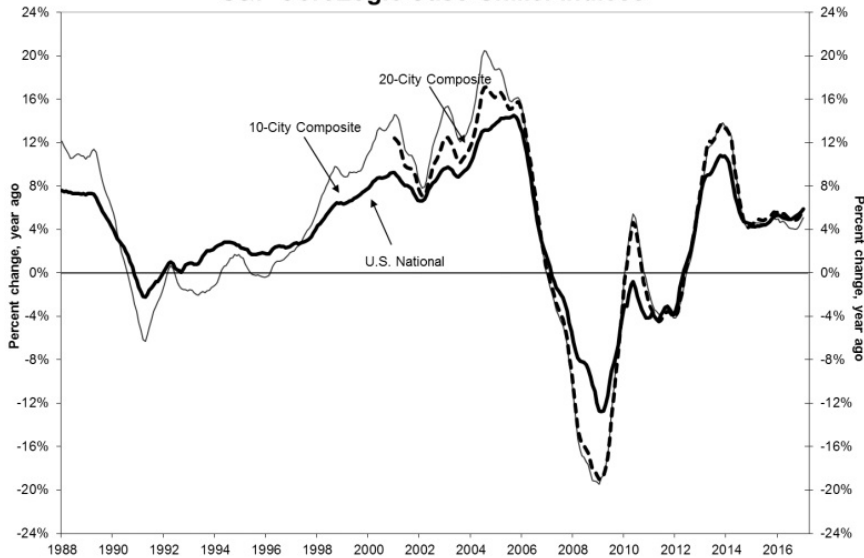
Case-Shiller Telling Different Story: Best Price Gains in 31 Months

The S&P CoreLogic Case-Shiller U.S. National Home Price Index for January **ran counter** to other major prices indices in that it continued to show home price gains accelerating into the new year. The Index, which covers the nine U.S. census districts, was **up 5.9 percent** from January 2016, compared to a year-over-year increase in December of 5.7 percent, revised down from 5.8 percent. The January increase was the **largest in 31 months**. The three other major indices, from FHFA, CoreLogic, and Black Knight Financial Services had posted annual gains for January that ranged from 0.2 to 0.5 percentage points below the increases in December.

Before seasonal adjustment the National Index posted a month-over-month gain of 0.2 percent in January, and on a seasonally adjusted basis the index rose 0.6 percent, **slightly below** its 0.7 percent increase the previous month.

The **10 City Composite** rose 5.1 percent year-over-year compared to a 4.8 percent increase in December. The **20-City Composite** reported annual appreciation of 5.7 percent, 0.2 percentage points more than its December gain.

S&P CoreLogic Case-Shiller Indices



Sources: S&P Dow Jones Indices & CoreLogic

National Average Mortgage Rates



Rate Change Points

Mortgage News Daily

	Rate	Change	Points
30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 6/28

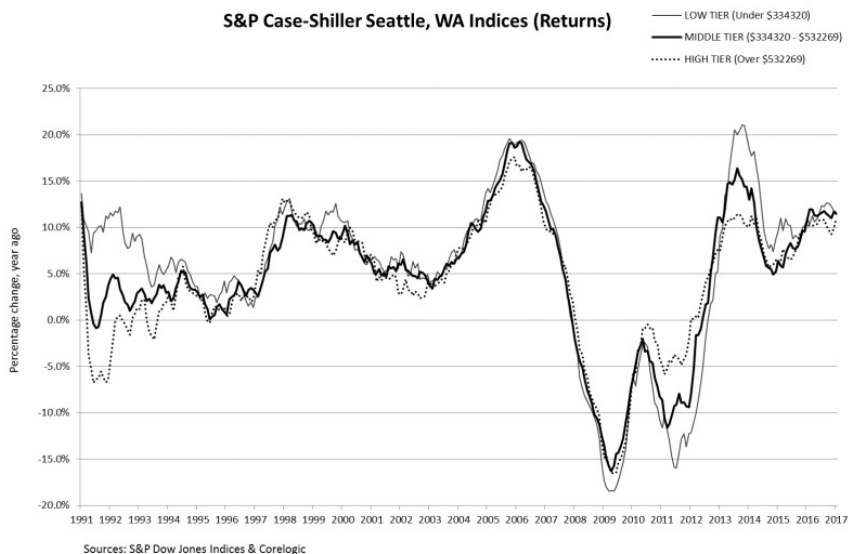
Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

