



## Rich E. Blanchard

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## Multifamily a Bright Spot in Otherwise Lukewarm Construction Spending

Construction spending continued to be lukewarm in September, lagging behind both September 2015 and August 2016. Multi-family construction was among the few bright spots along with a **substantial revision** of August's totals.

Total construction spending during the month was estimated at a seasonally adjusted annual rate of **1.15 trillion**, down 0.4 percent from August and 0.2 percent lower than the September 2015 estimate. August's rate however was revised from a loss of 0.7 percent to a 0.5 percent gain. For the year through the end of September total spending is estimated at \$863.2 billion, an increase of 4.4 percent over the same period in 2015.

Analysts polled by *Econoday* were looking for a positive number. The range was an increase of 0.2 percent to 0.8 percent with a consensus of 0.6 percent.

**Private construction** spending was also down, a rate of \$879.7 billion, 0.2 percent below the August estimate but that August number was revised up from \$871.6 billion to \$881.6 billion. The September figure is 2.4 percent higher than September 2015.

**Residential spending** was at a seasonally adjusted rate of \$453.7 billion, an increase of 0.5 percent for the month and 0.9 percent on an annual basis. Single-family spending was up 0.1 percent to \$236.6 billion, 2.9 percent below the rate last year. Spending on multi-family construction was 62.1 billion, a 2.0 percent and 9.1 percent improvement over the two earlier periods.

On a **non-seasonally adjusted** basis there was \$42.0 billion spent on residential construction in September; \$22.1 billion of it on single-family housing. On a year-to-date basis residential spending is up 5.5 percent from the same period in 2015, single family spending is 6.0 percent higher and multi-family rose 18.8 percent.

Total **public sector spending** on construction was at an annual rate of \$270.3 billion, down 0.9 percent from the rate in August and down 7.8 percent year-over-year. Public spending on residential construction was \$5.8 billion, a decline of 9.9 percent from August and 14.8 percent from a year earlier.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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%

Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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Value

Change

Mar51+6.25%