

# Preliminary Indications Show that Mortgage Credit May be Easier to Obtain in 2016!!!!!!!

Hi Guys and Gals, Below is an Article from the San Diego California Association of Realtors  
 !!!!!!!!!!!!!!!!!!!!!!!!!!!!!

I have also included another article from the California Association of Realtors (Market Snapshot)  
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Above is a Current Mortgage Rate Sheet in the Attachment!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

If You Know Anyone Interested in Selling, Buying or Just may have Questions about Real Estate Please let Me Know? Thanks,

## Monthly Indicators

### January 2016

The natural ending point that is each December gives way every year to the optimism of January. This is particularly pronounced when the economy is strong and economists across the land are predicting increases in both prices and home sales. Granted, there has been some measured language surrounding the positive thinking. Although we are looking forward to a mostly decent year in real estate, it should be the kind of activity akin to a sure and steady life being lived rather than the jolt of a lottery win, which is just the way we want it.

Closed Sales decreased 4.4 percent for Detached homes but increased 0.2 percent for Attached homes. Pending Sales increased 3.3 percent for Detached homes and 9.1 percent for Attached homes. Inventory decreased 19.4 percent for Detached homes and 29.1 percent for Attached homes.

The Median Sales Price was up 8.2 percent to \$532,500 for Detached homes and 9.2 percent to \$355,000 for Attached homes. Days on Market decreased 20.4 percent for Detached homes and 19.6 percent for Attached homes. Supply decreased 25.0 percent for Detached homes and 37.5 percent for Attached homes.

Other than the change of another month and year, little else is changed in residential real estate both nationally and locally. Unemployment is solidly about the same, housing metric trends are running about the same for now and the sunny outlook is still at about high noon. Same is the sound of 2016, so get curled up and comfy with the song, because we are likely to sing it a lot this year.

### Monthly Snapshot

- 3.0%	+ 7.5%	- 22.3%
One Year Change in Closed Sales All Properties	One Year Change in Median Sales Price All Properties	One Year Change in Homes for Sale All Properties

Residential real estate activity in San Diego County, comprised of single family properties, townhomes and condominiums. Percent changes are calculated using rounded figures.

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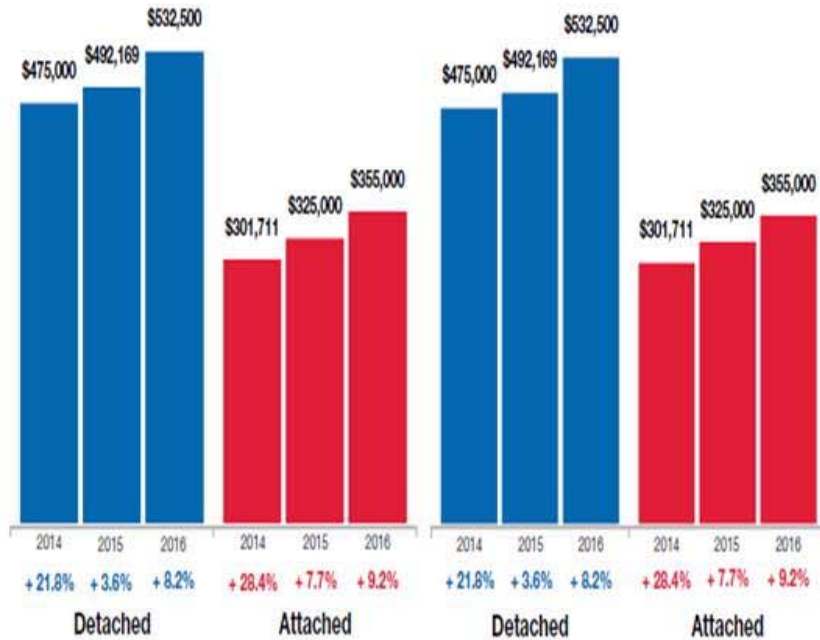


# Median Sales Price

Point at which half of the sales sold for more and half sold for less, not accounting for seller concessions, in a given month.