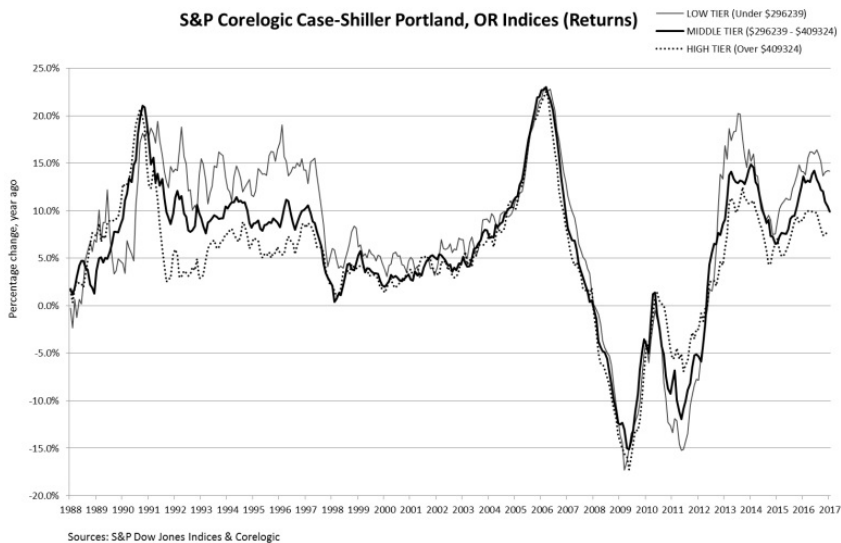
Seattle, Portland, and Denver continue to lead the nation in appreciation. The increase for Seattle was 11.3 percent, followed by Portland with 9.7%, and Denver with a 9.2% increase. Twelve cities reported greater price gains in the 12-month period ending January 2017 versus the period ending December 2016.

The charts below compare the price trends over different home price tiers for Seattle and Portland since 2011. They show housing prices in the **high tier to be the most stable**, while housing prices in the low tier are the most volatile.

S&P Case-Shiller Seattle, WA Indices (Returns)



S&P Corelogic Case-Shiller Portland, OR Indices (Returns)



The **non-seasonally adjusted 10-City Composite** posted a 0.3 percent increase from December and the **20-City Composite** was up 0.2 percent in January. After seasonal adjustment both Composites increased by 0.9 percent. Thirteen of 20 cities reported higher prices before seasonal adjustments in January and 19 afterward.

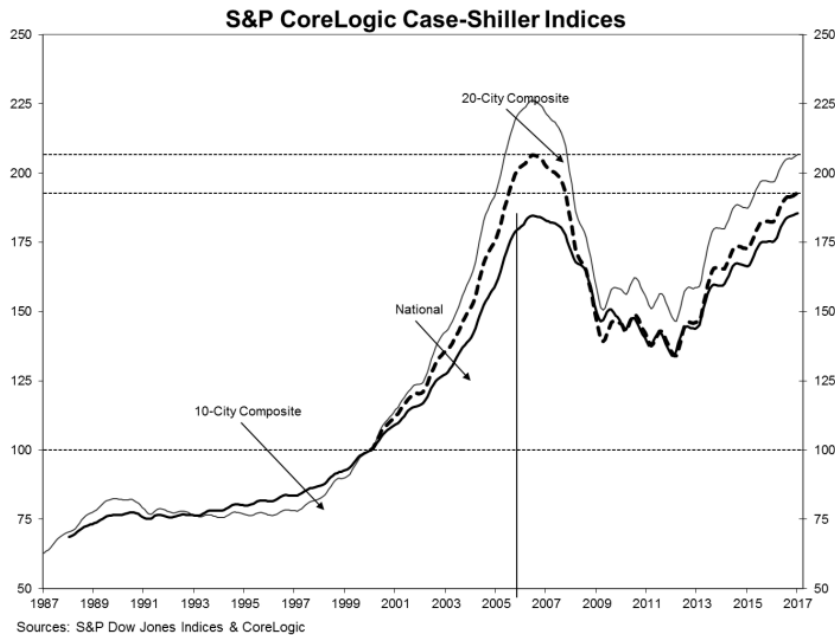
Econoday queries analysts on the 20-City Composite results. They expected seasonally adjusted results in the range of 0.6 to 1.0 percent for the monthly increase and 5.6 to 5.7 for the annual gain. The respective consensus were 0.8 and 5.7 percent.

Housing News Update

David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices, provided the following analysis. "Housing and home prices continue on a generally positive upward trend. The recent action by the Federal Reserve raising the target for the Fed funds rate by a quarter percentage point is expected to add less than a quarter percentage point to mortgage rates in the near future. Given the market's current strength and the economy, the small increase in interest rates isn't expected to dampen home buying. If we see three or four additional increases this year, rising mortgage rates could become concern.

"While prices vary month-to-month and across the country, the national price trend has been positive since the first quarter of 2012. In February, the inventory of homes in the market represented 3.7 months of sales, lower than the long-term average of six months. Tight supplies and rising prices may be deterring some people from trading up to a larger house, further aggravating supplies because fewer people are selling their homes. The prices also hurt affordability as higher prices and mortgage rates shrink the number of households that can afford to buy at current price levels. At some point, this process will force prices to level off and decline - however we don't appear to be there yet."

As of January 2017, average home prices for the MSAs within the 10-City and 20-City Composites were **back to their winter 2007 levels**. The National Index is now 0.5 percent higher than at its peak in July 2006 while the 10-City is 8.6 percent below its peak and the 20-City is off by 6.6 percent.



The S&P CoreLogic 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 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 National Index in January was at 185.5 and the 10- and 20-City Composites had readings of 206.73 and 192.81 respectively. Los Angeles has the highest index reading at 254.08 and Detroit the lowest at 109.54, representing a second straight monthly decline.

Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the ONLY objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are NOT mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do NOT have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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