



Guy McAtee

Sr Loan Officer, American Financial Lending, Inc
 NMLS #154570
 20860 N Tatum Blvd #160 BK#0910057 Phoenix, AZ 85050

Office: 602-277-3800
 Mobile: 602-448-3464
 Fax: 602-631-9788
guy@aflending.com

Construction Spending up Big Year-Over-Year

Both overall construction spending and spending for residential purposes in October was little changed from September according to data released by the Census Bureau on Tuesday. Spending on both publicly and privately funded construction however was **significantly higher than in October 2014**.

Construction spending overall was at a seasonally adjusted annual rate of \$1,107.4 billion during the month, a 1.0 percent increase over the September estimate of \$1,096 billion and **13.0 percent higher** than a year earlier when spending was \$979.6 billion.

On a non-seasonally adjusted basis construction spending in October totaled \$101.1 billion and for all of 2015 through the end of October \$888.1 billion in construction had been put in place. One year earlier the total year-to-date spending was \$802.3 billion and thus a year-over-year increase of 10.7 percent.

Private sector spending increased by 0.8 percent from September to an annual rate of \$802.4 billion and was 15.9 percent higher than in October 2014. On a non-seasonally adjusted basis spending totaled \$72.5 billion and spending for the year-to-date was \$640.6 billion, a 12.4 percent gain over the same period in 2014.

Residential spending by the private sector which accounts for virtually all residential spending was at a seasonally adjusted rate of \$399.0 billion compared to \$395.0 billion in September, a 1.0 percent increase. On an annual basis residential spending was **up 16.6 percent**. The annual gain was accounted for primarily by construction in the multi-family sector which was at an annual rate of \$58.4 billion, a 1.4 percent increase for the month and 27.9 percent higher than in October 2014. Single family new home construction was at a rate of \$226.2 billion, up 1.6 percent and 11.4 percent for the two periods.

On a **non-adjusted** basis there was \$36.8 billion spent on residential construction during the month of October; \$20.6 billion on single-family and \$5.0 billion on multi-family construction. Through October there was \$283.4 billion spent on private residential construction and spending on new single family homes was up 13.6 percent while multi-family construction rose by 25.5 percent.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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%

Publicly funded construction rose by 1.4 percent for the month and 6.1 percent for the year to a seasonally adjusted rate of \$305.0 billion. Residential spending, was down by 0.1 percent from September but has increased by 28.1 percent over the last 12 months to \$6.5 billion. Publicly funded residential spending is running 30 percent above 2014 spending on a year-to-date basis.

	Value	Change
Builder Confidence	51	+6.25%

Experience, Responsive, Expertise

Whether you're buying, selling, refinancing, or building your dream home, you have a lot riding on your loan specialist. Since market conditions and mortgage programs change frequently, you need to make sure you're dealing with a top professional who is able to give you quick and accurate financial advice. I have the expertise and knowledge you need to explore the many financing options available.

Ensuring that you make the right choice for you and your family is my ultimate goal. And I am committed to providing my customers with mortgage services that exceed their expectations.

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