## January

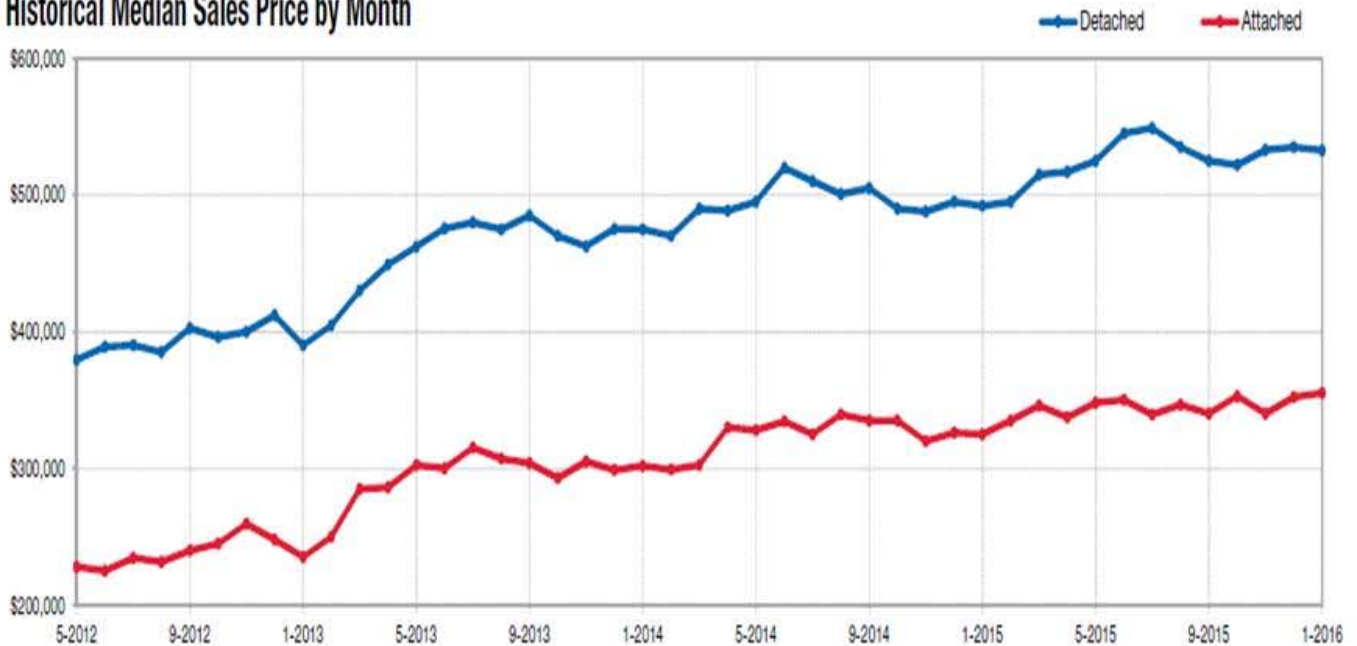
## Year to Date



Median Sales Price	Detached	Year-Over-Year Change	Attached	Year-Over-Year Change
Feb-2015	\$495,000	+5.3%	\$335,000	+11.9%
Mar-2015	\$515,000	+5.1%	\$346,000	+14.5%
Apr-2015	\$517,000	+5.8%	\$337,250	+2.2%
May-2015	\$525,000	+6.1%	\$348,000	+6.1%
Jun-2015	\$545,000	+4.8%	\$350,000	+4.6%
Jul-2015	\$549,000	+7.6%	\$339,500	+4.5%
Aug-2015	\$535,000	+6.9%	\$346,625	+2.1%
Sep-2015	\$525,000	+4.0%	\$340,000	+1.5%
Oct-2015	\$522,000	+6.5%	\$352,750	+5.3%
Nov-2015	\$533,000	+9.3%	\$340,000	+6.3%
Dec-2015	\$535,000	+8.1%	\$352,250	+8.1%
<b>Jan-2016</b>	<b>\$532,500</b>	<b>+8.2%</b>	<b>\$355,000</b>	<b>+9.2%</b>
12-Month Avg*	\$495,000	+7.0%	\$325,000	+6.2%

\* Median Sales Price for all properties from February 2015 through January 2016. This is not the average of the individual figures above.

