Daily market update: March 31, 2017

We'll add more market news briefs throughout the day. Check back to read the latest.

Most recent market news:

Thursday, March 30:

Ten-X Residential Real Estate Nowcast

March sales will fall between seasonally adjusted annual rates of 5.41 – 5.77 million with a targeted number of 5.59 million, up 2.0 percent from NAR's reported February sales and up 4.6 percent from a year ago.

Existing Home Sales

Month	Reported Existing Home Sales (in millions)	Ten-X Point Estimate (SAR in millions)	Ten-X Predicted Range (SAR in millions)
February 2016	5.08	5.40	5.23 - 5.58
March 2016	5.33	5.32	5.15 - 5.55
April 2016	5.45	5.52	5.34 - 5.70
May 2016	5.53	5.65	5.47 - 5.83
June 2016	5.57	5.56	5.38 - 5.74
July 2016	5.39	5.56	5.38 - 5.74
August 2016	5.33	5.52	5.34 - 5.71
September 2016	5.47	5.27	5.1 - 5.44
October 2016	5.60	5.38	5.21 - 5.56
November 2016	5.61	5.43	5.26 - 5.61
December 2016	5.49	5.51	5.33 - 5.69
January 2017	5.69	5.49	5.32 - 5.67
February 2017	5.48	5.51	5.34 - 5.69
March 2017	TBD	5.59	5.41 - 5.77

Sources: Google, NAR, Ten-X

"As we enter the important Spring selling season, consumer demand appears to be strong. The big question is whether there will be enough homes for sale to meet that demand," said Ten-X

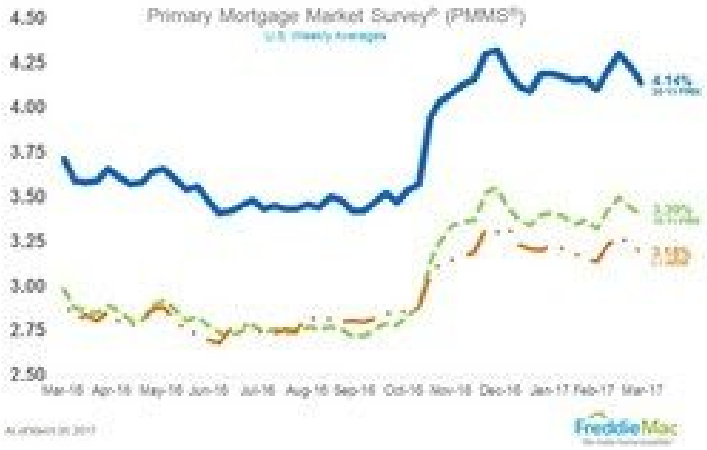
Executive Vice President Rick Sharga in a statement. “The underlying fundamentals of the market remain solid: job and wage growth are strong and interest rates remain low despite a slight uptick after the Fed move. But inventory – especially of entry-level homes – remains stubbornly low.”

Existing Home Sales Pricing

Month	Reported Existing Home Price	YoY % Change	Ten-X Point Estimate	YoY % Change	Ten-X Predicted Range
February 2016	$210,800	4.4%	$220,639	9.3%	$209,607 - $231,671
March 2016	$222,700	5.7%	$220,218	4.5%	$209,207 - $231,229
April 2016	$232,500	6.0%	$230,284	5.0%	$218,770 - $241,798
May 2016	$239,700	4.8%	$238,418	4.2%	$226,497 - $250,339
June 2016	$247,700	4.8%	$243,833	3.1%	$231,642 - $256,025
July 2016	$244,100	4.3%	$250,646	7.1%	$238,114 - $263,179
August 2016	$240,200	5.1%	$248,256	8.6%	$235,843 - $260,669
September 2016	$234,200	5.6%	$239,268	7.8%	$227,305 - $251,232
October 2016	$232,200	6%	$233,452	5.9%	$221,779 - $245,125
November 2016	$234,900	6.8%	$232,306	3.1%	$220,691 - $243,922
December 2016	$232,200	4.0%	$233,346	4.1%	$221,679 - $245,013
January 2017	$228,900	7.1%	$232,918	2.0%	$221,272 - $244,564
February 2017	$228,400	7.7%	$231,638	9.9%	$220,056 - $243,220
March 2017	TBD	TBD	$232,511	4.4%	$220,885 - $244,136

Sources: Google, NAR, Ten-X

[Freddie Mac Primary Mortgage Market Survey]



- 30-year fixed-rate mortgage (FRM) averaged 4.14 percent with an average 0.5 point for the week ending March 30, 2017, down from last week when it averaged 4.23 percent. A year ago at this time, the 30-year FRM averaged 3.71 percent.
- 15-year FRM this week averaged 3.39 percent with an average 0.4 point, down from last week when it averaged 3.44 percent. A year ago at this time, the 15-year FRM averaged 2.98 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.18 percent this week with an average 0.4 point, down from last week when it averaged 3.24 percent. A year ago, the 5-year ARM averaged 2.90 percent.

