



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

Residential Construction Numbers Bounce Back From Dismal March

Permits for residential construction reversed a four-month slide in April and housing starts **bounced back** from a sharp March decline. The increases in the two key residential construction indicators released today by the U.S. Census Bureau and the Department of Housing and Urban Development will probably quiet some of the concerns over the springs housing momentum that were raised by a poor March report.

Privately-owned housing permits were issued in April at a seasonally adjusted annual rate of 1,116,000, a **3.6 percent increase** from March when permits were down by 7.7 percent. However, that original March permit estimate was further revised down from 1,086,000 to 1,077,000. April permits were running 5.3 percent below permits in April 2015 which were at the rate of 1,178,000 units.

Analysts polled by Econoday had expected permits to come in at a rate of 1.135 million. The number was **actually higher** than the upper range of predictions which ran from 1.100 to 1.185 million.

The strength in the permitting numbers, however, was not in the single-family sector. Those permits were up 1.5 percent from March to an annual rate of 736,000, 8.4 percent above a year earlier. The March single-family number was revised down from 727,000 to 725,000. Permits for construction of units in buildings with five units or more increased by 9.4 percent to 348,000.

On a non-seasonally adjusted basis, there were permits issued for 98,400 units of housing. In March, the total was 97,700.

Privately-owned housing starts were at a seasonally adjusted rate of 1,172,000, **up 6.6 percent** from March when they had tumbled by 8.8 percent. The original 1,089,000 March estimate of starts recovered somewhat, revised today to 1,099,000. Despite April's strong showing housing starts are still 1.7 percent below the 1,192,000 units posted in April 2015.

The housing starts number was also significantly higher than analysts had predicted, **well above** the upper range of 1.180 million. The census was 1.130 million.

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%

Single-family permits rose 3.3 percent to 778,000 units and were 4.3 percent higher than in April 2015. The March estimate of 764,000 single-family starts was further downgraded to 753,000. Multi-family units were started at a rate of 373,000, a 10.7 percent month-over-month gain.

On a **non-seasonally adjusted** basis, there were 108,000 units of housing started in April compared to 89,600 the previous month.

Housing **completions** were at a seasonally adjusted annual rate of 933,000, a decline of 11.0 percent from the March estimate of 1,048,000 (revised from 1,061,000). Completions were also below the rate of a year earlier by 7.4 percent.

Single-family homes were completed at a rate of 691,000 units, **down 3.6 percent** from the previous month but 1.9 percent higher on an annual basis. Multi-family completions were at a rate of 232,000, down about 27 percent for both the month and year.

On a non-adjusted basis, there were 72,600 units of housing completed during the month. In March, there were 77,600.

At the end of the reporting period, there were an estimated 999,300 residential units (not seasonally adjusted) under construction. Single-family units numbered 427,900 and multi-family 560,600. There were an estimated 145,400 permits that had been issued but under which construction had not yet begun. An estimated 69,100 of those were for single-family houses.

Permits increased by 3.0 percent in the **Northeast** compared to March and but were 41.2 percent below the pace in April 2015. Housing starts fell by 7.6 percent and were 29.8 percent lower than a year earlier. Houses were completed at a rate 17.8 percent below that of March and 22.8 percent lower than in April 2015.

Permits rose 3.3 percent in the **Midwest** and were 23.5 percent higher than a year earlier. Starts rose 22.2 percent on a monthly basis and by 11.3 percent year-over-year. Completions fell by 18.0 percent and 24.2 percent for the two respective periods.

In the **South** the rate of permitting rose by 3.3 percent but was off 2.6 percent from the previous April. Starts rose by 14.1 percent and 18.2 percent over the two earlier period. Completions were down by 7.8 percent for the month but were 7.0 percent higher than a year earlier.

The rate of permitting in the **West** was up 4.7 percent for the month but was down 3.6 percent from a year earlier. Starts were down substantially, by 10.0 percent for the month and 24.7 percent compared to April 2015. Completions lagged the previous month by 10.0 percent and were down 15.7 percent from the prior April.

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.

Guy McAtee

