



Have Rates Hit Their Lows?

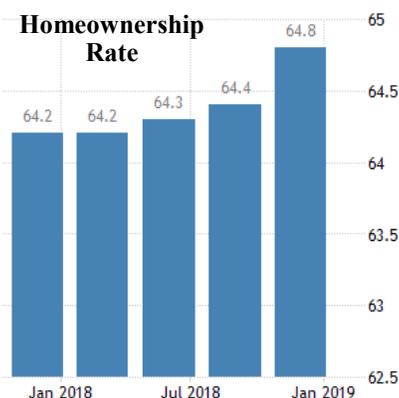
Much has been made of the fact that interest rates are lower this year than those "high paid" market analysts predicted. These lower rates have contributed to a rebound in the stock market during the first third of the year. Lower rates have also contributed to a rebound in the housing markets. We have also witnessed higher oil and gas prices this year as well.

This has led some to speculate that the economy might be self-correcting. What do we mean by that? The same prognosticators who said rates would rise were also predicting an economic slowdown this year. And the most recent overall measures of the economy have shown that the economy indeed is slowing down.

But we have also speculated that the boost which comes from lower interest rates could also cause the economy to rebound a bit, or at least not slow down as much as predicted.

If this hypothetical comes to fruition, it is quite possible that interest rates have already reached their low for the year. We have already seen a small rise in rates. Might interest rates start rising from here?

We don't know, but the jobs report coming early this month might give us a major hint. A stronger than expected showing would strengthen the theory that rates are contributing to an economic rebound and we could see rates start rising from here. A moderate or weak report could keep rates at their present welcome lows. Stay tuned as the report will be released shortly... [□](#)



SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU



Springtime Home Bargains

Buying a home is likely to get more affordable this spring as declining prices and interest rates give 6.0 percent more purchasing power while keeping monthly payments the same, or a decrease of \$62 per month in principal and interest on the average home, according to Black Knight's recent Mortgage Monitor Report.



The report indicated that annual home price growth has slowed for 10 consecutive months falling from 6.8 percent year-over-year in February 2018 to 4.6 percent at the end of the year. The report indicated that declining rates are also boosting refinancing of loans -- with 3.27 million homeowners likely to qualify for a refinance and reduce their current interest rate.

"While this is welcome news for consumers heading into the spring home buying season, it remains to be seen whether recent rate declines and easing affordability will be enough to halt the deceleration in home price growth," said Ben Graboske, President of Black Knight's Data and Analytics Division... [□](#) Source: MReport

Selected Interest Rates

April 25, 2019

- 30 Year Mortgages——4.20%
- 2018 High (Nov 15)——4.94%
- 2018 Low (Jan 4)——3.95%
- 15 Year Mortgages——3.64%
- 5/1 Hybrid ARMs——3.77%
- 10 Year Treasuries——2.53%

Sources—Fed Reserve, Freddie Mac
 Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

Staying and Renovating

People are staying in their homes longer and making repairs or renovations, according to a recent survey. The sixth annual LightStream Home Improvement Survey conducted by The Harris Poll found that 73% of owners are planning home improvements in 2019, a rise of 26% from last year. They are also planning to spend more - \$9,000 on average - a record high for the survey, while the share planning to spend \$25,000 or more rose by 83% year-over-year.

"The majority of homeowners are planning on staying in their homes for at least 10 years—or never move," said Todd Nelson, senior vice president of strategic partnerships at LightStream. "We found that most consumers are focusing their home improvement projects to reflect their personal lifestyle, comfort and interests." The reason for renovations is less about adding value than it is about creating a perfect space. Personalization is the top motivator for 27% of respondents while just 14% are driven by increasing value. Improving their home ahead of sale was the priority for just 7% while 4% were preparing for a major life event such as having a baby... [□](#)

Source: LightStream

Did You Know...

Data from RentCafé shows that the number of seniors renting has taken off, seeing stunning growth in a 10-year period. RentCafé's data shows that renters aged 60 and over grew by 43% over 10 years, from 6.55 million in 2007 to 9.37 million in 2017, outpacing their younger counterparts in growth. The median age for renters is still younger than their owner counterparts, but that's to be expected. Renter householders tend to be younger, with a median age of 42 in 2017, compared to owners that had a median age of 56. But the median age of renters has been closing the gap over the last decade. Source: HousingWire

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