Home equity rates:

Average Home Equity Loan Bank Rates by State | Credio

Average Home Equity Loan Bank Rates by State | Credio

Average Home Equity Loan Credit Union Rates by State | Credio

Mortgage rates:

30-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

15-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

News from earlier this week:

Wednesday, March 29

Attom Data Solutions Q1 2017 U.S. Home Affordability Index

Source: Attom Data Solutions

Nationally the affordability index in the first quarter of 2017 was 103, down from 108 in the previous quarter and down from 119 a year ago to the lowest level since Q4 2008 — a more than eight-year low. The index of 103 translates to 33.6 percent of average weekly wages needed to buy a median-priced home nationwide, below the historic average of 34.6 percent but the highest share of wages needed since Q4 2008, according to Attom Data Solutions.

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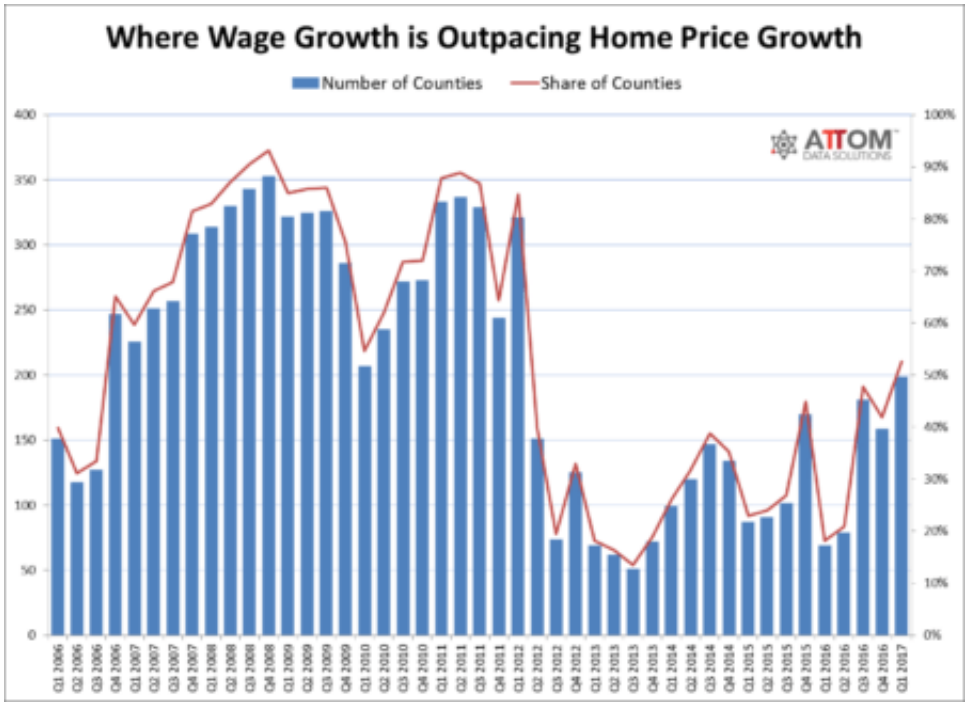
“Home affordability continued to worsen in the first quarter, not surprising given the continued strong growth in home prices combined with the recent rise in mortgage rates,” said Daren Blomquist, senior vice president at ATTOM Data Solutions. “Stronger wage growth is the silver lining in this report, outpacing home price growth in more than half of the markets for the first time since Q1 2012, when median home prices were still falling nationwide. If that pattern continues, it will help turn the tide in the eroding home affordability trend.”

- Kings County (Brooklyn), New York (121.4 percent)
- Santa Cruz County, California (111.9 percent)
- Marin County, California (109.9 percent)
- New York County (Manhattan), New York (100.5 percent)
- Maui County, Hawaii (100.2 percent).



