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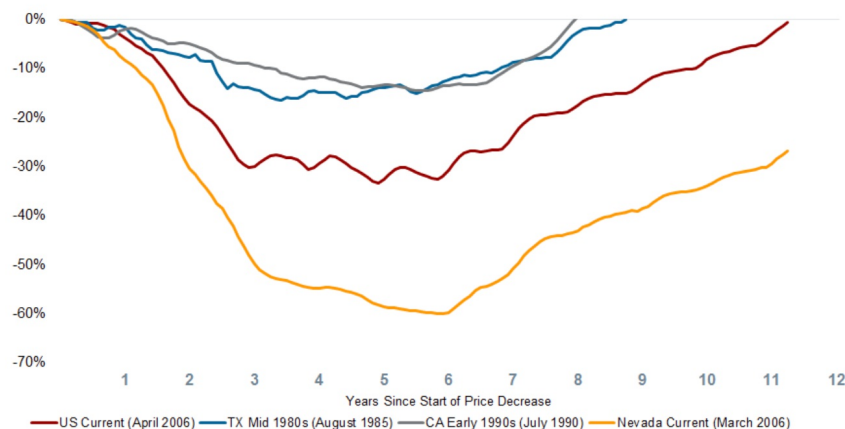
Comparing Housing Booms and Busts

With home prices nearly back to where they were when the housing crisis began, CoreLogic's principal economist Molly Boesel compares the duration of the recent cycle to those of other downturns. While there hasn't been a comparable period of performance nationwide, she looks at several regional ones.

After hitting peak in 2006, the national price level **fell for five years**, finally reaching bottom in March 2011. Most other sources set the date for the bottom of the market to exactly a year later which may indicate they are using inflation adjusted numbers. From peak to trough, prices fell 33 percent nationally. As of July 2017, CoreLogic data shows prices were approximating the 2006 level.

Boesel compares these numbers to those of the Texas oil bust in the mid-1980's which resulted in a 16 percent decline over 3.5 years. The peak to recovery cycle in that downturn took nearly nine years. In the early 1990s in California, defense and manufacturing job losses led to home price declines in that state. After falling by 15 percent over five and a half years, home prices in California fully recovered after eight years. The U.S. home price decreases that started in 2006 were **twice as severe** as these two regional declines.

Change in Home Price Index Since Start of Declines



While national home price numbers are nearly back to their peak, the **recovery is far from even**. Nevada, where prices dropped the farthest of any state, 60 percent, the 11-year period that has elapsed has left the state 27 percent short of its March 2006 peak. In Colorado, on the other hand, prices fell 14 percent from an August 2007 peak but have now surpassed that peak

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%

Housing News Update

by 42 percent. Boesel calls Colorado "an extreme case" of rapidly rising prices, but says 34 states are now above their pre-crisis home price levels.

		Value	Change
Builder Confidence	Mar	51	+6.25%

Change in Home Price Index Since Start of Declines (2006)



Boesel says inflation should also be factored into the pace of recovery. From the peak in housing prices through this past July, the inflation has totaled just under 18 percent. When home prices are adjusted for that, the **trough was deeper**, down 40 percent from the beginning of the cycle, and the recovery shallower; prices remain 17 percent off the peak.

Service oriented, responsive, competitive rates and an in depth knowledge of todays 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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