



A message from Nickolas Inhelder:

We Make Home Happen.™

Our goal is simple:

To help every family we serve get to “Yes.”

Yes to the loan that unlocks the joy of home ownership.

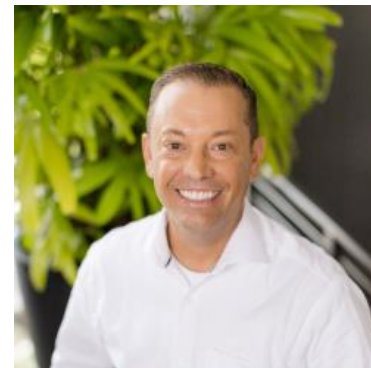
Yes to the lending solution that meets every client’s unique needs and wants.

That’s why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let’s make home happen.

CONTACT ME TODAY



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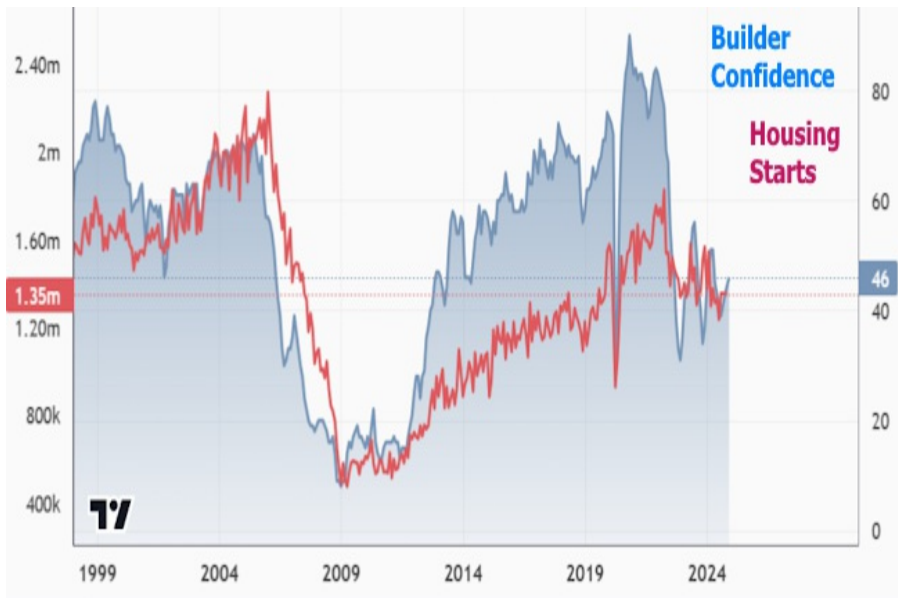
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Like Many Housing Metrics, Builder Confidence is Just Waiting For Lower Rates

Historically low interest rates may not have guaranteed historically high levels of housing activity, but exceptionally high rates have definitely muted activity in a measurable way. We've cataloged this incessantly when it comes to refinance activity, but there's a correlation with home sales as well. The Housing Market Index (HMI) from the National Association of Homebuilders is just another way to see it.

A de facto measurement of builder confidence/sentiment, the HMI had been flying high (all time highs, actually) shortly after the initial covid lockdowns. At the time, rates were at all-time lows and pent-up buying demand was being unleashed. Notably, that level of confidence was achieved despite housing starts only being about 2/3rds of their 2005 peak.



Just as notable, as seen in the chart above, housing starts merely fell back to levels there were still higher than most of 2019 (a time when builder confidence was fairly close to all-time highs). So why would builder confidence swoon so much more than the activity level in the homebuilding sector would suggest?

If the title and intro wasn't a giveaway, we'll make it clear: RATES!

We could review a chart of rates compared to builder confidence, but that would look like an ink blot test with each line moving in opposite directions. Instead, the chart below uses the price of mortgage-backed-securities (MBS)--the bonds that dictate mortgage rates. The convenience of MBS in this context is that they'll move exactly like mortgage rates, but in the inverse (thus allowing us to more easily see the correlation between rate movement and the confidence swan dive).



In short, both rates and builder confidence (along with many other housing metrics) are just counting the arduous days between now and whenever something changes to put an end to the repression. In all likelihood, a big improvement in rates will be required to see a big improvement elsewhere.