## Historical Median Sales Price by Month

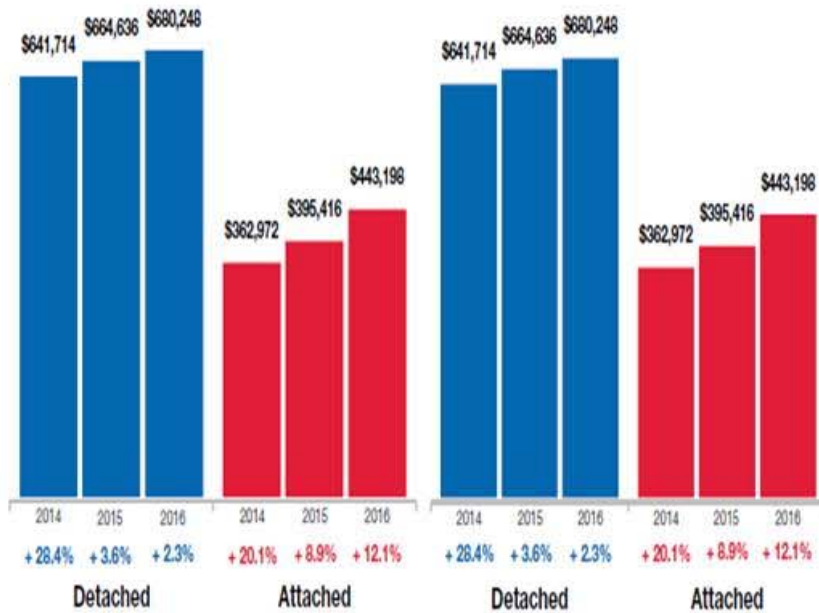


# Average Sales Price

Average sales price for all closed sales, not accounting for seller concessions, in a given month.