Source: Attom Data Solutions

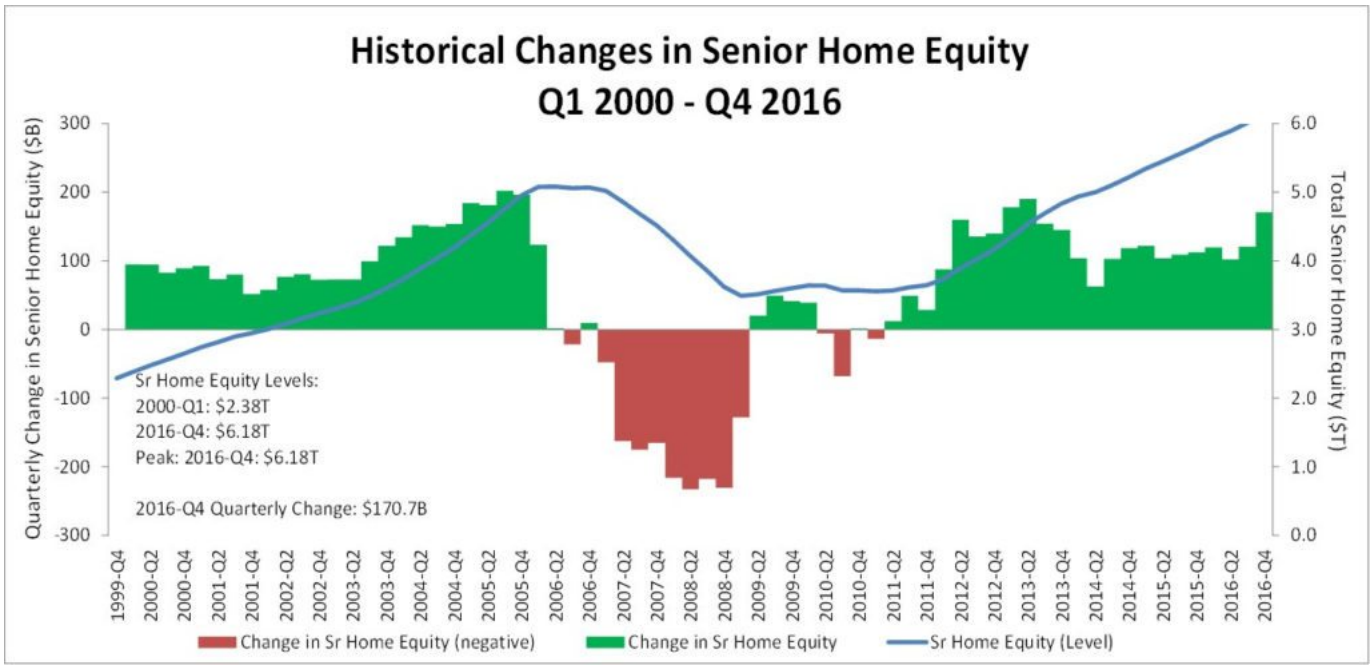
12 counties where buying a home requires less than 15 percent of average wages
Average wage earners would need to spend less than 15 percent of their income to buy a median-priced home in 12 of the 379 counties analyzed:

- Clayton County, Georgia, in the Atlanta metro area (10.8 percent)
- Baltimore City, Maryland (11.8 percent)
- Bibb County, Georgia, in the Macon metro area (12.2 percent)
- Saginaw County, Michigan, in the Saginaw metro area (12.4 percent)
- Trumbull County, Ohio, in the Youngstown metro area (12.5 percent)
- Wayne County, Michigan, in the Detroit metro area (12.6 percent)
- Richmond County, Georgia, in the Augusta metro area (14.2 percent)
- Cuyahoga County, Ohio in the Cleveland metro area (14.4 percent)
- Saint Lawrence County, New York, in the Ogdensburg-Massena metro area (14.6 percent)
- Summit County, Ohio, in the Akron metro area (14.7 percent)
- Greene County, Ohio, in the Dayton metro area (14.7 percent)
- Milwaukee County, Wisconsin (14.8 percent).

Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey

- The Market Composite Index, a measure of mortgage loan application volume, decreased 0.8 percent on a seasonally adjusted basis from one week earlier.
- The refinance share of mortgage activity decreased to 44.0 percent of total applications, its lowest level since October 2008, from 45.1 percent the previous week.
- The FHA share of total applications decreased to 10.8 percent from 10.9 percent the week prior.
- The VA share of total applications increased to 11.0 percent from 10.1 percent the week prior.
- The USDA share of total applications increased to 1.0 percent from 0.9 percent the week prior.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances ($424,100 or less) decreased to 4.33 percent from 4.46 percent
- The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than $424,100) decreased to 4.26 percent from 4.40 percent.
- The average contract interest rate for 30-year fixed-rate mortgages backed by the FHA decreased to 4.24 percent from 4.33 percent.
- The average contract interest rate for 15-year fixed-rate mortgages decreased to 3.57 percent from 3.68 percent.
- The average contract interest rate for 5/1 ARMs decreased to 3.30 percent from 3.41 percent.

