



Mid Valley Financial

Mortgage Banker, Since 1985

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Housing Market Ended Summer With a Bang

Looking at the calendar (and the weather, depending on where you live), summer may seem like an increasingly distant memory, but for housing market data, things are just heating up.

Whether we're talking about the housing market or almost any other aspect of the economy, the biggest economic reports tend to be released **long after** the days when the underlying economic activity was actually taking place. Case in point, among this week's reports was the final GDP figure for the months of April through June!

The housing-related reports released this week are more timely by comparison. Taken together, they suggest the housing market had a fantastic summer. The Census Bureau reported a 7.1% surge in New Home Sales for August on top of a revision that increased July's total by 4.8%. The annual pace of 713k units is very close to a post-crisis high and the **3rd highest in more than a decade**.

New Home Sales



National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Rates as of: 7/22

Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.39	-0.01
MBS GNMA 5.5	99.78	+0.00
10 YR Treasury	4.2384	-0.0141
30 YR Treasury	4.4594	-0.0131

Pricing as of: 7/23 4:48AM EST

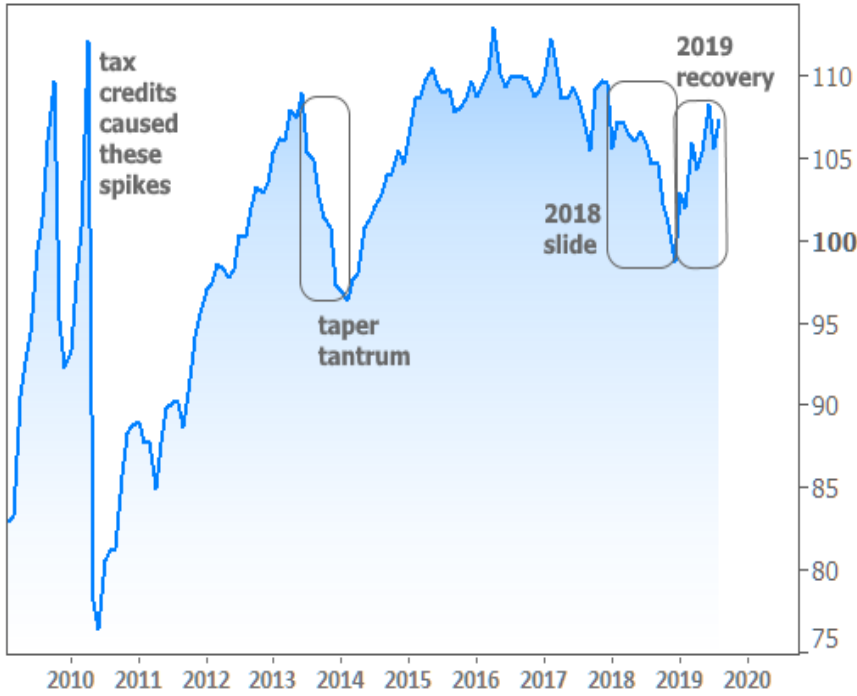
Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%
Builder Confidence	Mar	51	+6.25%

US Housing Market Weekly

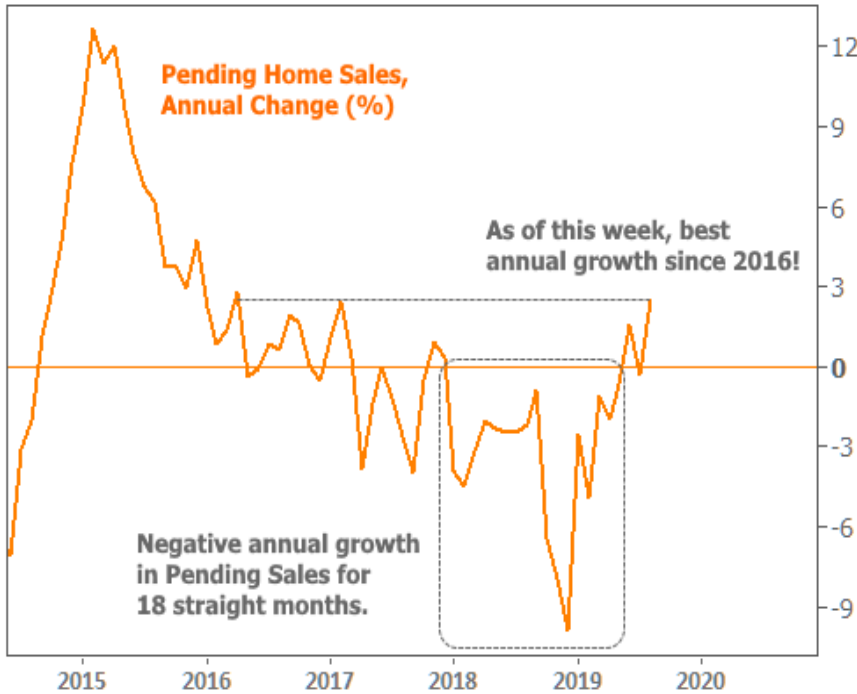
The National Association of Realtors' Pending Home Sales data also spoke to summer ending on a high note for housing. While the 1.6% increase isn't that impressive, the gains are important as they **solidify a recovery** from 2018's home sales slump.

