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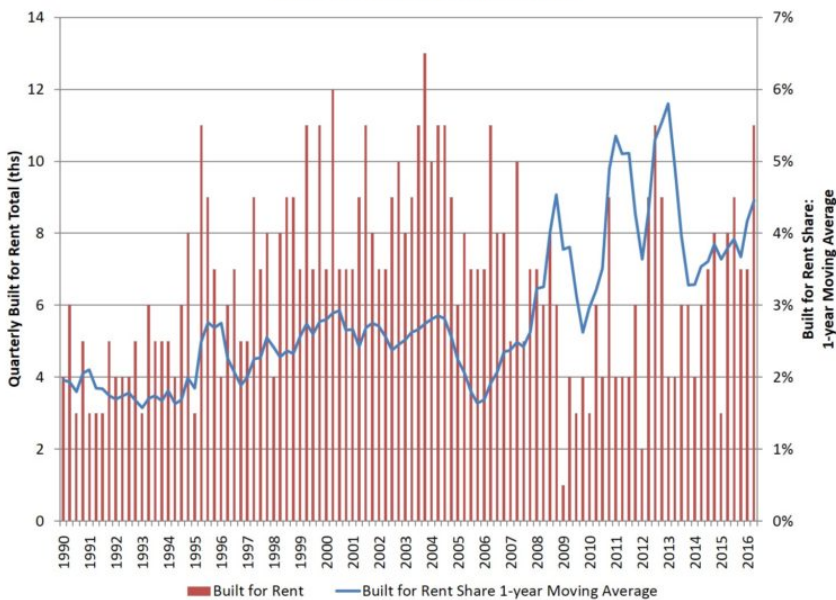
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## More and More Homes Being Built to Rent

While the numbers remain small, the National Association of Home Builders (NAHB) notes there is a slowly increasing trend of single-family homes being built specifically as rentals. Robert Dietz, chief economist and senior vice president for NAHB says that, while the small numbers mean care must be taken when identifying trends, there were solid gains in the **built-for-rent market** over the last year.

The Census Bureau's *Quarterly Starts and Completions by Purpose and Design* as analyzed by NAHB puts the one-year moving average market share of this construction at **4.5 percent of total housing starts** as of the second quarter of 2016. This is higher than the historic share of 2.8 percent but down from 5.8 percent at the beginning of 2013.

Single-Family Starts Built-for-Rent



The percentages translate to 34,000 housing starts in this category for the four quarters ending with the first quarter of 2016 compared to 26,000 for the four prior quarters. This class of construction **does not include** homes that are sold to another party to be rented, only those home specifically built and held for that purpose.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.14%	+0.07	0.00
15 Yr. Fixed	6.49%	+0.04	0.00
30 Yr. FHA	6.62%	+0.11	0.00
30 Yr. Jumbo	7.30%	+0.04	0.00
5/1 ARM	7.10%	+0.08	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 7/1

## Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

	Value	Change
As an example of this trend, one major homebuilder, Lennar, has completed a single-family rental community in Sparks, Nevada and says it may build one or two more.	51	+6.25%

At the same time, there has also been a trend toward purchasing newly constructed homes on the part of **institutional investors**. Starwood-Waypoint purchased 16,000 single-family properties in the rush that followed the housing crash but only 200 were new construction. Recently the REIT's CEO Doug Brien told CNBC that builders are "the next frontier for institutional builders." He says builders are even starting to offer institutional buyers bulk discounts. Lennar says it is also moving in this directions, buying up the first or the last 10 percent of single family developments and turning them into rentals.

## Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the ONLY objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are NOT mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do NOT have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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