National Reverse Mortgage Lenders Association/RiskSpan Reverse Mortgage Market Index



Prepared by RiskSpan, Inc. Data Sources: American Community Survey, Census, FHFA, Federal

Reserve

- Retirement-aged homeowners saw a combined 2.8 percent increase of $170.7 billion in home equity in the fourth quarter of 2016, boosting their total housing wealth to $6.2 trillion.
- A 2.4 percent increase in home values for owners 62 and older in Q4 2016 drove the NRMLA/RiskSpan Reverse Mortgage Market Index (RMMI) to 221.75, an all-time high since the index was first published in 2000.
- On a year-over-year basis, the RMMI index rose by 9.0 percent in 2016, compared to an increase of 8.6 percent in 2015 and 8.0 percent in 2014.

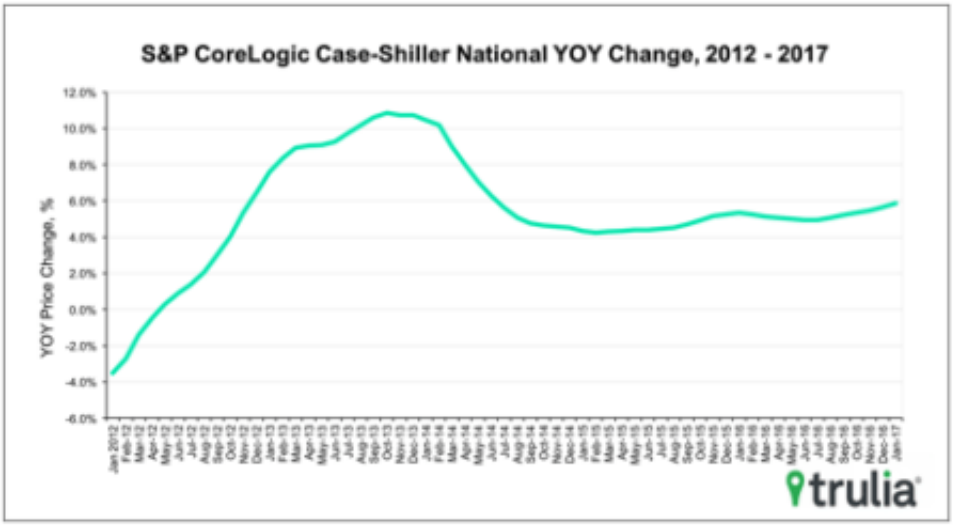
“The strong RMMI in the fourth quarter of last year shows that home equity continues to be a valuable asset for homeowners 62 and older,” said NRMLA President and CEO Peter Bell, in a press release. “It’s time for consumers to study what it means to have home equity and to learn about its strategic uses, including how it can be used to support retirement goals.”

Tuesday, March 28

Black Knight Home Price Index Report

- U.S. home prices at the start of 2017 continued the trend of incremental monthly gains, rising 0.1 percent from December
- New York continues to lead the states on a monthly basis, with prices rising 1.3 percent there in January, more than double the rate of appreciation of the next best-performing state
- The New York City metro area was the month's best-performing metro, with prices rising 1.3 percent, followed by Seattle and San Jose, each up 0.8 percent from December
- After home prices fell 3.2 percent last month, Tuscaloosa, Ala., was once again the worst-performing metro area in January; with prices falling another 4 percent in January, Alabama became the worst-performing state for the month
- Home prices in three of the nation's 20 largest states and nine of the 40 largest metros hit new peaks

Case-Shiller House Price Indices



Analysis from Cheryl Young, Trulia's Senior Economist:

- There is little sign of relief from high home prices as we enter the spring home buying season. The tough buying market is characterized by competition driven by low inventory and challenges for first-time home buyers as prices outpace income growth.
- Hot markets remain hot: Denver, Portland, Ore., and Seattle reached their highest index values ever.
- Mortgage rates are lower than expected, so the anticipated cooling of home prices as a result of higher rates is likely delayed. Spring homebuyers will be eager to lock in rates that remain low.