Pending Home Sales



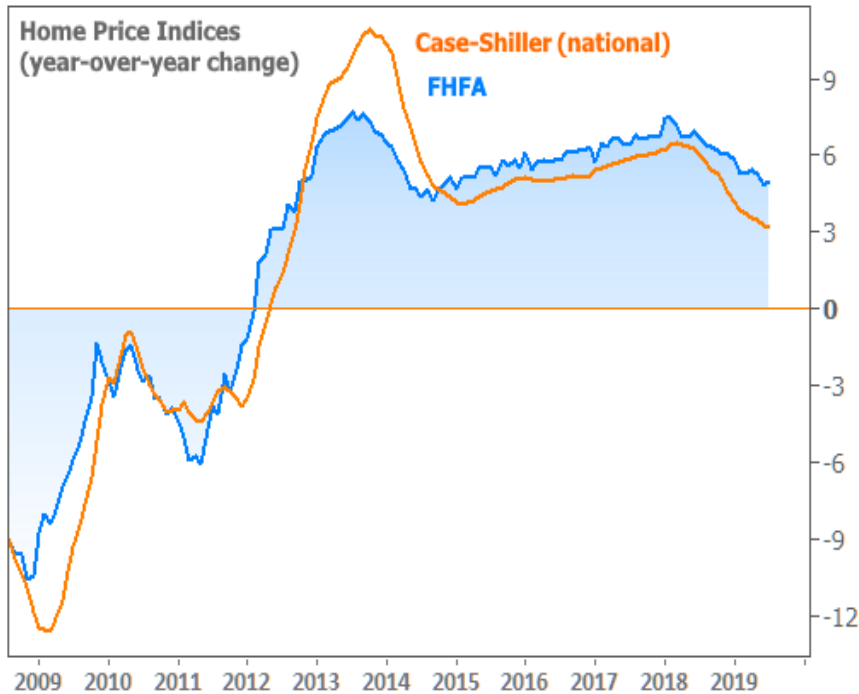
Perhaps even more importantly, this pushes the annual growth rate farther into positive territory after 18 months in the red, and to the **highest levels since 2016**.

Percent Change (y/y) in Pending Sales



US Housing Market Weekly

Slightly less timely and slightly more open to interpretation were the two major home price indices, which were updated to cover July as of this week. Both Case-Shiller and the FHFA agree that **home prices are still moving higher** in annual terms, but that's about it. Whereas Case-Shiller said prices were unchanged from June to July and only 3% higher from last year, the FHFA reported a 0.4% monthly increase and a year-over-year total of 5.0%. Neither report is necessarily better than the other. They just have slightly different methodologies.



Discrepancies aside, the merits of annual home price appreciation of 3% versus 5% are debatable. On the one hand, higher home values are generally good for the housing market, but a **SUSTAINABLE** pace of improvement is also important. With other economic reports showing inflation running between 1.8% and 2.4%, the lower of the two home price reports may arguably be the better news, as long as it's not flashing a warning about further deceleration in price growth.

2019's big drop in mortgage rates could certainly help with that. The cost of financing is a huge but stealthy factor in home price appreciation. It definitely played a role in 2013's deceleration (seen in the chart above). Then, falling rates in 2014 helped momentum shift back in the other direction. Notably, rates had been falling for at least 9 months before the home price data showed any effects. If history repeats itself, that bodes well for home prices at least being able to avoid much more deceleration, all other things being equal.

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Who is Mid Valley Financial?

Mid Valley Financial, located in Fresno, CA, is the Central Valley's premier destination for a wide range of residential and commercial real estate loans. Our commitment to excellence has made us a trusted partner for property buyers and investors seeking tailored financial solutions.

****Why Choose Us:****

With a track record spanning back to our inception in 1985, we have established ourselves as a reliable and innovative lender. We proudly serve properties exclusively within California, having funded loans in all 58 counties of the state. Our deep-rooted experience enables us to navigate complex loan scenarios with expertise and efficiency.

****Our Approach:****

At Mid Valley Financial, we prioritize your financial goals. Whether you're a first-time homebuyer, envisioning your dream property, refinancing an existing mortgage, or looking to tap into your property's equity, our seasoned loan officers offer a wealth of knowledge and over 300 years of collective experience. We ensure that your funds are prepared when you need them, providing a smooth and swift loan process.

****Unlocking Possibilities:****

As one of California's leading direct lenders, we've streamlined the loan process, minimizing obstacles that often deter borrowers. Many of our clients receive approvals within an hour, showcasing our dedication to quick and hassle-free solutions.

****Your Journey with Us:****

Contact the MVF team today and let us put your journey to property ownership on cruise control. Our mission is to empower borrowers while fostering enduring and meaningful relationships. With highly competitive rates, a commitment to transparency, and a dedication to your financial success, Mid Valley Financial is your partner in realizing your real estate aspirations.

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