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Labor and Land Costs Cited for Dip in Builder Confidence

The National Association of Home Builders (NAHB) said on Tuesday that its NAHB/Wells Fargo Housing Market Index (HMI) dropped one point in December adding to its three point loss in November. The HMI, a measure of home builder confidence in the new home market is **now at 61**. It had reached 65, its highest level in a decade, in October.

NAHB Chairman Tom Woods said, "Overall, builders are optimistic about the housing market, although they are **reporting concerns** with the high price of lots and labor."

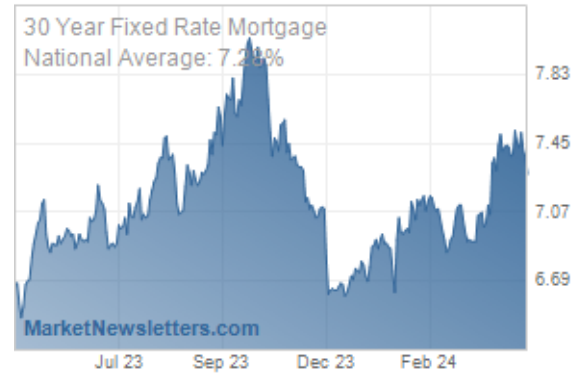
The HMI is derived from a survey NAHB has conducted among its new home builder members since the early 1990s. The survey asks respondents to gauge the current market for new homes as "good," "fair" or "poor" and to do the same regarding their expectations over the next six months. They are also asked to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where **any number over 50** indicates that more builders view conditions as good than poor.

Each of the three HMI components also dipped modestly in December. The index measuring **expectations** over the next six months, usually the highest of the three, fell two points to 67 while the one gauging **current sales** lost one point to 66. The index assessing **buyer traffic** which has lagged the other two badly for years, also fell two points to 46.

"For the past seven months, builder confidence levels have averaged in the low 60s, which is in line with a **gradual, consistent recovery**," said NAHB Chief Economist David Crowe. "With job creation, economic growth and growing household formations, we anticipate the housing market to continue to pick up traction as we head into 2016."

The three-month moving average HMI scores for the four regions were mixed. The **West** increased three points to 76 while the **Northeast** rose a single point to 50. Meanwhile the **Midwest** dropped two points to 58 and the **South** fell one point to 64.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
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%

All Your Mortgage Needs, Professionally Delivered with a Personal Touch

Whether you're a first-time homebuyer hoping to navigate the process of buying a home so that it is a fun and anxiety-free process or a homeowner looking for refinance options that deliver more freedom and flexibility, I can help you analyze your current situation and find money saving options. With expertise in all areas of mortgage and financing, my hope is that once I become your mortgage partner, I'll stay your mortgage partner. With clients from A to Z, files never leave my hands or my desk. From start to finish, every step of the way, my goal is to keep the lines of communication open, provide complete and attentive service, and ensure the most seamless and satisfactory process possible.

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Value

Change

6.25%