Monday, March 27

AEI/First American National Housing Market Index:

- The national housing market continued its rally in the fourth quarter of 2016. On an annualized basis, 5,810,000 sales transactions were reported, which is up 350,000 transactions, or 6.4 percent, from 2015.
- 2015 had already seen demand grow by 340,000 transactions or 7.6 percent from 2014.
- The home purchase market also closed out 2016 with strong growth as transactions increased 9.1 percent in the fourth quarter compared to a year ago.
- Cash sales continued to trend down accounting for only 29 percent of all transactions in 2016, down from 30 percent in 2015 and 36 percent in 2013.
- Filling its void was government-backed lending, which accounted for 55 percent of all transactions in 2016, up from 53 percent in 2015 and 50 percent in 2013.
- The AEI/First American National Housing Market Index (NHMI) is the first index to report on the entire home purchase market.

- Transaction numbers are also available on the state and metro area level for unprecedented geographical detail.

Fannie Mae Mortgage Lender Sentiment Survey highlights:

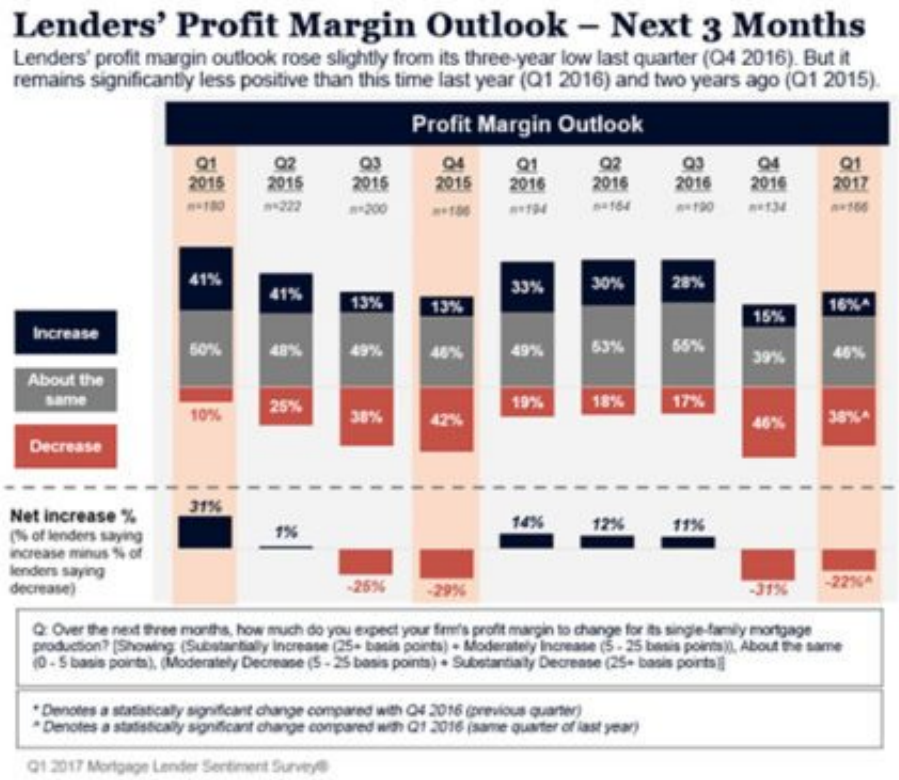
Purchase mortgage demand

Purchase mortgage demand growth over the prior three months has steadily declined for all loan types, when compared with Q1 2016 and Q1 2015, reaching the lowest reading for any first quarter since Q1 2014.

The near-term outlook showed a similar trend, with the net share expecting increased demand over the next three months declining to the lowest level for any first quarter since the survey's inception in Q1 2014.

Refinance mortgage demand

For refinance mortgages, the net share of lenders reporting rising demand over the prior three months fell to the lowest level since Q1 2014.
On net, lenders reporting demand growth expectations for the next three months rose from survey lows last quarter (Q4 2016).



Easing of credit standards

Lenders continued to report modest net easing of credit standards across all loan types for the prior three months and continued to report expectations to modestly ease credit standards over the next three months, with the majority of lenders expecting their credit standards to stay about the same.

Mortgage execution

On net, lenders continued reporting expectations to grow GSE (Fannie Mae and Freddie Mac) and Ginnie Mae shares and reduce portfolio retention and whole loan sales shares, although to a lesser extent.

Mortgage servicing rights execution

This quarter, slightly more lenders reported expectations to increase rather than decrease their share of MSR sold and to decrease rather than increase the share of MSR retained that is serviced by a sub-servicer. The majority of lenders continue reporting expectations to maintain their MSR execution strategy.

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Source: click here