



Mike Baker

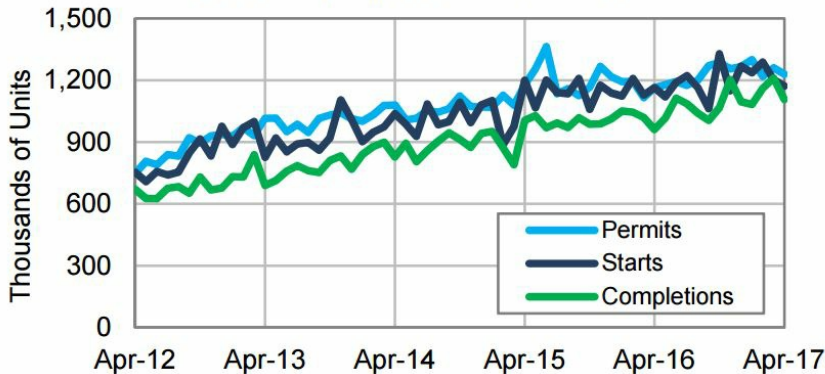
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April Permits, Starts, Slip from March Levels

All three residential construction measures for April were **lower** than those in March. The Census Bureau and the Department of Housing and Urban Development said housing permits, starts, and completions all declined on a month-over-month basis but all remained higher than their April 2016 levels.

New Residential Construction (Seasonally Adjusted Annual Rates)



Source: U.S. Census Bureau, HUD, May 16, 2017

Permits for privately owned housing units were at a seasonally adjusted annual rate of 1,229,000 units, a **decline of 2.5 percent** from the estimated 1,260,000 permits issued in March. Analysts polled by Econoday had expected permits to be much higher, a range of 1,255,000 to 1,290,000, with a consensus of 1,271,000. Permitting for the month did remain above the annual rate of 1,163,000 in April 2016, an increase of 5.7 percent.

Single-family permits were issued at a seasonally adjusted annual rate of 789,000, 4.5 percent lower than the rate in March of 826,000 (revised from 823,000) but up 6.2 percent from a year earlier. Permits for units in buildings of five or more rose 1.5 percent to a rate of 403,000 compared to 397,000 in March and were 4.1 percent higher than the previous April.

On a non-seasonally adjusted basis there were 102,900 permits issued in April, 69,000 for single-family construction. In March the respective numbers were 112,500 and 77,100.

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 starts in April were at a seasonally adjusted annual rate of 1,172,000 units, a 2.6 percent decline from March. The original March estimate of 1,215,000 starts was revised down to an annual rate of 1,203,000. The April estimate was 0.7 percent higher than the estimate a year earlier of 1,164,000.

Value

Change

Builder Confidence

Mar 51

+6.25%

Analysts were way wide of the mark. They expected starts to be in the range of 1,215,000 to 1,290,000. Their consensus was 1,256,000

Single family starts did eke out a gain, up 0.4 percent in March to a seasonally adjusted rate of 835,000, remaining 8.9 percent ahead of the previous April. The March estimate of 832,000 was an upward revision from an original estimate of 821,000. Multifamily starts were at the rate of 328,000, falling 9.6 percent from March and were 14.6 percent below the April 2016 start rate.

On a non-adjusted basis, construction was initiated on 106,600 residential units, up from 97,600 a month earlier. Single family starts increased from 69,900 to 78,000.

Completions were at a seasonally adjusted rate of 1,106,000, 8.6 percent below the estimated 1,210,000 rate in March but 15.1 percent higher than in April 2016. Single family completions, at 784,000, represented a loss of 4.5 percent for the month but were up 10.1 percent year-over-year. While multi-family completions were up by 24.6 percent from a year earlier, to an annual rate of 299,000 units, they lost 19.8 percent compared to March.

On a non-adjusted basis, there were 84,200 housing units completed in April compared to 93,700 in March. Single-family completions decreased from 63,500 to 60,700.

At the end of the reporting period there were 1,072,400 housing units under construction, an estimated 450,900 of which were single family units. There were 138,800 permits that had been issued but under which construction had not yet begun, 75,500 of them for single family units. All numbers are given on an unadjusted basis.

Permits in the **Northeast** were down by 10.3 percent from March but were still up 13.0 percent year-over-year. Housing starts plunged by 37.3 percent and 34.2 percent for the two periods. Units were completed at a rate 27.0 percent lower than in March and 1.2 percent short of the year-earlier estimate.

In the **Midwest** permits exceeded the previous month and prior year by 1.0 percent and 1.6 percent respectively and housing starts surged by 41.1 percent compared to March. Year-over-year starts were up by 1.0 percent. Completions were down by 0.5 percent for the month but were 24.8 percent higher than the previous April.

The **South** saw a 7.4 percent decline in permitting compared to March and permits were 0.5 percent lower than in April 2016. Housing starts also fell, down 9.1 percent for the month and 1.5 percent on an annual basis. Completions fell by 7.9 percent from March to April but ran 8.3 percent ahead of a year earlier.

Permitting in the **West** increased by 8.7 percent from March and by 18.3 percent on an annual basis. Housing starts were up 5.4 percent and 23.4 percent respectively. Completions were down by 11.8 percent for the month but remained 9.6 percent higher on an annual basis.

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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