



## Mike Baker

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## First Read on Feb Home Prices Surprisingly Strong

CoreLogic says house price increases **picked up the pace again** in February. After the rate of appreciation dipped from 7.2 percent for the 12 months ended in December, to 6.9 percent annually in January it **appeared** the long-awaited price deceleration had begun. A similar downturn had been noted in January for indexes maintained by Black Knight Financial Services and the Federal Housing Finance Agency (FHFA) although S&P Case Shiller's index rose for the month. The monthly indices were mixed.

CoreLogic's HPI for February, however, shows the rate of appreciation on the **rise** again. The company puts the January to February change at 1.0 percent, it was 0.7 percent in January, and the increase from February 2016 at 7.0 percent.

CoreLogic also provides a forecast for price changes on both a monthly and an annual basis. This month the company projects a gain of 0.4 percent from February to March and from February 2017 to the same month in 2018 at **4.7 percent**.

Over the previous 13 months the CoreLogic forecast for monthly increases have averaged 0.43 percent. The actual price gains over that period have averaged 1.21 percent. The estimates for annual changes have averaged 5.13 percent while the **actual** average price gains have been 6.5 percent. 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.

"Home prices and rents have risen the most in local markets with **high demand and limited supply**, such as **Seattle, Portland and Denver**," said Dr. Frank Nothaft, chief economist for CoreLogic. "The rise in housing costs has been largest for lower-tier-priced homes. For example, from December to February in Seattle, the CoreLogic Home Price Index rose 12 percent and our single-family rent index rose 6 percent for all price tiers compared with the same period a year earlier. However, when looking at only lower-cost homes in Seattle, the price increase was 13 percent and the rent increase was 7 percent."

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.07%	<b>+0.02</b>	0.00
15 Yr. Fixed	6.45%	<b>0.00</b>	0.00
30 Yr. FHA	6.51%	<b>+0.02</b>	0.00
30 Yr. Jumbo	7.26%	<b>0.00</b>	0.00
5/1 ARM	7.02%	<b>-0.01</b>	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	<b>-0.01</b>	0.00
15 Yr. Fixed	6.16%	<b>+0.03</b>	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.02%	<b>-0.05</b>	0.65
15 Yr. Fixed	6.60%	<b>-0.15</b>	0.55
30 Yr. FHA	6.87%	<b>0.00</b>	0.92
30 Yr. Jumbo	7.18%	<b>-0.03</b>	0.54
5/1 ARM	6.45%	<b>+0.08</b>	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%

"Home prices continue to grow at a **torrid pace** so far in 2017 and these gains are likely to continue well into the future," said Frank Martell, president and CEO of CoreLogic. "Home prices are at peak levels in many major markets and the appreciation is being driven by a number of dynamics-high demand, stronger employment, lean supplies and affordability-that will continue to play out in the coming years. The CoreLogic Home Price Index is projecting an additional 5 percent rise in home prices nationally over the next 12 months."

Builder Confidence

Mar

51 +6.25%

## 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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