



## BRETON MACDONALD

Mortgage Banker/Broker/Branch Manager, Geneva Financial LLC

174698

3155 S. Price Road, Suite 105 Chandler, Arizona 85248

Office: 949-887-7289

Mobile: 949-887-7289

[bmacdonald@genevafi.com](mailto:bmacdonald@genevafi.com)

[View My Website](#)

### A Message from BRETON MACDONALD:

"We do Construction & Purchase loans. ideally with no closing costs at all. Don't get hosed on the fees to go with the builders lender. I've noticed a lot more of these the past few months."

## Construction Spending Remains Strong Despite Headwinds

Construction spending was less robust than April's 1.8 percent gain, but the May numbers **came in about where the experts expected them**. The Census Bureau said the total value of construction put in place during the month was a seasonally adjusted annual \$1.310 billion compared to \$1.305 trillion (revised down from \$1.31 trillion) the previous month. The May figure was 4.5 percent higher than the annualized construction total in May 2017.

On a non-adjusted basis there was a total of 112.72 billion spent during the month. Spending is running 4.3 percent higher than last year on a year-to-date (YTD) basis; \$497.1 billion compared to \$476.67 billion during the first five months of 2017.

Analysts polled by Econoday had forecast that total construction spending would rise 0.6 percent. Predictions ranged from an increase of 0.3 percent to 1.2 percent.

Privately funded construction was at an annual rate of \$1.01 trillion, an 0.3 percent increase from \$1.00 trillion in April and YTD spending is up 4.2 percent through May. **The residential sector's performance was better than private construction spending overall**. It was up 0.8 percent to a seasonally adjusted rate of \$553.81 billion compared to \$549.31 billion in April. Year-over-year residential spending was up 6.6 percent. On a non-adjusted basis, residential spending for the month increased from \$45.79 billion to \$47.79 billion and YTD spending was up 6.5 percent.

Much of the strength in May was in the multifamily sector, up 1.6 percent on a seasonally adjusted basis from April and 4.2 percent from May 2017. However, spending for residential units in multi-unit buildings is slipping behind on a year to date basis, down 1.1 percent for the first five months of the year. Single-family spending however is holding its own, even as builders bemoan rising costs and labor and material shortages. Spending rose 0.6 percent month-over-month to an annualized \$288.28 billion and there was an 8.2 percent edge over the prior May. **On a YTD basis it looks even**

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.87%	-0.02	0.00
15 Yr. Fixed	6.32%	-0.01	0.00
30 Yr. FHA	6.33%	0.00	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.59%	+0.01	0.00

### Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/23

## Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%

**stronger**; spending in 2018 through the end of May was \$109.15 billion

compared to \$99.78 billion during the same period in 2017. This is an increase of 9.4 percent.

	Value	Change
Builder Confidence	Mar 51	+6.25%

The strongest private spending so far this year has been in **transportation, up 21.6 percent, and communications with a 10.6 percent gain**. We note however that the total spent this far on all 11 non-residential construction categories, \$180.06 billion, is more than \$30 billion below that spent to construct residential units.

Spending for publicly funded projects was at a rate of \$304.14 billion, up 0.7 percent from the April number and 4.7 percent higher year over year. YTD spending has increased as well, up 4.4 percent through May.

The dollars spent on residential construction in the public domain is relative insignificant; currently a seasonally adjusted annual rate of \$6.69 billion. This is up 1.4 percent from April but down 4.8 percent compared to last May. On a YTD basis residential spending, at \$2.57 billion, is 2.8 percent lower than in 2017.

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Breton is a Branch Manager & Sr Loan Officer at the top of his field for over 15 years. Transparency & treating people like family is how he has built a solid network of referral & repeat business over the years. Candor and expertise is how he communicates & consistently closes on time getting the best loan possible. With Geneva Financials' wide array of products & its seamless, straightforward process he will be able to find you the best mortgage structured the right way. With a positive attitude, Breton is consummate pro who is honest, upfront & shoots it to you straight. 949-887-7289

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