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Price Appreciation Slowing Down -Case-Shiller

The newly named S&P CoreLogic Case-Shiller Indices noted a **continued rise** in prices across the country although some monthly indices **declined**. The National Index which covers all nine census divisions, rose 5.0 percent on a non-seasonally adjusted basis from May 2015 to May 2016, the same annual increase as was posted in April. On a monthly basis the unadjusted index gained 1.2 percent in May and the seasonally adjusted version rose by 0.2 percent.

The 10-City Composite Index eased back from its 4.7 percent annual increase in April to 4.4 percent in May while it gained 0.8 percent for the month on a non-seasonally adjusted basis. The index declined by 0.2 percent after adjustment.

There was a similar report for the 20-City Composite. It rose by **5.2 percent year-over-year** (compared to 5.4 percent in April) and was up 0.9 percent unadjusted and down 0.1 percent after adjustment.

The 20-City is used by Econoday to solicit analysts' opinions. The actual numbers were disappointing by that measure, coming in below the most pessimistic estimates for both monthly and yearly values. The range of monthly predictions for the adjusted index was for an increase of 0.3 to 1.3 percent with a consensus of 0.4 percent. The forecast for the year-over-year number ranged from 5.3 to 6.3 percent, averaging 5.6 percent.

Portland, Seattle, and Denver have reported the highest year-over-year gains among the 20 cities over each of the last four months. In May, Portland led the way with a **12.5% year-over-year price increase**, followed by Seattle at 10.7%, and Denver with a 9.5% increase. Eight cities reported greater price increases in the year ending May 2016 versus the year ending April 2016. On a monthly basis 12 cities saw prices rise on a seasonally adjusted basis, two cities were unchanged, and six cities experienced negative monthly prices changes.

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

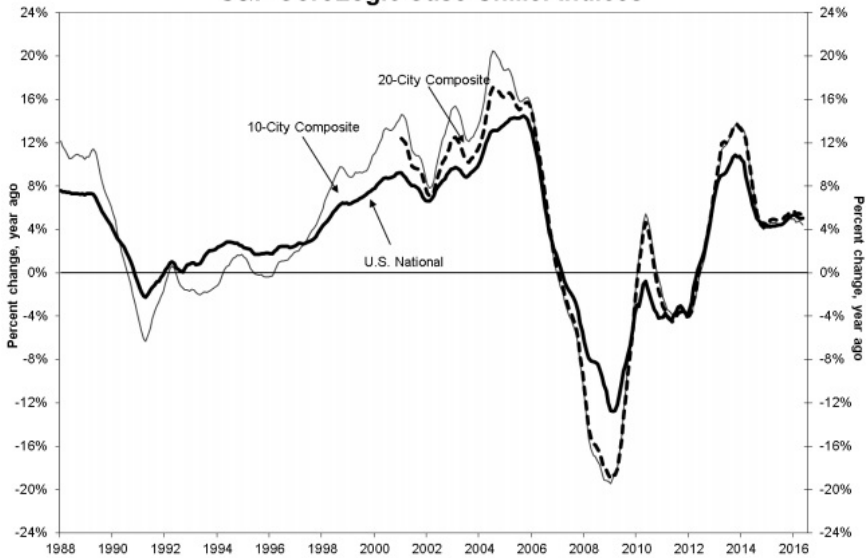
Rates as of: 8/30

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%

		Value	Change
Builder Confidence	Mar	51	+6.25%

S&P CoreLogic Case-Shiller Indices



Sources: S&P Dow Jones Indices & CoreLogic

"Home prices continue to appreciate across the country," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Overall, housing is doing quite well. In addition to strong prices, sales of existing homes reached the highest monthly level **since 2007** as construction of new homes showed continuing gains. The SCE Housing Expectations Survey published by the New York Federal Reserve Bank shows that consumers expect home prices to continue rising, though at a somewhat slower pace."

"Regional patterns seen in home prices are **shifting**. Over the last year, the Pacific Northwest has been quite strong while prices in the previously strong spots of San Diego, San Francisco and Los Angeles saw more modest increases. The two hottest areas during the housing boom were Florida and the Southwest. Miami and Tampa have recovered in the last few months while Las Vegas and Phoenix remain weak. When home prices began to recover, New York and Washington saw steady price growth; now both are among the weakest areas in the country."

As of May 2016, average home prices for the MSAs within the 10-City and 20-City Composites are back to their **winter 2007 levels**. The table below shows the housing boom/bust peaks and troughs for the three composites along with the current levels and percentage changes from the peaks and troughs.

Index	2006 Peak		2012 Trough			Current		
	Level	Date	Level	Date	From Peak (%)	Level	From Trough (%)	From Peak (%)
National	184.62	Jul-06	134.02	Feb-12	-27.4%	180.70	34.8%	-2.1%
20-City	206.52	Jul-06	134.07	Mar-12	-35.1%	188.29	40.4%	-8.8%
10-City	226.29	Jun-06	146.45	Mar-12	-35.3%	202.32	38.1%	-10.6%

We should note that Karl "Chip" Case, who along with Robert Shiller created the Case-Shiller indices in the 1980's, died last week at age 69. Stan Humphries, Zillow's chief economist said that before the index "there was very little transparency in housing beyond what one could glean at a dusty local registry office or by poring over years of county tax records - which wasn't much. The kind of "basic" housing data we take for granted today, the ability to see how a given housing market has performed over time and relative to other markets, was simply unavailable prior to Case and Shiller's pioneering efforts."

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 10-City Composite currently has an index level of 202.32 and the 20-City a value of 188.29. The National Index is at 180.70. Detroit continues to have the lowest index value at 106.61 and Los Angeles the highest at 248.00.

Service oriented, responsive, competitive rates and an in depth knowledge of today's mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

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