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Faith in New Home Market at 18-Year High

Builder confidence shot up in December, reaching the **highest level** the National Association of Home Builders (NAHB) has recorded in **18 years**. NAHB said its Housing Market Index (HMI), which is cosponsored by Wells Fargo, gained 5 points to 74 from a downwardly revised (from 70) November reading.

The Index, which measures NAHB's new home builder-members confidence in the market for newly constructed homes, was last at this level in July 1999. NAHB has been conducting the monthly survey for more than 30 years.

NAHB asks builders for their perceptions of current single-family home sales and sales expectations for the next six months as "good," "fair" or "poor." The survey also asks builders 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.

All three HMI components registered gains in December. The component measuring **buyer traffic**, which has surpassed the 50-point mark in only a scattered few months since the early 2000s, jumped eight points to 58. The index gauging **current sales conditions** rose four points to 81 and the index charting **sales expectations** in the next six months increased three points to 79.

NAHB Chief Economist Robert Dietz said of the results, "The HMI measure of home buyer traffic rose eight points, showing that demand for housing is on the rise. With low unemployment rates, favorable demographics and a tight supply of existing home inventory, we can expect continued upward movement of the single-family construction sector next year."

Regional scores are presented as three-month moving averages. The **Midwest** climbed six points to 69, the **South** rose three points to 72, the **West** increased two points to 79 and **Northeast** inched up a single point to 54.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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%

Real Talk

	Value	Change
Builder Confidence	Mar 51	+6.25%

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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