



Mike Baker

Head Interest Rate Shopper, The Rate Shop
 Individual NMLS: 259076 Company NMLS: 2554765 State
 23211 W 45th St Shawnee, KS 66226

Office: 913-213-3335
 Mobile: 913-213-3335
mike@rateshopkc.com
[View My Website](#)

Housing Data Mixed; Starts Lag Year-Ago Numbers

Permits for construction of residential housing **improved** in September after several dismal months, but housing starts retreated from both August and year-ago numbers. The U.S. Census Bureau and the Department of Housing and Urban Development said permits increased by 6.3 percent from September to a seasonally adjusted annual rate of 1,225,000. This was well above the expectations of analysts polled by *Econoday*. Those ranged from 1.150 to 1.182 million with a consensus of 1.165 million.

The September permitting number is **8.5 percent higher** than that for September 2015. August permits were revised upward from the 1,139,000 originally reported, which represented a fractional 0.4 percent decline from July, to 1,152,000.

Permits for **single family** construction were at a rate of 739,000, a 0.4 percent change from August and 4.4 percent above the level in September 2015. August single family permits were revised slightly from the 737,000 originally reported to 736,000. Permits for construction of units in buildings with five or more units were at a rate of 449,000, up 17.2 percent from both August and from the previous September.

On a **non-seasonally adjusted** basis permits were issued for construction of 107,600 residential units in September compared to 108,400 the previous month. Single-family permits dropped to 62,900 from 71,100.

Housing starts **declined** by 9.0 percent in September to a seasonally adjusted annual rate of 1,047,000 from the revised (from 1,142,000) August rate of 1,150,000. The September number is 11.9 percent below the annual rate of 1,189,000 a year earlier. Analysts were looking for starts to come in in a range of 1.150 to 1.200 million with a consensus of 1.180 million.

Construction was started on **783,000 single-family houses** in September, an 8.1 percent gain from the August figure of 724,000 (revised from 722,000) and a 5.4 percent change from September 2015. Multi-family construction starts declined by 38.9 percent from August to a 250,000-unit pace, 42.5 percent below starts a year earlier.

On an **unadjusted** basis there were 94,800 housing starts including 68,000 single-family houses in September compared to 102,100 and 66,700 in August. Multi-family starts dropped from 34,000 to 25,400.

National Average Mortgage Rates



	Rate	Change	Points
--	------	--------	--------

Mortgage News Daily

30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

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: 6/28

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%

Housing News Update

Housing units were **completed** at a seasonally adjusted annual rate of 951,000, a decline of 8.4 percent from August and 5.8 percent from the 1,010,000 units completed in September 2015. The August completion rate was revised from 1,043,000 to 1,038,000.

	Value	Change
Builder Confidence	51	+6.25%

Single family completions were estimated at a rate of 687,000, an 8.8 percent decline from August but 6.7 percent higher than the estimate for a year earlier. Multifamily completions were down significantly from the two earlier periods, by 10.1 percent and 30.4 percent respectively to a rate of 250,000 units.

On an unadjusted basis there were an estimated 86,600 housing units completed during the month compared to 98,300 in August. Single family completions fell from 66,500 to 61,400 on a month-over-month basis.

At the end of the reporting period there were an estimated **1,059,900 housing units under construction** (unadjusted) with 454,100 of them single-family units. Construction had not yet begun on an estimated 139,500 units previously authorized by permits. This included 72,800 single family permits.

Permits rose by 23.6 percent month-over-month in the **Northeast** and were 13.9 percent higher than a year earlier. Housing starts were down by 36.0 percent from August and 31.5 percent year-over-year. Completions fell by 25.8 percent and 20.7 percent compared to the two earlier periods.

In the **Midwest** permitting was down by 5.2 percent from August but was 6.4 percent higher than the previous September. Starts fell 14.1 percent for the month but were 6.6 percent higher than a year earlier. Completions dropped by 24.3 percent from August and 45.5 percent year-over-year.

The **South** saw increases of 2.6 percent and 5.7 percent in permitting compared to the previous month and the prior year respectively. Starts were off for both the month and year by 5.3 percent and 15.6 percent respectively. Completions declined by 7.2 percent from August but were up 12.2 percent from September 2015.

Permitting jumped by 15.8 percent in the **West** compared to August and gained 13.3 percent compared to September 2015. Housing starts were unchanged from the prior month and declined by 4.4 percent on an annual basis. Completions increased by 9.6 percent and 2.6 percent for the month and the year.

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.

Mike Baker