## January

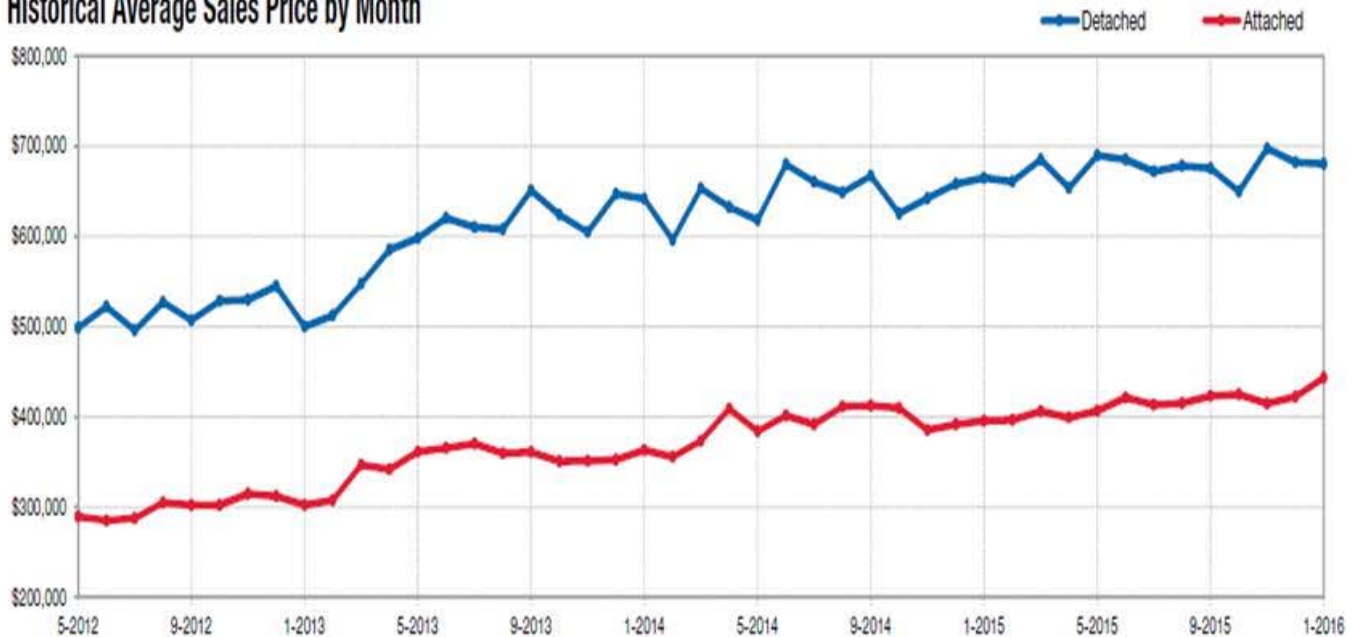
## Year to Date



Avg. Sales Price	Detached	Year-Over-Year Change	Attached	Year-Over-Year Change
Feb-2015	\$660,553	+10.8%	\$396,348	+11.6%
Mar-2015	\$685,175	+4.9%	\$405,838	+8.7%
Apr-2015	\$653,545	+3.3%	\$399,053	-2.4%
May-2015	\$689,546	+11.6%	\$406,592	+5.9%
Jun-2015	\$685,159	+0.8%	\$421,151	+5.1%
Jul-2015	\$671,984	+1.8%	\$413,010	+5.5%
Aug-2015	\$677,874	+4.5%	\$414,881	+0.8%
Sep-2015	\$675,209	+1.3%	\$422,837	+2.6%
Oct-2015	\$649,415	+3.9%	\$424,717	+3.7%
Nov-2015	\$697,303	+8.6%	\$414,588	+7.6%
Dec-2015	\$682,163	+3.7%	\$422,177	+7.9%
<b>Jan-2016</b>	<b>\$680,248</b>	<b>+2.3%</b>	<b>\$443,198</b>	<b>+12.1%</b>
12-Month Avg*	\$645,946	+4.6%	\$394,265	+5.2%

\* Avg. Sales Price for all properties from February 2015 through January 2016. This is not the average of the individual figures above.

## Historical Average Sales Price by Month





# Market Snapshot

## Mortgage Availability Poised to Rise in 2016

Preliminary indications show that mortgage credit may be easier to obtain in 2016 than it was during 2015, which should help bolster home sales. Although the Great Recession officially ended in 2009, mortgage lending had been slow to recover. This was due to a variety of factors including supply, which was impacted by tighter regulations on lending imposed by Dodd-Frank and the Consumer Financial Protection Bureau, and weaker demand due to slack in the labor markets and the number of potential borrowers with a bankruptcy, foreclosure, or short sales on their credit reports.

Information from several different data sources shows that mortgage credit will be easier to obtain this year. The Federal Reserve's Senior Loan Officer Opinion Survey shows that most banks were loosening standards for virtually all types of mortgage loans with the exception of subprime mortgages. Lending standards for GSE-backed, QM Jumbo Loans, and Non-QM Jumbo loans have loosened for the past 5 quarters consecutively.

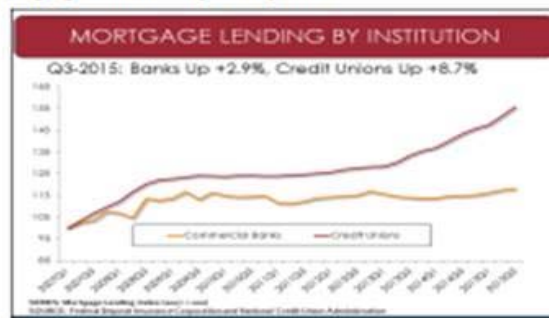
As standards loosen, more households will be able to access mortgage credit and purchase new homes. Ellie Mae reports that this is already having an impact as the average FICO score for closed mortgage loans has begun to decline. In December 2015, the average FICO score for all closed mortgage loans was 722. That is still relatively historically high, such that there are no immediate concerns about risky lending practices, but represents a marked improvement from the 750 FICO scores that were required to finance a home purchase just a few years ago.

As a result, mortgage lending has already begun to post more growth. According to data published by the FDIC, commercial banks increased their outstanding mortgage loans by 2.9% through the third quarter of last year to just over \$2.3 trillion.

That represents a \$65 billion uptick in loan volumes over the same period in 2014. As the overall economy continues to heal combined with easier credit standards for mortgage loans, banks should originate more purchase loans and help to facilitate further growth in home sales this year.

In addition, while banks have modestly been expanding their mortgage portfolios, growth in lending at credit unions has been much more aggressive. Although credit unions still represent a small share of the mortgage market, that share has been rising. In the third quarter of 2015, mortgage lending at credit unions was up 8.7% over 2014—three times faster than the pace at banks last year. This suggests that credit unions could become an increasingly important avenue for mortgage financing in the coming years.

Overall, lending is finally starting to rise across the board and suggesting that it is getting easier to obtain financing. Banks are still the largest portion of the mortgage market, but credit unions have thrown their hats into the ring on new mortgage originations as well. Given that credit unions enjoy tax-exempt status, loan rates are typically lower than at commercial banks. Taken together with a mortgage portfolio that is expanding more rapidly than banks, future buyers may consider meeting with their local credit union in addition to their local banker when seeking mortgage financing this year.



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