Real estate daily market update: February 27, 2018

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

Most recent market news

Tuesday, February 27

Freddie Mac February 2018 Outlook

- Little has changed in our forecast for 2018 from last month, however, we now expect the 30-year fixed mortgage rate to average 4.6 percent for 2018, up from 4.5 percent in our January Outlook.
- Our analysis confirms that the direct impact of the Tax Cuts and Jobs Act of 2017 will be limited in terms of national house prices.
- Certain markets with higher average incomes (and thus more households likely to itemize deductions) and property tax rates may see larger direct impacts on house prices ranging as high as around two percentage points. But the largest effect will come through higher mortgage rates, which impacts all households.
- Adjusted for inflation in 2017 dollars, in the fourth quarter, an estimated $14.8 billion in net home equity was cashed out during the refinance of conventional prime-credit home mortgages, down from $19.0 billion a year earlier and substantially less than the peak cash-out refinance volume of $102.3 billion during the second quarter of 2006.

Forecast Snapshot (February 2018)

Summary (annualized)	2017	2018	2019
30-year PMMS (%)	4.0	4.6	5.1
Total home sales (M)	6.12	6.35	6.45
House price growth (%)	7.1	5.7	4.6
Total originations ($B)	1,850	1,740	1,780

Source: Freddie Mac

Said Len Kiefer, deputy chief economist at Freddie Mac:

“While existing home sales may struggle to top their best-in-over-a-decade 2017 performance, new home sales should provide enough growth to push total home sales in the U.S. modestly higher in 2018.

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“Housing construction continues to lag demand by a wide margin, so we expect to see housing starts grind higher in 2018. House prices have also been accelerating. The most recent release of the Freddie Mac House Price Index shows U.S. house prices increased 7.1 percent from December 2016 to December 2017.

“With construction ramping up slowly to meet demand, house prices should continue to increase, though the pace of growth may moderate as higher interest rates pinch affordability and the tax bill

shifts the balance between buy and rent.”

News from earlier this week

Monday, February 26

Bankrate mortgage rates

- The 30-year fixed mortgage rate on Bankrate.com is currently 4.31 percent — up from 4.30 percent last Monday.
- The 15-year fixed mortgage rate is currently 3.74 percent — up from 3.69 percent last Monday.

Today's Current Mortgage Rates

Loan Term	Rate	Change	Last Week
30-year fixed mortgage rate	4.310	0.01	4.300
15-year fixed mortgage rate	3.740	0.05	3.690
5/1 ARM mortgage rate	4.140	-0.01	4.150
7/1 ARM mortgage rate	4.170	-0.01	4.180
30-year fixed jumbo mortgage rate	4.620	0.07	4.550
30 Year FHA mortgage rate	4.100	0.02	4.080

Source: Bankrate

Source: click here