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A Message from Jeffrey Chalmers:

"With an housing inventory shortage, is new construction a good option?"

Builder Confidence Declines on Labor/Lot Shortages

Builder confidence in the new home market appeared to take a tumble in June, per the latest survey conducted by the National Association of Home Builders (NAHB). The NAHB/Wells Fargo **Housing Market Index (HMI) dropped 2 points from the May level to 67**. In addition, May reading was revised down from 70 to 69.

Analysts surveyed by Econoday had not expected a change in the June HMI, forecasting another 70 reading.

NAHB Housing Market Index



The HMI is constructed from responses to a survey NAHB has conducted for more than 30 years among its new-home builder members. They are asked to provide their **perceptions of current single-family home sales and sales expectations for the next six months** as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high,"

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00

Freddie Mac

30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	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: 7/26

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%

"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.

	Value	Change
Builder Confidence	51	+6.25%

All three HMI components were **down from the previous month**. The component gauging current sales conditions was down 2 points to 73 while expectations for the next six months also lost 2 points, falling to 76. Perceptions of buyer traffic dropped below the benchmark, scoring 49, also a loss of 2 points.

NAHB Chairman Granger MacDonald said, "Builder confidence levels have remained consistently sound this year, reflecting the ongoing gradual recovery of the housing market." Chief Economist Robert Dietz added, "As the housing market strengthens and more buyers enter the market, builders continue to express their frustration over an ongoing **shortage of skilled labor and buildable lots** that is impeding stronger growth in the single-family sector."

Builder confidence lost ground in all four regions. The HMI in the Midwest and South edged one 1 lower to 67 and 70 respectively. The Northeast had a score of 46 and the West 76, each down 2 points from May.

Because Integrity Matters™

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT™) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

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